



# **Statement of Accounts**

**2025/2026 [DRAFT]**

**Ribble Valley Borough Council**

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# Narrative Report

## 1 INTRODUCTION

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### **Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (Based on International Financial Reporting Standards)**

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

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

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

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

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

The Code includes adaptations and interpretations of International Financial Reporting Standards and other pronouncements by the International Accounting Standards Board (IASB) subject to such adaptations and interpretations as are necessary for the Local Government context.

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2 RIBBLE VALLEY DEMOGRAPHICS AND ECONOMY

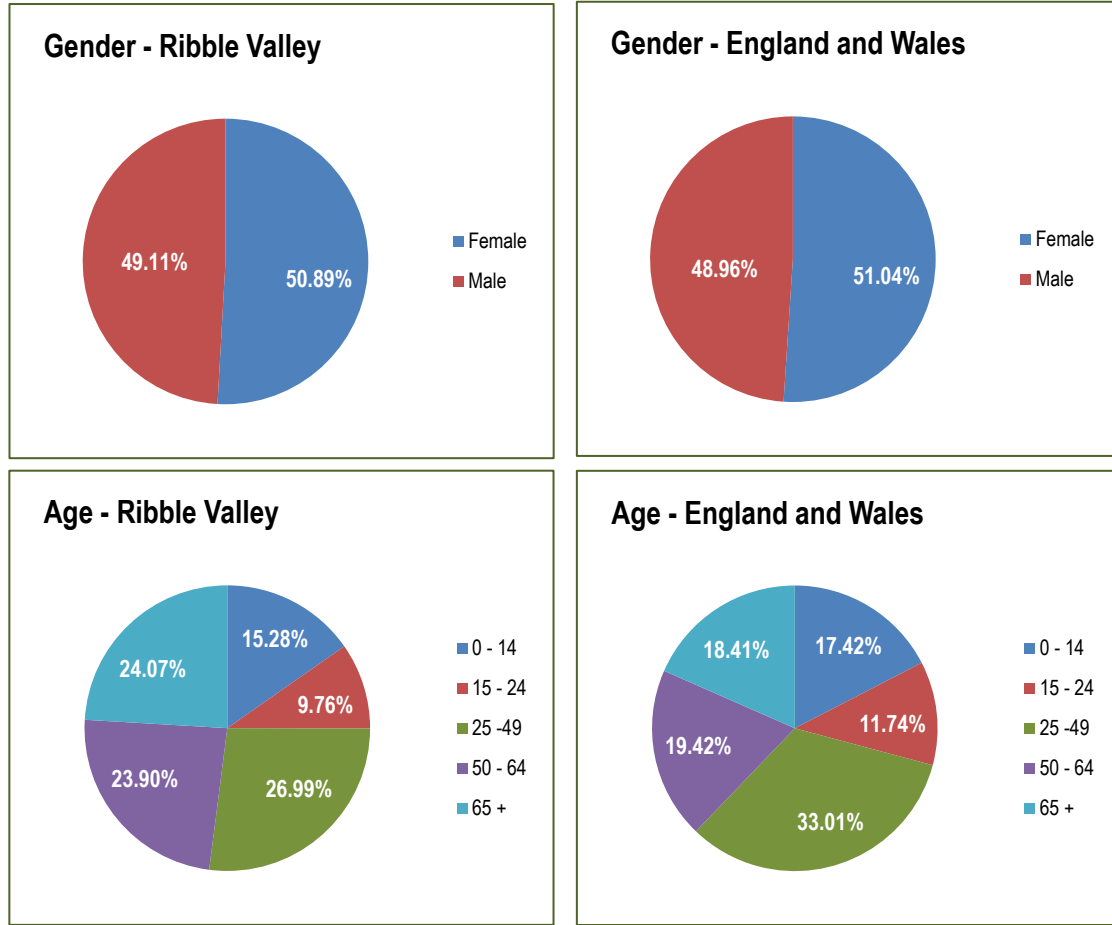
Locality

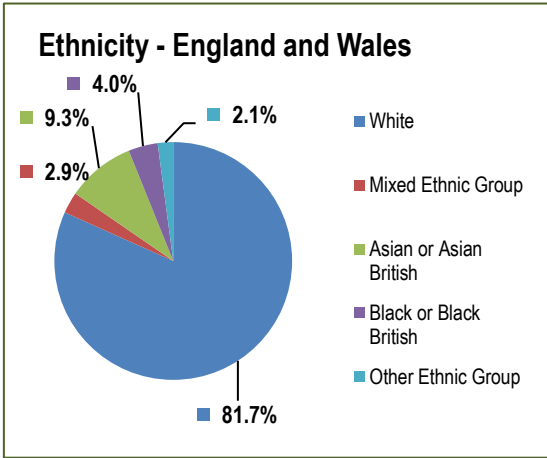
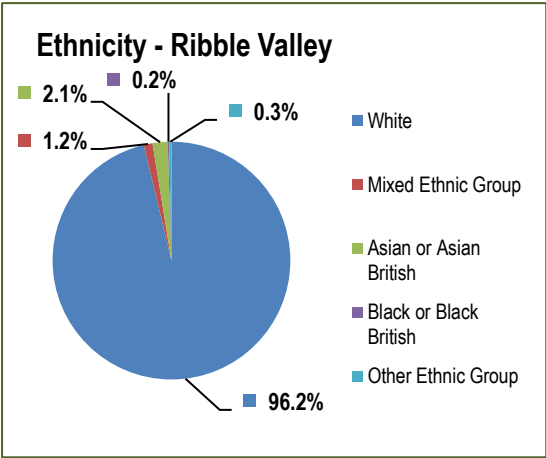
Ribble Valley is in the County of Lancashire bordering neighbouring councils in Pennine Lancashire, Craven District Council in North Yorkshire, South Ribble, Preston, Wyre and Lancaster Borough Councils. The administrative centre for the district is the historic market town of Clitheroe. The industrial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

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

Population

Shown below are key population figures as provided by the Office for National Statistics. These are based on March 2021 (Census). The total population for the borough, based on these statistics, is 61,600. The statistics for Ribble Valley are shown alongside those for England and Wales as a whole for comparison.



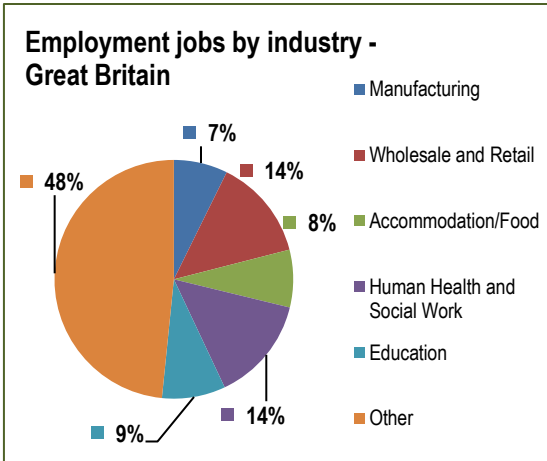
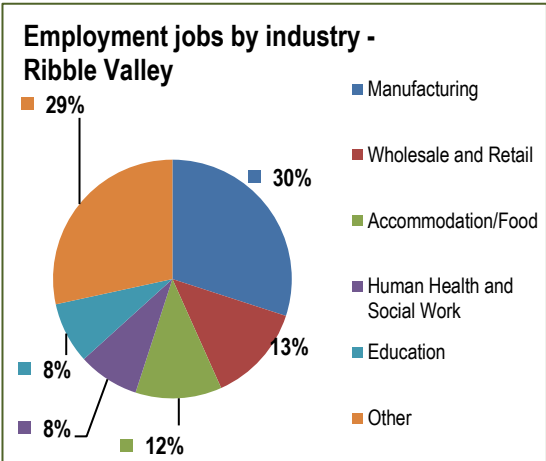


**Local Economy and Business Information**

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

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

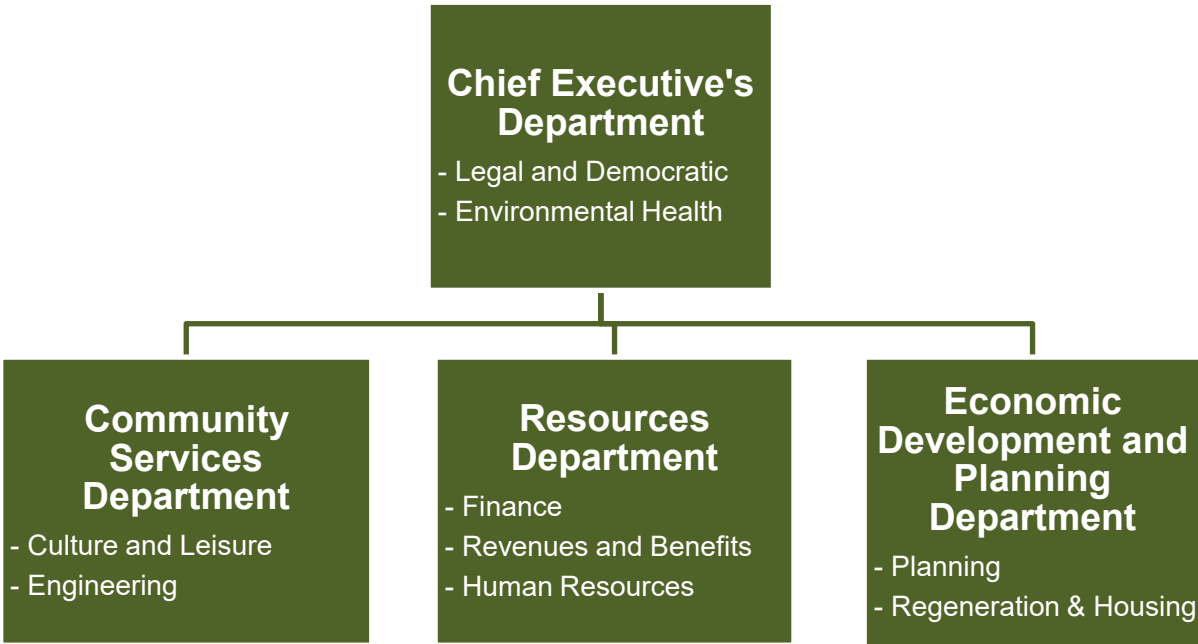
The area also has a strong agricultural association, with high value meat and milk products as well as farm holdings in dairy and grazing categories. In addition, several farming businesses have diversified to offer locally produced food and drink, retail and leisure facilities and tourist attractions. In comparison to the national average, the borough has a relatively high proportion of jobs in the private sector. The following graphs compare the difference in economy split between key sectors within the Ribble Valley and Great Britain (summarised from Nomis Statistics: Employment Jobs by Industry 2024).



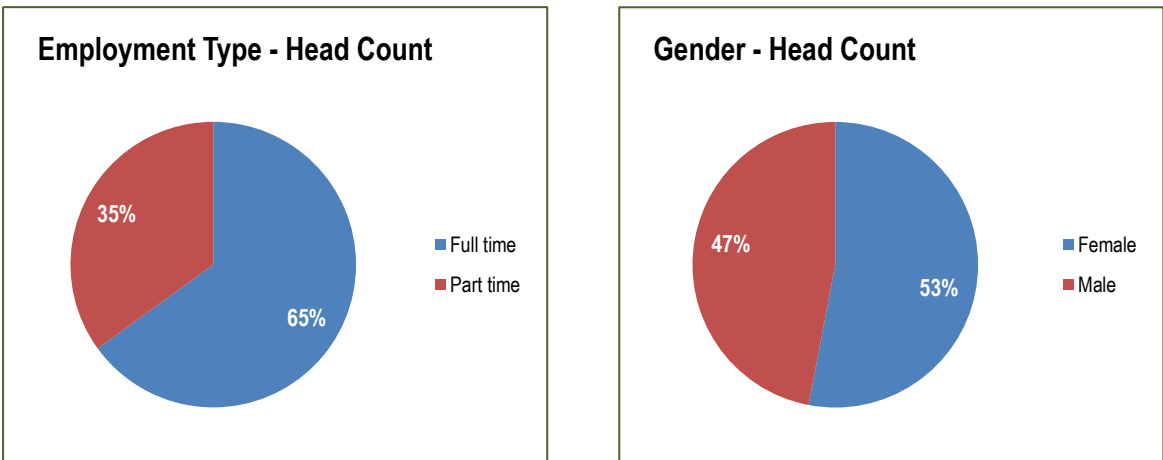
Narrative Report

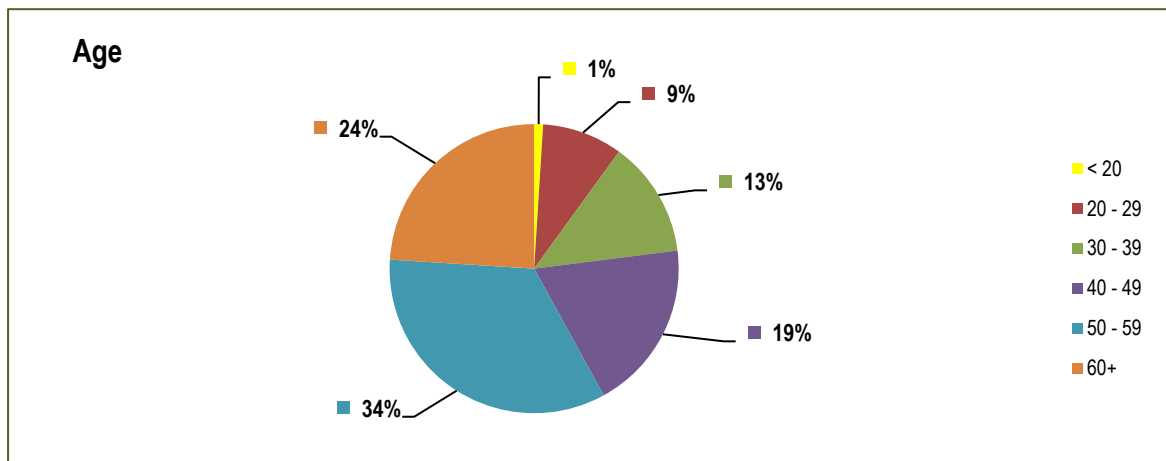
3 OUR EMPLOYEES

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



As at the 31 March 2026 the council employed 237 permanent members of staff (head count). The overall establishment consisted of 251 posts, of which 30 were vacant posts on 31 March. The tables below provide some information on the profile of our permanent employees as at the end of the 2025/26 financial year.





#### 4 ELECTED MEMBERS

Ribble Valley Councillors are elected every four years in local elections. They represent 26 wards and make decisions about local services in the borough.

There were 40 Councillors and 0 vacancies as at the 31 March. The last full election for Ribble Valley Councillors was on 4 May 2023 and the next is due to take place in May 2027.

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

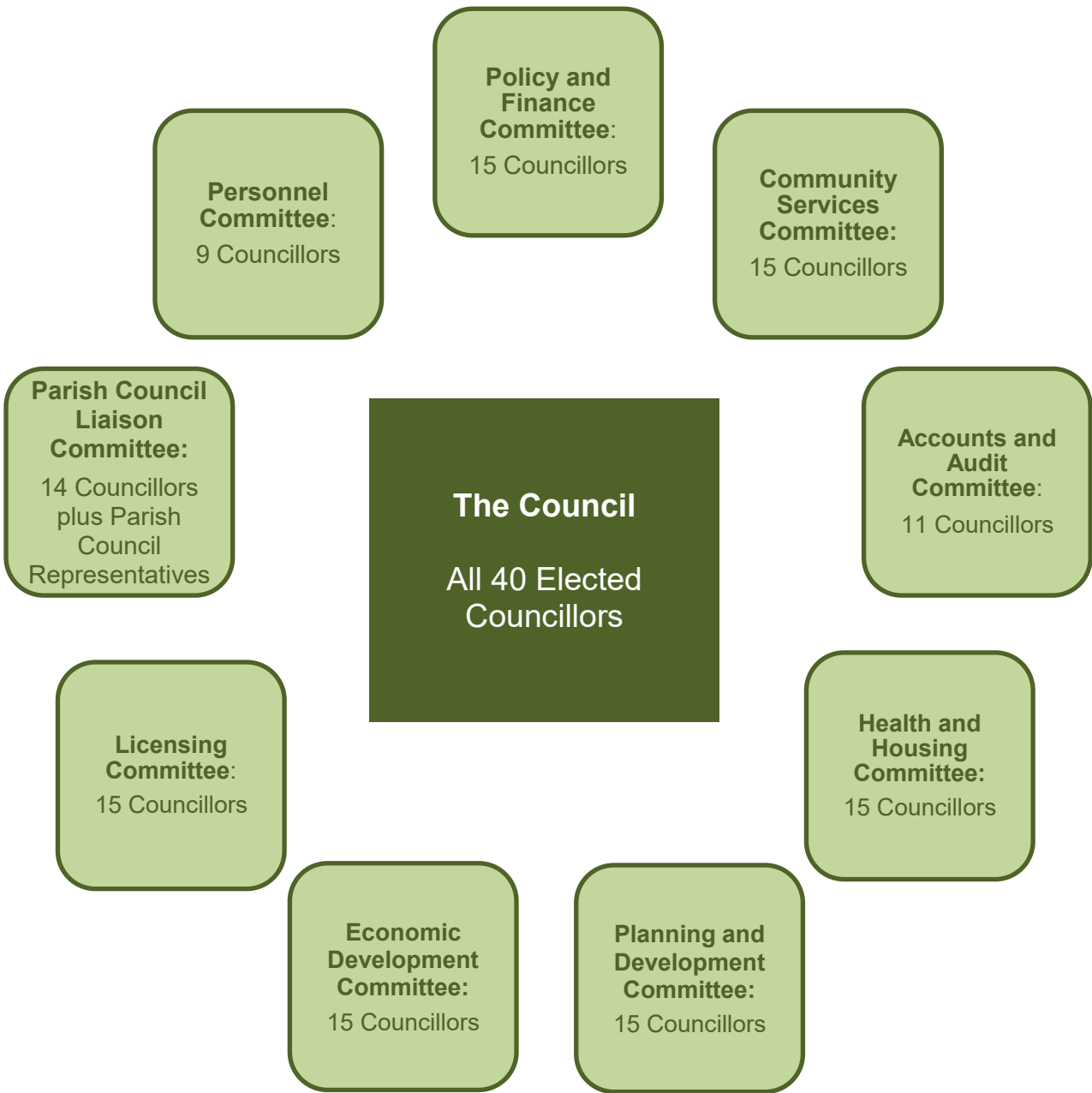
As well as representing the public, Councillors also represent political parties. As at 31 March 2026, our Councillors represented the parties shown in the table below:

|                                     | Number of Councillors |
|-------------------------------------|-----------------------|
| Conservatives                       | 17                    |
| Liberal Democrats                   | 6                     |
| Labour                              | 5                     |
| Green and Progressive Liberal Group | 4                     |
| Reform                              | 3                     |
| Independent Group                   | 3                     |
| Independent Councillors             | 2                     |
| <b>Total</b>                        | <b>40</b>             |

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

Narrative Report

The diagram below shows the committee structure as at the 31 March 2026, and which operated throughout the 2025/26 financial year.



**5 OUR FINANCIAL PERFORMANCE - REVENUE**

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

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

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

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

## Narrative Report

| Committee                                                                                               | Original Estimate | Revised Estimate | Actual        | Original Estimate Compared to Actual | Revised Estimate Compared to Actual |
|---------------------------------------------------------------------------------------------------------|-------------------|------------------|---------------|--------------------------------------|-------------------------------------|
|                                                                                                         | £'000             | £'000            | £'000         | £'000                                | £'000                               |
| Community Services                                                                                      | 5,657             | 5,731            | 5,729         | 72                                   | -2                                  |
| Economic Development                                                                                    | 362               | 439              | 379           | 17                                   | -60                                 |
| Health & Housing                                                                                        | 1,672             | 196              | -30           | -1,702                               | -226                                |
| Planning & Development                                                                                  | 1,101             | 751              | 502           | -599                                 | -249                                |
| Policy & Finance                                                                                        | 3,101             | 3,089            | 3,014         | -87                                  | -75                                 |
| <b>Committee Expenditure</b>                                                                            | <b>11,893</b>     | <b>10,206</b>    | <b>9,594</b>  | <b>-2,299</b>                        | <b>-612</b>                         |
| Parish Precepts                                                                                         | 666               | 666              | 666           | 0                                    | 0                                   |
| Interest Received                                                                                       | -1,001            | -1,078           | -1,100        | -99                                  | -22                                 |
| <b>Net Operating Expenditure</b>                                                                        | <b>11,558</b>     | <b>9,794</b>     | <b>9,160</b>  | <b>-2,398</b>                        | <b>-634</b>                         |
| Impairment Losses/(Gains) on Outstanding Debts                                                          | 0                 | 0                | -13           | -13                                  | -13                                 |
| Contingency for Fuel and Energy Costs                                                                   | 200               | 0                | 0             | -200                                 | 0                                   |
| Precept from Collection Fund (including parish precepts)                                                | -5,044            | -5,044           | -5,044        | 0                                    | 0                                   |
| Collection Fund Surplus - Council Tax                                                                   | -85               | -85              | -85           | 0                                    | 0                                   |
| Funding Floor                                                                                           | -781              | -781             | -781          | 0                                    | 0                                   |
| New Homes Bonus                                                                                         | -547              | -547             | -547          | 0                                    | 0                                   |
| Domestic Abuse Safe Accommodation                                                                       | -36               | 0                | 0             | 36                                   | 0                                   |
| Compensation for National Insurance Increase                                                            | -70               | -70              | -70           | 0                                    | 0                                   |
| Extended Producer Responsibilities                                                                      | -561              | -774             | -774          | -213                                 | 0                                   |
| Business Rates Baseline Funding                                                                         | -1,471            | -1,471           | -1,471        | 0                                    | 0                                   |
| Business Rates Retention                                                                                | -74               | -74              | -74           | 0                                    | 0                                   |
| S31 Grant                                                                                               | -2,665            | -2,620           | -2,625        | 40                                   | -5                                  |
| Retained Rates - Renewable Energy                                                                       | -92               | -92              | -88           | 4                                    | 4                                   |
| 10% of Retained Levy - Payable to LCC under Pooling Arrangements                                        | 97                | 86               | 88            | -9                                   | 2                                   |
| Collection Fund Surplus - Business Rates                                                                | -33               | -33              | -33           | 0                                    | 0                                   |
| Revenue Support Grant                                                                                   | -69               | -69              | -69           | 0                                    | 0                                   |
| <b>Deficit (Surplus) for year before Capital Adjustments and Transfers to/(from) Earmarked Reserves</b> | <b>327</b>        | <b>-1,780</b>    | <b>-2,426</b> | <b>-2,753</b>                        | <b>-646</b>                         |
| Depreciation                                                                                            | -1,257            | -1,150           | -1,129        | 128                                  | 21                                  |
| Minimum Revenue Provision                                                                               | 98                | 98               | 98            | 0                                    | 0                                   |
| Net Transfer to earmarked reserves                                                                      | 525               | 2,268            | 2,888         | 2,363                                | 620                                 |
| <b>Deficit (Surplus) for Year</b>                                                                       | <b>-307</b>       | <b>-564</b>      | <b>-569</b>   | <b>-262</b>                          | <b>-5</b>                           |

**Analysis of our income and expenditure by type**

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

| Committee                    | Original Estimate | Revised Estimate | Actual       | Original Estimate Compared to Actual | Revised Estimate Compared to Actual |
|------------------------------|-------------------|------------------|--------------|--------------------------------------|-------------------------------------|
|                              | £'000             | £'000            | £'000        | £'000                                | £'000                               |
| Community Services           | 5,657             | 5,731            | 5,729        | 72                                   | -2                                  |
| Economic Development         | 362               | 439              | 379          | 17                                   | -60                                 |
| Health & Housing             | 1,672             | 196              | -30          | -1,702                               | -226                                |
| Planning & Development       | 1,101             | 751              | 502          | -599                                 | -249                                |
| Policy & Finance             | 3,101             | 3,089            | 3,014        | -87                                  | -75                                 |
| <b>Committee Expenditure</b> | <b>11,893</b>     | <b>10,206</b>    | <b>9,594</b> | <b>-2,299</b>                        | <b>-612</b>                         |

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

| Income or Expenditure Type     | Original Estimate | Revised Estimate | Actual         | Original Estimate Compared to Actual | Revised Estimate Compared to Actual |
|--------------------------------|-------------------|------------------|----------------|--------------------------------------|-------------------------------------|
|                                | £'000             | £'000            | £'000          | £'000                                | £'000                               |
| Employee Related               | 9,658             | 9,700            | 9,546          | -112                                 | -154                                |
| Premises Related               | 2,342             | 2,498            | 2,466          | 124                                  | -32                                 |
| Transport Related              | 2,423             | 2,602            | 2,698          | 275                                  | 96                                  |
| Supplies & Services            | 2,633             | 2,865            | 2,701          | 68                                   | -164                                |
| Third Party Payments           | 623               | 625              | 599            | -24                                  | -26                                 |
| Transfer Payments              | 5,599             | 5,661            | 5,717          | 118                                  | 56                                  |
| Support Services               | 9,390             | 9,065            | 8,892          | -498                                 | -173                                |
| Depreciation and Impairment    | 1,257             | 1,150            | 1,129          | -128                                 | -21                                 |
| <b>Total Expenditure</b>       | <b>33,925</b>     | <b>34,166</b>    | <b>33,748</b>  | <b>-177</b>                          | <b>-418</b>                         |
| Government Grants              | -5,525            | -5,602           | -5,948         | -423                                 | -346                                |
| Other Grants and Contributions | -333              | -2,234           | -2,181         | -1,848                               | 53                                  |
| Customer and Client Receipts   | -3,901            | -4,067           | -4,165         | -264                                 | -98                                 |
| Recharges and Oncosts          | -12,273           | -12,057          | -11,860        | 413                                  | 197                                 |
| <b>Total Income</b>            | <b>-22,032</b>    | <b>-23,960</b>   | <b>-24,154</b> | <b>-2,122</b>                        | <b>-194</b>                         |
| <b>Net Expenditure</b>         | <b>11,893</b>     | <b>10,206</b>    | <b>9,594</b>   | <b>-2,299</b>                        | <b>-612</b>                         |

## Narrative Report

### Amendments to our budget in the year

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

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

| Item                                                                                 | £'000       |
|--------------------------------------------------------------------------------------|-------------|
| Net decrease in Service Committee Costs                                              | -1,687      |
| Increase in Forecast Interest Received                                               | -77         |
| Decrease in Contingencies                                                            | -200        |
| Recategorisation of Domestic Abuse Safe Accommodation to Net Service Committee Costs | 36          |
| Increase in Extended Producer Responsibilities Funding                               | -213        |
| Decrease in Business Rates Section 31 Grants                                         | 45          |
| Decrease in 10% Retained Levy Payable to LCC under Pooling Arrangements              | -11         |
| Decrease in amount to be removed for Depreciation                                    | 107         |
| Net increase in amount to set aside in Earmarked Reserves                            | 1,743       |
| <b>Net increase in amount to take from balances for the year</b>                     | <b>-257</b> |

### How our revenue services are financed

As shown earlier our total actual net expenditure for committees was £9.594m. This is after allowing for numerous elements of service income such as fees and charges, sales and service specific grants and contributions.

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

- Removal of depreciation and addition of the minimum revenue provision (which represents the minimum amount which must be charged to an authority's revenue account each year for financing of capital expenditure that was initially funded by borrowing).
- The income that has been earned on external investments.
- Payment of parish precepts.
- Of the committee income and expenditure, an element is often required to either be set aside in an earmarked reserve for use for a specific purpose in future years, or alternatively released from an earmarked reserve as expenditure has now been incurred.
- General fund balances are reserves that are not set aside for any specific purpose but are a resource that is used to either support general net expenditure in a given year or is where resources are set aside as a resource to help support future financial years.

After allowing for the above further movements, the council was then left with net expenditure of £10.798m to be financed. This expenditure was financed from our major sources of income as detailed below:

### Council Tax

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

| Council Tax Element                   | £'000         |
|---------------------------------------|---------------|
| Ribble Valley Borough Council Precept | -4,378        |
| Precept relating to all Parishes      | -666          |
| Collection Fund Surplus               | -85           |
| <b>Total Net Council Tax Income</b>   | <b>-5,129</b> |

### Business Rates

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

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

| Business Rates Element                                           | £'000         |
|------------------------------------------------------------------|---------------|
| Total Business Rates Income Forecast for 2025/26                 | -17,167       |
| Less Payable to Central Government                               | 8,583         |
| Less Payable to Lancashire County Council                        | 1,545         |
| Less Payable to Lancashire Combined Fire Authority               | 172           |
| <b>Balance Retained by Ribble Valley Borough Council</b>         | <b>-6,867</b> |
| Less Tariff Payable to Central Government                        | 5,322         |
| <b>Baseline Business Rates Income of £1,470,412 plus £74,398</b> | <b>-1,545</b> |
| Business Rates retained on Renewable Energy Schemes              | -88           |
| Section 31 Grants                                                | -2,625        |
| Less 10% Retained Levy payment to Lancashire County Council      | 88            |
| Business Rates Collection Fund Surplus                           | -33           |
| <b>Overall Net Retained Business Rates Related Income</b>        | <b>-4,203</b> |

In 2025/26 this council was a part of the Lancashire Business Rates Pool which meant that we were able to retain a greater share of business rates income compared to not being a member of a pooling arrangement.

Narrative Report

New Homes Bonus

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

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

Our allocation for 2025/26 was £547,320 (2024/25 £665,149). This will be the final payment of the grant following the local government finance reforms.

Revenue Support Grant

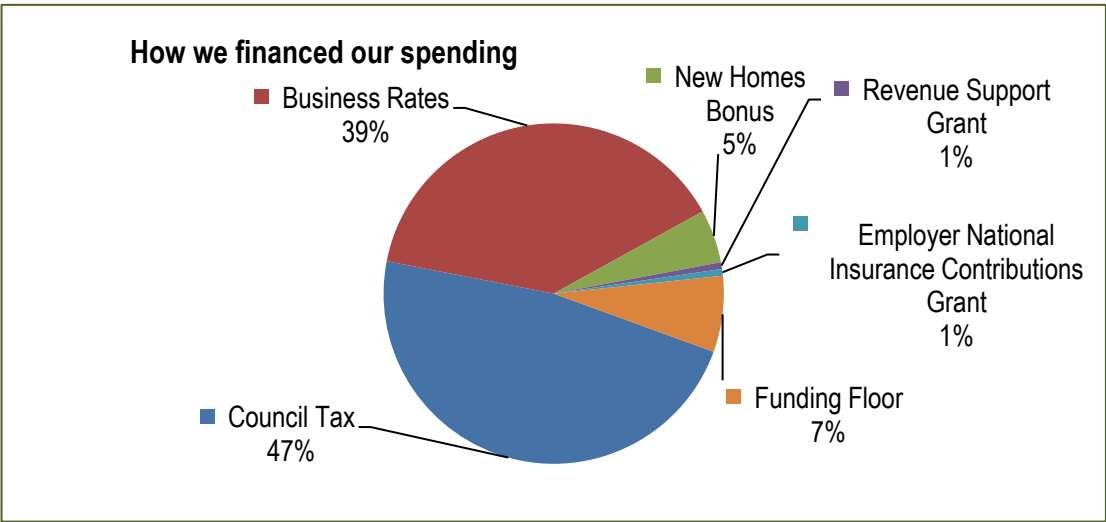
The council also received a financial support through the Revenue Support Grant of £68,652 in 2025/26 (2024/25 £51,807).

Employer National Insurance Contributions Grant

The purpose of this grant was to provide un-ringfenced funding to local authorities to mitigate the impact of the increase in employer National Insurance Contributions on their budgets. This council received £69,495 in 2025/26.

Funding Floor

The purpose of this grant was to ensure that no local authority in England saw a reduction in their Core Spending Power in 2025/2026 after taking into account the increase in council tax levels. This council received £781,159 in 2025/26.



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

During 2025/26 there were many variances identified when we monitored our budget. The main variations affecting our final position compared with the **revised estimate** can be summarised as follows (please note that favourable variances are denoted by figures with a minus symbol):

| Variation                                                | £'000       |
|----------------------------------------------------------|-------------|
| <b><u>Expenditure Variations</u></b>                     |             |
| Direct Employee Costs                                    | -132        |
| Tuition and Training                                     | -22         |
| Repairs and Maintenance                                  | 18          |
| Mechanical and Electrical Maintenance                    | -14         |
| Vehicle - Repairs and Maintenance                        | 76          |
| Vehicle - Running Costs                                  | -16         |
| Purchase and Repairs of Equipment and Materials          | -74         |
| Replacement Wheelie Bins                                 | 27          |
| Publicity and Promotional Activities                     | -42         |
| Homelessness Temporary Accommodation                     | -21         |
| Contract Payments                                        | -27         |
| Rent Allowance Payments including Discretionary Payments | 69          |
| Depreciation                                             | -21         |
| Grant Payments                                           | -49         |
| <b>Total Expenditure Variances</b>                       | <b>-228</b> |
| <b><u>Income Variations</u></b>                          |             |
| DLUHC Redmond Review implementation grant                | -18         |
| Rent Allowances Grant                                    | -104        |
| Home Office Asylum Dispersal Scheme Grant                | -15         |
| DEFRA Air Quality New Burden Grant                       | -13         |
| MHCLG - Digital Planning Improvement Fund                | -50         |
| MHCLG - Local Supported Housing Strategies Grant         | -45         |
| MHCLG - Local Plan Implementation Fund                   | -108        |
| Rent Rebate grant                                        | 18          |
| Commuted Sums                                            | 67          |
| Sport England TaAF Reimbursement of Costs                | 19          |
| Planning Fee Income                                      | -50         |
| Car Parks Income                                         | -45         |
| Sale of Equipment and Materials                          | -15         |
| Cemetery Income                                          | -21         |

## Narrative Report

| Variation                                                                                                                                             | £'000       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Disabled Facility Grants Administration Fees                                                                                                          | 26          |
| Time Recharged to Capital Projects                                                                                                                    | 21          |
| <b>Total Income Variances</b>                                                                                                                         | <b>-333</b> |
| Other variations                                                                                                                                      | -52         |
| <b>Net Variation on Committee Expenditure</b>                                                                                                         | <b>-613</b> |
| Increased Interest Received                                                                                                                           | -22         |
| <b>Variation on Net Operating Expenditure</b>                                                                                                         | <b>-635</b> |
| Impairment Losses/Gains on Outstanding debts                                                                                                          | -14         |
| Retained Rates Related Income                                                                                                                         | 3           |
| <b>Variation on (Surplus) for Year Before Capital Adjustments and Transfers to/(from) Earmarked Reserves</b>                                          | <b>-646</b> |
| Reversal of Depreciation                                                                                                                              | 21          |
| Extra Transfers to Earmarked Reserves (for Revenue)                                                                                                   | 620         |
| <b>Difference Between the Amount to Add to Balances at the Outturn Position and the Amount Forecast to Take from Balances at the Revised Estimate</b> | <b>-5</b>   |

### General Fund Balances and Earmarked Reserves

We had originally planned to add £307,146 to general fund balances. However, this was revised later in the year to add £564,254 to general fund balances. The final position shows that the council has added £569,159 to general fund balances.

| General Fund Balance                                           | £                |
|----------------------------------------------------------------|------------------|
| <b>General Fund Balances: Brought forward at 1 April 2025</b>  | <b>4,082,200</b> |
| Surplus 2025/26 added to General Fund Balances                 | 569,159          |
| <b>General Fund Balances: Carried forward at 31 March 2026</b> | <b>4,651,359</b> |

With regard to earmarked reserves, in support of the revenue account, we had originally planned to add £524,518. However, this was revised later in the year to adding £2,268,228 to earmarked reserves.

The final position shows that the council has added £2,888,166 to earmarked reserves for revenue purposes. For capital purposes we took £2,941,513 from earmarked reserves to fund the capital programme. The overall net movement was £53,347 taken from earmarked reserves.

| Earmarked Reserves                                          | £                 |
|-------------------------------------------------------------|-------------------|
| <b>Earmarked Reserves: Brought forward at 1 April 2025</b>  | <b>16,644,085</b> |
| Net added to Earmarked Reserves for revenue purposes        | 2,888,166         |
| Net taken from Earmarked Reserves for capital purposes      | -2,941,513        |
| <b>Earmarked Reserves: Carried forward at 31 March 2026</b> | <b>16,590,738</b> |

**6 OUR FINANCIAL PERFORMANCE - CAPITAL**

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

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

During the year the Council spent £3,902,977 on capital schemes. The main areas of expenditure included:

- Replacement Vehicles and Plant.
- Play Area Improvements.
- Ribblesdale Pool Refurbishment.
- Improvements to the Castle Keep and Castle Grounds.
- Payment of Housing Related Grants.
- Ribble Valley Shared Prosperity Fund Schemes.
- UK Shared Prosperity Funded Schemes.
- Rural England Prosperity Fund Schemes.

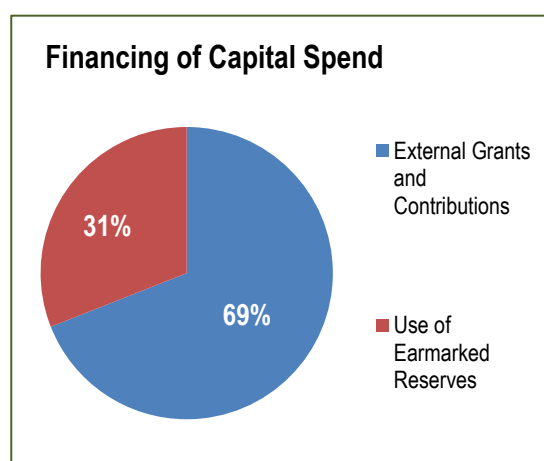
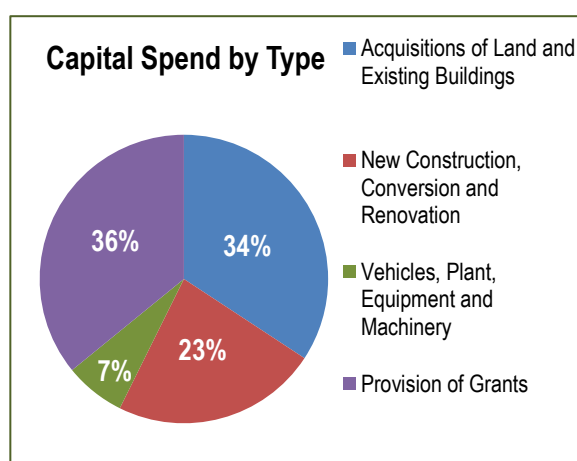
Shown below is a summary of how we performed on the capital programme compared to the budget.

## Narrative Report

| Capital Programme                                                                                         | Original Estimate  | Revised Estimate  | Actual            | Original Estimate Compared to Actual | Revised Estimate Compared to Actual |
|-----------------------------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|--------------------------------------|-------------------------------------|
|                                                                                                           | £                  | £                 | £                 | £                                    | £                                   |
| Community Services Committee                                                                              | 8,666,880          | 1,830,610         | 834,337           | -7,832,543                           | -996,273                            |
| Economic Development Committee                                                                            | 0                  | 0                 | 0                 | 0                                    | 0                                   |
| Planning and Development Committee                                                                        | 0                  | 0                 | 0                 | 0                                    | 0                                   |
| Policy and Finance Committee<br>(Includes UK Shared Prosperity and Rural England Prosperity Fund schemes) | 2,108,540          | 2,937,325         | 844,964           | -1,263,576                           | -2,092,361                          |
| Health and Housing Committee                                                                              | 3,160,390          | 2,871,540         | 2,223,676         | -936,714                             | -647,864                            |
| <b>Total Capital Expenditure</b>                                                                          | <b>13,935,810</b>  | <b>7,639,475</b>  | <b>3,902,977</b>  | <b>-10,032,833</b>                   | <b>-3,736,498</b>                   |
| Grants and Contributions                                                                                  | -2,767,510         | -3,398,595        | -2,567,953        | 199,557                              | 830,642                             |
| Borrowing                                                                                                 | -1,825,068         | -500,000          | 0                 | 1,825,068                            | 500,000                             |
| Usable Capital Receipts                                                                                   | -307,940           | -154,940          | 0                 | 307,940                              | 154,940                             |
| Earmarked Reserves<br>(includes S106 Funding)                                                             | -9,035,292         | -3,585,940        | -1,209,024        | 7,826,268                            | 2,376,916                           |
| **Treated as Inventories and will be<br>Financed Once Released                                            | 0                  | 0                 | -126,000          | -126,000                             | -126,000                            |
| <b>Total Resources</b>                                                                                    | <b>-13,935,810</b> | <b>-7,639,475</b> | <b>-3,902,977</b> | <b>10,032,833</b>                    | <b>3,736,498</b>                    |

*\*\*The council has bought a property with the intention of selling it as an affordable home. As a result, such assets are not included on our balance sheet as Long Term Assets, but instead must be held as Inventories, and will not be financed until such time as they are sold and released from the Balance Sheet.*

Shown below are summaries of the type of expenditure that is represented in the £3,902,977 of capital expenditure shown in the table above and its financing.



## Narrative Report

As shown in the table above, comparing spend to budget, there is a variance of £3,736,498 between the revised capital programme and actual spend. At the end of the financial year work on some schemes was still underway. This can be carried forward into the new financial year and is known as slippage. £3,860,962 is carried forward as slippage into the 2026/27 financial year, and is summarised below:

| Scheme Name                                                                     | Slippage in to the 2026/27 Financial Year<br>£ |
|---------------------------------------------------------------------------------|------------------------------------------------|
| Castle Keep Lime Repointing Works and Repairs                                   | 117,260                                        |
| Replace Concrete Bays to Rear of Salthill Depot                                 | 20,280                                         |
| Car Parks Resurfacing Rolling Programme                                         | 22,740                                         |
| Church Walk Ladies Public Conveniences Refurbishment (previously Dunsop Bridge) | 12,810                                         |
| Improvement Works to Castle and Grounds                                         | 147,170                                        |
| Installation of 3G Pitches at Longridge **                                      | -30,600                                        |
| Mardale Playing Pitches Drainage                                                | 9,260                                          |
| Outdoor Gym Clitheroe Castle Grounds                                            | 3,280                                          |
| Play Area Improvements Hawthorne Place                                          | 8,820                                          |
| Play Area Improvements Kestor Lane                                              | 12,480                                         |
| Play Area Refurbishment Programme                                               | 315,910                                        |
| Food Waste Collections                                                          | 75,060                                         |
| Replacement of Forklift/Toilet Cleaner Van                                      | 20,000                                         |
| Ribblesdale Pool Refurbishment **                                               | -3,530                                         |
| Replacement of JBC Loadall                                                      | 144,000                                        |
| Replacement of Paper Collection Vehicle SY11 CRK                                | 63,000                                         |
| Replacement of Paper Collection Vehicle VO13 UVV                                | 63,000                                         |
| Cemetery Lodge Affordable Housing Scheme                                        | 61,680                                         |
| Disabled Facilities Grants                                                      | 191,120                                        |
| Assisted Purchase Scheme                                                        | 15,180                                         |
| Further Clitheroe Market Improvements**                                         | -3,730                                         |
| First Time Buyer Grants                                                         | 82,520                                         |
| Landlord Tenant Grants**                                                        | -12,850                                        |
| Purchase of Affordable Housing                                                  | 500,000                                        |
| Temporary Housing Scheme                                                        | 21,500                                         |
| Waterloo House Affordable Housing Flat Scheme**                                 | -39,790                                        |

## Narrative Report

| Scheme Name                                      | Slippage in to<br>the 2026/27<br>Financial Year<br>£ |
|--------------------------------------------------|------------------------------------------------------|
| Council Offices Mains and LED Lighting Upgrade** | -1,480                                               |
| Network Infrastructure                           | 49,350                                               |
| Software Upgrade for Regulatory Services         | 94,450                                               |
| Replacement of Council Offices Fire Alarm System | 69,180                                               |
| Ribble Valley Shared Prosperity Fund             | 1,544,930                                            |
| UK Shared Prosperity Fund Schemes                | 235,287                                              |
| Rural England Prosperity Fund Schemes            | 52,675                                               |
| <b>Total Capital Slippage</b>                    | <b>3,860,962</b>                                     |

*\*\* Negative value, as much of this budget was moved to 2026/27 at revised estimate time. The negative value here reflects the overspend on the budget that was left in 2025/26 which will now be offset against the budget previously moved to 2026/27.*

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

The council had no external borrowing at the 31 March 2025 or 31 March 2026.

**7 OUR FINANCIAL PERFORMANCE – COLLECTION FUND**

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

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

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

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

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

Performance of the Collection fund for 2025/26 is summarised in the table below, compared to the forecast performance.

## Narrative Report

| Collection Fund                                         | Original Estimate | Revised Estimate | Actual         | Original Estimate Compared to Actual | Revised Estimate Compared to Actual |
|---------------------------------------------------------|-------------------|------------------|----------------|--------------------------------------|-------------------------------------|
|                                                         | £'000             | £'000            | £'000          | £'000                                | £'000                               |
| <b>Council Tax - Expenditure</b>                        |                   |                  |                |                                      |                                     |
| Total of all Precepts                                   | 58,982            | 58,982           | 58,982         | 0                                    | 0                                   |
| Total Council Tax Surplus Distributed                   | 959               | 959              | 959            | 0                                    | 0                                   |
| Bad Debts Provision                                     | 445               | 100              | 75             | -370                                 | -25                                 |
| Overpayments of Council Tax Benefits                    | 0                 | 1                | 3              | 3                                    | 2                                   |
| <b>Expenditure Subtotal - Council Tax</b>               | <b>60,386</b>     | <b>60,042</b>    | <b>60,019</b>  | <b>-367</b>                          | <b>-23</b>                          |
| <b>Business Rates - Expenditure</b>                     |                   |                  |                |                                      |                                     |
| Total Business Rates Surplus distributed                | 83                | 83               | 83             | 0                                    | 0                                   |
| Cost of Collection                                      | 97                | 97               | 97             | 0                                    | 0                                   |
| Enterprise Zones                                        | 365               | 191              | 191            | -174                                 | 0                                   |
| Renewable Energy Schemes                                | 92                | 92               | 88             | -4                                   | -4                                  |
| Total Distribution of Business Rates                    | 17,167            | 17,167           | 17,167         | 0                                    | 0                                   |
| Appeals Provision                                       | 732               | 1,503            | 700            | -32                                  | -803                                |
| Bad Debts Provision                                     | 183               | 30               | 20             | -163                                 | -10                                 |
| Interest Paid on Refunds                                | 0                 | 14               | 17             | 17                                   | 3                                   |
| <b>Expenditure Subtotal - Business Rates</b>            | <b>18,719</b>     | <b>19,177</b>    | <b>18,363</b>  | <b>-356</b>                          | <b>-814</b>                         |
| <b>Total Expenditure</b>                                | <b>79,105</b>     | <b>79,219</b>    | <b>78,382</b>  | <b>-723</b>                          | <b>-837</b>                         |
| <b>Council Tax - Income</b>                             |                   |                  |                |                                      |                                     |
| Surplus Brought Forward                                 | -959              | -915             | -915           | 44                                   | 0                                   |
| Council Tax Income                                      | -59,427           | -59,572          | -59,505        | -78                                  | 67                                  |
| 50% Ukraine Local Discount - Chargeable to General Fund | 0                 | -8               | -8             | -8                                   | 0                                   |
| Family Annexes Discount - Chargeable to General Fund    | 0                 | -15              | -15            | -15                                  | 0                                   |
| <b>Income Subtotal - Council Tax</b>                    | <b>-60,386</b>    | <b>-60,510</b>   | <b>-60,443</b> | <b>-57</b>                           | <b>67</b>                           |
| <b>Business Rates - Income</b>                          |                   |                  |                |                                      |                                     |
| Surplus Brought Forward                                 | -83               | -441             | -441           | -358                                 | 0                                   |
| Transitional Protection                                 | -268              | -261             | -249           | 19                                   | 12                                  |
| Net Rates Payable (before appeals)                      | -18,368           | -18,368          | -17,482        | 886                                  | 886                                 |
| <b>Income Subtotal - Business Rates</b>                 | <b>-18,719</b>    | <b>-19,070</b>   | <b>-18,172</b> | <b>547</b>                           | <b>898</b>                          |
| <b>Total Income</b>                                     | <b>-79,105</b>    | <b>-79,580</b>   | <b>-78,615</b> | <b>490</b>                           | <b>965</b>                          |
| Council Tax Surplus carried forward                     | 0                 | -468             | -424           | -424                                 | 44                                  |
| Business Rates Deficit carried forward                  | 0                 | 107              | 191            | 191                                  | 84                                  |
| <b>Total Net Surplus carried forward</b>                | <b>0</b>          | <b>-361</b>      | <b>-233</b>    | <b>-233</b>                          | <b>128</b>                          |

## 8 OUR NON-FINANCIAL PERFORMANCE

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

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

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

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

- **Improve the health and wellbeing of everyone living in the borough:** Discretionary leisure services continue to be provided by the Council. These include Ribblesdale Pool, 3G pitches, grass pitches and tennis courts at Edisford Sports Complex and grass pitches at Longridge. There are also several parks and play areas across the borough.
- **Working with Town and Parish Councils we will bring together our villages and towns so that everyone can achieve their full potential:** The Council supports town and parish councils to take responsibility for local service delivery where appropriate. The Parish Council Liaison Committee meets regularly and provides a forum for constructive engagement between the Borough Council and parish councils. It enables parish councils to ask questions about Council policies, raise matters of local interest or concern, and strengthen partnership working. The Council also provides annual concurrent function grants to parish and town councils for a range of local services.
- **Maximise opportunities for residents to be physically and mentally active:** For many years Ribble Valley Borough Council's sports and arts excellence grants scheme has supported the borough's young athletes and performance artists at county and national level by helping with the cost of equipment and tuition. Grants are available for sport, dance, drama and music (instrumental and voice), with priority given to those with a strong track record in their chosen discipline and able to provide evidence of achievement.

The council's recreation and culture grant scheme is available for projects that boost community health and wellbeing by increasing access to arts, sports and community activities

- **Promote our leisure services and facilities, meeting the needs of residents:** The Council plays an important role in providing sport, fitness and leisure opportunities across the borough. Information about health, sport and leisure,

## Narrative Report

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including details of the Council's sporting facilities, is available on the Council website. Through partnership working and the delivery of a health and wellbeing partnership, the Council is developing a long-term vision for leisure that supports residents to be physically active and helps maximise opportunities for participation.

The Council also continues to support people and communities through a comprehensive directory of community groups and clubs across the borough, available on the Council website. The directory includes a wide range of hobbies, interests, sports and pastimes. The Council recognises that pockets of social isolation and deprivation remain, particularly in rural communities, and that these can create specific health challenges for people living in these areas.

A significant amount of partnership work continues between the Council, health partners, Lancashire County Council and the voluntary sector to support improved health and wellbeing outcomes across the borough.

- **Provide and signpost access to grant funding schemes:** The Council provides grant schemes to support parishes, local recreation and cultural facilities, and voluntary organisations. These schemes help deliver Council priorities while strengthening community activity across the borough. The Council's Partnership Officer also works with local groups and organisations, including signposting them to funding opportunities.

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

- **Aspire to be a carbon neutral Council by 2030, and work with others in the borough to be more environmentally sustainable:** At the Council meeting on 14 October 2025, a Notice of Motion to Declare a Climate Emergency was proposed and approved, and on 11 November, a report was taken to Policy and Finance Committee to update Committee on the actions taken following the approval of the Motion.

As part of the motion the cross-party Climate Change Working Group was renamed the Climate Emergency Working Group (CEWG) who considered and agreed a draft Climate Change Action Plan for 2025/2026 that was reported to Economic Development Committee for consideration and approval on 20 November.

The 2025/26 action plan identifies initiatives where the Council can make a tangible impact in reducing carbon emissions, while supporting an ambitious response to climate change that does not adversely affect service delivery.

At the CEWG meeting on 23 April 2026, the group gave consideration to the 2025/2026 annual report which provides updates on the progress of the climate change action plan. The report covers the period 1 April 2025 to 31 March 2026. The working group agreed the 2025/2026 Climate Change Annual Report and Action Plan update for taking to Economic Development Committee on 11 June 2026. The Chairman also supported that the report and the achievements made should be published on the Climate Change pages of the Council website.

The Climate Change Annual Report 2025/2026 provides a summary of activities detailed within our Climate Change Action Plan for the past year; and is the third annual report published since the launch of the Climate Change Strategy. Each objective or goal within the plan was given a RAG (Red-Amber-Green) rating, which is used to summarise the status of each specific objective, goal or action. The report and RAG rating of the 2025/2026 action plan is used to develop the next iteration of the Climate Change Action Plan for 2026/27, the action plan will also take into account the Motion agreed at Council in October 2025.

- **Provide an economic, efficient, and effective waste collection service:** The Council continues to work with the disposal authority, Lancashire County Council, and is developing a Waste Strategy to maximise recycling. Further actions are also included in the Climate Change Action Plan 2025/26 to help embed cost saving environmental practices.

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

The Government's national recycling scheme for weekly food waste collection commenced on 1st April 2026.

At the Community Services Committee meeting in October 2025, a report was presented detailing issues with the procurement of food waste vehicles which were outside of the Council's control due to the lack of availability of vehicles either on a temporary or permanent basis.

We will commence our food waste collections in February 2027. Reports will be presented to Committee in August and October detailing plans and progress towards the launch. DEFRA have been updated on the issues and the late start date.

In March 2026, the Director of Community Services submitted a report seeking support from the Community Services Committee for a public and stakeholder consultation on the draft waste strategy for Lancashire prior to its adoption by all Lancashire Councils later in the year. This is following agreement by Lancashire Leaders and Chief Executives to proceed to consultation.

Adopting a new waste strategy was necessary for all Lancashire Authorities to ensure compliance with the Environment Act 2021 and prepare the Council for significant financial and operational changes in the waste sector. Launching the consultation allowed the council to engage with residents on the critical changes and ensure the local implementation plan was robust and responsive to residents' needs.

The report also provided details of the consultation process, the implications for Ribble Valley of mandatory service changes, and the incoming financial mechanisms which would alter the cost base of the waste service.

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- **Promote and support the installation of low carbon energy:** The Climate Change Action Plan 2025/26 supports community initiatives to empower homeowners, tenants, and landlords to use energy from low and zero carbon sources.

External funding initiatives are regularly forwarded to Parish Councils and Chipping Community Energy providing them with information and the opportunity to bid for funding.

The council is also leading by example by completing the installation of approximately 115 solar panels on several roof slopes at the council offices at Church Walk.

**Protect and preserve the distinctive character of our local towns and villages:** Ribble Valley is sustained by vital and vibrant market towns and villages the Council continues to support them as thriving service centres meeting the needs of residents, businesses and visitors.

- **Support our communities to manage the impact and be more resilient to climate change:** The creation of a green canopy in tribute to the Queen's 70 years of service remains a lasting legacy within the borough. The Council working in partnership with Lancashire County Council Treescapes Team continues to identify potential new sites and actively seeks funding opportunities for planting trees and landscape recovery. This work not only contributes to the Council's Climate Change Strategy and action plan but also provides a valuable asset which will be enjoyed by people for years to come.

During 2025/26 as part of the Ribble Valley 50<sup>th</sup> Anniversary Redwood Tree Planting initiative. Since the scheme started in April 2024, twenty-seven carbon busting redwood trees have been planted on council and private land across the borough, and we are continually looking for more sites to bring our total to 50.

Two Miyawaki micro-forests have also been planted at Longridge and Edisford, and re-wilding / biodiversity restoration has been completed on sites at Edisford Bridge and Clitheroe Castle.

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

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

- **Being a safe and clean place to live and visit, by promoting pride in the area and the environment:** The Council continues to work with partners in our local Community Safety Partnership (CSP) to improve safety, and a sense of safety, and to tackle crime and antisocial behaviour.

Ribble Valley has the 11th lowest crime rate of 35 districts in the North West region and the 43rd lowest crime rate of 318 districts in England and Wales.

The overall crime rate in Ribble Valley in the last 12 months (May 2025 – April 2026) was 54.9 per 1,000 residents and was 5.7% lower than the North West region average (58.3 per 1,000 residents).

In the last 12 months, Ribble Valley's most reported crimes were *Violence and sexual offences* with 1,340 offences recorded. The least common crime was *Theft from the person* with 1 case, down -50.0% compared to 2025. The fastest-growing crime category was *Other crime* (13.0% Year-over-year (YoY)). The sharpest decline was *Theft from the person* (-50.0% YoY).

Violent crimes totalled 1,514 ( $\approx$  24.0 per 1,000 residents). Year-over-year these were rising (5.9%). Over the last decade, overall crime is falling (-51.8% comparing early vs recent averages).

The Council continues to provide vital services, ensuring that our residents and visitors are able to stay safe.

**Sources: Police crime data** – monthly street-level records from data.police.uk, usually published with a three-month delay.

**ONS & OS boundaries** – official statistical and administrative areas (OA, LSOA, MSOA, ward, district, region, parish) from the Office for National Statistics and Ordnance Survey.

**ONS population** – Census 2021 and ONS mid-year estimates used to calculate crime rates per 1,000 residents.

To preserve Ribble Valley as an area of outstanding natural beauty, the Council provides and maintains litter bins in an attempt to prevent litter in public places. New litter bins with separate sections for recyclables such as glass, cans, and plastic bottles and for general waste/litter have been rolled out in the same colour scheme as the wheeled bins presently provided to residents for their recycling and refuse collection.

The dog warden service is available Monday to Friday (8.45am - 5.00pm) with a number for out of hours available on the website. The dog wardens undertake both routine patrols and respond to complaints of roaming dogs. In August 2023 the Health and Housing Committee approved an extension of the 2020 PSPO for a further three years. The council is presently seeking views from residents as to whether the 2023 PSPO should be extended for a further three years as it expires in October 2026.

- **Continue to monitor air quality within the borough:** The Council continues to monitor air quality clean zones across the borough and produces an annual Air Quality Annual Status report that fulfils the requirements of the Local Air Quality Management process which is accepted by DEFRA. The report is published on the Council website.

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

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

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

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developments in Ribble Valley provide an element of affordable housing comprising a mix of shared ownership and rental properties.

The Council offers a number of grants for which information is available on the Council website. Throughout the year the Council promotes grant schemes offering support to community projects. Housing grants are available for residents including a Disabled Facilities Grant for Home Improvements, First Time Buyer Grants, Landlord / Tenant Grants and Affordable Warmth Grants. Several sources of grant funding are made available to the Council to address homelessness issues.

Launched in 2025/26 on the Council's website is the Ribble Valley Shared Prosperity and Jubilee Fund. This grant scheme intends to deliver legacy projects across the Borough to strengthen the Borough's economy and communities by funding capital projects. Grants of up to £100,000 are available to eligible organisations.

- **Encourage economic development:** The Council supports the economic development of the borough by continuing to deliver high quality housing opportunities whilst reducing the number of empty properties. By working with partners, the Council supports the development of business and employment opportunities with specific focus on promoting economically and environmentally sustainable tourism.
- **Support our business community and attract new investment:** The Council continues to provide Business Rates Relief to eligible businesses throughout the borough. The Local Plan for Ribble Valley 2008-2028 (Adoption version of the Housing and Economic Development – Development Plan Document – 15 October 2019) promotes the delivery of sufficient land for business development and supports highly paid business growth opportunities.
- **Support employment opportunities within the borough:** In 2011, the government announced the creation of a single Lancashire enterprise zone that covers the two BAE sites in Lancashire at Samlesbury and Warton. The Enterprise zones are areas where financial incentives and a simplified planning structure are designed to encourage businesses and create employment.

The BAE site at Samlesbury is known for having a high proportion of manufacturing jobs mainly due to the aerospace industry. However, there are also high number of food and beverage producing employers such as Thwaites brewery, which is now based at Mellor Brook. In contrast, Ribble Valley has the lowest proportion of service sector employment in Lancashire.

The borough has a very large number of farm holdings, with cattle and sheep being the dominant livestock, and a high number of people employed in agriculture. Financial returns in a number of agricultural sectors have forced many farm enterprises to look more carefully at diversification as a means of improving the viability of their core farm businesses. In some cases, this has taken the form of developing non-agricultural activities such as the provision of accommodation, facilities to encourage tourism or the hosting of weddings and other events. Diversification has also been achieved by moving into organic production, both of livestock and crops, or offering innovative new uses for former farmland or buildings.

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

- **Work with partners to improve transport networks, especially to our rural areas:** Transport has a key role to play in realising the economic potential of an area by unlocking key locations, such as the existing and new locations referred to in the employment section above. Using sustainable transport modes can significantly improve employment opportunities and life chances.

The East Lancashire Highways and Transport Masterplan is the strategic transport document for the wider Lancashire area and contains references to transport issues in the authority. Other than the A59 the road network is predominantly 'B' roads.

The Council continues to provide essential grant funding to The Little Green Bus which is small charity based in Clitheroe. It provides safe, considerate and accessible transport to people who can't use regular public transport for a variety of reasons, and to other non-profit groups. This helps keep people active and engaged in their communities resulting in a positive contribution to their health and wellbeing.

We continue to seek improvements to rail connections and examine options for increasing rail travel to the borough. The authority has four railway stations, Clitheroe, Langho, Ramsgreave and Wilshire, and Whalley, which are served by Clitheroe to Manchester trains.

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

The Council is working with Lancashire County Council who has been pre - allocated £10.1m from the Local Electric Vehicle Infrastructure (LEVI) fund to enhance the presence of on-street low-powered charge points in residential areas. This initiative aims to accelerate the commercialisation of Electric Vehicle Charging Infrastructure (EVCi) throughout the 12 Lancashire districts. The Council appreciates that there will continue to be a reliance on the private car, not least in peripheral and rural areas of the borough. By encouraging people to get out of the car for journeys that can be taken by cleaner, healthier, more inclusive, and more cost-effective ways to travel, sits across all our transport and travel activities.

The climate change action plan promotes the use and supports the installation of Electric Vehicle (EV) charging points on Council owned car parks. Over the past four years, we have installed 28 electric vehicle charging points on seven council car parks across the borough which include rural areas.

Five pilot scheme locations were identified from across the borough for installation of cross pavement cable trays for residents that do not have off-street parking. This is in partnership with LCC through the LEVI pilot scheme funding.

## Narrative Report

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- **Promote active travel across the borough:** The Lancashire Cycling and Walking Strategy has been developed by Lancashire County Council and will provide opportunities for active travel, enabling a long-term approach to developing local cycling and walking networks and show a vision to create safer, greener and healthier travel opportunities.

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

- **Maintain critical financial management and controls, ensuring the Council provides value for money, within current financial constraints:** Ribble Valley currently has the lowest Band D Council Tax in Lancashire, and it is also one of the lowest in the UK. The council has maintained this status through careful financial planning and efficient service delivery.
- 40% of respondents in the 2023 'People's Survey - Life in Ribble Valley' said that they agreed that Ribble Valley Borough Council provides value for money.
- **Explore viable options for income generation and financial savings to protect front line services:** Local authorities are finding it harder to protect essential public services, especially after years of austerity. The Council, like others, is dealing with tighter budgets, growing financial pressures, and ongoing uncertainty about future funding.

Despite these challenges, the Council has a legal and moral responsibility to manage resources wisely. Ribble Valley has the lowest Council tax in Lancashire and one of the highest council tax collection rates in the North West. The Council is also proud to be debt-free, have strong reserves, and makes significant capital investment

- **Ensure that our services are accessible to all and that we deliver services to meet customer needs:**

The Council regularly encourages residents to share feedback and responds quickly when possible, using comments from social media and the website. In the 2023 'People's Survey – Life in Ribble Valley,' 40% of respondents said they were satisfied with how the Council runs services.

Since the Citizens' Panel hadn't been updated or contacted since the 2018 Perception Survey, a new online People's Panel is being created to better reflect the borough's population. The panel currently over 200 members.

The Council has a duty to safeguard people of all ages from harm, abuse, neglect, and unfair treatment, while supporting those who wish to live independently. Online services are being improved, along with continued support for charities and voluntary organisations that support vulnerable residents.

- **To have a well-supported diverse, inclusive, and valued workforce:**

Staff are the Council's most important resource, and achieving the Council's Corporate Plan goals depends on having a diverse, inclusive, and dedicated workforce.

Workforce data is regularly shared with Personnel Committee and published on the Council's website to meet the requirements of the Equality Act 2010.

- **Continue to meet the needs of those who live, work, study and visit the borough:** The Council's Corporate Plan sets out our vision, goals, and priorities, explaining how we aim to achieve them and measure progress. It helps ensure our services meet community needs and covers a four-year period, reviewed annually to stay up to date with changing priorities.

We track our success using Key Performance Indicators (KPIs) listed in the Corporate Plan's Technical Appendix. This list of KPIs is not exhaustive and we also review additional indicators to assess performance and report on the Council's overall progress using our performance management framework.

The Council regularly invites feedback through surveys, via emails to the People's Panel, our website, and social media. We respond quickly to trends in the feedback, comments and responses. In the 'People's Survey – Life in Ribble Valley,' 40% of respondents said they were satisfied with how the Council runs its services.

### **Resident Satisfaction Surveys**

The last resident satisfaction survey, a 'Life in Ribble Valley' was conducted in March 2023. The council is presently moving towards a period of significant change which through Local Government Reorganisation (LGR) means we are likely to see the Ribble Valley join with other parts of Lancashire to form a Unitary Council, on a footprint yet to be determined by government.

All Lancashire authorities are presently working together in preparation for the Government's final decision on LGR in Lancashire. Once this has been determined it is likely that a perception survey may be commissioned to determine residents' views on the local area, local public services, and the local community from those that live, work, study, and visit the borough.

### **Change and Improvement**

Making better use of existing ICT systems across all services continues to be a key area for improvement, as well as further ICT Infrastructure investment as can be seen in our four-year forward capital programme.

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

We are also looking to further upskill our workforce to enable a smoother transition through Local Government Reorganisation by matching working practices against neighbouring authorities.

The council continues to be proud of its financial position which has helped it to forecast a revenue budget and capital programme covering the next four years.

Whilst budget gaps are seen from 2027-28 in the revenue budget forecast, the council's Budget Working Group continues to regularly review the financial position of the Council and consider the potential options for meeting budget gaps.

The new work required around Local Government Reorganisation has of course created added pressures on the resources of the council.

## Narrative Report

The latest position is that all Lancashire authorities are working together as we approach the key milestones for Local Government Reorganisation, with a number of different cross-authority workstreams already in place. Ribble Valley expects to learn the decision in respect of the footprint for the new Lancashire authorities, and where Ribble Valley will sit within this in mid July 2026.

### 9 PENSIONS

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

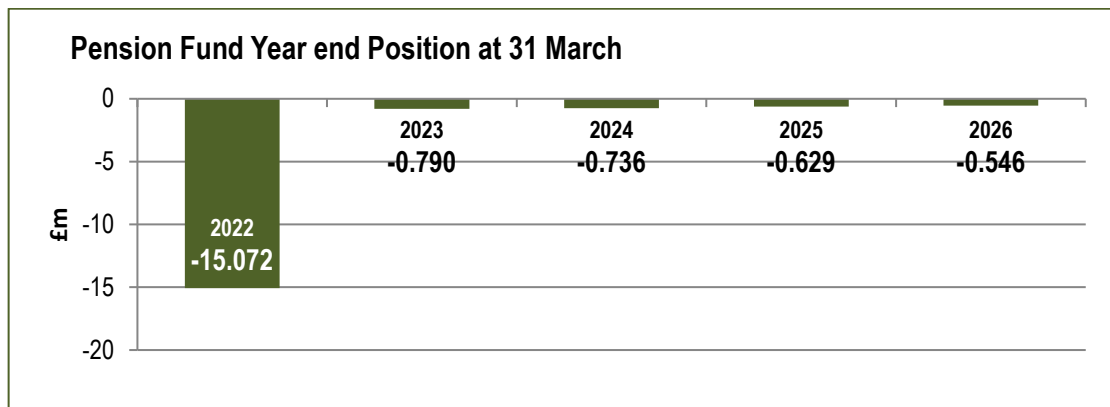
- Pension costs charged to services are based on the cost of providing retirement benefits to employees in the period that the benefits are earned by the employee rather than the actual cash contributions to the Lancashire County Pension Fund. This cost, referred to as the current service cost, is calculated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

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

|                                                              | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--------------------------------------------------------------|------------------|------------------|
| Present value of funded benefit obligations                  | 50,910           | 53,089           |
| Present value of unfunded benefit obligations                | 629              | 546              |
| Fair value of plan assets                                    | -73,436          | -74,788          |
| <b>Subtotal</b>                                              | <b>-21,897</b>   | <b>-21,153</b>   |
| Impact of Asset Ceiling                                      | 22,526           | 21,699           |
| <b>Net liability arising from defined benefit obligation</b> | <b>629</b>       | <b>546</b>       |

An asset ceiling is the limit above which further increases in net pension cease to be recognised for accounting purposes. The pension surplus of £21.699m (£22.526m 2024/25) has been adjusted by the asset ceiling as the surplus is not fully realisable by the Council in the form of either refunds or reductions in employee contributions. An unfunded liability of £546K (£629K 2024/25) further reduces the surplus to a deficit of £546K (£629K deficit 2024/25).

The Pension Fund year end position has fluctuated quite widely over the past few years and the main fluctuations year to year have been around remeasurements. The position for the last four years has been affected by the asset ceiling.



The Net Assets position on the balance sheet at 31 March 2023 saw a very large movement from that seen at 31 March 2022. This is due to the swing in the valuation of the Pension Fund at the 31 March 2023, tempered by the asset ceiling referred to above. This position has remained very similar since.

## 10 CURRENT ECONOMIC CLIMATE AND OUTLOOK

The financial environment for local government remains challenging. Although the latest Local Government Finance Settlement provides a greater degree of certainty than has been available in recent years, significant pressures remain from inflation, pay awards, service demand, legislative change and the wider economic environment.

At the time of setting the revenue budget for 2026/27, the Council updated its Medium Term Financial Strategy to reflect the final grant settlement and the latest assumptions around pay, inflation, council tax, business rates, grant funding, fees and charges, and service demand. The budget forecast remains balanced for 2026/27, but budget gaps are forecast in later years of the medium-term period.

The Council will continue to manage these pressures through prudent financial planning, regular budget monitoring, the maintenance of adequate reserves and ongoing work to identify efficiencies and sustainable income opportunities. The Budget Working Group will continue to review the Council's future financial position and consider options to address the forecast budget gaps.

Local Government Reorganisation also remains a key area of uncertainty. Work continues across Lancashire authorities to develop proposals for the future structure of local government in the county. The outcome of this process may have a significant impact on future governance, service delivery, staffing and financial planning arrangements. The Council will continue to engage fully in this work whilst ensuring that services continue to be delivered effectively to residents, businesses and visitors.

Despite the uncertain financial outlook, the Council remains in a strong financial position. It has no external borrowing, maintains prudent levels of reserves and continues to plan carefully for both revenue and capital expenditure. This provides a sound basis from which to respond to future challenges, although the Council recognises that difficult decisions may be required in the medium term to ensure that its financial position remains sustainable.

## Narrative Report

|                                                                                                | 2026/27<br>Forecast<br>£ | 2027/28<br>Forecast<br>£ | 2028/29<br>Forecast<br>£ | 2029/30<br>Forecast<br>£ |
|------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Net Expenditure</b>                                                                         | <b>11,604,733</b>        | <b>11,493,955</b>        | <b>11,858,329</b>        | <b>12,202,783</b>        |
| Less Interest Earned on Investments                                                            | -787,980                 | -400,000                 | -400,000                 | -400,000                 |
| <b>Net Budget</b>                                                                              | <b>10,816,753</b>        | <b>11,093,955</b>        | <b>11,458,329</b>        | <b>11,802,783</b>        |
| <b>Less Funding</b>                                                                            |                          |                          |                          |                          |
| <b>Core Government Funding</b>                                                                 |                          |                          |                          |                          |
| Business Rates Baseline                                                                        | -1,279,458               | -1,308,807               | -1,335,210               | -1,335,210               |
| Revenue Support Grant                                                                          | -3,190,837               | -2,340,467               | -1,464,032               | -1,464,032               |
| Use of Business Rate Growth/Reset Protection                                                   | -123,204                 | 0                        | 0                        | 0                        |
| Damping Payment                                                                                | -62,147                  | -666,994                 | -1,290,603               | 0                        |
| Homelessness, Rough Sleeping and Domestic Abuse Grant                                          | -172,438                 | -186,314                 | -211,650                 | -211,650                 |
| Adjustment Support Grant                                                                       | -466,338                 | 0                        | 0                        | 0                        |
| Extended Producer Responsibility Funding                                                       | -791,804                 | -791,804                 | -791,804                 | -791,804                 |
| Use of General Fund Balances                                                                   | -277,671                 | -250,000                 | -250,000                 | -250,000                 |
| Collection Fund Surplus                                                                        | -40,007                  | -50,000                  | -50,000                  | -50,000                  |
| <b>Still to be Funded</b>                                                                      | <b>4,412,849</b>         | <b>5,499,569</b>         | <b>6,065,030</b>         | <b>7,700,087</b>         |
| <b>Council Tax Income</b>                                                                      |                          |                          |                          |                          |
| Council Tax Band D<br><i>(frozen in 2025/26 and then increase of 2.99% pa in future years)</i> | -170.69                  | -175.79                  | -181.05                  | -186.46                  |
| Assumed Tax Base<br><i>(increasing by 1.5% pa beyond 2025/26)</i>                              | 25,853                   | 26,112                   | 26,373                   | 26,637                   |
| <b>Precept</b>                                                                                 | <b>-4,412,849</b>        | <b>-4,590,228</b>        | <b>-4,774,832</b>        | <b>-4,966,735</b>        |
| <b>Budget Gap</b>                                                                              | <b>0</b>                 | <b>909,341</b>           | <b>1,290,198</b>         | <b>2,733,352</b>         |

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

| Financial Year | Pay Increases               | Price Inflation | Fees and Charges Increase | Government Spending Power          |
|----------------|-----------------------------|-----------------|---------------------------|------------------------------------|
| <b>2026/27</b> | 2.5% plus £200K Contingency | 2.5%            | 2.5%                      | Actual as per grant settlement     |
| <b>2027/28</b> | 2.5%                        | 2.5%            | 2.5%                      | Actual as per grant settlement     |
| <b>2028/29</b> | 2.5%                        | 2.5%            | 2.5%                      | Actual as per grant settlement     |
| <b>2029/30</b> | 2.5%                        | 2.5%            | 2.5%                      | Cash Freeze in Core Spending Power |

Furthermore, the following assumptions have been applied:

- a 2.99% increase in our council tax going forward each year until 2029/30 (frozen in 2026/27)
- a 1% increase in our taxbase each year
- EPR Funding continues at the same as our current level each year of the forecast

- the Lancashire Business Rate Pool will cease in its current form at the end of 2025/26.
- localised Council Tax Support Scheme – the forecast assumes the previously agreed 100% scheme continues each year of the forecast.
- no growth items are included.
- any significant new burdens on the Council are fully funded.

### **Addressing the Budget Gap**

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

| Financial Year | Budget Gap<br>£'000 |
|----------------|---------------------|
| 2026/27        | 0                   |
| 2027/28        | 909                 |
| 2028/29        | 1,290               |
| 2029/30        | 2,733               |
| <b>Total</b>   | <b>4,932</b>        |

The Council's financial planning will continue to be based on prudent assumptions around inflation, pay awards, service demand, council tax, business rates and grant funding. Although the settlement provides a framework for the period to 2028/29, there remains uncertainty around the detailed impact of future spending decisions, local government reorganisation, changes to national policy, and wider economic conditions. Maintaining adequate reserves, identifying efficiencies and considering opportunities for sustainable income generation will therefore remain important in supporting the Council's financial resilience.

## **11 PRINCIPAL RISKS AND UNCERTAINTIES**

### **Risk Management Process**

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

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

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

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

## Narrative Report

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### Current Key Strategic Risks

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

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

- Data loss, disruption and/or damage to reputation due to a cyber-attack.
- Inability to set an affordable and sustainable budget over the short to medium-term resulting in the issuing of a Section 114 notice.
- Heightened levels of fraud, including cyber fraud, due to pressures in the current economic climate.
- Failure of the council to embed appropriate safeguarding arrangements.
- Reduced funding resulting in the inability to deliver discretionary services.
- The council is unable to ensure the resilience of key operations and business activities due to lack of robust business continuity plans.
- Death or life changing injury due to a lack of robust health and safety processes.
- High staff turnover, loss of knowledge and skills resulting in reduced resilience.
- Failure to meet requirements equalities legislation.
- Failure to identify and embed legislative requirements due to lack of or outdated policies and procedures.
- Partnership working opportunities are not taken advantage of to improve the borough infrastructure.
- Failure to deliver the Local Plan leading to harm to the borough's environment, heritage assets and communities and missed opportunities for economic and housing growth.
- Failure to deliver new Local Plan
- Service and local economy provision does not match community requirements or expectations.
- Failure to plan and/or respond to emergency events when they occur.
- Failure to deliver the Council's Climate Change Strategy to reduce carbon emissions, adversely affecting the natural environment.
- Failure to secure optimal outcomes for the borough of Ribble Valley during Local Government Reorganisation.

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

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**12 THE STATEMENTS**

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The Council's statement of accounts for the year ended 31 March 2026 is set out on the following pages. These have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom and are based on International Financial Reporting Standards. The statements produced for 2025/26 are detailed in the following paragraphs.

**Statement of Responsibilities**

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

**Statement of Accounting Policies**

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

**Movement in Reserves Statement**

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

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

**Comprehensive Income and Expenditure Statement**

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

- Surplus or Deficit on the Provision of Services – the increase or decrease in the net worth of the Council as a result of incurring expenses and generating income.

## Narrative Report

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

### **Balance Sheet**

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

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

### **Cash Flow Statement**

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

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

### **Collection Fund Statement**

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

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

# Statement of Responsibilities

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

## The Authority's Responsibilities

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The authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Resources & Deputy Chief Executive.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

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

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

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

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

The Director of Resources & Deputy Chief Executive has also:

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

I hereby certify that the Statement of Accounts gives a true and fair view of the financial position of the authority at the reporting date and its income and expenditure for the year ended 31 March 2026.

Lawson Oddie

Acting Director of Resources & Deputy Chief Executive CPFA  
30 June 2026

# Approval of the Statement of Accounts

I confirm that these accounts, including the Comprehensive Income and Expenditure Statement on page 71 and the Balance Sheet on page 75, were approved by the Accounts and Audit Committee at its meeting held on [REDACTED].

[REDACTED]

[REDACTED]

# Statement of Accounting Policies

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

## 1 GENERAL PRINCIPLES

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The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26*, supported by International Financial Reporting Standards (IFRS).

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

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

## 2 ACCRUALS OF INCOME AND EXPENDITURE

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – in the case of the depot general stores, where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- The council has adopted IFRS15 Revenue from Contracts with Customers in accordance with the Code.

## Statement of Accounting Policies

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### 3 CASH AND CASH EQUIVALENTS

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Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 7 EMPLOYEE BENEFITS

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### **Benefits Payable during Employment**

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

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g., time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs. Should the value of 'holiday entitlements earned by employees but not taken' not move materially from one financial year end to the next, then the existing accrual level is maintained.

## Statement of Accounting Policies

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### **Termination Benefits**

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

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

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

### **Post-Employment Benefits**

Employees of the Council are eligible to join the Local Government Pension Scheme, administered by Lancashire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

### **The Local Government Pension Scheme**

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

- The liabilities of the Lancashire County Pension Fund attributable to Ribbles Valley Borough Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 6.1% (5.8% 31 March 2025) based on the indicative rate of return on AA rated corporate bonds.

## Statement of Accounting Policies

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- The assets of the Lancashire County Pension Fund attributable to Ribble Valley Borough Council are included in the Balance Sheet at their fair value:
  - Quoted securities – current bid price.
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value
- The Change in the Net Pensions Liability/Asset is analysed into the following components:
- **Service cost comprising:**
  - Current Service Cost – the increase in liabilities as a result of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
  - Net Interest on the Net Defined Benefit Liability (Asset) – i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- **Remeasurements comprising:**
  - The Return of Plan Assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Contributions:**
  - Contributions paid to the Lancashire County Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

## Statement of Accounting Policies

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

In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

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

### **Discretionary Benefits**

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

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

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

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

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

## **9 FINANCIAL INSTRUMENTS**

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### **Financial Liabilities**

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

**Statement of Accounting Policies**

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Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

**Financial Assets**

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

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

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

**Financial Assets Measured at Amortised Cost**

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

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

**Expected Credit Loss Model**

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

## Statement of Accounting Policies

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

### 10 GOVERNMENT GRANTS AND CONTRIBUTIONS

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

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

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

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

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

### 11 HERITAGE ASSETS

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

Heritage Assets are

- Tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture.

## Statement of Accounting Policies

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- Intangible heritage assets with cultural, environmental or historical significance, such as recordings of significant historical events.

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

- The Castle Keep at Clitheroe
- The Clitheroe Castle Museum Collection
- Civic Regalia
- The Roman Bath site at Ribchester

### The Castle Keep at Clitheroe

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

### The Clitheroe Castle Museum Collection

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

## Statement of Accounting Policies

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### Civic Regalia

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

### The Roman Bath site at Ribchester

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

### Heritage Assets - General

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

## 12 INTANGIBLE ASSETS

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where

it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Intangible assets are measured initially at cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

### **13 INVENTORIES AND LONG-TERM CONTRACTS**

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

Long Term Contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

### **14 LEASES**

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#### **The Council as Lessee**

The authority classifies contracts as leases based on their substance. Contracts and parts of 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. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

#### **Initial measurement**

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 leases are typically for fixed periods in excess of one year but may have extension options.

## Statement of Accounting Policies

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The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate (PWLB Annuity Rate used) 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.
- Any maintenance element included within a lease will only be excluded where the cost is detailed, and will otherwise be assumed to be not material.

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.

### **Subsequent measurement**

The right-of-use asset is subsequently measured using the fair value model. The authority 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
- lease 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. In these financial statements, right-of-use assets held under index-linked leases have been 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.

**Statement of Accounting Policies**

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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 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, (where agreements are rolling over and notice has not been given to terminate, we assume that the expired term would have been renewed on the same terms as originally); 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.

**Low value and short lease exemption**

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- 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).

Given the difficulty with low value asset valuation when new for land and buildings, we have not elected to apply the exemption for any such agreements.

**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 charges 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 Council as Lessor**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or

## Statement of Accounting Policies

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equipment from the lessor to the lessee. All other leases are classified as operating leases.

### **Finance leases**

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

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

### **Operating leases**

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

All leases that the council has in place where it acts as lessor have been identified as being Operating leases.

## **15 OVERHEADS AND SUPPORT SERVICES**

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

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

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

### ***Recognition***

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

### ***Measurement***

Assets are initially measured at cost, comprising:

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

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and

## Statement of Accounting Policies

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Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

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

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

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

From 1 April 2025, the *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three. The Code does not mandate the use of any one particular index but will be made in the context of providing a reasonable estimate of the movement in the value of an asset from the prior year.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.

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

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

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

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

## Statement of Accounting Policies

| Property, Plant and Equipment Classification | 31 March 2026                            |                                                        |
|----------------------------------------------|------------------------------------------|--------------------------------------------------------|
|                                              | Revalued Amount<br>in Balance Sheet<br>£ | Equivalent<br>Carrying Amount<br>Under Cost Model<br>£ |
| Other Land and Buildings                     | 16,541,617                               | 9,114,021                                              |
| Vehicles, Plant, Furniture and Equipment     | 2,158,252                                | 2,158,252                                              |
| Infrastructure Assets                        | 198,491                                  | 198,491                                                |
| Community Assets                             | 2,160,752                                | 2,150,904                                              |
| Assets Under Construction                    | 735,174                                  | 355,768                                                |
| <b>Total</b>                                 | <b>21,794,286</b>                        | <b>13,977,436</b>                                      |

### Impairments

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

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

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

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

### Depreciation

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

## Statement of Accounting Policies

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

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

The useful economic life used for an asset in the calculation of depreciation will only differ from the above table where an updated asset life is provided at the time of any revaluation of council assets or for vehicles, plant and equipment, where it has been identified to be materially different upon inspection. Such updated asset lives would be used for future depreciation calculations.

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

### ***Disposals and Non-current Assets Held for Sale***

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

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

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

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

**Statement of Accounting Policies**

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Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal, generally in excess of £10,000, are categorised as capital receipts. The receipts are set aside in the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

***Componentisation***

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

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

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***Provisions***

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

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

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

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

## Statement of Accounting Policies

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

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

### **Contingent Liabilities**

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

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

### **Contingent Assets**

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

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

## **18 RESERVES**

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

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

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

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Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure

## Statement of Accounting Policies

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

### 20 VAT

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

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

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

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

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

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

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

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

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

**Comprehensive Income and Expenditure Statement**

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# Comprehensive Income and Expenditure Statement

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

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

The Comprehensive Income and Expenditure Statement has two sections:

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

## Comprehensive Income and Expenditure Statement

| 2024/25                                         |                   |                      |                                                                             | 2025/26                |                   |                      |      |
|-------------------------------------------------|-------------------|----------------------|-----------------------------------------------------------------------------|------------------------|-------------------|----------------------|------|
| Gross Expenditure<br>£                          | Gross Income<br>£ | Net Expenditure<br>£ |                                                                             | Gross Expenditure<br>£ | Gross Income<br>£ | Net Expenditure<br>£ | Note |
| 8,028,109                                       | -2,816,079        | 5,212,030            | Community Services Committee                                                | 8,367,680              | -2,740,655        | 5,627,025            |      |
| 371,212                                         | -74,573           | 296,639              | Economic Development Committee                                              | 441,202                | -80,956           | 360,246              |      |
| 8,263,354                                       | -7,345,967        | 917,387              | Health and Housing Committee                                                | 8,668,616              | -7,966,196        | 702,420              |      |
| 1,539,122                                       | -1,077,895        | 461,227              | Planning and Development Committee                                          | 1,701,460              | -1,235,715        | 465,745              |      |
| 5,484,839                                       | -2,269,864        | 3,214,975            | Policy and Finance Committee                                                | 4,383,350              | -1,453,094        | 2,930,256            |      |
| 23,686,636                                      | -13,584,378       | 10,102,258           | Cost of Services                                                            | 23,562,308             | -13,476,616       | 10,085,692           | 1/2  |
| Other Operating Expenditure                     |                   |                      |                                                                             |                        |                   |                      |      |
|                                                 |                   | 627,626              | Payment of Precepts to Parishes                                             |                        |                   | 666,166              |      |
|                                                 |                   | 39,000               | Pensions Administration Expenses                                            |                        |                   | 41,000               | 32   |
|                                                 |                   | -26,919              | (Gains)/Losses on the Disposal of non-Current Assets                        |                        |                   | -341,877             |      |
| Financing and Investment Income and Expenditure |                   |                      |                                                                             |                        |                   |                      |      |
|                                                 |                   | 32,335               | Interest on Right of Use Assets                                             |                        |                   | 30,506               |      |
|                                                 |                   | -1,408,086           | Investment Interest Income                                                  |                        |                   | -1,099,832           |      |
|                                                 |                   | -46,893              | Impairment Losses/(Gains)                                                   |                        |                   | -13,980              |      |
|                                                 |                   | 11,000               | Net Interest on the net defined benefit liability (asset)                   |                        |                   | 5,000                | 32   |
|                                                 |                   | 185,843              | (Gain)/Loss on Trading Accounts                                             |                        |                   | -27,383              |      |
| Taxation and Non-Specific Grant Income          |                   |                      |                                                                             |                        |                   |                      |      |
|                                                 |                   | -5,021,988           | Council Tax                                                                 |                        |                   | -5,084,319           | 8    |
|                                                 |                   | -1,095,412           | Non Domestic Rates Income and Expenditure                                   |                        |                   | -1,324,609           | 8/11 |
|                                                 |                   | -1,326,167           | Capital Grants and Contributions                                            |                        |                   | -142,224             | 28   |
|                                                 |                   | -4,711,660           | Other Non-Specific Grants                                                   |                        |                   | -4,865,545           | 8    |
|                                                 |                   | -175,972             | Donation of Assets                                                          |                        |                   | 0                    | 31   |
|                                                 |                   | -2,815,035           | (Surplus) or Deficit on Provision of Services                               |                        |                   | -2,071,405           | 1/2  |
|                                                 |                   | -8,559               | (Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets |                        |                   | -422,760             |      |
|                                                 |                   | -263,000             | Actuarial Gains on Pensions Assets/Liabilities                              |                        |                   | 91,000               | 32   |
|                                                 |                   | -271,559             | Other Comprehensive Income and Expenditure                                  |                        |                   | -331,760             |      |
|                                                 |                   | -3,086,594           | Total Comprehensive Income and Expenditure                                  |                        |                   | -2,403,165           |      |

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

**Movement in Reserves Statement**

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## Movement in Reserves Statement

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

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

The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

## CORE FINANCIAL STATEMENTS

## STATEMENT OF ACCOUNTS 2025/26

## Movement in Reserves Statement

| Movements in<br>2025/26                                                                                 | General<br>Fund<br>Balance<br>£ | Earmarked<br>General<br>Fund<br>Reserves<br>£ | Total<br>General<br>Fund<br>Balance<br>£ | Capital<br>Grants<br>Unapplied<br>£ | Usable<br>Capital<br>Receipts<br>Reserve<br>£ | Total<br>Usable<br>Reserves<br>£ | Unusable<br>Reserves<br>£ | Total<br>Council<br>Reserves<br>£ |
|---------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------|------------------------------------------|-------------------------------------|-----------------------------------------------|----------------------------------|---------------------------|-----------------------------------|
| Balance as at 31<br>March 2025                                                                          | 4,082,200                       | 16,644,085                                    | 20,726,285                               | 1,643,102                           | 829,868                                       | 23,199,255                       | 18,676,913                | 41,876,168                        |
| Total Comprehensive<br>Income and<br>Expenditure                                                        | 2,124,752                       | -53,347                                       | 2,071,405                                |                                     |                                               | 2,071,405                        | 331,760                   | 2,403,165                         |
| Adjustments between<br>Accounting Basis and<br>Funding Basis Under<br>Regulations<br><i>See Note 10</i> | -1,555,593                      |                                               | -1,555,593                               | 135,746                             | 544,917                                       | -874,930                         | 874,930                   | 0                                 |
| <b>Increase/(Decrease)<br/>in Year</b>                                                                  | <b>569,159</b>                  | <b>-53,347</b>                                | <b>515,812</b>                           | <b>135,746</b>                      | <b>544,917</b>                                | <b>1,196,475</b>                 | <b>1,206,690</b>          | <b>2,403,165</b>                  |
| <b>Balance at 31 March<br/>2026 Carried<br/>Forward</b>                                                 | <b>4,651,359</b>                | <b>16,590,738</b>                             | <b>21,242,097</b>                        | <b>1,778,848</b>                    | <b>1,374,785</b>                              | <b>24,395,730</b>                | <b>19,883,603</b>         | <b>44,279,333</b>                 |

| Movements in<br>2024/25                                                                                 | General<br>Fund<br>Balance<br>£ | Earmarked<br>General<br>Fund<br>Reserves<br>£ | Total<br>General<br>Fund<br>Balance<br>£ | Capital<br>Grants<br>Unapplied<br>£ | Usable<br>Capital<br>Receipts<br>Reserve<br>£ | Total<br>Usable<br>Reserves<br>£ | Unusable<br>Reserves<br>£ | Total<br>Council<br>Reserves<br>£ |
|---------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------|------------------------------------------|-------------------------------------|-----------------------------------------------|----------------------------------|---------------------------|-----------------------------------|
| Balance as at 31<br>March 2024                                                                          | 2,896,083                       | 15,644,582                                    | 18,540,665                               | 1,115,445                           | 796,205                                       | 20,452,315                       | 18,337,259                | 38,789,574                        |
| Total Comprehensive<br>Income and<br>Expenditure                                                        | 1,815,532                       | 999,503                                       | 2,815,035                                |                                     |                                               | 2,815,035                        | 271,559                   | 3,086,594                         |
| Adjustments between<br>Accounting Basis and<br>Funding Basis Under<br>Regulations<br><i>See Note 10</i> | -629,415                        |                                               | -629,415                                 | 527,657                             | 33,663                                        | -68,095                          | 68,095                    | 0                                 |
| <b>Increase/(Decrease)<br/>in Year</b>                                                                  | <b>1,186,117</b>                | <b>999,503</b>                                | <b>2,185,620</b>                         | <b>527,657</b>                      | <b>33,663</b>                                 | <b>2,746,940</b>                 | <b>339,654</b>            | <b>3,086,594</b>                  |
| <b>Balance at 31 March<br/>2025 Carried<br/>Forward</b>                                                 | <b>4,082,200</b>                | <b>16,644,085</b>                             | <b>20,726,285</b>                        | <b>1,643,102</b>                    | <b>829,868</b>                                | <b>23,199,255</b>                | <b>18,676,913</b>         | <b>41,876,168</b>                 |

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

**Balance Sheet**

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# Balance Sheet

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

Reserves are reported in two categories:

- **Usable Reserves** are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- **Unusable Reserves** are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

## Balance Sheet

| 31 March 2025                                 | 31 March 2026     | Note  |
|-----------------------------------------------|-------------------|-------|
| £                                             | £                 |       |
| <b>Long Term Assets</b>                       |                   |       |
| 20,295,317 Property, Plant and Equipment      | 21,794,286        | 6/13  |
| 782,187 Right of Use Assets                   | 720,496           | 31    |
| 1,358,089 Heritage Assets                     | 1,429,458         | 14    |
| 29,624 Intangible Assets                      | 13,999            |       |
| 202,682 Long Term Debtors                     | 187,713           | 15    |
| <b>22,667,899 Total Long Term Assets</b>      | <b>24,145,952</b> |       |
| <b>Current Assets</b>                         |                   |       |
| 10,000 Financial Asset Held for Sale          | 10,000            | 15    |
| 200,000 Assets Held for Sale                  | 0                 |       |
| 447,953 Inventories                           | 197,521           | 35    |
| 2,399,026 Short Term Debtors                  | 3,744,946         | 15/16 |
| 24,962,259 Cash and Cash Equivalents          | 23,968,349        | 15/17 |
| <b>28,019,238 Total Current Assets</b>        | <b>27,920,816</b> |       |
| <b>Current Liabilities</b>                    |                   |       |
| -7,287,440 Short Term Creditors               | -6,084,073        | 15/18 |
| -334,257 Provisions                           | -614,233          | 19    |
| <b>-7,621,697 Total Current Liabilities</b>   | <b>-6,698,306</b> |       |
| <b>Long Term Liabilities</b>                  |                   |       |
| -560,272 Long Term Lease Liabilities          | -543,129          | 31    |
| -629,000 Net Pensions Liability               | -546,000          | 32    |
| <b>-1,189,272 Total Long Term Liabilities</b> | <b>-1,089,129</b> |       |
| <b>41,876,168 Net Assets</b>                  | <b>44,279,333</b> |       |
| <b>Usable Reserves</b>                        |                   |       |
| 4,082,200 General Fund Balance                | 4,651,359         | 20    |
| 16,644,085 Earmarked General Fund Reserves    | 16,590,738        | 12    |
| 829,868 Usable Capital Receipts Reserve       | 1,374,785         |       |
| 1,643,102 Capital Grants Unapplied            | 1,778,848         |       |
| <b>23,199,255 Total Usable Reserves</b>       | <b>24,395,730</b> |       |
| <b>Unusable Reserves</b>                      |                   |       |
| 10,055,884 Capital Adjustment Account         | 11,468,203        | 21    |
| 258,112 Collection Fund Adjustment Account    | -40,075           |       |
| 9,135,858 Revaluation Reserve                 | 9,145,416         |       |
| -629,000 Pension Reserve                      | -546,000          | 32    |
| -143,941 Accumulated Absences Account         | -143,941          |       |
| <b>18,676,913 Total Unusable Reserves</b>     | <b>19,883,603</b> |       |
| <b>41,876,168 Total Reserves</b>              | <b>44,279,333</b> |       |

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

## Cash Flow Statement

# Cash Flow Statement

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

The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the receipts of services provided by the Council.

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

| 2024/25<br>£      |                                                                                                                                       | 2025/26<br>£      | Note |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------|------|
| -2,815,035        | Net (Surplus) or Deficit on the Provision of Services                                                                                 | -2,071,405        |      |
| 1,344,128         | Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements                                             | 3,269,236         | 22   |
| 56,430            | Adjustments for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities | 544,917           | 22   |
| <b>-1,414,477</b> | <b>Net Cash Flows from Operating Activities</b>                                                                                       | <b>1,742,748</b>  |      |
| -277,620          | Investing Activities                                                                                                                  | -590,054          | 23   |
| -33,205           | Financing Activities                                                                                                                  | -158,784          | 24   |
| <b>-1,725,302</b> | <b>Net Increase or decrease in Cash and Cash Equivalents</b>                                                                          | <b>993,910</b>    |      |
| 23,236,957        | Cash and Cash Equivalents 1 April                                                                                                     | 24,962,259        |      |
| <b>24,962,259</b> | <b>Cash and Cash Equivalents 31 March</b>                                                                                             | <b>23,968,349</b> | 17   |

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

# Notes to the Core Financial Statements

## 1 EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the council in comparison with those resources consumed or earned by the council in accordance with generally accepted accounting practices.

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

| 2025/26                                                 | Net Expenditure Chargeable to the General Fund<br>£ | Adjustments between the Funding and Accounting Basis<br>£ | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£ |
|---------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|
| Community Services Committee                            | 5,750,562                                           | -123,537                                                  | 5,627,025                                                                  |
| Economic Development Committee                          | 366,657                                             | -6,411                                                    | 360,246                                                                    |
| Health and Housing Committee                            | -28,300                                             | 730,720                                                   | 702,420                                                                    |
| Planning and Development Committee                      | 501,389                                             | -35,644                                                   | 465,745                                                                    |
| Policy and Finance Committee                            | 3,011,234                                           | -80,978                                                   | 2,930,256                                                                  |
| <b>Net Cost of Services</b>                             | <b>9,601,542</b>                                    | <b>484,150</b>                                            | <b>10,085,692</b>                                                          |
| Other Income and Expenditure                            | -10,117,354                                         | -2,039,743                                                | -12,157,097                                                                |
| <b>(Surplus) or Deficit</b>                             | <b>-515,812</b>                                     | <b>-1,555,593</b>                                         | <b>-2,071,405</b>                                                          |
| Opening General Fund Balance at 31 March 2025           | -20,726,285                                         |                                                           |                                                                            |
| <b>Closing General Fund Balance as at 31 March 2026</b> | <b>-21,242,097</b>                                  |                                                           |                                                                            |

## Notes to the Core Financial Statements

| 2024/25                                                 | Net Expenditure Chargeable to the General Fund<br>£ | Adjustments between the Funding and Accounting Basis<br>£ | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£ |
|---------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|
| Community Services Committee                            | 5,059,668                                           | 152,362                                                   | 5,212,030                                                                  |
| Economic Development Committee                          | 293,100                                             | 3,539                                                     | 296,639                                                                    |
| Health and Housing Committee                            | 733,280                                             | 184,107                                                   | 917,387                                                                    |
| Planning and Development Committee                      | 445,553                                             | 15,674                                                    | 461,227                                                                    |
| Policy and Finance Committee                            | 2,744,331                                           | 470,644                                                   | 3,214,975                                                                  |
| <b>Net Cost of Services</b>                             | <b>9,275,932</b>                                    | <b>826,326</b>                                            | <b>10,102,258</b>                                                          |
| Other Income and Expenditure                            | -11,461,552                                         | -1,455,741                                                | -12,917,293                                                                |
| <b>(Surplus) or Deficit</b>                             | <b>-2,185,620</b>                                   | <b>-629,415</b>                                           | <b>-2,815,035</b>                                                          |
| Opening General Fund Balance at 31 March 2024           | -18,540,665                                         |                                                           |                                                                            |
| <b>Closing General Fund Balance as at 31 March 2025</b> | <b>-20,726,285</b>                                  |                                                           |                                                                            |

## 2 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

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

| 2025/26                            | Net Expenditure Chargeable to the General Fund<br>£ | Adjustments for Capital Purposes<br>£ | Net Change for the Pensions Adjustments<br>£ | Other Statutory Adjustments<br>£ | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£ |
|------------------------------------|-----------------------------------------------------|---------------------------------------|----------------------------------------------|----------------------------------|----------------------------------------------------------------------------|
| Community Services Committee       | 5,750,562                                           | -873                                  | -122,664                                     | 0                                | 5,627,025                                                                  |
| Economic Development Committee     | 366,657                                             | 0                                     | -6,411                                       | 0                                | 360,246                                                                    |
| Health and Housing Committee       | -28,300                                             | 743,613                               | -40,276                                      | 27,383                           | 702,420                                                                    |
| Planning and Development Committee | 501,389                                             | 0                                     | -35,644                                      | 0                                | 465,745                                                                    |
| Policy and Finance Committee       | 3,011,234                                           | -65,973                               | -15,005                                      | 0                                | 2,930,256                                                                  |
| <b>Net Cost of Services</b>        | <b>9,601,542</b>                                    | <b>676,767</b>                        | <b>-220,000</b>                              | <b>27,383</b>                    | <b>10,085,692</b>                                                          |
| Other Income and Expenditure       | -10,117,354                                         | -2,356,549                            | 46,000                                       | 270,805                          | -12,157,097                                                                |
| <b>(Surplus) or Deficit</b>        | <b>-515,812</b>                                     | <b>-1,679,782</b>                     | <b>-174,000</b>                              | <b>298,188</b>                   | <b>-2,071,405</b>                                                          |

## Notes to the Core Financial Statements

| 2024/25                            | Net Expenditure Chargeable to the General Fund<br>£ | Adjustments for Capital Purposes<br>£ | Net Change for the Pensions Adjustments<br>£ | Other Statutory Adjustments<br>£ | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£ |
|------------------------------------|-----------------------------------------------------|---------------------------------------|----------------------------------------------|----------------------------------|----------------------------------------------------------------------------|
| Community Services Committee       | 5,059,668                                           | 87,095                                | 48,362                                       | 16,905                           | 5,212,030                                                                  |
| Economic Development Committee     | 293,100                                             |                                       | 2,140                                        | 1,399                            | 296,639                                                                    |
| Health and Housing Committee       | 733,280                                             | 353,515                               | 16,115                                       | -185,523                         | 917,387                                                                    |
| Planning and Development Committee | 445,553                                             |                                       | 13,766                                       | 1,908                            | 461,227                                                                    |
| Policy and Finance Committee       | 2,744,331                                           | 424,761                               | 25,617                                       | 20,266                           | 3,214,975                                                                  |
| <b>Net Cost of Services</b>        | <b>9,275,932</b>                                    | <b>865,371</b>                        | <b>106,000</b>                               | <b>-145,045</b>                  | <b>10,102,258</b>                                                          |
| Other Income and Expenditure       | -11,461,552                                         | -1,878,951                            | 50,000                                       | 373,210                          | -12,917,293                                                                |
| <b>(Surplus) or Deficit</b>        | <b>-2,185,620</b>                                   | <b>-1,013,580</b>                     | <b>156,000</b>                               | <b>228,165</b>                   | <b>-2,815,035</b>                                                          |

**Adjustments for Capital Purposes**

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

- **Other Operating Expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and Investment Income and Expenditure** – the statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and Non-Specific Grant Income and Expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in year without conditions or for which conditions were satisfied in the year.

**Net Change for the Pensions Adjustments**

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

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

## Notes to the Core Financial Statements

### Other Statutory Adjustments

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

- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

### 3 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

| 2024/25<br>£                                                    | 2025/26<br>£       |
|-----------------------------------------------------------------|--------------------|
| <b>Expenditure</b>                                              |                    |
| 9,194,286 Employee Expenditure                                  | 9,389,162          |
| 11,304,109 Other Service Expenses                               | 11,190,289         |
| 3,561,623 Depreciation, Amortisation and Impairment             | 3,147,251          |
| 39,000 Pensions Administration Costs                            | 41,000             |
| 32,335 Interest Payments (leases)                               | 30,506             |
| 627,626 Precepts and Levies                                     | 666,166            |
| <b>24,758,979 Total Expenditure</b>                             | <b>24,464,374</b>  |
| <b>Income</b>                                                   |                    |
| -3,824,436 Fees and Charges and Other Service Income            | -4,164,731         |
| -26,919 Gain or Loss on Disposal of Non-Current Assets          | -341,877           |
| -6,117,400 Income from Council Tax and Business Rates           | -6,408,928         |
| -16,197,173 Government Grants, Contributions and Donations      | -14,520,411        |
| -1,408,086 Interest and Investment Income                       | -1,099,832         |
| <b>-27,574,014 Total Income</b>                                 | <b>-26,535,779</b> |
| <b>-2,815,035 (Surplus) or Deficit on Provision of Services</b> | <b>-2,071,405</b>  |

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

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The Council is required 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. The requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2026 for 2025/26).

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

The following standards have been issued/amended but are not yet adopted. These are not considered to have a material impact on the council's accounts.

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

**5 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

## Notes to the Core Financial Statements

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

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

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

The items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

| Item                             | Uncertainties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Effect if Actual Results Differ from Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pensions Liability/ Asset</b> | <p>Estimation of the net liability/asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>For the year ended 31 March 2026 the position for this Council was a Net Pensions Asset of £21.153m. The amount of asset that the Council was able to disclose in the statements was confirmed by establishing the asset ceiling for the council's element of the fund, and was reduced to a deficit of £546,000 (deficit of £629,000 in 2024/25)</p> <p>This was established through an IFRIC 14 assessment, which demonstrated what the council could recognise in the balance sheet, being the lower of the asset ceiling figure and the surplus from the accounting schedule.</p> <p>The figures provided to the right, by Mercer Limited, exclude the asset ceiling impact and are as provided in the IAS19 Pension Scheme Accounting Figures Schedule.</p> | <p>Mercer Limited are the actuaries for the Lancashire County Pension Fund. The Pension Fund Surplus for Ribble Valley at 31 March 2026 was £21.153m (prior to applying the asset ceiling IFRIC 14 assessment). The following sensitivity analysis is provided by Mercer Limited (<i>excludes asset ceiling impact</i>):</p> <ul style="list-style-type: none"> <li>• <b>+0.5% p.a. discount rate as at 31 March 2026:</b> surplus would be £24.377m</li> <li>• <b>+0.25% p.a. inflation as at 31 March 2026:</b> surplus would be £19.464m</li> <li>• <b>+0.25% p.a. pay growth as at 31 March 2026:</b> surplus would be £20.950m</li> <li>• <b>1-year addition to members' life expectancy as at 31 March 2026:</b> surplus would be £20.038m</li> <li>• <b>+1% change in 2025/26 investment returns:</b> surplus would be £21.893m</li> <li>• <b>-1% change in 2025/26 investment returns:</b> surplus would be £20.413m</li> </ul> |

## Notes to the Core Financial Statements

| Item                         | Uncertainties                                                                                                                                                                                                                                                                                             | Effect if Actual Results Differ from Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land and Property Valuations | <p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets.</p> <p>Assets are valued based on estimates and assumptions at a point in time, but market conditions can fluctuate.</p> | <p>A variation of 10% in the value of the council's property, plant and equipment valuations would be approximately £2.179m.</p> <p>A reduction would result in a reduction to the revaluation reserve and/or a loss charged to the comprehensive income and expenditure statement.</p> <p>An increase in estimated valuations would result in the reversal of any negative revaluations previously charged to the comprehensive income and expenditure statement and/or increases to the revaluation reserve and/or gains charged to the comprehensive income and expenditure statement.</p> |

## 7 MATERIAL ITEMS OF INCOME AND EXPENSE

### Housing Benefit

The Council has a statutory duty to administer Housing Benefit claims on behalf of the Department for Work and Pensions. The Council pays out Housing Benefits to eligible claimants. In 2025/26 £5.1m was paid out (£5.4m in 2024/25), after taking into account reimbursements from claimants for any overpayments made. The Council receives subsidy grant from the Department for Work and Pensions to cover the payments made. Subsidy grant of £5.1m was received from the Department for Work and Pensions in 2025/26 (£5.48m in 2024/25).

### Car Parking Pay and Display Income

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

In 2025/26 the Council received £627,455 in income from chargeable car parks (in 2024/25 £573,114). This income excludes that received from parking fines.

## Notes to the Core Financial Statements

### Planning application fees

Local government administer much of the planning system with district councils responsible for most planning matters, other than transport and minerals and waste planning which are typically functions of the county council. A planning application is only required in certain circumstances. If a planning application is required, the council requires that the application is accompanied with a fee. In 2025/26 the council received £717,082 in planning application fees, which help fund the provision of the service. (£521,087 in 2024/25).

### Business Rates Section 31 Grants

The council receives a number of grants, known as Section 31 Grants from MHCLG (formerly DCLG), in compensation for business rates income lost as a result of measures introduced by the Government. In 2025/26 the Council received £2,624,973 through various business rates Section 31 grants (£3,082,301 in 2024/25).

## 8 TAXATION AND NON-SPECIFIC GRANT INCOME

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

### Council Tax

|                                                                    | 2024/25<br>£      | 2025/26<br>£      |
|--------------------------------------------------------------------|-------------------|-------------------|
| Ribble Valley Borough Council Precept                              | -4,322,041        | -4,378,027        |
| Precept Relating to Parishes                                       | -627,626          | -666,166          |
| Surplus Received in Year (Declared January Prior to Start of Year) | -73,966           | -85,312           |
| Movement on Collection Fund (Surplus)/Deficit at Year End          | 1,645             | 45,186            |
| <b>Total Council Tax</b>                                           | <b>-5,021,988</b> | <b>-5,084,319</b> |

### Non-Domestic Rates Income and Expenditure

|                                                                                                  | 2024/25<br>£      | 2025/26<br>£      |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Ribble Valley Borough Council Share of Business Rates Income                                     | -6,375,640        | -6,866,711        |
| Less Tariff Payable to Central Government                                                        | 5,272,407         | 5,321,901         |
| Tariff Reconciliation                                                                            | 0                 |                   |
| (Surplus)/Deficit Payment in Year (Declared January Prior to Start of Year)                      | -195,981          | -33,021           |
| Movement on Collection Fund Deficit/(Surplus) at Year End                                        | 185,722           | 253,002           |
| Business Rates Retained on Renewable Energy Schemes                                              | -79,889           | -87,796           |
| 10% Retained Levy Payable to Lancashire County Council under Business Rates Pooling Arrangements | 97,969            | 88,016            |
| <b>Overall Net Retained Business Rates Related Income</b>                                        | <b>-1,095,412</b> | <b>-1,324,609</b> |

## Notes to the Core Financial Statements

Other Non-Specific Grants

|                                                            | 2024/25<br>£      | 2025/26<br>£      |
|------------------------------------------------------------|-------------------|-------------------|
| New Homes Bonus                                            | -665,149          | -547,320          |
| Rural Services Delivery Grant                              | -146,559          | 0                 |
| Levy Account Surplus                                       | -11,359           | 0                 |
| Revenue Support Grant                                      | -51,807           | -68,652           |
| Services Grant                                             | -9,456            | 0                 |
| Funding Guarantee                                          | -745,029          | 0                 |
| Funding Floor Grant                                        | 0                 | -781,159          |
| Compensation for Employer's National Insurance Increase    | 0                 | -69,495           |
| DEFRA PACKUK Extended Producer Responsibility Funding      | 0                 | -773,946          |
| Business Rates Section 31 Grants                           |                   |                   |
| Small Business Rates Relief (SBRR) Scheme                  | -966,235          | -1,071,785        |
| SBRR on Existing Properties where 2nd Property is Occupied | -7,191            | -12,711           |
| Multiplier Cap                                             | -777,231          | -714,815          |
| Public Conveniences                                        | -7,283            | -7,310            |
| Rural Rate Relief                                          | -7,310            | -7,894            |
| Supporting Small Businesses                                | -126,061          | -122,175          |
| Compensation for Green Plant and Machinery                 | -10,341           | -10,341           |
| Covid-19 Additional Relief Fund (CARF)                     | 33,792            | 0                 |
| SBRR Loss of Supplementary Multiplier Income               | -29,192           | -29,192           |
| Retail, Hospitality and Leisure Relief                     | -1,184,919        | -620,166          |
| Improvement Relief                                         | -330              | -28,584           |
| <b>Other Non-Specific Grants</b>                           | <b>-4,711,660</b> | <b>-4,865,545</b> |

**9 EVENTS AFTER THE REPORTING PERIOD**

The Statement of Accounts were signed on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

**10 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper

## Notes to the Core Financial Statements

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accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

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

### **General Fund Balance**

The General Fund is the statutory fund into which all the receipts of a council are required to be paid and out of which all liabilities of the council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice.

The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

### **Capital Receipts Reserve**

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

### **Capital Grants Unapplied**

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

## Notes to the Core Financial Statements

| Movements in 2025/26                                                                                                                                     | Usable Reserves           |                               |                               | Movement in Unusable Reserves<br>£ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|-------------------------------|------------------------------------|
|                                                                                                                                                          | General Fund Balance<br>£ | Capital grants Unapplied<br>£ | Capital Receipts Reserve<br>£ |                                    |
| Adjustments primarily involving the Capital Adjustment Account                                                                                           |                           |                               |                               |                                    |
| <u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>                                                       |                           |                               |                               |                                    |
| Charges for depreciation and impairment of non-current assets                                                                                            | 1,113,421                 |                               |                               | -1,113,421                         |
| Charges for depreciation and impairment of Finance Leases                                                                                                | 132,197                   |                               |                               | -132,197                           |
| Revaluation losses on Property Plant and Equipment (Charged to surplus or Deficit on Provision of Services)                                              | 40,553                    |                               |                               | -40,553                            |
| Amortisation of Intangible Assets                                                                                                                        | 15,625                    |                               |                               | -15,625                            |
| Capital Grants and Contributions Applied                                                                                                                 | -541,547                  |                               |                               | 541,547                            |
| Income in Relation to Donated Assets (Finance Leases)                                                                                                    | 0                         |                               |                               | 0                                  |
| Revenue Expenditure Funded from Capital Under Statute                                                                                                    | 1,845,454                 |                               |                               | -1,845,454                         |
| Amounts of Non-Current Assets Written Off on Disposal or Sale as Part of the gain/loss on Disposal to the Comprehensive Income and Expenditure Statement | 203,041                   |                               |                               | -203,041                           |
| <u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account</u>                                                    |                           |                               |                               |                                    |
| Statutory Provision for the Financing of Capital investment                                                                                              | -98,391                   |                               |                               | 98,391                             |
| Statutory Provision for the Financing of Capital investment - in respect of Finance Leases                                                               | -93,787                   |                               |                               | 93,787                             |
| Capital expenditure charged against General Fund Balances                                                                                                | -2,941,513                |                               |                               | 2,941,513                          |
| Adjustments primarily involving the Capital Grants Unapplied Account                                                                                     |                           |                               |                               |                                    |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement                                                | -809,917                  | 809,917                       |                               |                                    |
| Application of grants to capital financing transferred to the Capital Adjustment Account                                                                 |                           | -674,171                      |                               | 674,171                            |
| Adjustments primarily involving the Capital Receipts Reserve                                                                                             |                           |                               |                               |                                    |
| Transfer of Cash Sale Proceeds Credited as Part of the Gain/Loss on Disposal to the Comprehensive Income and Expenditure Statement                       | -544,917                  |                               | 544,917                       |                                    |
| Use of the Capital Receipts Reserve to Finance New Capital Expenditure                                                                                   |                           |                               |                               | 0                                  |

## Notes to the Core Financial Statements

| Movements in 2025/26                                                                                                                                                                                                    | Usable Reserves              |                                  |                                  | Movement in<br>Unusable Reserves<br>£ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------|----------------------------------|---------------------------------------|
|                                                                                                                                                                                                                         | General Fund<br>Balance<br>£ | Capital grants<br>Unapplied<br>£ | Capital Receipts<br>Reserve<br>£ |                                       |
| Adjustments primarily involving the Pensions Reserve                                                                                                                                                                    |                              |                                  |                                  |                                       |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement                                                                                             | 968,000                      |                                  |                                  | -968,000                              |
| Employer's pensions contributions and direct payments to pensioners payable in the year                                                                                                                                 | -1,142,000                   |                                  |                                  | 1,142,000                             |
| Adjustments primarily involving the Collection Fund Adjustment Account                                                                                                                                                  |                              |                                  |                                  |                                       |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income collected for the year in accordance with statutory requirements                 | 298,188                      |                                  |                                  | -298,188                              |
| Adjustments primarily involving the Accumulated Absences Account                                                                                                                                                        |                              |                                  |                                  |                                       |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | 0                            |                                  |                                  | 0                                     |
| Total Adjustments                                                                                                                                                                                                       | -1,555,593                   | 135,746                          | 544,917                          | 874,930                               |

## Notes to the Core Financial Statements

| Movements in 2024/25                                                                                                                                     | Usable Reserves              |                                  |                                  | Movement in<br>Unusable Reserves<br>£ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------|----------------------------------|---------------------------------------|
|                                                                                                                                                          | General Fund<br>Balance<br>£ | Capital grants<br>Unapplied<br>£ | Capital Receipts<br>Reserve<br>£ |                                       |
| Adjustments primarily involving the Capital Adjustment Account                                                                                           |                              |                                  |                                  |                                       |
| <u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>                                                       |                              |                                  |                                  |                                       |
| Charges for depreciation and impairment of non-current assets                                                                                            | 1,045,826                    |                                  |                                  | -1,045,826                            |
| Charges for depreciation and impairment of Finance Leases                                                                                                | 127,511                      |                                  |                                  | -127,511                              |
| Revaluation losses on Property Plant and Equipment (Charged to surplus or Deficit on Provision of Services)                                              | 284,409                      |                                  |                                  | -284,409                              |
| Amortisation of Intangible Assets                                                                                                                        | 22,922                       |                                  |                                  | -22,922                               |
| Capital Grants and Contributions Applied                                                                                                                 | -1,622,947                   |                                  |                                  | 1,622,947                             |
| Income in Relation to Donated Assets (Finance Leases)                                                                                                    | -175,972                     |                                  |                                  | 175,972                               |
| Revenue Expenditure Funded from Capital Under Statute                                                                                                    | 2,080,954                    |                                  |                                  | -2,080,954                            |
| Amounts of Non-Current Assets Written Off on Disposal or Sale as Part of the gain/loss on Disposal to the Comprehensive Income and Expenditure Statement | 29,511                       |                                  |                                  | -29,511                               |
| <u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account</u>                                                    |                              |                                  |                                  |                                       |
| Statutory Provision for the Financing of Capital investment                                                                                              | -100,469                     |                                  |                                  | 100,469                               |
| Statutory Provision for the Financing of Capital investment - in respect of Finance Leases                                                               | -93,291                      |                                  |                                  | 93,291                                |
| Capital expenditure charged against General Fund Balances                                                                                                | -1,352,392                   |                                  |                                  | 1,352,392                             |
| Adjustments primarily involving the Capital Grants Unapplied Account                                                                                     |                              |                                  |                                  |                                       |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement                                                | -1,203,212                   | 1,203,212                        |                                  |                                       |
| Application of grants to capital financing transferred to the Capital Adjustment Account                                                                 |                              | -675,555                         |                                  | 675,555                               |
| Adjustments primarily involving the Capital Receipts Reserve                                                                                             |                              |                                  |                                  |                                       |
| Transfer of Cash Sale Proceeds Credited as Part of the Gain/Loss on Disposal to the Comprehensive Income and Expenditure Statement                       | -56,430                      |                                  | 56,430                           |                                       |
| Use of the Capital Receipts Reserve to Finance New Capital Expenditure                                                                                   |                              |                                  | -22,767                          | 22,767                                |

## Notes to the Core Financial Statements

| Movements in 2024/25                                                                                                                                                                                                    | Usable Reserves              |                                  |                                  | Movement in<br>Unusable Reserves<br>£ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------|----------------------------------|---------------------------------------|
|                                                                                                                                                                                                                         | General Fund<br>Balance<br>£ | Capital grants<br>Unapplied<br>£ | Capital Receipts<br>Reserve<br>£ |                                       |
| Adjustments primarily involving the Pensions Reserve                                                                                                                                                                    |                              |                                  |                                  |                                       |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement                                                                                             | 1,214,000                    |                                  |                                  | -1,214,000                            |
| Employer's pensions contributions and direct payments to pensioners payable in the year                                                                                                                                 | -1,058,000                   |                                  |                                  | 1,058,000                             |
| Adjustments primarily involving the Collection Fund Adjustment Account                                                                                                                                                  |                              |                                  |                                  |                                       |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income collected for the year in accordance with statutory requirements                 | 187,367                      |                                  |                                  | -187,367                              |
| Adjustments primarily involving the Accumulated Absences Account                                                                                                                                                        |                              |                                  |                                  |                                       |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | 40,798                       |                                  |                                  | -40,798                               |
| Total Adjustments                                                                                                                                                                                                       | -629,415                     | 527,657                          | 33,663                           | 68,095                                |

**11 LANCASHIRE BUSINESS RATES POOL**

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

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

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

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

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

The business rates income allocations in 2024/25 and 2025/26 are shown in the table below:

|                                    | Lancashire Business Rates Pool - Income Allocations for 2024/25 and 2025/26 |
|------------------------------------|-----------------------------------------------------------------------------|
| District Authorities               | 40%                                                                         |
| Lancashire County Council          | 9%                                                                          |
| Lancashire Combined Fire Authority | 1%                                                                          |
|                                    | <b>50%</b>                                                                  |
| Central Government                 | 50%                                                                         |
| <b>Total</b>                       | <b>100%</b>                                                                 |

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

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

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

## Notes to the Core Financial Statements

| Lancashire Business Rates Pool Members 2025/26 | Authority Type | Tariffs and Top-Ups in Respect of 2025/26<br>£ | Retained Levy on Growth 2025/26<br>£ | 10% Retained Levy Payable to/received by Lancashire County Council<br>£ | Net Retained Levy 2025/26<br>£ |
|------------------------------------------------|----------------|------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------|
| Burnley Borough Council                        | Tariff         | 6,980,506                                      | -1,609,512                           | 160,951                                                                 | -1,448,561                     |
| Chorley Borough Council                        | Tariff         | 7,943,392                                      | -1,508,108                           | 150,811                                                                 | -1,357,297                     |
| Fylde Borough Council                          | Tariff         | 8,941,446                                      | -1,426,366                           | 142,637                                                                 | -1,283,729                     |
| Hyndburn Borough Council                       | Tariff         | 5,094,179                                      | -1,450,421                           | 145,042                                                                 | -1,305,379                     |
| Pendle Borough Council                         | Tariff         | 4,323,587                                      | -1,254,967                           | 125,497                                                                 | -1,129,470                     |
| Ribble Valley Borough Council                  | Tariff         | 5,321,901                                      | -880,161                             | 88,016                                                                  | -792,145                       |
| Rossendale Borough Council                     | Tariff         | 3,488,350                                      | -771,031                             | 77,103                                                                  | -693,928                       |
| South Ribble Borough Council                   | Tariff         | 12,931,415                                     | -2,233,792                           | 223,379                                                                 | -2,010,413                     |
| West Lancashire Borough Council                | Tariff         | 10,771,529                                     | -1,804,554                           | 180,455                                                                 | -1,624,099                     |
| Wyre Borough Council                           | Tariff         | 8,411,761                                      | -810,305                             | 81,031                                                                  | -729,274                       |
| Lancashire County Council                      | Top-Up         | -171,275,856                                   |                                      | -1,374,922                                                              | -1,374,922                     |
| Central Government                             | -              | 97,067,790                                     |                                      |                                                                         |                                |
| <b>Total</b>                                   |                | <b>0</b>                                       | <b>-13,749,217</b>                   | <b>0</b>                                                                | <b>-13,749,217</b>             |

| Lancashire Business Rates Pool Members 2024/25 | Authority Type | Tariffs and Top-Ups in Respect of 2024/25<br>£ | Retained Levy on Growth 2024/25<br>£ | 10% Retained Levy Payable to/received by Lancashire County Council<br>£ | Net Retained Levy 2024/25<br>£ |
|------------------------------------------------|----------------|------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------|
| Burnley Borough Council                        | Tariff         | 6,905,313                                      | -1,159,582                           | 115,958                                                                 | -1,043,624                     |
| 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>             |

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

## Notes to the Core Financial Statements

**12 TRANSFERS TO/FROM EARMARKED RESERVES**

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25 and 2025/26.

| General Fund                                                           | Balance at<br>31 March<br>2024<br>£ | Transfers<br>In 2024/25<br>£ | Transfers<br>Out<br>2024/25<br>£ | Balance at<br>31 March<br>2025<br>£ | Transfers<br>In 2025/26<br>£ | Transfers<br>Out<br>2025/26<br>£ | Balance at<br>31 March<br>2026<br>£ |
|------------------------------------------------------------------------|-------------------------------------|------------------------------|----------------------------------|-------------------------------------|------------------------------|----------------------------------|-------------------------------------|
| Reserves for Shorter Term Service Commitments                          | 1,227,139                           | 85,118                       | -1,172,275                       | 139,982                             | 80,820                       | -31,755                          | 189,047                             |
| Reserves to Smooth the Revenue Impact of Longer-Term Cyclical Costs    | 153,608                             | 59,349                       | -31,426                          | 181,531                             | 54,694                       | 0                                | 236,225                             |
| Reserves for Trading or Business Units                                 | -23,510                             | 0                            | -18,108                          | -41,618                             | 40,262                       | 0                                | -1,356                              |
| Reserves for Sums Set Aside for Major Schemes such as Capital Projects | 2,291,330                           | 8,204,264                    | -1,502,108                       | 8,993,486                           | 5,916,568                    | -2,941,513                       | 11,968,541                          |
| Reserves for Longer Term Strategic or Corporate Items                  | 9,489,064                           | 1,195,428                    | -4,290,711                       | 6,393,781                           | 1,266,561                    | -4,520,271                       | 3,140,071                           |
| Reserves for External Funding where Expenditure has yet to be Incurred | 2,506,951                           | 483,613                      | -2,013,641                       | 976,923                             | 291,977                      | -210,690                         | 1,058,210                           |
| <b>Total of all Earmarked Reserves</b>                                 | <b>15,644,582</b>                   | <b>10,027,772</b>            | <b>-9,028,269</b>                | <b>16,644,085</b>                   | <b>7,650,882</b>             | <b>-7,704,229</b>                | <b>16,590,738</b>                   |

## Notes to the Core Financial Statements

## 13 PROPERTY, PLANT AND EQUIPMENT

| Movements in 2025/26                                                                                        | Other Land and Buildings<br>£'000 | Vehicles, Plant, Furniture and Equipment<br>£'000 | Infra-Structure Assets<br>£'000 | Community Assets<br>£'000 | Assets Under Construction<br>£'000 | Total Property, Plant and Equipment<br>£'000 |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------|---------------------------------|---------------------------|------------------------------------|----------------------------------------------|
| <b><u>Cost or Valuation</u></b>                                                                             |                                   |                                                   |                                 |                           |                                    |                                              |
| At 1 April 2025                                                                                             | 16,060                            | 5,988                                             | 345                             | 2,086                     | 5                                  | <b>24,484</b>                                |
| Additions/Acquisitions                                                                                      | 1,197                             | 578                                               |                                 | 113                       | 353                                | <b>2,241</b>                                 |
| Derecognition - Disposal                                                                                    |                                   | -1,263                                            |                                 |                           |                                    | <b>-1,263</b>                                |
| Reclassifications                                                                                           | -39                               | 2                                                 |                                 | 39                        | -2                                 | <b>0</b>                                     |
| Revaluation/Indexation (decreases)/increases recognised in the Revaluation Reserve                          | -492                              |                                                   |                                 |                           | 379                                | <b>-113</b>                                  |
| Revaluation/Indexation (decreases)/increases recognised in the Surplus/Deficit on the Provision of Services | -92                               |                                                   |                                 |                           |                                    | <b>-92</b>                                   |
| <b>At 31 March 2026</b>                                                                                     | <b>16,634</b>                     | <b>5,305</b>                                      | <b>345</b>                      | <b>2,238</b>              | <b>735</b>                         | <b>25,257</b>                                |
| <b><u>Accumulated Depreciation and Impairments</u></b>                                                      |                                   |                                                   |                                 |                           |                                    |                                              |
| At 1 April 2025                                                                                             | -175                              | -3,822                                            | -136                            | -57                       | 0                                  | <b>-4,190</b>                                |
| Derecognition - Disposal                                                                                    |                                   | 1,253                                             |                                 |                           |                                    | <b>1,253</b>                                 |
| Depreciation Charge                                                                                         | -504                              | -578                                              | -11                             | -20                       |                                    | <b>-1,113</b>                                |
| Depreciation written out to the Revaluation Reserve                                                         | 535                               |                                                   |                                 |                           |                                    |                                              |
| Depreciation written out to the Surplus/Deficit on the Provision of Services                                | 52                                |                                                   |                                 |                           |                                    | <b>52</b>                                    |
| <b>At 31 March 2026</b>                                                                                     | <b>-92</b>                        | <b>-3,147</b>                                     | <b>-147</b>                     | <b>-77</b>                | <b>0</b>                           | <b>-3,998</b>                                |
| <b><u>Net Book Value</u></b>                                                                                |                                   |                                                   |                                 |                           |                                    |                                              |
| <b>at 31 March 2025</b>                                                                                     | <b>15,885</b>                     | <b>2,166</b>                                      | <b>209</b>                      | <b>2,029</b>              | <b>5</b>                           | <b>20,294</b>                                |
| <b>at 31 March 2026</b>                                                                                     | <b>16,542</b>                     | <b>2,158</b>                                      | <b>198</b>                      | <b>2,161</b>              | <b>735</b>                         | <b>21,794</b>                                |

## Notes to the Core Financial Statements

| Movements in 2024/25                                                                             | Other Land and Buildings<br>£'000 | Vehicles, Plant, Furniture and Equipment<br>£'000 | Infra-Structure Assets<br>£'000 | Community Assets<br>£'000 | Assets Under Construction<br>£'000 | Total Property, Plant and Equipment<br>£'000 |
|--------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------|---------------------------------|---------------------------|------------------------------------|----------------------------------------------|
| <b><u>Cost or Valuation</u></b>                                                                  |                                   |                                                   |                                 |                           |                                    |                                              |
| At 1 April 2024                                                                                  | 16,242                            | 6,174                                             | 345                             | 1,815                     | 31                                 | <b>24,607</b>                                |
| Additions/Acquisitions                                                                           | 657                               | 657                                               |                                 | 271                       | 5                                  | <b>1,590</b>                                 |
| Derecognition - Disposal                                                                         |                                   | -843                                              |                                 |                           | -26                                | <b>-869</b>                                  |
| Reclassifications                                                                                |                                   |                                                   |                                 |                           | -5                                 | <b>-5</b>                                    |
| Revaluation (decreases)/increases recognised in the Revaluation Reserve                          | -555                              |                                                   |                                 |                           |                                    | <b>-555</b>                                  |
| Revaluation (decreases)/increases recognised in the Surplus/Deficit on the Provision of Services | -284                              |                                                   |                                 |                           |                                    | <b>-284</b>                                  |
| <b>At 31 March 2025</b>                                                                          | <b>16,060</b>                     | <b>5,988</b>                                      | <b>345</b>                      | <b>2,086</b>              | <b>5</b>                           | <b>24,484</b>                                |
| <b><u>Accumulated Depreciation and Impairments</u></b>                                           |                                   |                                                   |                                 |                           |                                    |                                              |
| At 1 April 2024                                                                                  | -153                              | -4,126                                            | -125                            | -49                       | 0                                  | <b>-4,453</b>                                |
| Derecognition - Disposal                                                                         |                                   | 840                                               |                                 |                           |                                    | <b>840</b>                                   |
| Depreciation Charge                                                                              | -492                              | -536                                              | -11                             | -8                        |                                    | <b>-1,047</b>                                |
| Depreciation written out to the Revaluation Reserve                                              | 470                               |                                                   |                                 |                           |                                    | <b>470</b>                                   |
| <b>At 31 March 2025</b>                                                                          | <b>-175</b>                       | <b>-3,822</b>                                     | <b>-136</b>                     | <b>-57</b>                | <b>0</b>                           | <b>-4,190</b>                                |
| <b><u>Net Book Value</u></b>                                                                     |                                   |                                                   |                                 |                           |                                    |                                              |
| <b>at 31 March 2024</b>                                                                          | <b>16,089</b>                     | <b>2,048</b>                                      | <b>220</b>                      | <b>1,766</b>              | <b>31</b>                          | <b>20,154</b>                                |
| <b>at 31 March 2025</b>                                                                          | <b>15,885</b>                     | <b>2,166</b>                                      | <b>209</b>                      | <b>2,029</b>              | <b>5</b>                           | <b>20,294</b>                                |

## Notes to the Core Financial Statements

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### Depreciation

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

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

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

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

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

### Capital Commitments

At 31 March 2026 the Council had an approved capital programme of £12,860,450, including budget moved from the 2025/26 financial year, for 2026/27 and had £3,860,962 of budget slippage from the 2025/26 capital programme that was rolled forward to be spent in 2026/27. At 31 March 2026, the Council had capital commitments of £5,903,089, all of which related to 2025/26 capital programme.

Of the £5,903,089 capital commitments, £5,857,603 related to property, plant and equipment and £45,486.30 related to capital grants.

### Effects of Changes in Estimates

In 2025/26 the Council introduced Indexation as a method of valuing some of its fixed assets, as mandated by CIPFA guidance. Please refer to the Revaluations section below for further details.

### Revaluations

The Council ensures that all property, plant and equipment to be measured at current value is subject to one of the following processes:

- A quinquennial revaluation, supplemented by annual indexation in intervening years.
- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the four intervening years.
- For non-property assets only, appropriate indices.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment.

Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

At this Council revaluation of assets is undertaken every five years, where required by the Code, with annual indexation applied annually to assets during the four intervening years where and appropriate and reliable index is available.

The freehold and leasehold properties, which comprise the Council's property portfolio, were fully revalued on 31 March 2025 by Lea Hough & Co Chartered Surveyors (Thomas Sutton MRICS). The valuations were made in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

The 2025/26 financial year was the first year of the application of annual indexation, and this was undertaken by Lea Hough & Co Chartered Surveyors.

The 2025/26 Code changes relating to indexation apply to the following asset categories.

- Other land and buildings
- Surplus assets
- Right-of-use assets measured at current value per Section 4.1 in the Code, although no indexation was applied in 2025/26 on the basis that the change in value was not material (£3k).

The changes do not apply to other asset categories. For the council, this includes non-property assets with short useful lives or low values, or both, where the depreciated historical cost is used as a proxy for current value.

Where expenditure on property meets the criteria to be capitalised, it is added to the carrying value of the relevant asset, net of depreciation where applicable. Where additions enhance an existing asset, indexation is applied from the year in which the enhancement expenditure is incurred. Where additions create a new asset, indexation is applied in the year following the acquisition.

The significant assumptions applied in estimating the current values of property are:

## Notes to the Core Financial Statements

- The Building Cost Information Service (TPI) index has been utilised as a suitable index for building assets valued under the depreciated replacement cost methodology. Given that BCIS is an index of building cost inflation only, it is not appropriate to use BCIS to value the intrinsic land element.
- The Knight Frank Farmland Index has been applied as a suitable index for the assessment of farmland and amenity land held on an existing use basis.
- For residential properties, the Nationwide Building Society House Price Index has been applied as a suitable index, using postcode-specific data.
- A suitable index for industrial, office and retail properties has been derived from local transactional data on verified sales obtained from the CoStar Group.
- In all cases, the most recently published index available at the reporting date has been applied.

For commercial development land comprising surface car parks, small parcels of commercial land, and operational land held for service delivery, consideration was given to applying indexation between formal valuation dates. Following review of available publicised indices, it was concluded that no suitable index exists that could be applied reliably to these assets for the 2025/26 financial year. Accordingly, no indexation has been applied. In line with the Code, these assets will continue to be revalued on a five-year cycle, supplemented by a desktop revaluation in year three (March 2028).

| Index                                                   | Average<br>Change<br>% | Valuation<br>Change<br>£ |
|---------------------------------------------------------|------------------------|--------------------------|
| BCIS TPI                                                | 0.93%                  | 65,668                   |
| Farmland Index (Knight Frank)                           | -4.14%                 | -19,665                  |
| House Price Index (Nationwide Cost Information Service) | 1.70%                  | 15,003                   |
| Industrial Index (CoStar)                               | 1.40%                  | 24,136                   |
| Office Index (CoStar)                                   | -1.00%                 | -22,562                  |
| Retail Index (CoStar)                                   | -4.10%                 | -22,310                  |
| <b>Total Indexation Applied in 2025/26</b>              | <b>0.31%</b>           | <b>40,270</b>            |

## Notes to the Core Financial Statements

|                                    | Other Land<br>and<br>Buildings<br>£'000 | Vehicles,<br>Plant,<br>Furniture<br>and<br>Equipment<br>£'000 | Infrastructure<br>£'000 | Community<br>£'000 | Assets under<br>Construction<br>£'000 | Total<br>£'000 |
|------------------------------------|-----------------------------------------|---------------------------------------------------------------|-------------------------|--------------------|---------------------------------------|----------------|
| Carried at<br>Historical Cost      |                                         | 5,305                                                         | 345                     | 2,238              | 735                                   | 8,623          |
| Valued at current<br>value as at   |                                         |                                                               |                         |                    |                                       | 0              |
| 31 March 2026                      | 1,110                                   |                                                               |                         |                    |                                       | 1,110          |
| 31 March 2025                      | 15,524                                  |                                                               |                         |                    |                                       | 15,524         |
| <b>Total Cost or<br/>Valuation</b> | <b>16,634</b>                           | <b>5,305</b>                                                  | <b>345</b>              | <b>2,238</b>       | <b>735</b>                            | <b>25,257</b>  |

**Componentisation**

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

**14 HERITAGE ASSETS**

| Reconciliation of the Carrying Value<br>of Heritage Assets Held by the<br>Council | Clitheroe<br>Castle<br>Museum<br>Collection<br>£'000 | Civic Regalia<br>£'000 | Clitheroe<br>Castle Keep<br>£'000 | Total Heritage<br>Assets<br>£'000 |
|-----------------------------------------------------------------------------------|------------------------------------------------------|------------------------|-----------------------------------|-----------------------------------|
| <b><u>Cost or Valuation</u></b>                                                   |                                                      |                        |                                   |                                   |
| At 1 April 2025                                                                   | 1,225                                                | 103                    | 29                                | 1,357                             |
| Additions                                                                         |                                                      |                        | 72                                | 72                                |
| Revaluations                                                                      |                                                      |                        |                                   | 0                                 |
| <b>At 31 March 2026</b>                                                           | <b>1,225</b>                                         | <b>103</b>             | <b>101</b>                        | <b>1,429</b>                      |
| <b><u>Cost or Valuation</u></b>                                                   |                                                      |                        |                                   |                                   |
| At 1 April 2024                                                                   | 1,167                                                | 67                     | 28                                | 1,262                             |
| Additions                                                                         |                                                      |                        | 1                                 | 1                                 |
| Revaluations                                                                      | 58                                                   | 36                     |                                   | 94                                |
| <b>At 31 March 2025</b>                                                           | <b>1,225</b>                                         | <b>103</b>             | <b>29</b>                         | <b>1,357</b>                      |

**The Clitheroe Castle Museum Collection**

The Clitheroe Castle Museum Collection principally includes archaeological artifacts, geological collections, militaria and items of local social historical interest. The

## Notes to the Core Financial Statements

collection is managed by Lancashire Museum Services on behalf of the Council and is insured by them. The collection is reported in the Balance Sheet at insurance valuation. This value has been reviewed by Lancashire Museum Services prior to the latest insurance renewal.

### Civic Regalia

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

### Clitheroe Castle Keep

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

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

### Additions and Disposals of Heritage Assets

Some preliminary works had been undertaken in respect of the Clitheroe Castle Keep in 2025/26 (£72K), 2024/25 (£1K) and 2023/24 (£28K) and this has been added to the balance sheet, hence the value shown in the table above. This is the part of a larger scheme with more work budgeted to be undertaken in the 2026/27 financial year.

## 15 FINANCIAL INSTRUMENTS

### Categories of Financial Instruments

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

|                                                    | 2024/25           |                   | 2025/26           |                   |
|----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                    | Carrying Amount   | Fair Value        | Carrying Amount   | Fair Value        |
|                                                    | £                 | £                 | £                 | £                 |
| <u>Financial Assets Measured at Amortised Cost</u> |                   |                   |                   |                   |
| Investments                                        | 24,972,259        | 24,972,259        | 23,978,349        | 23,978,349        |
| <b>Total Investments</b>                           | <b>24,972,259</b> | <b>24,972,259</b> | <b>23,978,349</b> | <b>23,978,349</b> |
| Long-Term Debtors                                  | 202,682           | 202,682           | 187,713           | 187,713           |
| Short-Term Debtors                                 | 1,764,565         | 1,764,565         | 3,092,446         | 3,092,446         |
| <b>Total Debtors</b>                               | <b>1,967,247</b>  | <b>1,967,247</b>  | <b>3,280,159</b>  | <b>3,280,159</b>  |
| <b>Total Financial Assets</b>                      | <b>26,939,506</b> | <b>26,939,506</b> | <b>27,258,508</b> | <b>27,258,508</b> |

The Financial Instruments categorised above represent:

- Amounts shown under Investments consist of cash held by the Council, bank accounts, short term investments and subscribed for shares in the UK Municipal Bonds Agency plc (Local Capital Finance Company).

## Notes to the Core Financial Statements

- Amounts shown under Long-Term Debtors consist of a loan to Roefield Leisure Centre.
- Amounts shown under Short-Term Debtors represents net operational (sundry) debtors.

|                                                                | 2024/25              |                   | 2025/26              |                   |
|----------------------------------------------------------------|----------------------|-------------------|----------------------|-------------------|
|                                                                | Carrying Amount<br>£ | Fair Value<br>£   | Carrying Amount<br>£ | Fair Value<br>£   |
| <b><u>Financial Liabilities Measured at Amortised Cost</u></b> |                      |                   |                      |                   |
| Short-Term Creditors                                           | -2,336,882           | -2,336,882        | -2,756,670           | -2,756,670        |
| <b>Total Creditors</b>                                         | <b>-2,336,882</b>    | <b>-2,336,882</b> | <b>-2,756,670</b>    | <b>-2,756,670</b> |
| <b>Total Financial Liabilities</b>                             | <b>-2,336,882</b>    | <b>-2,336,882</b> | <b>-2,756,670</b>    | <b>-2,756,670</b> |

The Financial Instruments categorised above represent:

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

**Income, Expense, Gains and Losses**

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

|                                                                       | 2024/25<br>£      | 2025/26<br>£      |
|-----------------------------------------------------------------------|-------------------|-------------------|
| <b><u>Financial Assets</u></b>                                        |                   |                   |
| Interest income                                                       | -1,408,086        | -1,099,832        |
| <b>Total Income in Surplus or Deficit on the Provision of Service</b> | <b>-1,408,086</b> | <b>-1,099,832</b> |

**Fair Values of Assets and Liabilities**

Financial liabilities and financial assets represented above under the section titled Categories of Financial Instruments are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

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

## Notes to the Core Financial Statements

**16 SHORT TERM DEBTORS**

|                                | 31 March 2025<br>£ | 31 March 2026<br>£ |
|--------------------------------|--------------------|--------------------|
| Central government bodies      | 645,753            | 974,005            |
| Other local authorities        | 432,764            | 1,452,024          |
| Other entities and individuals |                    |                    |
| - Other Debtors                | 837,636            | 768,099            |
| - Business Rates               | 267,257            | 285,527            |
| - Council Tax                  | 277,122            | 287,614            |
| - Prepayments                  | 288,673            | 317,799            |
| - Impairment                   | -350,179           | -340,122           |
| <b>Total</b>                   | <b>2,399,026</b>   | <b>3,744,946</b>   |

**17 CASH AND CASH EQUIVALENTS**

|                          | 31 March 2025<br>£ | 31 March 2026<br>£ |
|--------------------------|--------------------|--------------------|
| Cash held by the Council | 5,865              | 3,720              |
| Bank Current Accounts    | 956,394            | 1,464,629          |
| Short Term Investments   | 24,000,000         | 22,500,000         |
| <b>Total</b>             | <b>24,962,259</b>  | <b>23,968,349</b>  |

**18 SHORT TERM CREDITORS**

|                                        | 31 March 2025<br>£ | 31 March 2026<br>£ |
|----------------------------------------|--------------------|--------------------|
| Central government bodies              | -1,014,517         | -1,282,170         |
| Other local authorities                | -2,839,237         | -2,351,894         |
| Other entities and individuals         |                    |                    |
| - Short Term Finance Lease Liabilities | -80,163            | -66,841            |
| - Other Creditors                      | -875,249           | -1,156,284         |
| - Business Rates                       | -160,170           | -123,664           |
| - Council Tax                          | -104,818           | -114,911           |
| - Commuted Sums                        | -2,160,111         | -940,958           |
| - Refundable Deposits                  | -22,089            | -23,049            |
| - Receipts in Advance                  | -31,086            | -24,302            |
| <b>Total</b>                           | <b>-7,287,440</b>  | <b>-6,084,073</b>  |

**19 PROVISIONS**

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

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

| Business Rates Appeals Provision    | 2024/25<br>£ | 2025/26<br>£ |
|-------------------------------------|--------------|--------------|
| Balance at 1 April                  | 435,824      | 334,257      |
| Movements in provisions in the year | -101,567     | 279,975      |
| Balance at 31 March                 | 334,257      | 614,233      |

**20 USABLE RESERVES**

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

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

| 31 March 2025<br>£                         | 31 March 2026<br>£ |
|--------------------------------------------|--------------------|
| 4,082,200 General Fund Balance             | 4,651,359          |
| 16,644,085 Earmarked General Fund Reserves | 16,590,738         |
| 829,868 Usable Capital Receipts Reserve    | 1,374,785          |
| 1,643,102 Capital Grants Unapplied         | 1,778,848          |
| <b>23,199,255 Total Usable Reserves</b>    | <b>24,395,730</b>  |

**General Fund Balance**

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

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

## Notes to the Core Financial Statements

| 2024/25<br>£                                                    | 2025/26<br>£     |
|-----------------------------------------------------------------|------------------|
| <b>2,896,083 Opening General Fund Balance</b>                   | <b>4,082,200</b> |
| 1,186,117 Net amount added to (taken from) General Fund Balance | 569,159          |
| <b>4,082,200 Closing General Fund Balance</b>                   | <b>4,651,359</b> |

### Earmarked General Fund Reserves

Unlike the general fund balance, the council's Earmarked General fund Reserves have been set aside for a specific purpose.

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

| 2024/25<br>£                                                  | 2025/26<br>£      |
|---------------------------------------------------------------|-------------------|
| <b>15,644,582 Opening Earmarked General Fund Reserves</b>     | <b>16,644,085</b> |
| 10,027,772 Amounts added to Earmarked General Fund Reserves   | 7,650,882         |
| -9,028,269 Amounts taken from Earmarked General Fund Reserves | -7,704,229        |
| <b>16,644,085 Closing Earmarked General Fund Reserves</b>     | <b>16,590,738</b> |

### Usable Capital Receipts Reserve

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

| 2024/25<br>£                                                   | 2025/26<br>£     |
|----------------------------------------------------------------|------------------|
| <b>796,205 Opening Usable Capital Receipts Reserve</b>         | <b>829,868</b>   |
| 56,430 Amounts added to the Usable Capital Receipts Reserve    | 544,917          |
| -22,767 Amounts taken from the Usable Capital Receipts Reserve | 0                |
| <b>829,868 Closing Usable Capital Receipts Reserve</b>         | <b>1,374,785</b> |

**Capital Grants Unapplied**

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

| 2024/25<br>£                                         | 2025/26<br>£     |
|------------------------------------------------------|------------------|
| <b>1,115,445 Opening Capital Grants Unapplied</b>    | <b>1,643,102</b> |
| 1,203,212 Amounts added to Capital Grants Unapplied  | 809,917          |
| -675,555 Amounts taken from Capital Grants Unapplied | -674,171         |
| <b>1,643,102 Closing Capital Grants Unapplied</b>    | <b>1,778,848</b> |

**21 UNUSABLE RESERVES**

| 31 March 2025<br>£                         | 31 March 2026<br>£ |
|--------------------------------------------|--------------------|
| 10,055,884 Capital Adjustment Account      | 11,468,203         |
| 258,112 Collection Fund Adjustment Account | -40,075            |
| 9,135,858 Revaluation Reserve              | 9,145,416          |
| -629,000 Pension Reserve                   | -546,000           |
| -143,941 Accumulated Absences Account      | -143,941           |
| <b>18,676,913 Total Unusable Reserves</b>  | <b>19,883,603</b>  |

## Notes to the Core Financial Statements

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### **Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains gains recognised on donated assets that have yet to be consumed by the council, and it also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

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

## Notes to the Core Financial Statements

| 2024/25<br>£      |                                                                                                                                                            | 2025/26<br>£      |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>9,372,504</b>  | <b>Balance at 1 April</b>                                                                                                                                  | <b>10,055,884</b> |
|                   | <b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive income and Expenditure statement</b>                         |                   |
| -1,045,826        | - Charges for depreciation and impairment of non-current assets                                                                                            | -1,113,421        |
| -127,511          | - Charges for depreciation and impairment of Finance Leases                                                                                                | -132,197          |
| -284,409          | - Revaluation losses/(gains) on Property, Plant and Equipment                                                                                              | -40,554           |
| -22,922           | - Amortisation of intangible assets                                                                                                                        | -15,625           |
| -2,080,954        | - Revenue expenditure funded from capital under statute                                                                                                    | -1,845,454        |
| -29,511           | - Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | -203,041          |
| <b>-3,591,133</b> |                                                                                                                                                            | <b>-3,350,292</b> |
| 231,119           | Adjusting amounts written out of the Revaluation Reserve                                                                                                   | 413,201           |
| <b>-3,360,014</b> | <b>Net written out amount of the cost of non-current assets consumed in the year</b>                                                                       | <b>-2,937,091</b> |
|                   | <b>Capital financing applied in the year</b>                                                                                                               |                   |
| 1,622,947         | - Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing              | 541,548           |
| 675,555           | - Application of grants to capital financing from the Capital Grants Unapplied Account                                                                     | 674,171           |
| 22,767            | - Use of capital receipts reserve to finance new capital expenditure                                                                                       | 0                 |
| 100,469           | - Statutory provision for the financing of capital investment charged against the General Fund                                                             | 98,391            |
| 93,291            | - Statutory provision for the financing of capital investment charged against the General Fund in respect of Finance Leases                                | 93,787            |
| 1,352,392         | - Capital expenditure charged against the General Fund balance                                                                                             | 2,941,513         |
| <b>3,867,421</b>  |                                                                                                                                                            | <b>4,349,410</b>  |
| <b>175,973</b>    | Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement (in respect of Finance Leases)                       | <b>0</b>          |
| <b>175,973</b>    |                                                                                                                                                            | <b>0</b>          |
| <b>10,055,884</b> | <b>Balance at 31 March</b>                                                                                                                                 | <b>11,468,203</b> |

## Notes to the Core Financial Statements

### Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and business rates income in the Comprehensive Income and Expenditure statement as it falls due from council tax payers and business rates payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

| 2024/25<br>£                                                                                                                                                                                                   | 2025/26<br>£   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>445,480 Balance at 1 April</b>                                                                                                                                                                              | <b>258,112</b> |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements       |                |
| -1,645                                                                                                                                                                                                         | -45,186        |
| Amount by which business rates income credited to the Comprehensive Income and Expenditure Statement is different from business rates income calculated for the year in accordance with statutory requirements |                |
| -185,723                                                                                                                                                                                                       | -253,001       |
| <b>258,112 Balance at 31 March</b>                                                                                                                                                                             | <b>-40,075</b> |

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

| 2024/25<br>£                                                                                                                           | 2025/26<br>£     |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>9,358,418 Balance at 1 April</b>                                                                                                    | <b>9,135,858</b> |
| 489,914 Upward revaluation of assets                                                                                                   | 481,734          |
| -481,355 Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services          | -58,975          |
| <b>8,559 Surplus or Deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services</b> | <b>422,759</b>   |
| -231,119 Difference between fair value depreciation and historical cost depreciation                                                   | -231,468         |
| 0 Accumulated gains on assets sold or scrapped                                                                                         | -181,733         |
| <b>-231,119 Amount written off to the Capital Adjustment Account</b>                                                                   | <b>-413,201</b>  |
| <b>9,135,858 Balance at 31 March</b>                                                                                                   | <b>9,145,416</b> |

**Pension Reserve**

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible.

The net pension liability in respect of the surplus/deficit on the pension fund, as calculated by the fund's actuary, is included in the council's balance sheet. After allowing for the impact of the Asset Ceiling, the pension fund for this Council had a net deficit position of £546k at 31 March 2026 (£629k deficit at 31 March 2025).

| 2024/25<br>£                                                                                                                                                                       | 2025/26<br>£    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>-736,000</b>                                                                                                                                                                    | <b>-629,000</b> |
| Balance at 1 April                                                                                                                                                                 |                 |
| 6,477,000                                                                                                                                                                          | -2,225,000      |
| Remeasurements of the net defined benefit liability/(asset)                                                                                                                        |                 |
| -1,214,000                                                                                                                                                                         | -968,000        |
| Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement |                 |
| 1,058,000                                                                                                                                                                          | 1,142,000       |
| Employer's pensions contributions and direct payments to pensioners payable in the year                                                                                            |                 |
| -6,214,000                                                                                                                                                                         | 2,134,000       |
| Impact of asset ceiling                                                                                                                                                            |                 |
| <b>-629,000</b>                                                                                                                                                                    | <b>-546,000</b> |
| Balance at 31 March                                                                                                                                                                |                 |

The main reasons for the above movements have been:

**Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g., annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General fund Balance is neutralised by transfers to or from the Account.

## Notes to the Core Financial Statements

| 2024/25<br>£                                                                                                                                                                                                                           | 2025/26<br>£    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>-103,143 Balance at 1 April</b>                                                                                                                                                                                                     | <b>-143,941</b> |
| 103,143 Settlement or cancellation of accrual made at the end of the preceding year                                                                                                                                                    | 143,941         |
| -143,941 Amounts accrued at the year end of the current year                                                                                                                                                                           | -143,941        |
| <b>-40,798 Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements</b> | <b>0</b>        |
| <b>-143,941 Balance at 31 March</b>                                                                                                                                                                                                    | <b>-143,941</b> |

**22 CASH FLOW STATEMENT – OPERATING ACTIVITIES**

The cash flows for operating activities include the following items:

| 2024/25<br>£                   | 2025/26<br>£      |
|--------------------------------|-------------------|
| -1,408,086 Interest received   | -1,099,832        |
| <b>-1,408,086 Net Interest</b> | <b>-1,099,832</b> |

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

| 2024/25<br>£                                                                         | 2025/26<br>£   |
|--------------------------------------------------------------------------------------|----------------|
| 56,430 Proceeds from the sale of property, plant and equipment and intangible assets | 544,917        |
| <b>56,430</b>                                                                        | <b>544,917</b> |

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

## Notes to the Core Financial Statements

| 2024/25<br>£                                                                                                        | 2025/26<br>£     |
|---------------------------------------------------------------------------------------------------------------------|------------------|
| -1,045,826 Depreciation                                                                                             | -1,113,421       |
| -127,510 Depreciation on Finance Leases                                                                             | -132,197         |
| -284,409 Impairment and downward valuations                                                                         | -40,554          |
| -22,922 Amortisation                                                                                                | -15,625          |
| 1,207,452 (Increase)/Decrease in creditors                                                                          | 1,398,302        |
| -920,124 Increase/(Decrease) in debtors                                                                             | 1,284,657        |
| 388,640 (Decrease)/Increase in inventories                                                                          | -250,432         |
| 101,567 (Increase)/Decrease in provisions                                                                           | -279,976         |
| -156,000 Movement in pension liability                                                                              | 174,000          |
| -29,511 Carrying amount of Property, Plant and Equipment sold                                                       | -203,041         |
| 1,622,947 Capital Grants and Contributions Applied                                                                  | 541,547          |
| -2,080,954 Revenue Expenditure Funded from Capital Under Statute                                                    | -1,845,454       |
| 1,352,392 Capital Expenditure Charged against General Fund Balances                                                 | 2,941,513        |
| 1,203,212 Capital Grants and Contributions Unapplied Credited to the Comprehensive Income and Expenditure Statement | 809,917          |
| -40,798 (Increase)/Decrease in Accumulated Absences                                                                 | 0                |
| 175,972 (Increase)/Decrease in Donated Assets                                                                       | 0                |
| <b>1,344,128</b>                                                                                                    | <b>3,269,236</b> |

**23 CASH FLOW STATEMENT – INVESTING ACTIVITIES**

| 2024/25<br>£                                                                                               | 2025/26<br>£    |
|------------------------------------------------------------------------------------------------------------|-----------------|
| 3,608,944 Purchase of property, plant and equipment, investment property and intangible assets             | 4,201,547       |
| -56,430 Proceeds from the sale of property, plant and equipment, investment property and intangible assets | -544,917        |
| -3,830,134 Other receipts from investing activities                                                        | -4,246,684      |
| <b>-277,620 Net cash flows from investing activities</b>                                                   | <b>-590,054</b> |

**24 CASH FLOW STATEMENT – FINANCING ACTIVITIES**

| 2024/25<br>£                                                                                     | 2025/26<br>£    |
|--------------------------------------------------------------------------------------------------|-----------------|
| 93,291 Cash payments for the reduction of the outstanding liabilities relating to finance leases | 93,787          |
| -126,496 Other payments for financing activities                                                 | -252,571        |
| <b>-33,205 Net cash flows from financing activities</b>                                          | <b>-158,784</b> |

**Notes to the Core Financial Statements**

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**25 MEMBERS' ALLOWANCES**

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

|                                   | 2024/25<br>£   | 2025/26<br>£   |
|-----------------------------------|----------------|----------------|
| Basic Allowance                   | 181,206        | 188,121        |
| Special Responsibility Allowances | 101,147        | 101,736        |
| Expenses                          | 1,971          | 3,000          |
|                                   | <b>284,324</b> | <b>292,857</b> |

## Notes to the Core Financial Statements

**26 OFFICERS' EMOLUMENTS**

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

**Remuneration Disclosure (excluding Pension Contributions)**

| Post Holder Information                                                                                                                                                                                                                    | Salary,<br>Fees and<br>Allowances<br><br>2024/25<br>£ | Benefits<br>in Kind<br><br>2024/25<br>£ | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions<br>2024/25<br>£ | Salary,<br>Fees and<br>Allowances<br><br>2025/26<br>£ | Benefits<br>in Kind<br><br>2025/26<br>£ | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions<br>2025/26<br>£ |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------|
| <b><sup>1</sup> Chief Executive</b><br><i>37hrs per week to 7 Apr 24<br/>18.5hrs per week to 8 Apr 24 to 15 Jun 25<br/>29.6hrs per week from 16 Jun 25 to 4 Jan 26</i>                                                                     | 72,365                                                | 0                                       | <b>72,365</b>                                                                  | 76,796                                                | 0                                       | <b>76,796</b>                                                                  |
| Chief Executive<br><i>From 5 Jan 26</i>                                                                                                                                                                                                    | 0                                                     | 0                                       | <b>0</b>                                                                       | 27,658                                                | 0                                       | <b>27,658</b>                                                                  |
| <b><sup>2</sup> Director of Resources and<br/>Deputy Chief Executive</b><br><i>Also acting up to Chief Executive for 18.5hrs per<br/>week from 8 Apr 24 to 15 Jun 25<br/>22.2hrs per week in substantive post only, from<br/>16 Jun 25</i> | 106,069                                               | 6,011                                   | <b>112,080</b>                                                                 | 74,073                                                | 6,546                                   | <b>80,619</b>                                                                  |
| Director of Community Services                                                                                                                                                                                                             | 92,662                                                | 0                                       | <b>92,662</b>                                                                  | 97,653                                                | 0                                       | <b>97,653</b>                                                                  |
| Director of Economic<br>Development and Planning<br>Services                                                                                                                                                                               | 96,870                                                | 2,566                                   | <b>99,436</b>                                                                  | 99,970                                                | 0                                       | <b>99,970</b>                                                                  |
| <b><sup>3</sup> Head of Financial Services</b><br><i>Also acting up to Director of Resources and<br/>Deputy Chief Executive for 14.8hrs per week<br/>from 16 Jun 25</i>                                                                    | 67,686                                                | 0                                       | <b>67,686</b>                                                                  | 78,013                                                | 610                                     | <b>78,623</b>                                                                  |
| Acting Head of Financial Services<br><i>14.8hrs per week from 16 Jun 25</i>                                                                                                                                                                | 0                                                     | 0                                       | <b>0</b>                                                                       | 20,979                                                | 0                                       | <b>20,979</b>                                                                  |
| <b><sup>4</sup> Head of Development<br/>Management and Building<br/>Control</b>                                                                                                                                                            | 58,350                                                | 1,973                                   | <b>60,323</b>                                                                  | 63,669                                                | 2,336                                   | <b>66,005</b>                                                                  |
| Head of Legal and Democratic<br>Services                                                                                                                                                                                                   | 67,686                                                | 3,492                                   | <b>71,178</b>                                                                  | 69,852                                                | 4,467                                   | <b>74,319</b>                                                                  |
| Head of Engineering Services<br><i>To 22 Feb 26</i>                                                                                                                                                                                        | 58,350                                                | 0                                       | <b>58,350</b>                                                                  | 54,894                                                | 0                                       | <b>54,894</b>                                                                  |
| Head of Human Resources<br><i>To 28 Jul 24</i>                                                                                                                                                                                             | 19,062                                                | 0                                       | <b>19,062</b>                                                                  | 0                                                     | 0                                       | <b>0</b>                                                                       |
| Head of Human Resources<br><i>From 1 Jan 25</i>                                                                                                                                                                                            | 14,588                                                | 0                                       | <b>14,588</b>                                                                  | 61,127                                                | 0                                       | <b>61,127</b>                                                                  |
| Head of Revenues and Benefits<br><i>To 30 Jun 25</i>                                                                                                                                                                                       | 59,525                                                | 4,021                                   | <b>63,546</b>                                                                  | 15,358                                                | 0                                       | <b>15,358</b>                                                                  |
| Head of Revenues and Benefits<br><i>From 6 Oct 25</i>                                                                                                                                                                                      | 0                                                     | 0                                       | <b>0</b>                                                                       | 28,237                                                | 72                                      | <b>28,309</b>                                                                  |

## Notes to the Core Financial Statements

| Post Holder Information                                            | Salary,<br>Fees and<br>Allowances | Benefits<br>in Kind | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions | Salary,<br>Fees and<br>Allowances | Benefits<br>in Kind | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions |
|--------------------------------------------------------------------|-----------------------------------|---------------------|----------------------------------------------------------------|-----------------------------------|---------------------|----------------------------------------------------------------|
| Head of Strategic Planning and<br>Housing<br><i>To 31 Oct 24</i>   | 34,038                            | 0                   | <b>34,038</b>                                                  | 0                                 | 0                   | <b>0</b>                                                       |
| Head of Strategic Planning and<br>Housing<br><i>From 01 Sep 25</i> | 0                                 | 0                   | <b>0</b>                                                       | 33,760                            | 0                   | <b>33,760</b>                                                  |
| Head of Environmental Health                                       | 58,350                            | 110                 | <b>58,460</b>                                                  | 61,430                            | 486                 | <b>61,916</b>                                                  |
| Head of Cultural and Leisure<br>Services                           | 59,525                            | 2,481               | <b>62,006</b>                                                  | 61,430                            | 855                 | <b>62,285</b>                                                  |
|                                                                    | <b>865,126</b>                    | <b>20,654</b>       | <b>885,780</b>                                                 | <b>924,899</b>                    | <b>15,372</b>       | <b>940,271</b>                                                 |

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

<sup>1</sup> The values for the Chief Executive include Returning Officer Fees, which fluctuate from year to year depending on the elections called. 2024/25 £6,576 (£4,076 of which was pensionable) ; 2025/26 £2,545 (all of which was pensionable).

The total remuneration shown is at 37hrs per week to 7 Apr 24, 18.5hrs per week 8 Apr 24 to 15 Jun 2025 (with the remaining 18.5hrs provided for on an Acting Up Basis by the Director of Resources and Deputy Chief Executive) and 29.6hrs per week to 4 Jan 2026

<sup>2</sup> The payments made to the Director of Resources and Deputy Chief Executive include payment for acting up in the role of Chief Executive at 18.5hrs per week from 8 Apr 2024 to 15 Jun 2025 (0.5 of FTE). From 16 Jun 2025 remuneration was at 22.2hrs per week in the substantive post only (with the remaining 14.8hrs provided for on an Acting up Basis by the Head of Financial Services).

<sup>3</sup> In 2025/26 the payments made to the Head of Financial Services include payment for acting up in the role of Director of Resources and Deputy Chief Executive at 14.8hrs per week from 16 Jun 2025.

<sup>4</sup> In 2025/26 the payments made to the Head of Development Management and Building Control include an honorarium payment for acting up in the role of Director of Economic Development and Planning Services between 16 January – 10 March 2025.

There were a number of changes to the listing of senior officers in 2024/25 and 2025/26. All posts are included as pro-rata their salary, or in the later note, remuneration is over £50,000. The relevant dates of employment are included for clarity.

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

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

The table below shows the contribution rates that applied in the 2024/25 and 2025/26 financial years. The band that an employee falls within is determined by reference to the actual pensionable pay received, not the full-time equivalent rate of pay.

## Notes to the Core Financial Statements

| Salary Banding 2024/25 | Salary Banding 2025/26 | Employee Contribution Rate |
|------------------------|------------------------|----------------------------|
| £0 - £17,600           | £0 - £17,800           | 5.50%                      |
| £17,601 - £27,600      | £17,801 - £28,000      | 5.80%                      |
| £27,601 - £44,900      | £28,001 - £45,600      | 6.50%                      |
| £44,901 - £56,800      | £45,601 - £57,700      | 6.80%                      |
| £56,801 - £79,700      | £57,701 - £81,000      | 8.50%                      |
| £79,701 - £112,900     | £81,001 - £114,800     | 9.90%                      |
| £112,901 - £133,100    | £114,801 - £135,300    | 10.50%                     |
| £133,101 - £199,700    | £135,301 - £203,000    | 11.40%                     |
| > £199,701             | > £203,001             | 12.50%                     |

For 2024/25 and 2025/26 the rate of employer contributions was 14.7%.

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

## Remuneration Disclosure (including Pension Contributions)

| Post Holder Information                                                                                                                                                                                                                   | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions<br>2024/25<br>£ | Pension<br>Contributions<br>2024/25<br>£ | Total<br>Remuneration<br>including<br>Pension<br>Contributions<br>2024/25<br>£ | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions<br>2025/26<br>£ | Pension<br>Contributions<br>2025/26<br>£ | Total<br>Remuneration<br>including<br>Pension<br>Contributions<br>2025/26<br>£ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------|
| <b><sup>1</sup> Chief Executive</b><br><i>37hrs per week to 7 Apr 24<br/>18.5hrs per week to 8 Apr 24 to 15 Jun 25<br/>29.6hrs per week from 16 Jun 25 to 4 Jan 26</i>                                                                    | 72,365                                                                         | 10,270                                   | <b>82,635</b>                                                                  | 76,796                                                                         | 11,289                                   | <b>88,085</b>                                                                  |
| <b>Chief Executive</b><br><i>From 5 Jan 26</i>                                                                                                                                                                                            | 0                                                                              | 0                                        | <b>0</b>                                                                       | 27,658                                                                         | 4,066                                    | <b>31,724</b>                                                                  |
| <b><sup>2</sup> Director of Resources and<br/>Deputy Chief Executive</b><br><i>Also acting up to Chief Executive for 18.5hrs<br/>per week from 8 Apr 24 to 15 Jun 25<br/>22.2hrs per week in substantive post only<br/>from 16 Jun 25</i> | 112,080                                                                        | 15,592                                   | <b>127,672</b>                                                                 | 80,619                                                                         | 10,889                                   | <b>91,508</b>                                                                  |
| <b>Director of Community Services</b>                                                                                                                                                                                                     | 92,662                                                                         | 13,621                                   | <b>106,283</b>                                                                 | 97,653                                                                         | 14,355                                   | <b>112,008</b>                                                                 |
| <b>Director of Economic<br/>Development and Planning<br/>Services</b>                                                                                                                                                                     | 99,436                                                                         | 14,205                                   | <b>113,641</b>                                                                 | 99,970                                                                         | 14,659                                   | <b>114,629</b>                                                                 |
| <b><sup>3</sup> Head of Financial Services</b><br><i>Also acting up to Director of Resources and<br/>Deputy Chief Executive for 14.8hrs per week<br/>from 16 Jun 25</i>                                                                   | 67,686                                                                         | 9,950                                    | <b>77,636</b>                                                                  | 78,623                                                                         | 11,468                                   | <b>90,091</b>                                                                  |

## Notes to the Core Financial Statements

| Post Holder Information                                                     | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions | Pension<br>Contributions | Total<br>Remuneration<br>including<br>Pension<br>Contributions | Total<br>Remuneration<br>excluding<br>Pension<br>Contributions | Pension<br>Contributions | Total<br>Remuneration<br>including<br>Pension<br>Contributions |
|-----------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------|----------------------------------------------------------------|----------------------------------------------------------------|--------------------------|----------------------------------------------------------------|
| Acting Head of Financial Services<br><i>14.8hrs per week from 16 Jun 25</i> | 0                                                              | 0                        | 0                                                              | 20,979                                                         | 3,084                    | <b>24,063</b>                                                  |
| <sup>4</sup> Head of Development Management and Building Control            | 60,323                                                         | 8,577                    | <b>68,900</b>                                                  | 66,005                                                         | 9,359                    | <b>75,364</b>                                                  |
| Head of Legal and Democratic Services                                       | 71,178                                                         | 9,950                    | <b>81,128</b>                                                  | 74,319                                                         | 10,268                   | <b>84,587</b>                                                  |
| Head of Engineering Services<br><i>To 22 Feb 26</i>                         | 58,350                                                         | 8,577                    | <b>66,927</b>                                                  | 54,894                                                         | 8,069                    | <b>62,963</b>                                                  |
| Head of Human Resources<br><i>To 28 Jul 24</i>                              | 19,062                                                         | 2,802                    | <b>21,864</b>                                                  | 0                                                              | 0                        | <b>0</b>                                                       |
| Head of Human Resources<br><i>From 1 Jan 25</i>                             | 14,588                                                         | 2,144                    | <b>16,732</b>                                                  | 61,127                                                         | 8,986                    | <b>70,113</b>                                                  |
| Head of Revenues and Benefits<br><i>To 30 Jun 25</i>                        | 63,546                                                         | 8,750                    | <b>72,296</b>                                                  | 15,358                                                         | 2,258                    | <b>17,616</b>                                                  |
| Head of Revenues and Benefits<br><i>From 6 Oct 25</i>                       | 0                                                              | 0                        | <b>0</b>                                                       | 28,309                                                         | 4,151                    | <b>32,460</b>                                                  |
| Head of Strategic Planning and Housing<br><i>To 31 Oct 24</i>               | 34,038                                                         | 5,004                    | <b>39,042</b>                                                  | 0                                                              | 0                        | <b>0</b>                                                       |
| Head of Strategic Planning and Housing<br><i>From 01 Sep 25</i>             | 0                                                              | 0                        | <b>0</b>                                                       | 33,760                                                         | 4,963                    | <b>38,723</b>                                                  |
| Head of Environmental Health                                                | 58,460                                                         | 8,577                    | <b>67,037</b>                                                  | 61,916                                                         | 9,030                    | <b>70,946</b>                                                  |
| Head of Cultural and Leisure Services                                       | 62,006                                                         | 8,750                    | <b>70,756</b>                                                  | 62,285                                                         | 9,030                    | <b>71,315</b>                                                  |
|                                                                             | <b>885,780</b>                                                 | <b>126,769</b>           | <b>1,012,549</b>                                               | <b>940,271</b>                                                 | <b>135,924</b>           | <b>1,076,195</b>                                               |

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

<sup>1</sup> The values for the Chief Executive include Returning Officer Fees, which fluctuate from year to year depending on the elections called. 2024/25 £6,576 (£4,076 of which was pensionable); 2025/26 £2,545 (all of which was pensionable).

The total remuneration shown is at 37hrs per week to 7 Apr 24, 18.5hrs per week 8 Apr 24 to 15 Jun 2025 (with the remaining 18.5hrs provided for on an Acting Up Basis by the Director of Resources and Deputy Chief Executive) and 29.6hrs per week to 4 Jan 2026

<sup>2</sup> The payments made to the Director of Resources and Deputy Chief Executive include payment for acting up in the role of Chief Executive at 18.5hrs per week from 8 Apr 2024 to 15 Jun 2025 (0.5 of FTE). From 16 Jun 2025 remuneration was at 22.2hrs per week in the substantive post only (with the remaining 14.8hrs provided for on an Acting up Basis by the Head of Financial Services).

## Notes to the Core Financial Statements

<sup>3</sup> In 2025/26 the payments made to the Head of Financial Services include payment for acting up in the role of Director of Resources and Deputy Chief Executive at 14.8hrs per week from 16 Jun 2025.

<sup>4</sup> In 2025/26 the payments made to the Head of Development Management and Building Control include an honorarium payment for acting up in the role of Director of Economic Development and Planning Services between 16 January – 10 March 2025.

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

## Remuneration Disclosure (Remuneration Banding)

|                     | 2024/25        | 2025/26        |
|---------------------|----------------|----------------|
| £50,000 - £54,999   |                |                |
| £55,000 - £59,999   | <sup>e</sup> 5 | <sup>d</sup> 2 |
| £60,000 - £64,999   | 3              | <sup>e</sup> 5 |
| £65,000 - £69,999   | 1              | <sup>f</sup> 2 |
| £70,000 - £74,999   | 1              | 1              |
| £75,000 - £79,999   |                | <sup>g</sup> 1 |
| £80,000 - £84,999   |                |                |
| £85,000 - £89,999   |                |                |
| £90,000 - £94,999   | 1              |                |
| £95,000 - £99,999   | 1              | 2              |
| £100,000 - £104,999 |                |                |
| £105,000 - £109,999 |                |                |
| £110,000 - £114,999 | <sup>c</sup> 1 | <sup>h</sup> 2 |
| £115,000 - £119,999 |                |                |
| £120,000 - £124,999 |                |                |
| £125,000 - £129,999 | <sup>d</sup> 1 | <sup>c</sup> 1 |
| £130,000 - £135,999 |                |                |

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

<sup>a</sup> All positions are shown within bandings at full time equivalent remuneration. This banding includes Head of Human Resources (1) who was in position to 28 Jul 2024, Head of Human Resources (2) who was in position from 1 Jan 2025 and Head of Strategic Planning and Housing who was in position to 31 Oct 2024.

<sup>b</sup> In 2024/25 the payments made to the Director of Resources and Deputy Chief Executive include payment for acting up in the role of Chief Executive at 18.5hrs per week from 8 Apr 2024 (0.5 of FTE).

<sup>c</sup> The values for the Chief Executive include Returning Officer Fees, which fluctuate from year to year depending on the elections called. 2024/25 £6,576 (£4,076 of which was pensionable) ; 2025/26 £2,545 (all of which was pensionable).

The total remuneration shown is at 37hrs per week to 7 Apr 24, 18.5hrs per week 8 Apr 24 to 15 Jun 2025 (with the remaining 18.5hrs provided for on an Acting Up Basis by the Director of Resources and Deputy Chief Executive) and 29.6hrs per week to 4 Jan 2026.

## Notes to the Core Financial Statements

<sup>d</sup> All positions are shown within bandings at full time equivalent remuneration. This banding includes Head of Revenues and Benefits (2) who started in position on 6 Oct 2025 and Head of Strategic Planning and Housing who was in position from 1 Sep 2025.

<sup>e</sup> This banding includes Head of Revenues and Benefits (1) who was in position to 30 Jun 2025 and Head of Engineering Services who was in position to 22 Feb 2026 (at FTE).

<sup>f</sup> This banding includes Acting Head of Financial Services who was in position 14.8hrs per week from 16 Jun 2025 (at FTE).

In 2025/26 the payments made to the Head of Development Management and Building Control included an honorarium payment for acting up in the role of Director of Economic Development and Planning.

<sup>g</sup> In 2025/26 the payments made to the Head of Financial Services include payment for acting up in the role of Director of Resources and Deputy Chief Executive at 14.8hrs per week from 16 Jun 2025.

<sup>h</sup> In 2025/26 the payments made to the Director of Resources and Deputy Chief Executive include payment for acting up in the role of Chief Executive at 18.5hrs per week to 15 Jun 2025 (0.5 of FTE). From 16 Jun 2025 remuneration was at 22.2hrs per week in the substantive post only (included within the band at FTE).

This banding also includes the Chief Executive position (2) with a commencement date of 5 Jan 2026, but included within the bandings at FTE.

There were no redundancy payments made in 2024/25 or 2025/26.

## 27 EXTERNAL AUDIT COSTS

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

|                                                                                                                                                                                             | 2024/25<br>£   | 2025/26<br>£   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for the year - in respect of 2024/25                                      | 141,656        | 4,484          |
| Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for the year - in respect of 2025/26                                      |                | 145,622        |
| Fees payable to Grant Thornton UK LLP for the certification of grant claims and returns for the year.<br><i>Work completed in 2024/25 but relating to the 2022/23 financial year claims</i> | 9,000          |                |
| Fees payable to Grant Thornton UK LLP for the certification of grant claims and returns for the year.<br><i>Work completed in 2025/26 but relating to the 2024/25 financial year claims</i> | 37,550         |                |
| Fees payable to Grant Thornton UK LLP for the certification of grant claims and returns for the year.<br><i>Work completed in 2026/27 but relating to the 2025/26 financial year claims</i> |                | 37,550         |
| <b>Total</b>                                                                                                                                                                                | <b>188,206</b> | <b>187,656</b> |

## 28 GRANT INCOME

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25 and 2025/26:

|                                                                                  | 2024/25<br>£      | 2025/26<br>£      |
|----------------------------------------------------------------------------------|-------------------|-------------------|
| <b><u>Credited to Taxation and Non-Specific Grant Income</u></b>                 |                   |                   |
| New Homes Bonus                                                                  | -665,149          | -547,320          |
| Business Rates S31 Grant                                                         | -3,082,301        | -2,624,973        |
| Rural Services Delivery Grant                                                    | -146,559          |                   |
| Services Grant                                                                   | -9,456            |                   |
| Levy Account Surplus                                                             | -11,359           |                   |
| Revenue Support Grant                                                            | -51,807           | -68,652           |
| Funding Guarantee                                                                | -745,029          |                   |
| Funding Floor Grant                                                              |                   | -781,159          |
| Compensation for Employer's NI increase                                          |                   | -69,495           |
| DEFRA – PACKUK – Extended Producer Responsibility                                |                   | -773,947          |
| <b><u>Grants Received for Capital Purposes</u></b>                               |                   |                   |
| DEFRA – Food Waste Collection Grant                                              | -715,554          |                   |
| Lancashire Environmental Fund                                                    | -40,000           |                   |
| MHCLG - UK Shared Prosperity Fund                                                | -567,860          | -142,224          |
| MHCLG – Changing Places Toilets Fund                                             | 18,593            |                   |
| England Sports Council Lottery Funding                                           | -21,346           |                   |
| <b>Total Credited to Taxation and Non-Specific Grant Income</b>                  | <b>-6,037,827</b> | <b>-5,007,770</b> |
| <b><u>Credited to Services</u></b>                                               |                   |                   |
| <b><u>Grants Received for Capital Purposes</u></b>                               |                   |                   |
| Disabled Facilities Grant - Main Funding                                         | -487,658          | -529,566          |
| Funding from Lancashire County Council towards Specific Disabled Facility Grant  | -379              |                   |
| Funding from Onward Homes towards Disabled Facilities Grant                      | -51,770           | -53,323           |
| MHCLG - UK Shared Prosperity Fund                                                | -601,505          | -354,046          |
| MHCLG – Rural England Shared Prosperity Fund                                     | -358,680          | -130,081          |
| <b><u>Grants Received for Revenue Purposes</u></b>                               |                   |                   |
| Business Rates Administration                                                    | -97,095           | -97,047           |
| DWP - Rent Allowance and Rent Rebate Subsidy                                     | -5,479,843        | -5,097,128        |
| DWP and MHCLG Local Council Tax Support and Housing Benefit Administration Grant | -71,588           | -73,717           |
| DWP - Discretionary Housing Payments Fund                                        | -36,448           | -36,448           |
| MHCLG – Homelessness Prevention Grant                                            | -75,732           | -158,812          |
| MHCLG – Redmond Review Implementation                                            | -17,979           | -17,888           |

## Notes to the Core Financial Statements

|                                                                                | 2024/25<br>£      | 2025/26<br>£     |
|--------------------------------------------------------------------------------|-------------------|------------------|
| MHCLG – Domestic Abuse Support to Victims                                      | -35,856           | -36,339          |
| Home Office – Asylum Dispersal Scheme Grant                                    | -59,500           | -37,800          |
| MHCLG - Electoral Integrity Programme                                          | -15,214           |                  |
| MHCLG – Homelessness Prevention Grant – Homes for Ukraine Funding Top up Grant | -62,812           |                  |
| LCC – Smoke Free Lancashire Grant                                              |                   | -30,000          |
| LCC Weight Management Funding                                                  | -35,718           | -37,825          |
| Sports England - Together an active future funding                             | -103,328          | -120,386         |
| LCC – Affordable Warmth Public Health Grant                                    | -20,324           | -20,324          |
| Cosy Homes in Lancashire Grant                                                 |                   | -30,000          |
| LCC - Household Support Fund-Admin Support Payment                             | -33,958           | -11,813          |
| LCC – Household Support Fund Grant to Distribute (Cost of Living)              | -198,800          | -147,801         |
| MHCLG – Business Rates Transitional Protection Payments                        | -1,012,178        |                  |
| LCC - Ukrainian Housing Funding (Tariff Payments)                              | -13,500           | -14,868          |
| LCC – ASC Transformation Funding                                               |                   | -44,000          |
| MHCLG - UK Shared Prosperity Fund Revenue Grant                                | -81,974           |                  |
| DEFRA - Air Quality New Burden Grant                                           | -11,710           | -25,274          |
| MHCLG – Planning Skills Delivery Fund Grant                                    | -50,000           |                  |
| MHCLG – Digital Planning Improvement Fund                                      |                   | -50,000          |
| MHCLG – Local Plans Fund S31                                                   | -227,963          | -108,475         |
| IDeA – Pathways to Planning Bursary                                            |                   | -10,000          |
| MHCLG – Rough Sleeping Local Authority Grant                                   | -20,591           |                  |
| MHCLG – Local Supported Housing Strategies Grant                               |                   | -45,172          |
| MHCLG – Renters Right Act S31 Grant                                            |                   | -15,106          |
| DEFRA – Simpler Recycling Food Waste S31 Admin Grant                           | -163,406          | -55,593          |
| DEFRA – Biodiversity Net Gain                                                  | -11,291           | -27,142          |
| Other Grants                                                                   | -62,297           | -23,115          |
| <b>Total Credited to Services</b>                                              | <b>-9,499,097</b> | <b>7,439,636</b> |

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

There have been other grants received and distributed, where this council has acted as Agent, with no discretion over how such funds are to be distributed. In line with accounting requirements, these are not included within the transactions for this council's Statement of Accounts and likewise are not included above as grants received. Such grants are only included as a net position at year end on this Council's

Balance Sheet as either Short Term Debtors or Short-Term Creditors, depending on the net position of each grant funding stream at 31 March.

## 29 RELATED PARTY TRANSACTIONS

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

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

### Central Government

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

### Elected Members

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

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

In the 2025/26 and 2024/25 financial years, there were no payments made by the Council to organisations where the award would be financially significant to that organisation, and where an elected member had declared an interest. Any other payments made to organisations did not involve members who had declared an interest.

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

## Notes to the Core Financial Statements

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### Senior Officers

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

In the 2025/26 and 2024/25 financial year there were no material transactions between the Council and organisations where senior officers had declared an interest, from the point of view of the Council.

### Procurement Through Tender

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

### Other Public Bodies

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

- Payment of precepts to Lancashire County Council, the Police and Crime Commissioner for Lancashire, Lancashire Fire and Rescue Service and Precepting Parish and Town Councils – see Collection Fund page 138.
- Other standard business transactions between the Council and Lancashire County Council, such as superannuation payments to Lancashire Pension Fund - see Note 32.
- The Lancashire Business Rates Pool was operational during 2025/26 and 2024/25. Full details of the operation of the business rates pool and the role of this Council are included under Note 11.

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

### Entities Controlled or Significantly Influenced by the Council

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

A number of members represent the views of the Council on a number of external bodies and organisations during 2025/26 and 2024/25. These are not related parties.

- Armed Forces Champion
- Forest of Bowland (Area of Outstanding Natural Beauty) Advisory Committee
- Hanson Cement Liaison Committee
- Hyndburn and Ribble Valley Council for Voluntary Services
- Lancashire Waste Partnership
- Langho Football Club
- Local Government Association General Assembly
- Longridge Social Enterprise Company Limited
- North West Employers' Organisation
- Police and Crime Panel
- Ribble Valley Community Safety Partnership
- Ribble Valley Tourism Association

## Notes to the Core Financial Statements

- Ribble Valley Sports and Recreation (Roefield Leisure Centre)
- Rural Services Network
- Salesbury and Copster Green Commons Management Committee
- Tarmac Liaison Committee
- Whalley Educational Foundation Trust.

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

### 30 CAPITAL EXPENDITURE AND CAPITAL FINANCING

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

|                                                                                        | 2024/25<br>£     | 2025/26<br>£     |
|----------------------------------------------------------------------------------------|------------------|------------------|
| <b>Opening Capital Financing Requirement</b>                                           | <b>2,933,509</b> | <b>3,473,475</b> |
| <b><u>Capital Investment</u></b>                                                       |                  |                  |
| Property, Plant and Equipment                                                          | 1,592,708        | 2,311,777        |
| Revenue Expenditure Funded from Capital Under Statute                                  | 2,080,954        | 1,845,454        |
| Assets Acquired Under Finance Leases (subject to MRP)                                  | 733,726          | 70,377           |
| <b><u>Sources of Finance:</u></b>                                                      |                  |                  |
| Grants and Other Contributions                                                         | -2,298,503       | -1,215,719       |
| Usable Capital Receipts                                                                | -22,767          | 0                |
| Sums set aside from revenue:                                                           |                  |                  |
| - Revenue Contributions (Includes use of S106 Funding)                                 | -1,352,392       | -2,941,512       |
| - Minimum Revenue Provision                                                            | -100,469         | -98,391          |
| - Minimum Revenue Provision (in respect of Finance Leases)                             | -93,291          | -93,787          |
| <b>Closing Capital Financing Requirement</b>                                           | <b>3,473,475</b> | <b>3,351,674</b> |
| <b><u>Explanation of Movements in Year</u></b>                                         |                  |                  |
| Decrease in Underlying Need to Borrow (Unsupported by Government Financial Assistance) | -193,760         | -192,178         |
| Assets Acquired Under Finance Leases (subject to MRP)                                  | 733,726          | 70,377           |
| <b>(Decrease)/Increase in Capital Financing Requirement</b>                            | <b>539,966</b>   | <b>-121,801</b>  |

## Notes to the Core Financial Statements

**31 LEASES****Council as Lessee**

The council's lease contracts comprise of leases of operational land and buildings, plant and equipment and motor vehicles. Many are individually immaterial.

Where a lease for nil consideration or at below commercial rates was not previously recognised as a lease, a right-of-use asset is recognised at the date of initial recognition, measured at fair value, with a gain on recognition accounted for as a donated asset. This is shown in the Comprehensive Income and Expenditure Statement under Taxation and Non-Specific Grant Income and through the Movement in Reserves Statement this is moved to the Capital Adjustment Account.

**Right-of-Use Assets**

This table shows the change in the value of right-of-use assets held under leases by the council:

| 2025/26                         | Land and<br>Buildings<br>£ | Vehicles, Plant<br>and Equipment<br>£ | Total<br>£     |
|---------------------------------|----------------------------|---------------------------------------|----------------|
| <b>Balance at 1 April 2025</b>  | <b>694,036</b>             | <b>88,151</b>                         | <b>782,187</b> |
| Depreciation and amortisation   | -48,036                    | -84,161                               | -132,197       |
| Remeasurement                   | 129                        |                                       | 129            |
| Additions                       |                            | 70,377                                | 70,377         |
| <b>Balance at 31 March 2026</b> | <b>646,129</b>             | <b>74,367</b>                         | <b>720,496</b> |

| 2024/25                         | Land and<br>Buildings<br>£ | Vehicles, Plant<br>and Equipment<br>£ | Total<br>£     |
|---------------------------------|----------------------------|---------------------------------------|----------------|
| <b>Balance at 1 April 2025</b>  | <b>742,037</b>             | <b>167,661</b>                        | <b>909,698</b> |
| Depreciation and amortisation   | -48,001                    | -79,510                               | -127,511       |
| <b>Balance at 31 March 2026</b> | <b>694,036</b>             | <b>88,151</b>                         | <b>782,187</b> |

**Transactions Under Leases**

The council incurred the following expenses and cash flows in relation to leases:

## Notes to the Core Financial Statements

|                                                       | 2024/25<br>£ | 2025/26<br>£ |
|-------------------------------------------------------|--------------|--------------|
| <b>Comprehensive Income and Expenditure Statement</b> |              |              |
| Interest Expense on Lease Liabilities                 | -32,335      | -30,506      |
| Expense Relating to exempt short-Term Leases          | -297         | -6,584       |
| Expenses Relating to Exempt Leases of Low-Value Items | -6,433       | -12,915      |
| Income from Subletting Right-of-Use Assets            | -19,361      | -14,350      |
| <b>Cash Flow Statement</b>                            |              |              |
| Minimum Lease Payments                                | -93,291      | -93,787      |

**Maturity Analysis of Right of Use Assets Lease Liabilities**

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amount of expected cash payments):

|                                       | 2024/25<br>£     | 2025/26<br>£     |
|---------------------------------------|------------------|------------------|
| Less Than One Year                    | 108,380          | 94,079           |
| One to Five Years                     | 199,233          | 198,623          |
| More Than Five Years                  | 822,557          | 780,293          |
| <b>Total Undiscounted Liabilities</b> | <b>1,130,170</b> | <b>1,072,995</b> |

**Council as Lessor**

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

- Sports and leisure venues
- Commercial premises
- Affordable housing
- Encouraging economic development
- Community activity
- Healthy lifestyles.

The council does not have any finance leases where the council acts as lessor.

**Transactions Under Leases**

|                                                                                                    | 2024/25<br>£ | 2025/26<br>£ |
|----------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Operating Leases</b>                                                                            |              |              |
| Total Lease Income                                                                                 | 113,742      | 124,573      |
| Share of Lease Income Relating to Variable Lease Payments that do not Depend on an Index or a Rate | 30,260       | 35,856       |

## Notes to the Core Financial Statements

### Maturity Analysis of Lease Receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amount of expected cash receipts):

|                                       | 2024/25<br>£   | 2025/26<br>£   |
|---------------------------------------|----------------|----------------|
| Less Than One Year                    | 101,276        | 92,551         |
| One to Two Years                      | 66,074         | 66,357         |
| Two to Three Years                    | 52,986         | 47,352         |
| Three to Four Years                   | 41,760         | 27,007         |
| Four to Five Years                    | 26,971         | 29,907         |
| More Than Five Years                  | 428,940        | 400,009        |
| <b>Total Undiscounted Receivables</b> | <b>718,007</b> | <b>663,183</b> |

## 32 DEFINED BENEFIT PENSION SCHEMES

### Participation in Pension Scheme

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

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

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

### Transactions relating to Post-employment Benefits

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

## Notes to the Core Financial Statements

|                                                                                                                                                | Local Government Pension Scheme |              |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------|
|                                                                                                                                                | 2024/25                         | 2025/26      |
|                                                                                                                                                | £'000                           | £'000        |
| <b>Comprehensive Income and Expenditure Statement</b>                                                                                          |                                 |              |
| <b>Cost of Services</b>                                                                                                                        |                                 |              |
| - current service costs                                                                                                                        | 1,164                           | 874          |
| - effect of curtailments                                                                                                                       | 0                               | 48           |
| <b>Other Operating Expenditure</b>                                                                                                             |                                 |              |
| - administration expenses                                                                                                                      | 39                              | 41           |
| <b>Financing and Investment Income and Expenditure</b>                                                                                         |                                 |              |
| - net interest expense                                                                                                                         | -751                            | -1,302       |
| - net interest on pension asset ceiling                                                                                                        | 762                             | 1,307        |
| <b>Total Post employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>                                            | <b>1,214</b>                    | <b>968</b>   |
| <b>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>                                             |                                 |              |
| <b>Remeasurement of the net defined benefit liability comprising</b>                                                                           |                                 |              |
| - return on plan assets (excluding the amount included in the net interest expenses)                                                           | 1,106                           | 1,261        |
| - actuarial (gains) and losses arising on changes in experience                                                                                | -63                             | 1,230        |
| - actuarial (gains) and losses on financial assumptions                                                                                        | -7,350                          | -17          |
| - actuarial (gains) and losses arising on changes in demographic assumptions                                                                   | -170                            | -249         |
| - impact of the asset ceiling                                                                                                                  | 6,214                           | -2,134       |
| <b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Account</b>                                               | <b>-263</b>                     | <b>91</b>    |
| <b>Movement in Reserves Statement</b>                                                                                                          |                                 |              |
| - reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code | -156                            | 174          |
| <b>Actual amount charged against the General Fund Balance for pensions in the year:</b>                                                        |                                 |              |
| - employers' contributions payable to the scheme                                                                                               | <b>1,058</b>                    | <b>1,142</b> |

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2026 is a loss of £91,000 (31 March 2025 a gain of £263,000).

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

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

| Local Government Pension Scheme                              | 2024/25    | 2025/26    |
|--------------------------------------------------------------|------------|------------|
|                                                              | £'000      | £'000      |
| Present value of the defined benefit obligation              | 51,539     | 53,635     |
| Fair value of plan assets                                    | -73,436    | -74,788    |
| Impact of asset ceiling                                      | 22,526     | 21,699     |
| <b>Net liability arising from defined benefit obligation</b> | <b>629</b> | <b>546</b> |

## Notes to the Core Financial Statements

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

| Local Government Pension Scheme                                                        | 2024/25<br>£'000 | 2025/26<br>£'000 |
|----------------------------------------------------------------------------------------|------------------|------------------|
| <b>Opening fair value of scheme assets</b>                                             | <b>72,189</b>    | <b>73,436</b>    |
| Interest Income                                                                        | 3,510            | 4,214            |
| Remeasurements gain/(loss):                                                            |                  |                  |
| - the return on plan assets, excluding the amount included in the net interest expense | -1,106           | -1,261           |
| Administration Expenses                                                                | -39              | -41              |
| Contributions from employer                                                            | 1,058            | 1,142            |
| Contributions from employees into the scheme                                           | 423              | 442              |
| Benefits/transfers paid                                                                | -2,599           | -3,144           |
| <b>Closing fair value of scheme assets</b>                                             | <b>73,436</b>    | <b>74,788</b>    |

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

| Local Government Pension Scheme                                          | 2024/25<br>£'000 | 2025/26<br>£'000 |
|--------------------------------------------------------------------------|------------------|------------------|
| <b>Opening balance at 1 April</b>                                        | <b>57,375</b>    | <b>51,539</b>    |
| Current service cost                                                     | 1,164            | 874              |
| Interest cost                                                            | 2,759            | 2,912            |
| Contributions from scheme participants                                   | 423              | 442              |
| Remeasurement (gains) and losses:                                        |                  |                  |
| - Experience loss                                                        | -63              | 1,230            |
| - Actuarial (gains)/losses arising from changes in financial assumptions | -7,350           | -17              |
| - Actuarial gains arising from changes in demographic assumptions        | -170             | -249             |
| Curtailments                                                             | 0                | 48               |
| Benefits/transfers paid                                                  | -2,599           | -3,144           |
| <b>Closing balance at 31 March</b>                                       | <b>51,539</b>    | <b>53,635</b>    |

## Notes to the Core Financial Statements

**Local Government Pension Scheme Assets Comprised:**

| Local Government Pension Scheme<br>Fair value of scheme assets | Quoted<br>Y/N | 31 March 2025<br>£'000 | 31 March 2026<br>£'000 |
|----------------------------------------------------------------|---------------|------------------------|------------------------|
| <b>Equities</b>                                                |               |                        |                        |
| - Financials                                                   | Y             | 73                     | 75                     |
| <b>Subtotal Equities</b>                                       |               | <b>73</b>              | <b>75</b>              |
| <b>Cash</b>                                                    |               |                        |                        |
| - Cash accounts                                                | N             | 935                    | 583                    |
| - Net Current Assets/(Liabilities)                             | N             | 154                    | 164                    |
| <b>Subtotal Cash</b>                                           |               | <b>1,089</b>           | <b>747</b>             |
| <b>Bonds</b>                                                   |               |                        |                        |
| - Overseas corporate                                           | N             | 73                     | 0                      |
| <b>Subtotal Bonds</b>                                          |               | <b>73</b>              | <b>0</b>               |
| <b>Property</b>                                                |               |                        |                        |
| - Industrial/warehouse                                         | N             | 441                    | 588                    |
| - Shops                                                        | N             | 147                    | 164                    |
| - Multi let commercial building                                | N             | 294                    | 287                    |
| <b>Subtotal Property</b>                                       |               | <b>882</b>             | <b>1,039</b>           |
| <b>Alternatives</b>                                            |               |                        |                        |
| - Overseas private equity                                      | N             | 4,513                  | 4,039                  |
| - Infrastructure                                               | N             | 9,759                  | 10,293                 |
| - Credit funds                                                 | N             | 11,797                 | 14,110                 |
| - Pooled fixed income                                          | N             | 3,962                  | 4,675                  |
| - Indirect property funds                                      | N             | 5,017                  | 6,048                  |
| - UK Pooled Equity Funds                                       | N             | 1                      | 33                     |
| - Overseas pooled equity funds                                 | N             | 36,270                 | 33,729                 |
| <b>Subtotal Alternatives</b>                                   |               | <b>71,319</b>          | <b>72,927</b>          |
| <b>Total</b>                                                   |               | <b>73,436</b>          | <b>74,788</b>          |

**Basis for Estimating Assets and Liabilities**

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

The Local Government Pension Scheme has been estimated by Mercer Limited, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2025.

The significant assumptions used by the actuary have been:

## Notes to the Core Financial Statements

| Local Government Pension Scheme              | 2024/25    | 2025/26    |
|----------------------------------------------|------------|------------|
| <b>Mortality Assumptions</b>                 |            |            |
| Longevity at 65 for current pensioners:      |            |            |
| Men                                          | 21.1 years | 21.1 years |
| Women                                        | 23.6 years | 23.6 years |
| Longevity at 65 for future pensioners:       |            |            |
| Men                                          | 22.3 years | 22.1 years |
| Women                                        | 25.4 years | 25.1 years |
| Rate of Consumer Price Index (CPI) Inflation | 2.6%       | 2.9%       |
| Rate of increase in salaries                 | 4.1%       | 4.4%       |
| Rate of increase in pensions                 | 2.7%       | 3.0%       |
| Rate for discounting scheme liabilities      | 5.8%       | 6.1%       |

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

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e., on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

| Local Government Pension Scheme<br>Impact on the Defined Benefit Obligation in the Scheme<br>(excludes asset ceiling impact) | Impact of<br>Change in<br>Assumption<br>£'000 |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Longevity (1 year increase in life expectancy)                                                                               | 1,115                                         |
| Rate of inflation (+0.25% per annum)                                                                                         | 1,689                                         |
| Rate of increase in salaries (+0.25% per annum)                                                                              | 203                                           |
| Rate of discounting scheme liabilities (+0.5% per annum)                                                                     | -3,224                                        |
| Change in 2025/26 Investment Returns (+1%)                                                                                   | -74                                           |
| Change in 2025/26 Investment Returns (-1%)                                                                                   | 74                                            |

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

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

An actuarial valuation of the Lancashire County Pension Fund was carried out as at 31 March 2025 to determine the contribution rates with effect from 1 April 2026 to 31 March 2029. On the basis of the assumptions adopted, the Fund's assets of £11.974m represented 134% of the Fund's past service liabilities of £8.938m (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £3.036 million.

The valuation also showed that a Primary contribution rate of 16.2% of pensionable pay per annum was required from employers (last valuation 31 March 2022 – 19.2%). The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus, an offset against the Primary Contribution Rate may be applied, in line with the Surplus Management Policy in the FSS.

As such, for this council the employer contribution rate from 1 April 2023 was 14.7% rather than the primary contribution rate of 19.2% (so a secondary rate of minus 5.3%). From 1 April 2026 the employer contribution rate for this Council will be 7.6% (the primary contribution rate of 16.2% less the secondary contribution rate of -8.6%).

It is projected that the council will pay £602,000 in employer contributions to the scheme in 2026/27.

The weighted average duration of the defined benefit obligation for scheme members is 13 years based on later of 31 March 2025 (latest valuation) and admission date.

**Scheme History**

| Local Government Pension Scheme | 2021/22       | 2022/23    | 2023/24    | 2024/25    | 2025/26    |
|---------------------------------|---------------|------------|------------|------------|------------|
|                                 | £'000         | £'000      | £'000      | £'000      | £'000      |
| Present Value of Liabilities    | 81,368        | 56,411     | 57,375     | 51,539     | 53,635     |
| Fair Value of Assets            | -66,296       | -67,405    | -72,189    | -73,436    | -74,788    |
| Impact of asset ceiling         |               | 11,784     | 15,550     | 22,526     | 21,699     |
| <b>Deficit in the scheme</b>    | <b>15,072</b> | <b>790</b> | <b>736</b> | <b>629</b> | <b>546</b> |

The past liabilities shown above show the underlying commitment that the council had in the long run to pay post-employment (retirement) benefits. In the past, this has had a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

## Notes to the Core Financial Statements

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However, statutory arrangements for funding the deficit meant that the financial position of the Council remained healthy.

This position changed in 2022/23 following the 2022 valuation, and the deficit (after allowing for the asset ceiling adjustment) decreased substantially.

For 31 March 2026 the net deficit position was £546,000 (deficit of £629,000 as at 31 March 2025).

The main reasons for the above movements have been:

- An increase of 0.3% p.a. (shorter durations) to 0.5% (longer durations) in the discount rate, with assumed CPI increasing by between 0.2%-0.3% p.a. for all durations. In isolation, this will decrease liabilities for all employers.
- Investment returns will vary – equity returns are positive over the accounting period (despite recent falls and volatility) with bonds/fixed interest investments broadly flat overall. So, the net impact of these factors will depend on the holdings of individual Funds, as well as their individual performances vs the market, but overall positive returns are expected in many cases.
- The accounting figures will incorporate the impact of the 2025 actuarial valuation results. The impact of this will vary by employer and could be positive or negative.

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

In June 2023 the High Court handed down a decision in the case of Virgin Media Ltd v NTL Pensions Trustees II Limited and others, relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Council and administering authority (Lancashire County Council) are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the Lancashire County Pension Fund. As a result, the Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

## 33 CONTINGENT LIABILITIES

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### Housing Stock Transfer Warranties

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

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

In addition, the following specific warranties have been given:

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**Notes to the Core Financial Statements**

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

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

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

In addition, the following specific warranties have been given:

- Warranty not exceeding £27m for up to 25 years from 1 April 2008 in respect of environmental pollution.
- Unlimited warranty for an unlimited period in respect of claims relating to exposure to asbestos.
- Unlimited warranty for an unlimited period in respect of vires claims.
- Warranty for any losses arising as a result of incorrect application of the 2012 rent convergence.

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

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

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

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

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

**Overall Procedures for Managing Risk**

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

- by formally adopting the requirements of the Code of Practice.
- by approving annually in advance prudential indicators for the following three years limiting:

## Notes to the Core Financial Statements

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- The Council's overall borrowing.
- Its maximum and minimum exposures to fixed and variable rates.
- Its maximum and minimum exposures to the maturity structure of its debt.
- Its maximum annual exposures to investments maturing beyond a year.
- by approving a Capital and Treasury Management Strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

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

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

### Credit risk

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

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

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

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

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

The Council does not generally allow credit for its sundry debtors. The sundry debtors outstanding which are past their due date for payment at 31 March 2026 can be analysed by age as shown in the table below. Note 16 to the accounts shows a total provision for the impairment of debts of £340,122 of which £22,423 relates to sundry

## Notes to the Core Financial Statements

debts (or £105,372 when including impairment for total Housing Benefit recovery impairment). The balance of £234,750 is in respect of this Council's share of the Council Tax and Business Rates impairment of debts.

The council's maximum exposure to credit risk in relation to its investments in banks and building societies at the 31 March was nil, based on past and current experience. A risk of irrecoverability applies to all of the council's deposits, but there was no evidence at the 31 March 2026 that this was likely.

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

|                                                                                            | Amount at 31<br>March 2026 | Historical<br>experience of<br>default | Historical<br>experience<br>adjusted for<br>market conditions<br>at 31 March 2026 | Estimated<br>maximum<br>exposure to<br>default and<br>uncollectability at<br>31 March 2026 | Estimated<br>maximum<br>exposure at 31<br>March 2025 |
|--------------------------------------------------------------------------------------------|----------------------------|----------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------|
|                                                                                            | £<br>A                     | %<br>B                                 | %<br>C                                                                            | £<br>(A x C)                                                                               | £                                                    |
| Deposits with banks and building societies                                                 | 22,500,000                 | 0.00%                                  | 0.00%                                                                             | 0                                                                                          | 0                                                    |
| Customers (Sundry Debt including overpaid Housing Benefits recovered from ongoing benefit) | 558,254                    | 0.60%                                  | 18.88%                                                                            | 105,372                                                                                    | 119,334                                              |

The council expects settlement terms from debtors of no greater than 14 days. On this basis £554,956 of the sundry debtor balance as at 31 March 2026 is past its due date for payment (£562,457 at 31 March 2025); However, a proportion of this is being paid on an agreed alternative payment plan. The full sundry debtor balance due but not impaired can be analysed by age as follows:

| Aged Sundry Debt    | As at 31 March<br>2025<br>£'000 | As at 31 March<br>2026<br>£'000 |
|---------------------|---------------------------------|---------------------------------|
| Less than 30 days   | 230                             | 46                              |
| 30 days to 59 days  | 191                             | 23                              |
| 60 days to 89 days  | 4                               | 105                             |
| 90 days to 119 days | 6                               | 2                               |
| 120 days +          | 340                             | 382                             |
|                     | <b>771</b>                      | <b>558</b>                      |

## Notes to the Core Financial Statements

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### Liquidity risk

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

The Council manages its liquidity position through the risk management procedures, such as the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports, as well as through cash flow management procedures required by the Code of Practice.

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

### Market Risk

#### **Interest Rate Risk**

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

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

The Council has a number of strategies for managing interest rate risk. The Annual Capital and Treasury Management Strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The Financial Services team monitors market and forecast interest rates within the year to adjust exposures appropriately.

If all lending interest rates had been 1% higher with all other variables held constant the financial effect would impact on the interest receivable on variable rate investments by approximately an additional £274,699. All other interest payable and receivable are fixed.

#### **Price risk**

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

**Foreign exchange risk**

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

**35 INVENTORIES**

|                                             | General Stores |               | Property Acquired for Sale |                | Totals          |                 |
|---------------------------------------------|----------------|---------------|----------------------------|----------------|-----------------|-----------------|
|                                             | 2024/25<br>£   | 2025/26<br>£  | 2024/25<br>£               | 2025/26<br>£   | 2024/25<br>£    | 2025/26<br>£    |
| <b>Balance Outstanding at Start of Year</b> | <b>59,313</b>  | <b>67,699</b> | <b>0</b>                   | <b>380,254</b> | <b>59,313</b>   | <b>447,953</b>  |
| Purchases                                   | 350,057        | 348,950       | 543,220                    | -380,254       | <b>893,277</b>  | <b>-31,304</b>  |
| Recognised as an Expense in the Year        | -341,627       | -345,156      | 0                          | 187,758        | <b>-341,627</b> | <b>-157,398</b> |
| Written Off Balances                        | -44            | 28            | -162,966                   | -61,758        | <b>-163,010</b> | <b>-61,730</b>  |
| <b>Balance Outstanding at Year End</b>      | <b>67,699</b>  | <b>71,521</b> | <b>380,254</b>             | <b>126,000</b> | <b>447,953</b>  | <b>197,521</b>  |

The council holds a value of general stores the value of which remains relatively static from year to year.

Recently the council has also purchased property for onward sale as affordable housing, in perpetuity. The properties are purchased at market value and, in line with the council's plans, are sold at a discounted value. As a result, the value of the property held as inventories is reflected as the lower of cost and net realisable value. This results in a balance being written off through the Comprehensive Income and Expenditure Statement under Cost of Services.

## Collection Fund

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

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

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

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

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

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

## Collection Fund

| 2024/25<br>Total<br>£'000                                         | 2025/26<br>Council Tax<br>£'000 | 2025/26<br>Business<br>Rates<br>£'000 | 2025/26<br>Total<br>£'000 | Notes |
|-------------------------------------------------------------------|---------------------------------|---------------------------------------|---------------------------|-------|
| <b>Income</b>                                                     |                                 |                                       |                           |       |
| <b>56,465</b> Income from Council Tax Payers                      | 59,505                          |                                       | <b>59,505</b>             |       |
| 14 Transfers From General Fund - Family Annexes                   | 15                              |                                       | 15                        |       |
| 18 Transfers From General Fund - Ukraine Local Discount           | 8                               |                                       | 8                         |       |
| 2 Transfers From General Fund - Government LCTS Scheme            | 0                               |                                       | 0                         |       |
| <b>15,394</b> Income from Business Ratepayers                     |                                 | 17,482                                | <b>17,482</b>             | 1     |
| 1,012 Transitional Protection Payments due to the authority       |                                 | 249                                   | 249                       |       |
| <b>72,905</b>                                                     | <b>59,528</b>                   | <b>17,731</b>                         | <b>77,259</b>             |       |
| <b>Expenditure</b>                                                |                                 |                                       |                           |       |
| Precepts and Demands:                                             |                                 |                                       |                           | 3     |
| <b>41,863</b> - Lancashire County Council                         | 44,521                          |                                       | <b>44,521</b>             |       |
| <b>4,950</b> - Ribble Valley Borough Council (including parishes) | 5,044                           |                                       | <b>5,044</b>              |       |
| <b>6,670</b> - Police and Crime Commissioner (PCC) for Lancashire | 7,115                           |                                       | <b>7,115</b>              |       |
| <b>2,145</b> - Lancashire Combined Fire Authority                 | 2,302                           |                                       | <b>2,302</b>              |       |
| Business Rates                                                    |                                 |                                       |                           |       |
| <b>7,969</b> - Central Government                                 |                                 | 8,583                                 | <b>8,583</b>              |       |
| <b>1,435</b> - Lancashire County Council                          |                                 | 1,545                                 | <b>1,545</b>              |       |
| <b>6,376</b> - Ribble Valley Borough Council                      |                                 | 6,867                                 | <b>6,867</b>              |       |
| <b>159</b> - Lancashire Combined Fire Authority                   |                                 | 172                                   | <b>172</b>                |       |
| Share of Estimated Surplus:                                       |                                 |                                       |                           |       |
| <b>245</b> - Central Government                                   |                                 | 41                                    | <b>41</b>                 |       |
| <b>661</b> - Lancashire County Council                            | 722                             | 7                                     | <b>729</b>                |       |
| <b>270</b> - Ribble Valley Borough Council                        | 85                              | 33                                    | <b>118</b>                |       |
| <b>37</b> - Lancashire Combined Fire Authority                    | 37                              | 1                                     | <b>38</b>                 |       |
| <b>99</b> - Police and Crime Commissioner (PCC) for Lancashire    | 115                             |                                       | <b>115</b>                |       |
| 0 Transfers to General Fund - Council Tax Benefits                | 3                               |                                       | 3                         |       |
| 97 Costs of Collection                                            |                                 | 97                                    | 97                        |       |
| 80 Renewable Energy Schemes                                       |                                 | 88                                    | 88                        |       |
| 97 Provision for Bad/Doubtful Debts                               | 75                              | 21                                    | 96                        | 4     |
| 453 Enterprise Zone                                               |                                 | 191                                   | 191                       |       |
| -254 Provision for Appeals                                        |                                 | 700                                   | 700                       | 5     |
| 29 Interest Paid on Refunds                                       |                                 | 17                                    | 17                        | 5     |
| <b>73,381</b>                                                     | <b>60,019</b>                   | <b>18,363</b>                         | <b>78,382</b>             |       |
| <b>-476 (Deficit)/Surplus for the Year</b>                        | <b>-491</b>                     | <b>-632</b>                           | <b>-1,123</b>             |       |
| <b>1,831 (Deficit)/Surplus Brought Forward</b>                    | 915                             | 441                                   | <b>1,356</b>              |       |
| <b>1,355 (Deficit)/Surplus Carried Forward</b>                    | <b>424</b>                      | <b>-191</b>                           | <b>233</b>                |       |
| <b>Allocated to</b>                                               |                                 |                                       |                           |       |
| 221 - Central Government                                          |                                 | -96                                   | -96                       | 6     |
| 728 - Lancashire County Council                                   | 320                             | -17                                   | 303                       |       |
| 257 - Ribble Valley Borough Council                               | 36                              | -76                                   | -40                       |       |
| 110 - Police and Crime Commissioner (PCC) for Lancashire          | 51                              |                                       | 51                        |       |
| 39 - Lancashire Combined Fire Authority                           | 17                              | -2                                    | 15                        |       |
| <b>1,355</b>                                                      | <b>424</b>                      | <b>-191</b>                           | <b>233</b>                |       |

## Collection Fund

**1 BUSINESS RATES**

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

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

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

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

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

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

The business rates income allocations in 2024/25 and 2025/26 are shown in the table below:

| Lancashire Business Rates Pool - Income Allocations for 2024/25 and 2025/26 |             |
|-----------------------------------------------------------------------------|-------------|
| District Authorities                                                        | 40%         |
| Lancashire County Council                                                   | 9%          |
| Lancashire Combined Fire Authority                                          | 1%          |
|                                                                             | <b>50%</b>  |
| Central Government                                                          | 50%         |
| <b>Total</b>                                                                | <b>100%</b> |

The business rates shares payable for 2025/26 were estimated before the start of the financial year as £8.583m to Central Government, £1.545m to Lancashire County Council, £0.172m to Lancashire Combined Fire Authority and £6.867m to Ribble Valley Borough Council. These sums have been paid in 2025/26 and charged to the collection fund in year.

When the business rates retention scheme was introduced, Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In this respect Ribble Valley Borough Council paid a tariff of £5.322 from the general fund.

The total income from business rate payers collected in 2025/26 was £17.482m (£15.394m in 2024/25).

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by the Valuation Office Agency (VOA) and hence business rates outstanding as at 31 March 2026. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. The total provision at 31 March 2026 has been calculated at £1.536m (31 March 2025 £836k).

The non-domestic rateable value at 31 March 2026 on the 2017 listing was £43,133,797 compared to £43,279,547 at 31 March 2025.

For the 2023 listing which came into effect from 1 April 2023, the total non-domestic rateable value at 31 March 2026 was £49,761,435 compared to £49,895,210 at the 31 March 2025.

Looking at the new 2026 listing which is effective from 1 April 2026, the total non domestic rateable value at 1 April 2026 was £58,887,353.

The standard national non-domestic multiplier (rate in the pound) for the year 2025/26 was 55.5 pence (54.6 pence in 2024/25). The small business multiplier was 49.9 pence in both years.

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

## Collection Fund

**2 COUNCIL TAX BASE**

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

In 2025/26 the Council set a band D council tax of £2,273.61 which was calculated by dividing the aggregate of the Council's expenditure to be met from the council tax and the Lancashire County Council, Police and Crime Commissioner (PCC) for Lancashire and Lancashire Combined Fire Authority precept by the council tax base. The council tax base is the number of band D equivalent properties in the Council's area, and it represents the amount of income that would be raised from a council tax levy of £1.00 at band D level. The council tax base has been calculated as follows:

| Band                            | Ratio to Band D | Total No of Properties | Total Equivalent No After Discounts | Band D Equivalents |
|---------------------------------|-----------------|------------------------|-------------------------------------|--------------------|
| A (entitled to disabled relief) | 5/9             | 10                     | 9.0                                 | 5.0                |
| A                               | 6/9             | 3,755                  | 3,098.0                             | 2,065.3            |
| B                               | 7/9             | 5,547                  | 4,815.9                             | 3,745.7            |
| C                               | 8/9             | 5,692                  | 5,112.5                             | 4,544.4            |
| D                               | 1               | 4,996                  | 4,585.9                             | 4,585.9            |
| E                               | 11/9            | 4,232                  | 3,984.6                             | 4,870.0            |
| F                               | 13/9            | 2,624                  | 2,485.2                             | 3,589.7            |
| G                               | 15/9            | 2,011                  | 1,909.3                             | 3,182.1            |
| H                               | 18/9            | 225                    | 212.9                               | 425.8              |
| <b>Totals</b>                   |                 | <b>29,092</b>          | <b>26,213.3</b>                     | <b>27,013.9</b>    |
|                                 |                 |                        | Adjustments                         | -1,171.1           |
|                                 |                 |                        | Adjustment for Collection Rate      | -193.8             |
|                                 |                 |                        | <b>Council Tax Base</b>             | <b>25,649</b>      |

**3 BAND D COUNCIL TAX**

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

|                                                            | 2024/25<br>£      | 2025/26<br>£      |
|------------------------------------------------------------|-------------------|-------------------|
| Lancashire County Council Precept                          | 41,862,956        | 44,521,278        |
| Police and Crime Commissioner (PCC) for Lancashire Precept | 6,669,551         | 7,115,033         |
| Lancashire Combined Fire Authority Precept                 | 2,145,449         | 2,301,485         |
| Ribble Valley Borough Council Demand (excluding Parishes)  | 4,322,041         | 4,378,027         |
| <b>Total to be Met From Council Tax</b>                    | <b>54,999,997</b> | <b>58,315,823</b> |
| Divided by Council Tax Base (Band D Equivalent Dwellings)  | 25,321            | 25,649            |
| <b>Band D Council Tax (Average excluding Parishes)</b>     | <b>£2,172.11</b>  | <b>£2,273.61</b>  |

**4 PROVISION FOR LOSSES**

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

|                                      | Council Tax<br>£ | NNDR<br>£      | Total<br>£       |
|--------------------------------------|------------------|----------------|------------------|
| <b>Opening Balance 1 April 2025</b>  | <b>950,000</b>   | <b>374,000</b> | <b>1,294,000</b> |
| Write Offs in Year                   | -44,599          | -10,580        | -55,179          |
| Increase/(Decrease) to Provision     | 74,599           | 20,580         | 95,179           |
| <b>Closing Balance 31 March 2026</b> | <b>980,000</b>   | <b>384,000</b> | <b>1,334,000</b> |

**5 PROVISION FOR BUSINESS RATES APPEALS**

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

|                                  | 2024/25<br>£     | 2025/26<br>£     |
|----------------------------------|------------------|------------------|
| <b>Balance at 1 April</b>        | <b>1,089,560</b> | <b>835,643</b>   |
| Amounts Charged to the Provision | -886,364         | -608,645         |
| Change in Provision              | 632,447          | 1,308,583        |
| <b>Balance at 31 March</b>       | <b>835,643</b>   | <b>1,535,581</b> |

## Collection Fund

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

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

| 2024/25       |                                        |                                              | 2025/26       |                                        |
|---------------|----------------------------------------|----------------------------------------------|---------------|----------------------------------------|
| Precept       | Share of 31 March (Deficit) or Surplus |                                              | Precept       | Share of 31 March (Deficit) or Surplus |
| £'000         | £'000                                  |                                              | £'000         | £'000                                  |
| 41,863        | 688                                    | Lancashire County Council                    | 44,521        | 722                                    |
| 6,670         | 110                                    | Police and Crime Commissioner for Lancashire | 7,115         | 115                                    |
| 2,145         | 35                                     | Lancashire Combined Fire Authority           | 2,302         | 37                                     |
| 4,950         | 81                                     | Ribble Valley Borough Council                | 5,044         | 85                                     |
| <b>55,628</b> | <b>914</b>                             | <b>Total</b>                                 | <b>58,982</b> | <b>959</b>                             |

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

| 2024/25                   |                                        |                                    | 2025/26                   |                                        |
|---------------------------|----------------------------------------|------------------------------------|---------------------------|----------------------------------------|
| Business Rates Share Paid | Share of 31 March (Deficit) or Surplus |                                    | Business Rates Share Paid | Share of 31 March (Deficit) or Surplus |
| £'000                     | £'000                                  |                                    | £'000                     | £'000                                  |
| 7,969                     | 221                                    | Central Government                 | 8,583                     | 41                                     |
| 1,435                     | 40                                     | Lancashire County Council          | 1,545                     | 7                                      |
| 159                       | 4                                      | Lancashire Combined Fire Authority | 172                       | 1                                      |
| 6,376                     | 176                                    | Ribble Valley Borough Council      | 6,867                     | 33                                     |
| <b>15,939</b>             | <b>441</b>                             | <b>Total</b>                       | <b>17,167</b>             | <b>82</b>                              |

## Collection Fund

The Council has a statutory requirement to prepare an estimate each January of the surplus or deficit expected to arise at the end of the financial year. The total forecast surplus/deficit on the collection fund for council tax and business rates at January 2025 and January 2026 are shown in the table below.

| (Deficit) or Surplus Declared<br>January 2025 |                         |                | (Deficit) or Surplus Declared<br>January 2026 |                         |                |
|-----------------------------------------------|-------------------------|----------------|-----------------------------------------------|-------------------------|----------------|
| Business<br>Rates<br>£'000                    | Council<br>Tax<br>£'000 | Total<br>£'000 | Business<br>Rates<br>£'000                    | Council<br>Tax<br>£'000 | Total<br>£'000 |
| 41                                            |                         | 41             | -54                                           |                         | -54            |
| 8                                             | 722                     | 730            | -9                                            | 353                     | 344            |
|                                               | 115                     | 115            |                                               | 57                      | 57             |
| 1                                             | 37                      | 38             | -1                                            | 18                      | 17             |
| 33                                            | 85                      | 118            | -43                                           | 40                      | -3             |
| 83                                            | 959                     | 1,042          | -107                                          | 468                     | 361            |

## 7 COLLECTION RATES

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

|                | 2024/25<br>% | 2025/26<br>% |
|----------------|--------------|--------------|
| Council Tax    | 99.2%        | 99.6%        |
| Business Rates | 98.8%        | 99.1%        |

# Glossary of Terms

## **Accounting Period**

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

## **Accounting Policies**

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

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

Accounting policies do not include estimation techniques.

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

## **Accruals**

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

## **Accruals Basis**

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

## **Actuarial Gains and Losses**

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

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

## **Amortisation**

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

**Appointed Auditors**

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

**Auditor's Opinion**

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

**Authorised Limit**

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

**Balances**

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

**Business Rates Retention Scheme (BRRS)**

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

**Capital Adjustment Account**

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

**Capital Expenditure**

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

**Capital Financing Costs**

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

**Capital Grants Unapplied**

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

## Glossary of Terms

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### Capital Receipt

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

### Carrying Amount

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

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

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

### Collection Fund

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

### Community Assets

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

### Consistency

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

### Contingent Asset

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

### Contingent Liability

A contingent liability is either:

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

### Council Tax Base

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

**Council Tax Requirement**

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

**Creditors**

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

**Current Assets**

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

**Current Liabilities**

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

**Current Service Cost (Pensions)**

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

**Debtor**

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

**Depreciation**

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

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

**Exceptional Items**

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

**Expected Rate of Return on Pensions Assets**

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

**Fair Value**

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

## Glossary of Terms

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### Finance Lease

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

### Financial Instrument

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

### Financial Regulations

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

### Fixed Asset

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

### General Fund

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

### Going Concern

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

### Government Grants

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

### Impairment

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

### Infrastructure Assets

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

### Intangible Asset

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

**Interest Cost (Pensions)**

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

**Inventories**

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

**Leasing**

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

**Lessee**

An entity that obtains the right to use an underlying asset for a period of time in exchange for consideration.

**Lessor**

An entity that provides the right to use an underlying asset for a period of time in exchange for consideration.

**Liabilities**

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

**Long-term Contracts**

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

**Materiality**

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

**Medium Term Financial Strategy**

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

**Minimum Revenue Provision (MRP)**

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

## Glossary of Terms

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### **Net Book Value**

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

### **Net Current Replacement Cost**

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

### **Net Debt**

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

### **Net Realisable Value**

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

### **Non-Current Assets**

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

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

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

### **Operating Lease**

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

### **Past Service Cost**

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

### **Precepts**

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

### **Prepayment**

The payment of a debt obligation before it is due.

**Provision**

A liability of uncertain timing or amount

**Prudence**

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

**Public Works Loan Board (PWLB)**

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

**Related Parties**

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

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

**Related Party Transactions**

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

**Remuneration**

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

**Reserves**

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

## Glossary of Terms

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### **Residual Value**

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

### **Retirement Benefits**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

### **Revenue Expenditure**

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

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

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset. The expenditure is charged to the Comprehensive Income and Expenditure Statement

### **Revenue Support Grant**

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

### **Right of Use Asset**

An asset that represents a lessee's right to use an underlying asset for the lease term.

### **Scheme Liabilities**

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

### **Short-term Lease**

A lease that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease.

### **Sublease**

A transaction for which an underlying asset is re-leased by a lessee ('intermediate lessor') to a third party, and the lease ('head lease') between the head lessor and lessee remains in effect.

### **Useful Life**

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

**Abbreviations used within the Statement of Accounts**

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



## Ribble Valley Borough Council

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