

# Statement of Accounts 2024/25

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## Chorley Borough Council

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# Narrative Report of the Chief Finance Officer

## Introduction

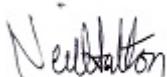
I am pleased to introduce the Statement of Accounts for the 2024/25 financial year for Chorley Council. The accounts are produced annually to give electors, local taxpayers, members of the Council, employees and other interested parties clear information on the Council's finances and the financial outlook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

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

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

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

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



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

## **Key Facts About Chorley**

Chorley Borough is located in Lancashire at the centre of the North West Region, with the M6, M61 and M65 motorways running through it. It has easy access to the West Coast Mainline and Manchester and Liverpool Airports. These good transport links make it an attractive area for people to live for people working across the North West. This is reflected in its steadily increasing population level;

The latest figures available from the Office for National Statistics (ONS) based on the 2021 Census, estimate the total population of the borough at 117,800 with people mostly living in urban areas;

The Borough of Chorley covers 205 km<sup>2</sup> (approximately 79 square miles);

## **The Structure of the Council**

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

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

The Borough of Chorley consists of 14 wards, represented by 42 elected councillors and a member of parliament. The Council is led by a majority Labour Party administration with the political composition of the Council at 31<sup>st</sup> March 2025 comprising;

<b>Party</b>	<b>No.</b>
Conservative	3
Labour	38
Vacant	1
<b>TOTAL</b>	<b>42</b>

District councillors represent their communities and bring their views into the Council's decision-making process. Council meetings are publicised on the Council's website alongside agendas, reports and minutes. The meetings are open to members of the public to attend bringing decision-making closer to the public.

### **Management Structure**

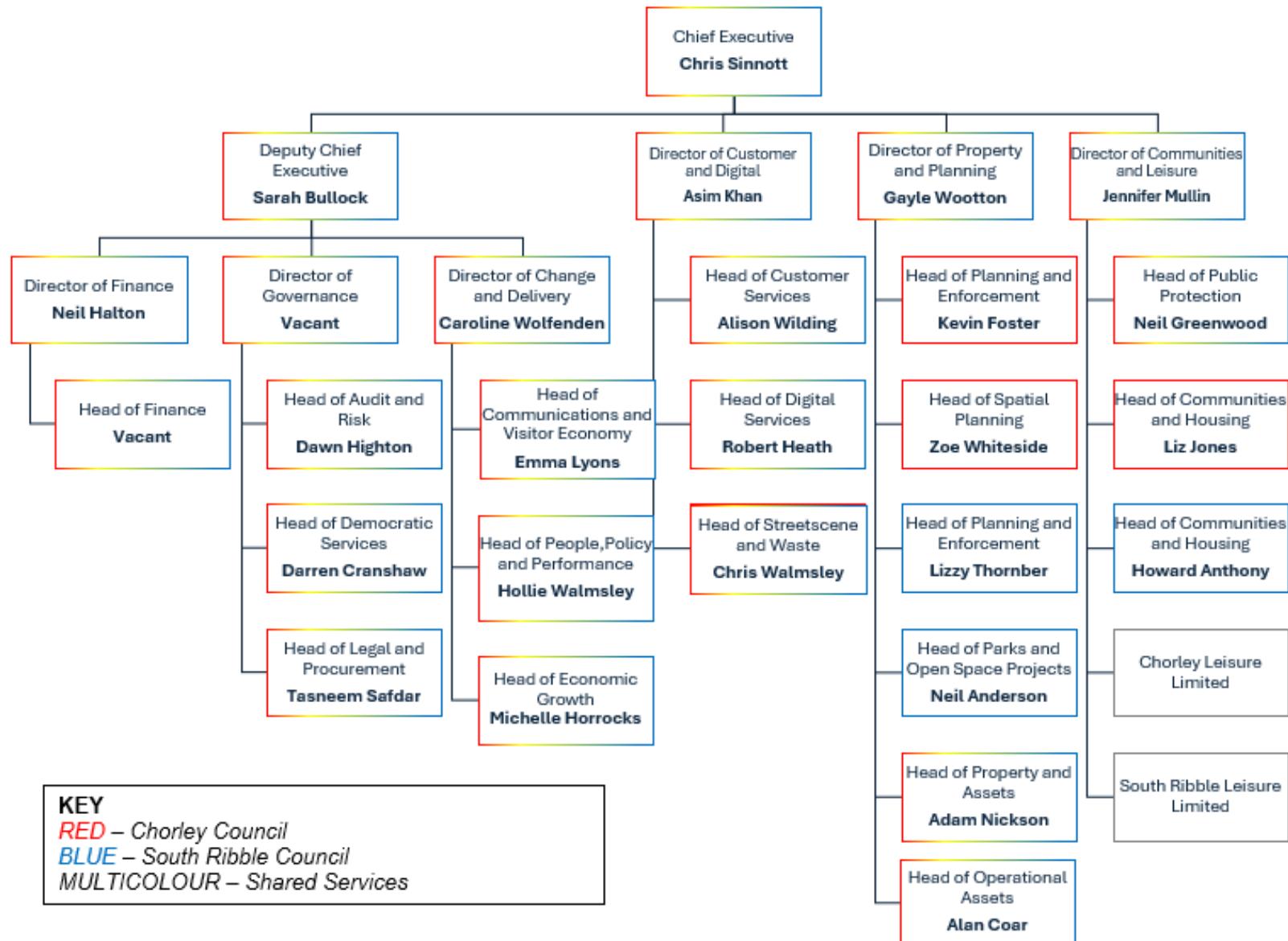
The Senior Management Team is shared across Chorley and South Ribble Borough Councils and consists of the Chief Executive, a Deputy Chief Executive and Directors as shown below.

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

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

Following the insourcing of Chorley Council's leisure services in October 2020, the Council established a wholly owned leisure company to manage the running of its leisure services on the Council's behalf. The leisure staff moved to Chorley Leisure Ltd on 1<sup>st</sup> August 2021 and are employed by the company; line managed by the Director of Communities and Leisure.

## Leadership and Management Structure – Chorley Council



Our staff are the most important resource we have to help us to achieve our goals. The Council (CBC), including its subsidiary Chorley Leisure Ltd (CLL), and staff employed by the Council who work in the shared service arrangement with South Ribble Council, employs 602 staff in full time, part time and casual contracts. A breakdown of our workforce by age and gender is set out in the table below:

### No. of Employees by Age and Gender

	Chorley		Chorley Shared		Chorley Leisure		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Under 20</b>	12	13	4	2	12	11	<b>28</b>	<b>26</b>
<b>21-30</b>	32	47	10	12	20	12	<b>62</b>	<b>71</b>
<b>31-40</b>	30	32	10	11	4	7	<b>44</b>	<b>50</b>
<b>41-50</b>	40	38	7	13	1	8	<b>48</b>	<b>59</b>
<b>51-60</b>	52	53	9	27	0	5	<b>61</b>	<b>85</b>
<b>61+</b>	25	27	1	7	3	5	<b>29</b>	<b>39</b>
<b>Total</b>	<b>191</b>	<b>210</b>	<b>41</b>	<b>72</b>	<b>40</b>	<b>48</b>	<b>272</b>	<b>330</b>

### Corporate Strategy and Performance in 2024/25

The Corporate Strategy for delivery in 2024/25 was approved at Council in November 2024,

having undergone a complete review and refresh to reflect the future aspirations and intentions of the Council. Building on progress made in recent years, the strategy was revised to focus on ensuring that Chorley is in the best possible position for the future. Key issues include housing, climate change, community resilience and wellbeing.

The four priorities identified in the strategy are:

- Housing where residents can live well;
- A green and sustainable borough;
- An enterprising economy with vibrant local centres in urban and rural areas;
- Healthy, safe and engaged communities.

Activity and resources are targeted towards 21 priority projects which are delivered over a period of 12-18 months and measured using a suite of performance indicators.

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

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

The vision and priorities are outlined below.

## OUR VISION

Enabling strong communities, a resilient economy, excellent services, a greener future and successful people.



Housing where residents can live well

### OUR COMMITMENT

- Deliver affordable and green housing
- Strive for good quality housing for all
- Work with partners supporting new ways to prevent homelessness
- Support our most vulnerable residents



An enterprising economy with vibrant local centres in urban and rural areas

### OUR COMMITMENT

- Support business growth and expansion across the borough
- Work with partners to support skills development and innovation
- Work with partners to promote the district as a visitor destination and attract investment in our local service centres
  - Promote the green economy



A green and sustainable borough

### OUR COMMITMENT

- Work towards our commitment to be carbon neutral by 2030
- Support waste reduction, reuse and recycling
- Work with partners to retain natural habitats and improve air quality
- Promote sustainable transport and infrastructure



Healthy, safe and engaged communities

### OUR COMMITMENT

- Support and encourage active lifestyles and health and wellbeing
- Support development of leisure services and facilities meeting the needs of residents
  - Deliver events and places to go for everyone
  - Ensure all residents of all ages can access the services they need, physically and digitally
  - Promote resilient, cohesive neighbourhoods by listening and responding
- Work with partners to join up public services so that they make sense for everyone

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

## Housing where residents can live well



### Our Commitments

- Deliver affordable and energy efficient housing,
- Strive for good quality housing for all,
- Work with partners supporting new ways to prevent homelessness,
- Support our most vulnerable residents.

### Achievements

The project to review supported housing accommodation in Chorley began in quarter four, aiming to assess the quality of provision in preparation for the Supported Housing (Regulatory Oversight) Act, which came into effect from August 2023. This Act introduces national supported housing standards and a licensing regime. Chorley Council has responded to a government consultation on these measures, which runs from February to May 2025. Although the implementation timeline is uncertain, planning work continues. A focus group has been formed and held its first meeting to review the current housing landscape, with further meetings planned. The project will address temporary accommodation and rough sleeper provision, develop complex-needs housing pathways, and improve the customer journey and understanding of specialised accommodation access. It includes a feasibility study on floating support for households in temporary accommodation and early intervention processes to reduce evictions and placement breakdowns, enhancing partnership working to minimise unplanned disruptions.

The council successfully secured Local Authority Housing Funding (LAHF) support to create temporary accommodation provision at 17-23 Gillibrand Street aimed at addressing homelessness within the community. The project will utilise the funding to convert council owned commercial units into three residential properties specifically designed for larger families experiencing homelessness, enhancing both immediate housing provision and the council's wider capacity to respond to housing need. Over quarter four, all design work and drawings were completed, and contract documents were prepared and advertised via 'The CHEST' (Local Authority Procurement Portal).

The project to undertake an options appraisal around the availability of affordable housing progressed. An Internal Affordable Housing working group was established in February 2025 to lead the appraisal of measures to increase affordable housing delivery, and two Registered Provider Summit meetings have taken place establishing strategic engagement and collaboration on housing priorities. An initial review of existing systems and processes for

developer contributions has been undertaken with a findings summary report presented to the Senior Management Team. To support the ongoing work of the internal housing group a new Affordable Housing Enabling Officer role has been developed and is currently in the recruitment phase. Once in post in July 2025, the officer will lead the ongoing work of the internal housing group.

The project to improve housing standards, building on 2024's identification of 190 privately rented properties not meeting the minimum Energy Efficiency standards (MEES), with a target EPC rating of C by 2030. Initial letters were sent to landlords of these properties, followed by second notices to 170 properties outlining potential penalties for non-compliance. As a result, 80 properties remained under review, and subsequent EPC register checks showed many now meet the required standard. Housing inspections will be conducted from quarter one on the remaining 37 properties to confirm rental status, and Housing Health and Safety Rating System (HHSRS) assessments will evaluate conditions to ensure safe living environments. Appropriate enforcement actions will address any hazards found during the assessments, and progress reviews will take place, including initial findings and enforcement actions to be completed by quarter four 2025/26, and a final report on housing conditions within the identified properties will be compiled.

## A green and sustainable borough



### Our Commitments

- Work towards our commitment to be carbon neutral by 2030,
- Support waste reduction, reuse, and recycling,
- Work with partners to retain natural habitats and improve air quality,
- Promote sustainable transport and infrastructure.

### Achievements

Chorley Council remains committed to establishing an environmentally friendly and sustainable borough.

Year three of the five-year bus shelter improvement plan, aimed at enhancing Chorley's bus shelter network, has been successfully completed. The project has met its year three target of installing 12 additional shelters, bringing the overall total to 72 upgraded bus shelters. The latest improvements are located across the borough, including Bolton/Ashfield Road, A6 Preston Road (opposite Mallards Walk, Total Garage, and Doorway to Value), Balshaw Lane/Balshaw Avenue, outside the doctor's surgery near the Bay Horse, Chorley Road/Waterford Close, Lower Wheelton Red Lion Hotel, South Hill /Moss Lane, Chorley Old Road, and Myles Standish Way. The programme to replace all 83 council-owned shelters will continue next year, which will see the remaining 11 bus shelters being installed, as part of the ongoing five-year plan.

The project to create a carbon pathways programme has progressed over the quarter to support the council in its commitment to achieving net zero by 2030. The council has appointed expert consultants to model potential pathways to net zero for both the council and the wider borough.

Work commenced on developing a carbon pathways programme to identify and recommend decarbonisation actions. Final versions of the scientific carbon pathway reports were received in February 2025.

To support and enhance biodiversity across the borough, progress continues on the development of a Biodiversity Strategy focused on council-owned assets such as parks and open spaces. The strategy will incorporate mandatory Biodiversity Net Gain (BNG) requirements, align with the Lancashire Nature Recovery Strategy (LNRS), and encourage cross council and public collaboration. In quarter four, the council supported Lancashire County Council (LCC) in preparing a draft LNRS, due for public consultation in quarter one. A Biodiversity Gain Project Lead has been appointed, with work underway to establish the borough's first private Habitat Bank for offsite BNG. Criteria and fee information for the Habitat Bank will be published on the council's website, with completion expected in quarter one.

The project to create the infrastructure for weekly food waste collections has progressed, in preparation for upcoming statutory requirements under the Environment Act 2021, which requires waste collection authorities to separately collect food waste from all households by 31 March 2026. The separate collection of food waste will support Chorley Council in meeting its recycling targets and broader waste and climate change objectives. Over the year, service modelling and cost reviews have been completed, providing a clear understanding of operational and financial requirements. Food waste containers and collection vehicles procured using capital funding from the Department for Environment, Food and Rural Affairs (DEFRA). Looking ahead, work will focus on developing policies and procedures, identifying suitable storage solutions, and designing collection rounds to support borough-wide weekly food waste collections, in line with new statutory requirements.

The Council remains committed in preserving Astley Hall as a valued community asset and promoting it as a key visitor destination. Chorley Council has successfully secured £100,000 from the Wolfsen Foundation, to be used alongside funding from the Council and the Friends of Astley Hall to deliver conservation works to the West Wing of Astley Hall, this includes a review and repair of the timber frame, removal of cement infill panels and replacement with lime mortar, and repairs to lead works and windows. In quarter four, listed Building consent was granted and the procurement strategy approved. Renovation works on the West Wing are scheduled to commence towards the end of quarter two 2025/26.

## An enterprising economy with vibrant local centres in urban and rural areas



### Our commitments:

- Support business growth and expansion across the borough,
- Work with partners to support skills, development, and innovation,
- Work with partners to promote the district as a visitor destination and attract investment in our local service centres,
- Promote the green economy.

## Achievements

The project to implement the Destination Management Plan commenced, aiming to establish Chorley as a premier visitor destination and foster local pride. Developed with key stakeholders and supported by UK Government funding, the plan sets out a framework to strengthen communities, support a resilient economy, deliver excellent services and promote sustainability. The plan was launched to local businesses at the Choose Chorley event in March 2025. Tourism businesses have been invited to join the new Tourism Network, with its first meeting scheduled to take place in quarter one, offering updates on progress and opportunities to collaborate with businesses. Looking ahead, revised branding for 'Check out Chorley' and a review of the visitor experience at Astley Hall will be completed. Key objectives include increasing visitor footfall and time spent in the borough, establishing Chorley as a destination for outdoor enthusiasts, promoting cultural and family-focused events, and becoming a hub for authentic experiences like artisan food, workshops, and guided tours.

The project to implement a targeted jobs and skills programme progressed in quarter four, with work focused on delivering tailored interventions to support the growth of key business sectors and help specific resident groups into training and employment. Feedback was received from 17 businesses from across different sectors and informed the identification of current and emerging skills gaps, followed by a workshop with local employers to explore specific recruitment and workforce challenges, helping to shape targeted interventions. These included 14 upskilling grants totalling £5,814 to help businesses develop their workforce, and nine apprenticeship grants totalling £14,250 to support the creation of new apprenticeship opportunities, helping to strengthen the local workforce and improve business resilience. Looking ahead, the project will identify key target groups and geographic areas for delivery of the skills programme, with funding to be secured through the UK Shared Prosperity Fund (UKSPF).

Progress was made with the delivery of the Central Lancashire Local Plan (CLLP). Following the release of the publication version of the CLLP in January 2025, consultation on the draft plan commenced in February 2025, marking a key milestone in the plan-making process. A number of drop-in events took place across the borough and the consultation ended on the 14 April 2025. Looking ahead,

work will continue on the preparation of documents and the submission of the Central Lancashire Local Plan to the Planning Inspectorate for independent examination in Summer 2025.

To encourage the growth and diversification of businesses in the borough, preparatory work began in quarter four to implement a targeted business grants programme. This included a review of the existing grants scheme and associated budgets, alongside the identification of potential new grant opportunities to ensure best value for money and to develop a more focused approach that maximises the council's intended economic outcomes. Looking ahead to the next quarter, work will be undertaken to identify the new grant schemes, and a revised grants programme will be developed.

The project to develop the Woodlands site commenced on Southport Road supporting its transformation into a high-quality, mixed-use development that will deliver long-term benefits for the borough. The project will focus on preparing the site and securing planning permission to facilitate the delivery of quality homes for Chorley residents, alongside an options appraisal to determine the most effective use of land for commercial and educational purposes. The scheme will contribute to town centre regeneration by fostering a vibrant, inclusive community, stimulating economic growth, providing a range of housing and employment opportunities. Since acquiring the site in December 2024, the council has appointed a lead designer, approved the residential masterplan, and completed surveys and site assessments to support the planning process. Demolition of all buildings was completed in March 2025, with final site clearance now underway. Looking ahead, the planning submission pack will be finalised and a formal planning application submitted.

In April 2024, the Council secured £20 million in capital funding to deliver the Town Centre Improvement project, aimed at regenerating key central locations and reversing long-term decline by creating a new economic purpose for the town. The project will deliver highly visible and impactful changes to support the area's revival. In quarter four, significant progress was made, with planning applications submitted for both the Civic Square and Bengal Street residential development projects. The procurement process to appoint a main contractor for the Civic Square project has commenced and is expected to conclude in quarter one, while procurement for the Bengal Street project is scheduled to take place in quarter three.

## Healthy, safe and engaged communities



### Our commitments

- Support and encourage active lifestyles and health and wellbeing,
- Support development of leisure services and facilities meeting the needs of residents,
- Deliver events and places to go for everyone,
- Ensure all residents of all ages can access the services they need physically and digitally,
- Promote resilient, cohesive neighbourhoods by listening and responding,
- Work with partners to join up public services so that they make sense for everyone.

### Achievements

The Voluntary, Community, Faith, and Social Enterprise (VCFSE) sector in Chorley is vital for community support. This project aims to enhance the voluntary and community sector by expanding Chorley's network of VCFSE organisations and improving engagement and collaboration, enabling the Council to better meet residents' needs. In quarter four, an online consultation survey was launched to identify the sector's needs and challenges, with 34 responses received so far. Early analysis will inform the action plan and strategy. VCFSE groups are also being invited to join 'Chorley Together' to foster collaboration and support growth, sustainability, and resilience. Templates and self-help guides for community groups were also

developed and these are now available on the council website. Looking ahead, a marketing and communication plan for Chorley Together will be developed, alongside a training calendar to upskill community groups and volunteers, and a programme of events for Volunteer Week, which will include the official launch of Chorley Together.

As part of the Council's commitment to enhancing local leisure facilities to support residents' health and wellbeing, the All Seasons Leisure Centre refurbishment project will deliver improvements to the dry side changing and washing areas, refurbish the gym and sports hall, provide additional consultation rooms, and upgrade the existing squash court and wet side facilities adjacent to the pool. In quarter four, progress was made with the appointment of a main contractor through a comprehensive tender process. Initial works will focus on the dry side and gym areas, with design development now underway and improvement works due to commence in quarter one.

The project to reduce anti-social behaviour (ASB) will continue through the implementation of the borough's ASB Action Plan, which includes a programme of outreach support and diversionary activities in hotspot areas to provide reassurance and tackle local issues. In quarter four, work has commenced to identify external funding options to support school holidays activities in these areas. This will continue into quarter one, alongside partner collaboration on high-visibility foot patrols, targeted enforcement of underage e-cigarette sales, continuation of the successful Guardians multi-agency referral pathway, and exploration of funding opportunities to expand CCTV coverage in Clayton Brook.

The Cost-of-Living Action Plan continues to provide practical support to households, including assistance with food, fuel poverty, debt, and housing. During the quarter, a review of the 2024/25 plan commenced, using delivery data to gain insight into recipients' needs and identify priority areas for future support. Highlights from 2024/25 include the Holiday Activity and Food (HAF) programme, which offered 16,037 spaces over the year, supported by 12 providers, and provided 12,657 meals, and the February Half Term Food and Activities programme which offered 1,346 spaces, supported by 7 providers, and provided 1,163 meals. The Handyperson scheme completed 596 jobs, exceeding the annual target of 480 jobs, helping Chorley residents with small repairs or 'DIY' jobs. Additionally, the warm spaces initiative distributed £17,654 to support a network of 55 warm spaces across the borough, offering 14,722 residents a warm drink and hot meal at 911 sessions between September and March. The Household Support Fund allocated £627,690 to support 17,267 households, providing 25,368 measures such as energy, food, and essential household items. The insights from the review will help shape the priorities for the 2025/26 plan, with the review expected to conclude in quarter one.

The early years project is developing a new multi-agency action plan to coordinate borough-wide activities that promote the health and wellbeing of pre-school children, with a focus on school readiness to support long-term educational outcomes and aspirations. In quarter four, low/no-cost parent and baby sessions were piloted at Inspire Youth Zone, alongside 10 free baby and parent swimming places with Chorley Leisure. The results of these pilots are currently under review by partners. Work has also begun with partners to analyse literacy data and access to reading resources, identifying opportunities for targeted early reading support for children and parents. In the next quarter, commissioning processes including large community grants and the Inspire Youth Zone grant will be reviewed, and a Chorley Together sub-group for children and

families will be established, involving local voluntary, community, faith, and small enterprise (VCFSE) organisations in Chorley that support this area of work.

## Performance of Corporate Strategy Key Measures 2024/25

The Corporate Strategy includes key measures to make it possible to monitor progress towards achieving priorities and long-term outcomes. The measures were selected to demonstrate the progress made in achieving the ambitions of the council.

Indicator Name	Polarity	Target	Previous Reported Period	Quarter 4 2024/25	Trend (compared to same period last year Q4 2023/24)
<b>Housing where residents can live well</b>					
Number of long-term empty properties in the borough	Smaller is better	150	139 (Q3 2024/25)	143	★ Worse than Q4 2023/24
Number of affordable homes delivered	Bigger is Better	75	37 (Q2 2024/25)	88	★ Worse than Q4 2023/24
Percentage of homelessness cases prevented	Bigger is Better	60%	66% (Q3 2024/25)	70%	★ New for 2024/25
<b>A green and sustainable borough</b>					
Number of improvements to parks, open spaces and playing pitches linked to strategy delivery	Bigger is better	6	12 (Q4 2023/24)	8	★ Worse than Q4 2023/24
Number of carbon pathways projects delivered	Bigger is better	-	-	To be reported Q4 2025/26	-
% of household waste sent for reuse, recycling, or composting (Q3 data) <sup>1</sup>	Bigger is better	43%	45.9% (Q2 2024/25)	43.5%	★ Worse than Q3 2023/24
Number of bus shelters replaced	Bigger is better	45	60 (Q3 2024/25)	72	★ Better than Q4 2023/24
<b>An enterprising economy with vibrant local centres in urban and rural areas</b>					
Percentage increase in visitor numbers	Bigger is Better	2%	0.94% (Q3 2024/25)	To be reported Q3 2025/26	-
Number of projected jobs created through Chorley Council support or intervention	Bigger is better	200	220 (Q3 2024/25)	310	★ Better than Q4 2023/24
The % of 16-17 year olds who are not in education, employment, or training (NEET)	Smaller is better	4.4% (Lancashire average)	4.3% (Q3 2024/25)	5.4%	▲ Worse than Q4 2023/24
Number of Business Engagements by the Council	Bigger is better	600	923 (Q3 2024/25)	1310	★ Better than Q4 2023/24
Growth in the business rate base	Bigger is better	0.5%	14.81% (Q4 2023/24)	0.51%	★ Worse than Q4 2023/24

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

Indicator Name	Polarity	Target	Previous Reported Period	Quarter 4 2024/25	Trend (compared to same period last year Q4 2023/24)	
<b>Healthy, safe, and engaged communities</b>						
The number of visits to Council's leisure centres	Bigger is better	340,000	270,849 (Q3 2024/25)	363,257	★	<b>Better than Q4 2023/24</b>
Average improvement in wellbeing score following support from the council	Bigger is Better	70%	81% (Q3 2024/25)	97.75%	★	<b>Better than Q4 2023/24</b>
% of service requests received online	Bigger is better	50%	55.22% (Q3 2024/25)	54.89%	★	<b>Better than Q4 2023/24</b>
% of customers satisfied with the service they have received from the council	Smaller is better	70%	70.50% (Q3 2024/25)	70.03%	★	<b>Reported from Q1 2024/25</b>
Percentage of households living in fuel poverty	Bigger is better	Better than regional average	11.10% (Q1 2024/25)	To be reported Q1 2025/26	-	-

National and Regional Comparators							
Overall employment rate	Bigger is Better	73.4% (Regional average)	80.80% (Q3 2024/25)	82.90%	★	<b>Better than Q4 2023/24</b>	68.80%
The number of claimants as a proportion of resident population of the area aged 16-64	Smaller is Better	4.6% (Regional average)	2.7% (Q3 2024/25)	2.6%	★	<b>The same as Q4 2023/24</b>	2.6%
Town Centre Vacancy Rate	Smaller is better	11.25% <sup>4</sup>	8.26% (Q3 2024/25)	8.55%	★	<b>Worse than Q4 2023/24</b>	7.69%
Median Workplace Earnings better than the North West Average	Bigger is better	£692.90	£615.70 (Q4 2023/24)	£656.90	▲	<b>Better than Q4 2023/24</b>	£615.70
Earnings by place of residence (better than the North West average)	Bigger is better	£696.00	£668.50 (Q4 2023/24)	£720.70	★	<b>Better than Q4 2023/24</b>	£668.50

## Performance of key service delivery measures

Indicator Name	Polarity	Target	Comparison (previous quarter)	Quarter 4 2024/25	Trend (compared to same period last year Q4 2023/24)
% MINOR planning applications decided within 8 weeks or agreed time extension	Bigger is Better	85%	99% (Q3 2024/25)	98.4%	 <b>Worse than Q4 2023/24</b> 99%
% MAJOR planning applications decided within 13 (16 for EIA) weeks or agreed time extension	Bigger is Better	80%	89% (Q3 2024/25)	88%	 <b>Same as Q4 2023/24</b> 88%
Average working days per employee (FTE) per year lost through sickness absence	Smaller is Better	8.05 days	6.25 days (Q3 2024/25)	9.3 days	 <b>Worse than Q4 2023/24</b> 8.05 days
Percentage of Council Tax collected	Bigger is Better	96.91%	93.92% (Q3 2024/25)	96.88%	 <b>Worse than Q4 2023/24</b> 96.91%
Percentage of Business Rates (NNDR) collected	Bigger is Better	97%	87.31% (Q3 2024/25)	98.04%	 <b>Better than Q4 2023/24</b> 97%
Supplier Payment within 30 days (CUMULATIVE)	Bigger is Better	95%	91.47% (Q3 2024/25)	91.71%	 <b>Worse than Q4 2023/24</b> 93.60%

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

## Financial Performance in 2024/25

Despite the financial challenges faced, the financial standing of the Council is robust, with sound budget setting and monitoring practices. The Council's 2024/25 Revenue Budget, Capital Programme, Medium Term Financial Strategy (MTFS) and Treasury Management Strategy were approved at Council on 27 February 2024. Thereafter, budget monitoring reports were submitted at quarterly intervals to the Executive Cabinet. The reports are available on the Council's website.

In 2024/25, the Council set a balanced annual budget of £16.839m.

The outturn report for 2024/25, approved by the Executive Cabinet on 12 June 2025, showed a net underspend of £420k

The outturn position is summarised in the table below:

Directorate	Budget 2024/25 £'000	Outturn 2024/25 at 31 March 2025 £'000	Variance (Under)/ Overspend £'000
Property	906	1,206	300
Communities and Leisure	2,944	2,434	(510)
Customer and Digital	8,114	7,750	(364)
Planning	809	880	71
Policy and Governance	6,380	6,222	(158)
Major Projects	(5,356)	(4,824)	532
Financing and Other Budgets	3,042	2,751	(291)
<b>Total Net Expenditure</b>	<b>16,839</b>	<b>16,419</b>	<b>(420)</b>
<hr/>			
Funding	Budget 2024/25 £'000	Outturn 2024/25 at 31 March 2025 £'000	Variance (Under)/ Overspend £'000
Council Tax	(8,058)	(8,058)	0
Business Rates	(6,870)	(6,870)	0
Funding Guarantee	(1,624)	(1,623)	1
New Homes Bonus	(141)	(141)	0
Revenue Support Grant	(127)	(127)	0
Services Grant	(19)	(20)	(1)
<b>Total Funding</b>	<b>(16,839)</b>	<b>(16,839)</b>	<b>0</b>
<b>Net Outturn</b>	<b>0</b>	<b>(420)</b>	<b>(420)</b>

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

The funding of the Council has changed over the years with the withdrawal of central government grants, the provision of various non-recurring grants from year to year, and an annual, year-on-year extension to the Lancashire Business Rate Pooling arrangement (a temporary pilot scheme introduced in 2016/17 providing an increase in locally retained business rates, from which Chorley Council currently benefits by approximately £1.215m per annum).

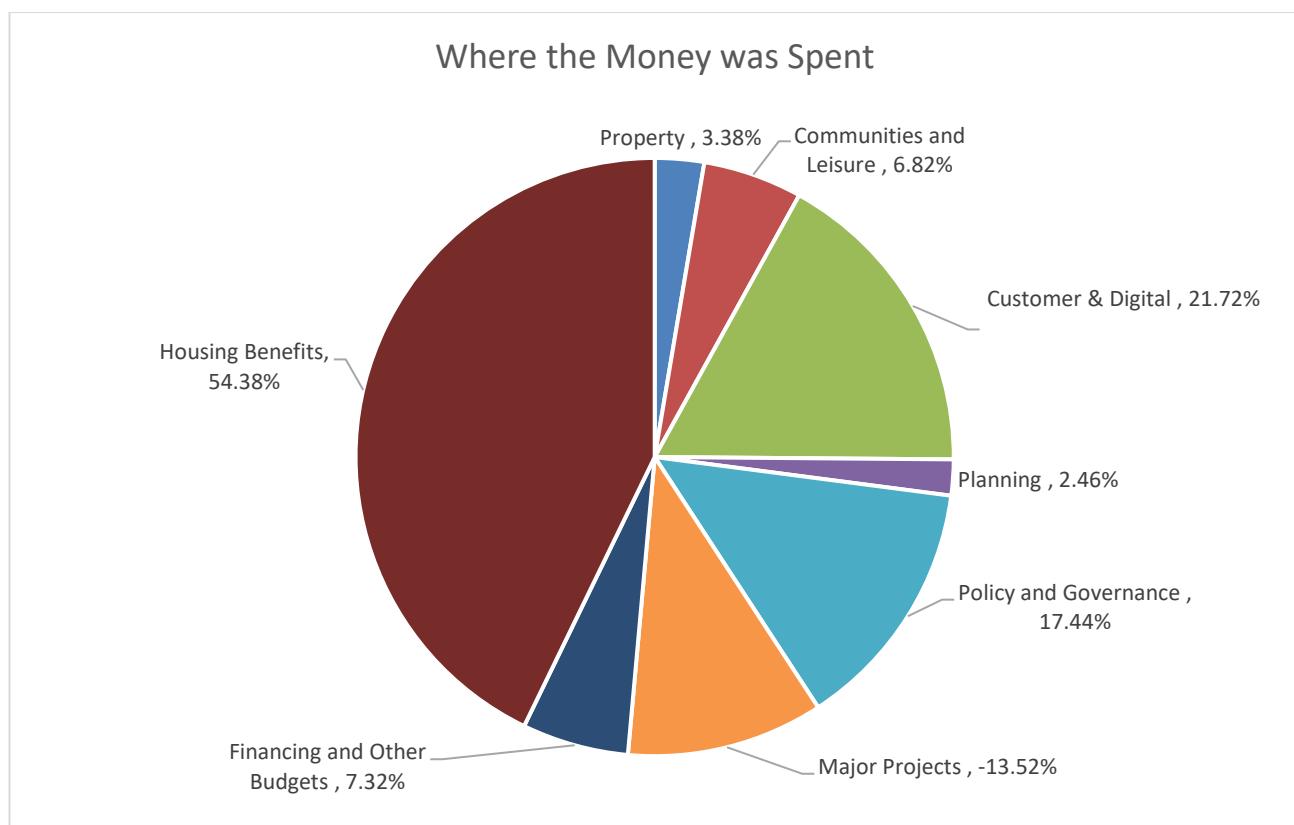
Changes in the way in which councils are funded have not been forthcoming and once again, local government was only provided with a one-year settlement for 2024/25, with significant uncertainty regarding the income streams in future years.

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

In light of this, and the fact that Council Tax and Business Rates are the major source of funding for local services, it is essential that all councils monitor their collection rates and raise as much income as possible. Any under recovery of income can have a significant impact on the ability of a Council to fund its service delivery. Chorley Council continues to perform well in this area, as despite the cost of living crisis impacting on businesses and residents, collection rates were achieved of 96.88% for council tax and 98.04% for business rates in 2024/25. They will continue to be monitored closely as part of the Council's performance management framework during 2025/26.

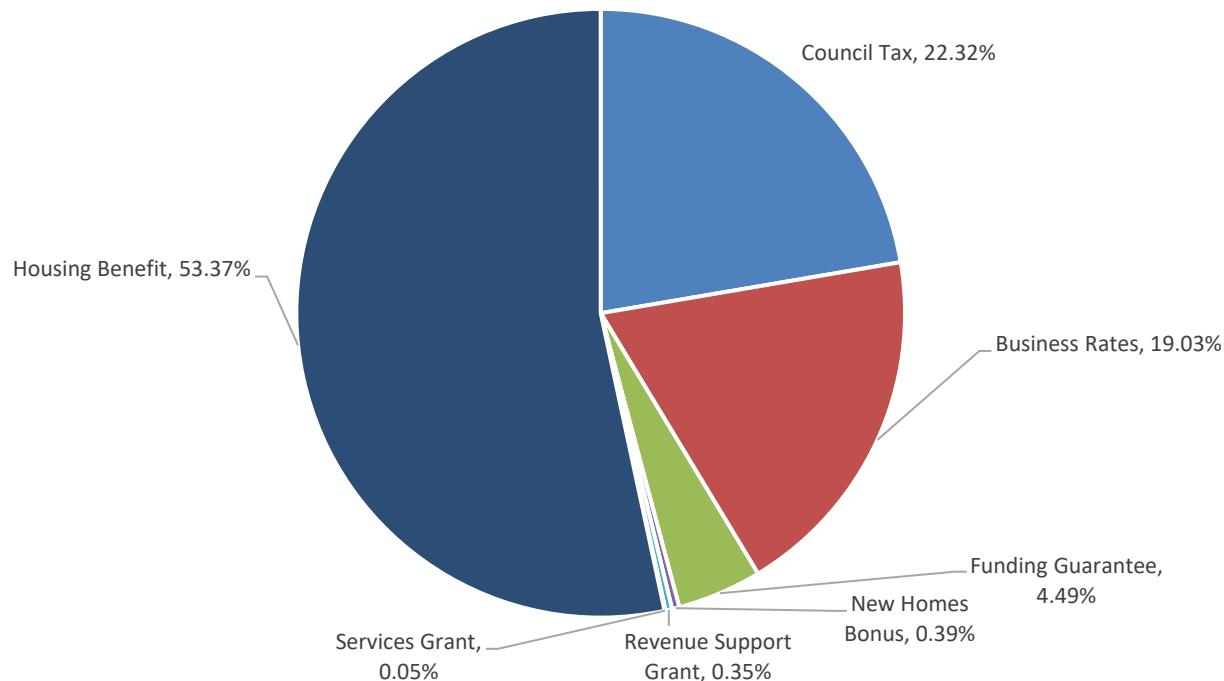
The following charts show where the Council's money came from and how it was spent on services:

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



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

## Where the Money came from



### Reserves and Balances

The Council's Medium Term Financial Strategy specifies that general balances should be maintained at or above £4.0m. This was achieved during 2024/25 and stands at £4.312m at the year end.

Total earmarked reserves for specific purposes were £7.695m as at 31 March 2025. A full list of these earmarked reserves, together with a description of the purpose of each, can be found at Note 11 to the statement of accounts.

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

The following table shows the reconciliation between the outturn position reported to Cabinet on 12 June 2025 and shown above, and the movement for the year shown in the Expenditure and Funding Analysis (EFA), which forms Note 1 to the Statement of Accounts:

General Fund Reserves at 31 March 2025	£'000
Amounts as per Outturn Report: Earmarked Reserves	7,695
Adjustment for Bus Station (Held as Grant in Advance)	(387)
Final Transfers to/(from) Collection Fund Deficit Distribution Reserve	19
<b><i>Subtotal</i></b>	<b><i>7,326</i></b>
General Reserve	4,311
<b><i>Amounts as per EFA (note 1)</i></b>	<b><i>11,638</i></b>

## **Capital Programme 2024/25**

In February 2024 the Council approved a 3-year capital programme of £22.450m. This programme delivers a number of key projects to the benefit of the residents of Chorley:

- An enterprising economy with vibrant local centres in urban and rural areas (£12.181m) - including works to the public realm in the Town Centre and works on the Council's own properties; the Town Hall and the former White Hart, works at Bengal St and relocation of the depot from there, investment at the Woodlands Site.
- A green and sustainable borough (£1.788m) – including decarbonisation work on the Town Hall and works on Chorley Health centre.
- Housing where residents live well (£5.299m) – including improvements to our leisure centres, improvements to play, recreation and opens spaces and the purchase of further properties to support refugees.
- Health, safe and Engaged Communities (£0.369m) – including work at Astley and Westway Playing Fields.

The capital programme budget for 2024/25 approved by Council in February 2024 was £19.4m. With approved slippage from 2023/24, along with other changes to the programme during the year, the final outturn was £15.2m.

The outturn position of the 2024/25 capital programme is set out in the following table and outlined further in Appendix B of the outturn report approved by Executive Cabinet on 12 June 2025.

## Capital Programme Outturn 2024/25

Table 1 - Capital Expenditure	Budget 2024/25 Approved at Council Feb 2024	Budget 2024/25 Approved by Cabinet for Outturn 2023/24	Budget 2024/25 Approved by Cabinet for the 9 months to December 2024	Slippage and reprofiling of budget (to)/from future years	Quarter 4 2024/25 Variations	Revised Budget 2024/25 as at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000

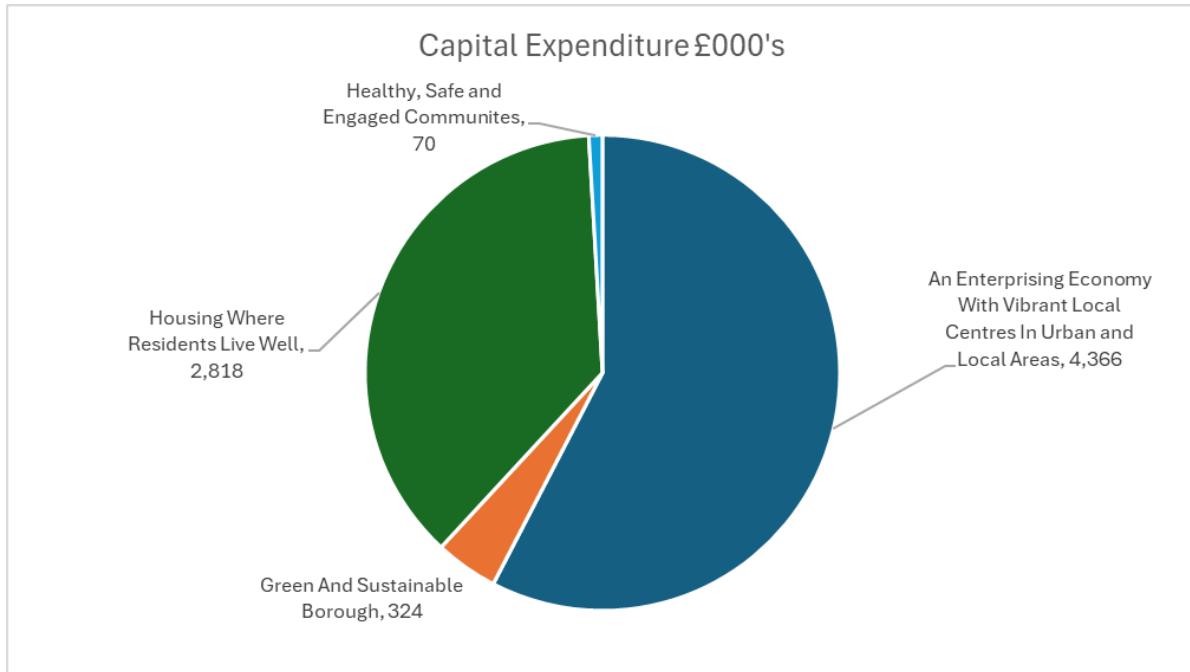
### COSTS

An Enterprising Economy With Vibrant Local Centres In Urban and Local Areas	12,180	8,504	5,452	(1,004)	(82)	4,366
Green And Sustainable Borough	1,788	1,303	578	(255)	1	324
Housing Where Residents Live Well	5,480	5,232	5,053	(2,225)	(11)	2,818
Healthy, Safe and Engaged Communities	-	215	107	(45)	8	70
<b>Total Forecast Expenditure</b>	<b>19,448</b>	<b>15,253</b>	<b>11,191</b>	<b>(3,529)</b>	<b>(84)</b>	<b>7,578</b>

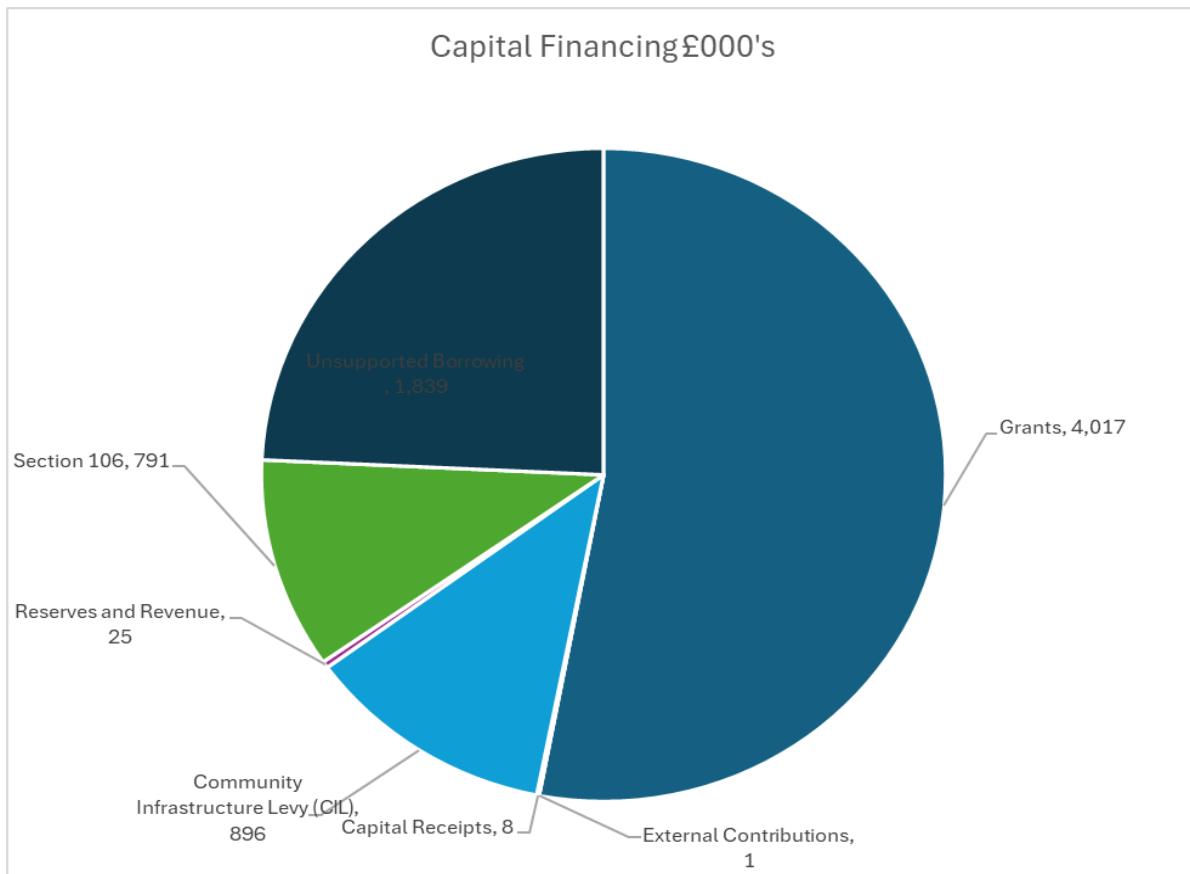
### RESOURCES

Disabled Facilities Grants	975	929	959	285	132	1,376
Brownfield Release Fund	900	1,077	1,077	(956)	-	121
Town Centre Improvement Funding	-	-	879	387	-	1,266
Rural Prosperity Fund	400	400	400	-	-	400
UK Shared Prosperity Fund	-	534	534	-	261	795
Defra Food Waste	-	-	-	-	-	-
Other Grants	285	292	1,000	(758)	(182)	60
<b>Total Grants</b>	<b>2,560</b>	<b>3,233</b>	<b>4,849</b>	<b>(1,042)</b>	<b>210</b>	<b>4,017</b>
External Contributions	-	-	1	-	-	1
Capital Receipts	7,400	4,910	27	(19)	-	8
Community Infrastructure Levy (CIL)	1,127	1,770	1,414	(518)	-	896
Reserves and Revenue	70	279	323	(298)	-	25
Section 106	829	1,501	859	(92)	24	791
Unsupported Borrowing	7,462	3,558	3,718	(1,560)	(319)	1,839
<b>Total Forecast Resources</b>	<b>19,448</b>	<b>15,253</b>	<b>11,191</b>	<b>(3,529)</b>	<b>(84)</b>	<b>7,578</b>

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



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



## **Treasury Management**

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

The key facts for 2024/25 are:

- Investments were held for the short-term in call accounts and money market funds. The maximum period permitted by the Council's Treasury Strategy for term deposits in banks and building societies is one year.
- Over the course of the year, the Bank of England applied 3 decreases to the base rate from the April 2024 starting point of 5.25%, decreasing to 5.00% in August 2024, 4.75% in November 2024 and to 4.50% in February 2024 where it remained for the rest of the year. The average cash balance invested during the year was £13.751m at an average yield of 4.37%, and generating £0.684m of interest over the 12 month period.
- A total of £41m across 10 short-term loans were taken out from seven other local authorities in 2024/25 to sustain working capital balances; no additional long-term loans were taken during the year. The maximum value of short-term loans at any single point in the year was £25m. Short-term loans have been utilised while interest rates remained high to ensure the Council only borrows what is required for working balances. Due to the reduced capital programme expenditure and anticipated grants, capital receipts and S.106 payments the balances have been able to be managed in this way.
- Cash and cash equivalents (Note 21) were £11.602 million at the end of the year, which is higher than at the end of 2023/24 (£4.812 million). This reflects the point above regarding short-term cash management in year and ensuring the availability of short-term cash to enable payments.
- In determining Council Tax charges, authorities have to make a specific provision for the financing of capital expenditure. The outstanding amount for which provision has to be made is known as the Capital Financing Requirement (CFR). During the year the CFR increased from £110.798 million (adjusted from £110.753m due to IFRS 16 transition which led to an increase of £0.965m, and a correction to a historic CFR error which saw a reduction of £0.921m) to £111.697 million. Further detail of the financing of capital expenditure is shown in Note 35.

## **Pension Fund Liability**

The pension fund has seen a movement of £15.107m during the year, from a surplus of £17.389m at the end of 2023/24 to a surplus of £32.496m at the end of 2024/25. This reflects the value of assets invested in the pension fund, offset by the value of pension liabilities which the Council is required to pay in the future when they fall due.

The Council's pension fund must be revalued every three years to set future contributions into the fund. The latest valuation was undertaken in 2022 which reported a funding level of 108%. Given the surplus position of the fund, the Council no longer requires the deficit recovery plan

that was previously in place with the Administering Authority to maintain a 100% funding level and which had required additional Deficit Recovery Contributions over a number of years.

This surplus figure is an estimate, being the actuary's assessment of the present value of the current assets and anticipated future receipts of the fund, less the liabilities to be met over a long period. Note 37 presents detailed information about the Defined Benefit Pension Scheme.

### **Strategic Risk Register**

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

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

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

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

The Risk Register is reported to the Governance Committee on an annual basis, setting out changes over the previous 12 months, existing control measures and planned actions to mitigate risk. The Corporate Risk Register was last reported to Governance Committee on 25 September 2024. The Register is reported to SMT twice a year, with the last update presented on 4 September 2024. The Register provides members and officers with an update on the monitoring of the 16 strategic risks to the Council, including actions that are in progress, as well as new actions planned to further mitigate the risks identified.

Many of the highest scoring risks focus on delivering Council priorities, including service delivery, large scale capital projects, new ways of working, and working with strategic partners to deliver outcomes. There are challenges facing the organisation in relation to budgetary pressures and financial uncertainty in relation to the current national economic context that we will have to continue to address to meet the demand for services and needs of residents. ICT and cyber security also remain a high risk to the council due to the potential impact on service delivery and reputational damage. There are strong control measures in place to mitigate these risks as part of the Council's governance framework and budget setting and monitoring processes.

The highest scoring risks, with an inherent risk score of 16 and residual risk score of 12 are listed below. Existing control measures and planned actions to help further mitigate risk are detailed in the reports presented to the Governance Committee and Senior Management Team.

- R3 - Reduction in current funding streams (including government grants and key public sector and third-party partners) or an increase in costs. This could lead to an increase the use of reserves or a negative impact
- R4 - Failure to realise the benefit of large-scale investments linked to the capital programme delivery and oversight.

A summary of the latest risks for 2025 are below;

<b>Risk</b>	<b>Risk Description</b>	<b>Inherent Risk Score</b>	<b>Residual Risk Score</b>	<b>Target Risk Level</b>
R1 Incidents Impacting Service Delivery	The ability of the Council to continue its service delivery/ business continuity is either halted or scaled back as a result of major incidents.	9	6	2
R2 Failure to Deliver Outcomes through Strategic Partnerships	Failure to achieve desired outcomes through strategic relationships.	12	6	4
R3 Poor Financial Sustainability	Reduction in current funding streams (including government grants and key public sector and third-party partners) or an increase in costs. This could lead to an increase the use of reserves or a negative impact on local level service delivery.	16	12	6
R4 Failure to Realise the Benefit of Major Investments	Failure to realise the benefit of large-scale investments linked to the capital programme delivery and oversight.	16	12	6
R5 Failure to Respond to External Legislation and Policy Change	Failure to respond or adapt to external legislation and policy change (e.g. devolution, local government reorganisation and changes to the national planning system).	9	6	4
R6 Lack of Staff Capacity and Skills	Lack of staff capacity/skills (including as a result of issues in relation to recruitment) to enable service delivery or for the Council to deliver large scale capital projects to support the Corporate Strategy.	16	9	4
R7 Failure of ICT Security and Data Protection	Failure of ICT security to prevent cyber-attacks, uphold data protection including GDPR regulations and maintain ICT service delivery.	16	9	6
R8- Failure to Act to Address Climate Change	Failure to act successfully to meet commitments made by the Council to address climate change, alongside the risk of negative impacts on our communities as a result of the Climate Emergency.	12	9	6
R9 Failure to Adapt to New Ways of Working and Changing Service Demand	Failure to adapt business models and services to reflect changes in the way people interact and do business with the Council.	12	6	4
R10 Low Staff Satisfaction and Morale	Reduction in staff satisfaction and morale with the Council including increase in sickness absence.	12	6	4
R11 Changes to Key Personnel	Potential impact of changes to senior officers and Council members on service delivery and continuity.	9	6	4
R12 Corporate Governance Failure	Failure to maintain and embed the corporate governance framework action plan leading to continued fundamental weaknesses in internal controls.	9	6	4
R13 Breakdown in Political Relationships	Failure to maintain political stability and adapt to changes in political relationships.	9	6	4
R14 Damage to the Council's Reputation	Damage to the Council's reputation and potential reduction in resident satisfaction including in the context of reduction in satisfaction and wider public sector organisations.	9	4	2
R15 Failure of Shared Service Arrangements	Failure of existing shared service arrangements and the failure to expand shared service arrangements.	8	4	2
R16 Council Underperformance	Failure to sustain performance of Corporate Strategy projects and general organisational performance.	12	6	2

## **Outlook for the Future**

The fact that yet again we have only received a one year settlement has exacerbated the risk in our financial planning; in the absence of any figures or framework from Government, it is almost impossible to prepare a credible financial strategy beyond 31 March 2026 with any degree of confidence in the underlying assumptions. Uncertainty prevails in respect of the development and implementation of a new Fair Funding Review and changes to the Business Rates Retention Scheme; it is within this financial context that we have developed the MTFS. The government has committed to a multi-year settlement from 2026/27 but uncertainty still surrounds:

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

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

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

The council has always been successful in generating efficiency savings and additional income to bridge the budget gap whilst continuing to deliver outstanding services to its residents.

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

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

- Effective and consistent project management through the refreshed Project Management toolkit and supported by the Change and Delivery Board;
- Delivering the People Strategy to ensure we have the right leadership, skills and culture to drive forward transformation;
- A programme of regular service reviews to ensure that we have fit for purpose staffing structures and service models;
- Reviewing vacancies and effective vacancy management;

- Reviewing contracts and procurement to ensure that they represent best value for money;
- Effective debt management through our Debt Management Policy;
- Reviews of Directorate level savings and fees and charges;
- Horizon scanning to continue to identify risks and opportunities in our external operating environment;
- Developing our approach to partnership working, including through the Chorley and South Ribble Partnership.

The programme will be refreshed and refined to enable the continual improvement of services and performance while ensuring a sustainable financial position.

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

### **Going Concern**

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

### **Receipt of Further Information**

If you would like to receive any further information about these accounts, please contact Chorley Borough Council on 01257 515151.

# Introduction to the Statement of Accounts

The Accounts and Audit Regulations 2015 require the Council to produce a Statement of Accounts for each financial year.

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

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

- Page 4 **Narrative Report of the Chief Finance Officer** - The purpose of the narrative report is to give the reader an understanding of the most significant matters reported in the accounting statements, as well as a review of the Council's financial performance and use of resources over the financial year.
- Page 34 **The Independent Auditor's Report** – This gives the auditor's opinion of the financial statements and of the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources.
- Page 39 **Statement of Responsibilities for the Statement of Accounts** – This summarises the responsibilities of the Council and the Chief Finance Officer in relation to the Statement of Accounts.
- Page 134 **The Annual Governance Statement** – The Council is required to conduct an annual review of the effectiveness of its system of corporate governance and to publish a statement on the adequacy of this system with its annual accounts. This statement is referred to as the Annual Governance Statement (AGS). The AGS explains our governance arrangements, the review of the governance framework against the Local Code of Governance and future plans to improve and strengthen the governance environment.

## CORE FINANCIAL STATEMENTS

The core financial statements consist of the following:

- Page 40 **Comprehensive Income and Expenditure Statement** – This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- Page 41 **Movement in Reserves Statement** – Levels of reserves, and movements therein, are indicators of the financial strength of the organisation. This statement distinguishes usable from unusable reserves. The distinction is explained in the Balance Sheet comment below.

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

- Page 42 **The Balance Sheet** – this shows the value of the assets and liabilities recognised by the authority. The total of these, the Net Assets, is matched by the authority's reserves, as shown in the lower part of the Balance Sheet.

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

- Page 43 **Cash Flow Statement** – this shows the changes in cash and cash equivalents during the reporting period. It shows how cash and cash equivalents are generated and used by classifying cash flows into operating, investment and financing activities.

- Page 44 **Notes to the Main Financial Statements** – these add to and interpret the individual statements.

## **SUPPLEMENTARY FINANCIAL STATEMENTS**

- Page 119 **Collection Fund** – this is an agents statement that reflects the statutory obligation for billing authorities to record transactions relating to the collection of Council Tax and Non-Domestic Rates, and their distribution to precepting authorities, the Government, and the council itself.

- Page 120 **Notes to the Collection Fund** – these add to and interpret the Collection Fund statement.

- Page 122 **Group Accounts** – the authority has interests in two subsidiaries, the group accounts are the financial statements of the group in which the assets, liabilities, reserves, income, expenses and cash flows of the authority and subsidiaries are presented as those of a single economic entity.

# Independent auditor's report to the members of Chorley Borough Council

Commercial In Confidence

## Independent auditor's report to the members of Chorley Borough Council

### Report on the audit of the financial statements

#### Opinion on financial statements

We have audited the financial statements of Chorley Borough Council (the 'Authority') and its subsidiary (the 'group') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2025 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other information we are required to report on by exception under the Code of Audit Practice**

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

#### **Opinion on other matters required by the Code of Audit Practice**

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

#### **Responsibilities of the Authority and the Chief Finance Officer**

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief

Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003).
- We enquired of management and the Audit and Governance Committee, concerning the group and Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - potential management bias in determining accounting estimates and judgements
  - material post year-end journals
  - journals posted by senior management
  - journals reducing expenditure
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on large and unusual items and journals falling within identified risk criteria;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of land and buildings and the defined benefit pension net asset or liability; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not

detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including risks relating to management override of controls resulting from the use of manual journal entries which could impact the outcome position and the level of general fund reserves. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the local government sector in which the group and Authority operates
  - understanding of the legal and regulatory requirements specific to the Authority and group including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

**Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

#### **Responsibilities of the Authority**

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

#### **Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within

the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks;
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

### **Report on other legal and regulatory requirements – Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate for Chorley Borough Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

#### **Use of our report**

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Georgia Jones*

Georgia Jones, Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor

Liverpool

29 January 2026

# Statement of Responsibilities

This statement defines the responsibility of the Council and the Responsible Financial Officer in respect of the Authority's financial affairs.

## The Council's responsibilities

The Council shall:

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

## The Chief Finance Officer's Responsibilities

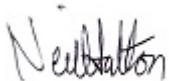
The Chief Finance Officer (Director of Finance and Section 151 Officer) is responsible for preparing the Authority's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer (Director of Finance and Section 151 Officer) has:

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

## Certificate

I certify that the Statement of Accounts give a true and fair view of the financial position of the Authority at 31 March 2025 and its Income and Expenditure for the year ended 31 March 2025.



Neil Halton  
Director of Finance and Section 151 Officer  
Date: 30 January 2026

# Comprehensive Income and Expenditure Statement

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

2023/24			2024/25		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
5,040	(2,159)	2,881	Communities and Leisure	7,282	(5,168)
719	(1,073)	(354)	Corporate	20,466	(21,047)
715	(715)	0	Covid	0	0
29,998	(23,244)	6,754	Customer & Digital	11,701	(3,417)
383	(4,475)	(4,092)	Major Projects	7,311	(5,367)
1,980	(1,257)	723	Planning	1,931	(1,301)
9,316	(2,780)	6,536	Policy & Governance	9,544	(3,379)
4,229	(2,890)	1,339	Property	6,222	(3,500)
<b>52,380</b>	<b>(38,593)</b>	<b>13,787</b>	<b>Cost of Services</b>	<b>64,457</b>	<b>(43,179)</b>
802	0	802	Other operating expenditure (note 12)	756	0
7,249	(7,459)	(210)	Financing and investment income and expenditure (note 13)	7,194	(8,034)
651	(21,371)	(20,720)	Taxation and non-specific grant income (note 14)	671	(26,440)
		<b>(6,341)</b>	<b>(Surplus)/deficit on provision of services</b>		<b>(4,575)</b>
		(4,324)	(Surplus)/deficit on revaluation of Property, Plant and Equipment assets		(11,223)
		103	Re-measurement of the net defined benefit liability (note 37d)		(8)
		<b>(4,221)</b>	<b>Other Comprehensive (Income) and Expenditure</b>		<b>(11,231)</b>
		<b>(10,562)</b>	<b>Total Comprehensive (Income) and Expenditure</b>		<b>(15,806)</b>

## Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other ‘unusable reserves’. The Statement shows how the movements in year of the authority’s reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movement in the year following those adjustments.

	General Fund £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 31 March 2023</b>	(12,329)	(297)	(10,304)	(22,930)	(53,616)	(76,546)
<b><u>Movements in 2023/24</u></b>						
Total Comprehensive Income & Expenditure	(6,341)	0	0	(6,341)	(4,221)	(10,562)
Adjustments between accounting basis & funding basis (note 10)	9,058	224	(2,599)	6,683	(6,683)	0
<b>(Increase) / Decrease in year</b>	<b>2,717</b>	<b>224</b>	<b>(2,599)</b>	<b>342</b>	<b>(10,904)</b>	<b>(10,562)</b>
<b>Balance at 31 March 2024</b>	<b>(9,612)</b>	<b>(73)</b>	<b>(12,903)</b>	<b>(22,588)</b>	<b>(64,520)</b>	<b>(87,108)</b>
<b><u>Movements in 2024/25</u></b>						
Total Comprehensive Income & Expenditure	(4,575)	0	0	(4,575)	(11,231)	(15,806)
Adjustments between accounting basis & funding basis (note 10)	2,549	(121)	(3,083)	(655)	655	0
<b>(Increase) / Decrease in year</b>	<b>(2,026)</b>	<b>(121)</b>	<b>(3,083)</b>	<b>(5,230)</b>	<b>(10,576)</b>	<b>(15,806)</b>
<b>Balance at 31 March 2025</b>	<b>(11,638)</b>	<b>(194)</b>	<b>(15,986)</b>	<b>(27,818)</b>	<b>(75,096)</b>	<b>(102,914)</b>

# Balance Sheet

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

31 March 2024 £'000		Notes	31 March 2025 £'000
139,369	Property, Plant & Equipment	15	149,812
3,318	Heritage Assets	16	3,318
34,385	Investment Property	17	35,471
1	Intangible Assets	18	21
4,351	Long-Term Debtors	19	4,044
<b>181,424</b>	<b>Long-Term Assets</b>		<b>192,666</b>
6,295	Short-Term Debtors	20	7,770
4,812	Cash and Cash Equivalents	21	11,602
<b>11,107</b>	<b>Current Assets</b>		<b>19,372</b>
(22,108)	Short-Term Borrowing	19	(24,482)
(10,385)	Short-Term Creditors	22	(9,990)
(1,412)	Provisions	23	(832)
<b>(33,905)</b>	<b>Current Liabilities</b>		<b>(35,304)</b>
(1,476)	Long-Term Creditors	19	(2,054)
(64,753)	Long-Term Borrowing	19	(62,987)
(2,689)	Other Long-Term Liabilities – pensions	37	(2,356)
0	Other Long-Term Liabilities – other		0
(2,029)	Grant Receipts in Advance - Capital	33	(6,036)
(571)	Grant Receipts in Advance - Revenue	33	(387)
<b>(71,518)</b>	<b>Long Term Liabilities</b>		<b>(73,820)</b>
<b>87,108</b>	<b>Net Assets</b>		<b>102,914</b>
(22,587)	Usable Reserves	MiRS, 24	(27,818)
(64,521)	Unusable Reserves	25	(75,096)
<b>(87,108)</b>	<b>Total Reserves</b>		<b>(102,914)</b>

The audited accounts were issued on 30 January 2026



Neil Halton  
Director of Finance and Section 151 Officer  
Date: 30 January 2026

# Cash Flow Statement

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

2023/24 £'000		2024/25 £'000
6,341	Net surplus or (deficit) on the provision of services	4,575
(2,380)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 26a)	3,793
(5,142)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities (Note 26b)	(8,918)
<b>(1,181)</b>	<b>Net cash flows from Operating Activities (Note 26)</b>	<b>(550)</b>
(4,958)	Investing Activities (Note 27)	7,044
10,191	Financing Activities (Note 28)	296
<b>4,052</b>	<b>Net increase or (decrease) in cash and cash equivalents</b>	<b>6,790</b>
760	Cash and cash equivalents at the beginning of the reporting period	4,812
<b>4,812</b>	<b>Cash and cash equivalents at the end of the reporting period (Note 21)</b>	<b>11,602</b>

Cash and Cash Equivalents at the beginning and end of the 2024/25 reporting period have been defined to be net of the bank overdraft.

# Notes to the Main Financial Statements

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

## 1 EXPENDITURE AND FUNDING ANALYSIS – NOTE TO MAIN FINANCIAL STATEMENT

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

2023/24			Directorate	2024/25		
Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
2,936	(55)	2,881	Communities and Leisure	2,124	(10)	2,114
(483)	129	(354)	Corporate	(956)	375	(581)
1	(1)	0	Covid	0	0	0
7,025	(271)	6,754	Customer & Digital	7,301	983	8,284
(1,000)	(3,092)	(4,092)	Major Projects	(1,376)	3,320	1,944
763	(40)	723	Planning	665	(35)	630
6,482	54	6,536	Policy & Governance	6,519	(354)	6,165
1,187	152	1,339	Property	1,308	1,414	2,722
<b>16,911</b>	<b>(3,124)</b>	<b>13,787</b>	<b>Net Cost of Service</b>	<b>15,585</b>	<b>5,693</b>	<b>21,278</b>
(14,194)	(5,934)	(20,128)	Other Income and Expenditure	(17,611)	(8,242)	(25,853)
<b>2,717</b>	<b>(9,058)</b>	<b>(6,341)</b>	<b>(Surplus)/Deficit in year</b>	<b>(2,026)</b>	<b>(2,549)</b>	<b>(4,575)</b>
<b>(12,328)</b>			<b>Opening General Fund Balance at 1 April</b>	<b>(9,611)</b>		
2,717			Add (Surplus)/Less Deficit on General Fund Balance in Year	(2,026)		
<b>(9,611)</b>			<b>Closing General Fund Balance at 31 March</b>	<b>(11,637)</b>		

## 2 ACCOUNTING POLICIES

These notes explain the policies used to ensure the Council's financial position is fairly presented.

### 2.1 General Principles

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

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

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

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

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

Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **2.3 Cash and Cash Equivalents**

Cash and Cash Equivalents are shown net of bank overdrafts that are repayable on demand. Cash consists of cash in hand and deposits repayable without penalty on notice of not more than 24 hours.

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

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

To record the cost of holding non-current assets during the year, services, and support services are debited with depreciation charges, revaluation and impairment losses in excess of accumulated revaluation gains, and amortisation charges in respect of intangible assets.

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 amortisation are therefore replaced by the Minimum Revenue Provision (MRP) contribution, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

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

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

#### **Accounting for Council Tax and National Non-Domestic Rates**

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

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

## **2.6 Contingent Assets and Liabilities**

A contingent asset or liability arises where an event has taken place that gives the Authority a possible asset or obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the core financial statements. Contingent assets are disclosed in a note where it is probable that there will be an inflow of economic benefits or service potential.

## **2.7 Exceptional Items**

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

## **2.8 Employee Benefits**

### Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination benefits

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

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 Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## Post-employment benefits

Employees are members of the Local Government Pension Scheme which provides defined benefits to members. Full details of transactions are given in Note 37. The following notes explain the methodology.

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

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

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

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

Service cost comprising:

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

Re-measurement comprising:

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

Contributions paid to the pension fund:

- cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

### Discretionary Benefits

The 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.

### **2.9 Events after the Reporting Period**

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

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

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

### **2.10 Financial Instruments**

#### Financial Liabilities

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

Gains or losses on premature redemption are charged to the Comprehensive Income and Expenditure Statement unless they are the result of a restructure that involves the modification or exchange of existing instruments, in which case they are added to the amortised cost and charged over the life of the modified or exchanged loan. Where charged to the Comprehensive Income and Expenditure Statement, regulations require discounts to

be amortised over the shorter of the life of the original loan or ten years. Greater discretion applies to premia, they can be amortised over the life of the original or replacement loan, or a shorter period. A transfer is done from the General Fund Balance to the Financial Instruments Adjustment Account to give effect to these regulations.

### Financial Assets

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

The council recognises expected credit losses on all of its financial assets measured at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority. Where a financial asset measured at amortised cost is identified as being subject to an expected credit loss, this shall be recognised as an impairment and the loss charged to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.

### **2.11 Going Concern**

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

### **2.12 Government Grants and Other Contributions**

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

- the authority will comply with 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-ringfenced

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.

#### Community Infrastructure Levy

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

### **2.13 Heritage Assets**

Heritage assets are assets held principally for their contribution to culture and knowledge.

#### *Heritage Assets*

The council's heritage assets are all are reported in the Balance Sheet at insurance valuation. The assets are as follows:

- Civic Regalia
- Astley Hall furniture and art collection
- Astley Park Entrance
- Benjamin Disraeli Statue

The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment for Heritage Assets, for example where an item has suffered physical deterioration or breakage. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

Where the Council disposes of heritage assets, the proceeds of these items are accounted for in accordance with the authority's general provisions relating to the disposal of property, plant and equipment. 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.

### **2.14 Intangible assets**

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences), is capitalised at cost if it will bring benefits to the

Council for more than one financial year. Internally generated assets are capitalised where it is demonstrable that the Council will generate future economic benefits.

The cost is amortised over the economic life to reflect the pattern of consumption, the first year of charge being that in which the expenditure is incurred. The charge is made to the relevant service line in the Comprehensive Income and Expenditure Statement.

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

## **2.15 Interests in companies and other entities**

The authority has material interests in two wholly owned companies, Chorley Leisure Ltd, and Chorley BC Property Ltd that have the nature of a subsidiary and requires it to prepare group accounts. In the authority's own single-entity accounts, the interests in the company are recorded as financial assets at cost, less any provision for losses.

## **2.16 Investment Properties**

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

They are measured initially at cost and subsequently at fair value. They are not depreciated but are re-valued annually by a RICS-qualified valuer. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Gains and losses on revaluation and disposal are not permitted by statute to impact on the council tax. A reversal is therefore done between the General Fund Balance and the Capital Adjustment Account (or, in the case of sale proceeds exceeding £10,000, to the Capital Receipts Reserve).

Rentals received in relation to investment properties are credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement.

## **2.17 Leasing**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset from the lessor to the lessee. All other leases are classified as operating leases.

If the lease covers both land and buildings, then the land and building elements are considered separately for classification.

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

## The Authority as lessee

### Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

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

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

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

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

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

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

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

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

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

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

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

The liability is remeasured when:

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

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

#### Lease expenditure

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

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

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

#### The Authority as lessor

##### **Finance Leases**

Where the Authority grants a finance lease over an asset, it is written out of the Balance Sheet and charged to the "gain or loss on disposals" line in Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. The Authority's net investment in the lease is credited to the same line, matched by a Long-Term Debtor in the Balance Sheet.

Lease rental receipts are split between finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement), and the principal element applied to write down the Long-Term Debtor.

### **Operating leases**

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

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

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

### **2.19 Overheads**

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

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

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

Changes in accounting policies are only made when required by proper accounting practice or if the change provides more reliable or relevant information about the effect of transactions on the Council's financial position or financial performance. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts from prior periods. Material errors will also require a prior period adjustment. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the period.

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

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

#### Measurement

Assets are initially measured at cost, comprising the purchase price, and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Council. The Authority does capitalise borrowing costs incurred whilst major assets are under construction.

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

- Infrastructure, Assets under Construction, equipment, and certain Community Assets (where a current value measurement is not suitable) are held at depreciated historical cost.
- Surplus assets have a current value measurement base of fair value, which is estimated at highest and best use from a market participant's perspective.
- All other assets are measured at current value, determined as the amount that would be paid for the asset in its existing use.

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

Valuations are provided by RICS-qualified valuers, are on the basis recommended by CIPFA, and accord with the Statement of Asset Valuation Principles and Guidance Notes issued by the RICS. Assets held in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years.

Increases in valuations are credited to the Revaluation Reserve unless they reverse previous losses charged to the Comprehensive Income and Expenditure Statement, in which case the gain shall be credited to that account. A fall in value will be charged firstly against any balance held in the Revaluation Reserve. If this is insufficient or non-existent, the charge is made to the relevant service line in the Comprehensive Income and Expenditure Statement.

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

### Depreciation

Non-current assets held for sale, assets under construction, and assets without a determinable finite useful life (such as freehold land and certain community assets) are not depreciated.

Other property is depreciated over its useful life on a straight-line basis. Depreciation is based on the opening value of assets, weighted for part-year acquisitions or disposals if appropriate. Components are separately depreciated if:

- The total value of the host asset (excluding land) exceeds £0.5m and
- The value of the component exceeds 20% of the asset value (excluding land)

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

### Impairment

All assets are reviewed annually for impairment. If the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised for the shortfall. Impairment losses are charged against revaluation gains held in the Revaluation Reserve. If these are inadequate the loss is charged to the relevant service line in the Comprehensive Income and Expenditure Statement.

If an impairment loss is subsequently reversed, the reversal, up to the amount of the original loss adjusted for depreciation, is credited to the relevant service line in the Comprehensive Income and Expenditure Statement.

#### Disposal and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through continuing use, it is reclassified as an Asset Held for Sale and shown within current assets. The asset is re-valued immediately and carried at the lower of this amount and fair value less costs to sell. If assets subsequently fail to meet the criteria to be classified as Assets Held for Sale, they revert are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations) and their recoverable amount at the date of the decision not to sell.

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

#### Flexible use of Capital Receipts

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

#### Capital Charges and Council Tax

The postings in the Comprehensive Income and Expenditure Statement in respect of depreciation, impairment, disposals and revaluation are reversed in the Movement in Reserves Statement to avoid impacting on council tax. Capital Receipts exceeding £10,000 are reversed to the Capital Receipts Reserve. Other reversals are to the Capital Adjustment Account

### **2.22 Provisions**

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

### **2.23 Reserves**

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

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

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

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

## **2.25 Value Added Tax**

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

## **2.26 Fair Value Measurement**

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

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

### **3 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

The 2024/25 Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code (paragraph 3.3.2.13). The Code requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year (paragraph 3.3.4.3).

Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2025/26 Code).

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- **IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- **IFRS 17 Insurance Contracts** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting

policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

## **4 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

### **Fair Values**

When measuring the fair value of a non-financial asset, the council uses judgement to ascertain a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. It also uses judgements regarding inputs to valuation techniques, particularly whether they are applicable and relevant to the assets or liabilities, either directly or indirectly, being valued.

### **Business Rates Appeals**

With business rates, ratepayers who consider the rateable values of their properties to be too high can lodge an appeal with the Valuation Office to have it reviewed. Any resulting reduction in bills can be backdated, perhaps over several years. This creates an uncertainty, because it means that the amount of income for the year from business rates, which has been included by the council in this Statement of Accounts, may later be reduced. Given that the gross income (before reliefs) in each financial year is over £38m and that the provision is required to cover several years, even a relatively low percentage allowance produces a material amount, so the council must acknowledge this in its Statement.

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

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

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

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

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

In respect of (3), because of the nature of the revised appeals process introduced from April 2017 onwards, there are particular issues in estimating the potential value of appeals against valuations effective from that time onwards. The pattern of liability movements resulting from successful appeals across the years from 2016/17 to 2023/24 have been reviewed, together with information on the numbers and potential values of cases at the 'Check' and 'Challenge' stages of the process for 2023 list appeals. These, together with comments by the Valuation Office that the approach adopted for the 2017 revaluation was the same as for earlier valuations and a review of the approaches adopted by other authorities, supports the view that the level of provision made by the council at the end of 2024/25 is of an appropriate level.

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

#### **Allowance for non-collection of debts**

The Code requires the Council's Statement of Accounts to include sufficient allowance for bad debts. This provision is determined by the Council using its judgement to assess the amount of the debt owed. There is a degree of uncertainty in calculating the bad debt provision as future payments and defaults are unknown.

## **5 ASSUMPTIONS ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

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

<b>Item</b>	<b>Uncertainty</b>	<b>Effect if actual results differ</b>
Pensions liability and assets	The estimated liabilities depend on a number of complex judgements. These include future retirement ages, mortality rates, salary increases, returns on investments and discount rates. A firm of consulting actuaries is engaged to provide advice on these assumptions.	Sensitivity to the factors contributing to this estimate is shown in Note 37j. Small changes in factors such as longevity, rate of inflation and salary inflation have

	<p>The scheme holds a varied portfolio of assets, details of which are shown at Note 37i. The valuations shown in this Statement are those assessed as at 31 March 2025 and again these are provided by a firm of consulting actuaries.</p>	<p>major impacts on the pension fund.</p> <p>The council anticipates that it will spend £1.897m on current pension contributions in 2025/26 (see Note 37h). A 1% upward variation on this would produce an increased cost of £19k.</p>
Asset valuations	<p>Note 15 shows that Property, Plant &amp; Equipment (PPE) assets valued at £157.049m (£133.338m of Operational Land and Buildings, £6.413m of Vehicles, Plant &amp; Equipment, £1.158m of Infrastructure Assets, £7.800m of Community Assets, £7.869m of Assets Under Construction and £0.471m of Surplus Assets) are carried at either current value or depreciated replacement cost value.</p> <p>Note 17 shows that Investment Properties valued at £35.471m are carried at current value.</p> <p>The valuations have been carried out by qualified valuers as at 31 March in accordance with Royal Institution of Chartered Surveyors Guidance.</p> <p>All assets classed as Investment Properties were subject to review. These include Logistics House, a major warehousing and distribution facility purchased in 2019/20, which was valued at £33.398m at 31 March 2025.</p>	<p>The values are only estimates and thus could over or understate the actual values realisable if sale actually occurred.</p> <p>A fall in the value of the council's investment properties will result in a charge to the CIES. Every 10% fall in the total value of the council's investment properties would result in a £3.547m charge to the CIES.</p> <p>Likewise, a 10% fall in the value of other assets valued at current value would produce a variation of £1.570m. How much, if any, of this would be chargeable to the CIES would depend on the individual assets affected and whether or not there were associated balances in the Revaluation Reserve.</p>
Provisions	<p>A provision of £0.832m has been recognised for the best estimate of the council's share of the amount that businesses have been overcharged business rates up to 31 March 2025. The estimate in respect of appeals against the 2017 &amp; 2023 rating lists has been calculated using the Valuation Office Agency (VOA) ratings list of appeals and the analysis of successful appeals to date.</p>	<p>If the value of successful appeals exceeded the provision there would be a reduction in the local share of business rates income available to fund the Authority's services.</p> <p>Similarly, an increase in the</p>

		provision to cover such appeals would be a charge to the Collection Fund which would also reduce the local share of business rates income available to fund the Authority's services.
Fair value measurements	When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities. Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value. Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities are disclosed in Notes 2, 17 and 19.	The Council uses the market approach to value of some of its investment properties and financial assets. The unobservable inputs used in the fair value measurement include management assumptions regarding rent yield and growth, vacancy levels (for investment properties). Significant changes in any of the unobservable inputs would result in a lower or higher fair value measurement for the investment properties and financial assets.

## 6 MATERIAL ITEMS OF INCOME AND EXPENSE

All material items have been disclosed in the statement or in the notes to the main financial statements. For the purposes of this note the council considers material items to be those greater than £1.150m (2023/24 £1.065m). This equates to 1.9% of the council's gross service expenditure for the preceding financial year is £0.116m more than the threshold stated by the council's auditor in their Audit Plan (£1.034m).

## 7 EVENTS AFTER THE REPORTING PERIOD

The audited draft Statement of Accounts was authorised for issue by the Section 151 Officer on 30 January 2026. Subsequent events are not reflected in the financial statements or in the notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information.

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

## 8 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis, which forms Note 1 to the accounts, can be found on page 44.

This note provides a reconciliation of the main adjustments to the Net Expenditure Chargeable to the General Fund Balance to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

2024/25	Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note	Net change for the Pensions	Other Differences (Note C)	Total Statutory Adjustments	Other Adjustments (Note D)	Total Adjustments
		£'000	£'000				
Communities and Leisure		54	(70)	6	(10)	0	(10)
Corporate		351	11	0	362	13	375
Customer & Digital		1,138	(131)	4	1,011	(28)	983
Major Projects		5,093	(24)	1	5,070	(1,750)	3,320
Planning		0	(38)	3	(35)	0	(35)
Policy & Governance		(265)	(96)	7	(354)	0	(354)
Property		1,486	(58)	(10)	1,418	(4)	1,414
<b>Cost of Services</b>		<b>7,857</b>	<b>(406)</b>	<b>11</b>	<b>7,462</b>	<b>(1,769)</b>	<b>5,693</b>
Other Income and Expenditure from the Expenditure and Funding Analysis		(9,524)	81	(568)	(10,011)	1,769	(8,242)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>		<b>(1,667)</b>	<b>(325)</b>	<b>(557)</b>	<b>(2,549)</b>	<b>0</b>	<b>(2,549)</b>

2023/24	Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts						Total Adjustments £'000
	Adjustments for Capital Purposes (Note A) £'000	Net change for the Pensions Adjustments £'000	Other Differences (Note C) £'000	Total Statutory Adjustments £'000	Other Adjustments (Note D) £'000		
Communities and Leisure	0	(54)	(1)	(55)	0	(55)	
Corporate	0	18	0	18	111	129	
Covid	0	(1)	0	(1)	0	(1)	
Customer & Digital	(114)	(110)	(12)	(236)	(35)	(271)	
Major Projects	(2,037)	(19)	(2)	(2,058)	(1,034)	(3,092)	
Planning	0	(34)	(6)	(40)	0	(40)	
Policy & Governance	134	(77)	(3)	54	0	54	
Property	108	(44)	(3)	61	91	152	
<b>Cost of Services</b>	<b>(1,909)</b>	<b>(321)</b>	<b>(27)</b>	<b>(2,257)</b>	<b>(867)</b>	<b>(3,124)</b>	
Other Income and Expenditure from the Expenditure and Funding Analysis	(7,121)	86	234	(6,801)	867	(5,934)	
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>(9,030)</b>	<b>(235)</b>	<b>207</b>	<b>(9,058)</b>	<b>0</b>	<b>(9,058)</b>	

### Note A Adjustments for Capital Purposes

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

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

### Note B Net Change for Pension Adjustments

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

- For services this represents the removal of the employer pension contributions made by the authority as determined by statute and their replacement with current service costs and past service costs.

- For financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement (CIES).

#### **Note C Other Statutory Adjustments**

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

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

#### **Note D Other Non-Statutory Adjustments**

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

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

## 9 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

	2023/24 £'000	2024/25 £'000
<b>Expenditure/Income</b>		
<b>Expenditure</b>		
Employee benefits expenses	14,290	14,743
Other service expenses	42,365	44,691
Depreciation, amortisation, impairment	(2,037)	7,158
Interest payments	7,445	8,138
Precepts, tariffs and levies	8,363	8,906
Loss on the disposal of assets	(5)	(120)
<b>Total expenditure</b>	<b>70,421</b>	<b>83,516</b>
<b>Income</b>		
Fees, charges and other service income	(15,702)	(18,940)
Interest and investment income	(5,738)	(6,147)
Changes in the fair values of investment properties	(1,049)	(1,086)
Income from council tax and non-domestic rates	(19,171)	(20,801)
Government grants and contributions	(27,171)	(29,008)
Other grants and contributions	(7,931)	(12,109)
Gain on the disposal of assets	0	0
<b>Total income</b>	<b>(76,762)</b>	<b>(88,091)</b>
<b>Surplus or Deficit on the Provision of Services</b>	<b>(6,341)</b>	<b>(4,575)</b>

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

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the authority to meet future capital and revenue expenditure.

2024/25	General Fund £'000	Capital Receipts £'000	Capital Grants £'000	Unusable Reserves £'000
<b>Adjustments to the Revenue Resources</b> Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve) (note 25d)	325	0	0	(325)
Financial instruments (transferred to the Financial Instruments Adjustments Account) (note 25c)	0	0	0	0
Council tax and NDR (transfers to or from Collection Fund Adjustment Account) (note 25e)	568	0	0	(568)
Holiday pay (transferred to the Accumulated Absences Reserve) (note 25f)	(11)	0	0	11
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) (note 25b)	(4,357)	0	0	4,357
<b>Total Adjustments to Revenue Resources</b>	<b>(3,475)</b>	<b>0</b>	<b>0</b>	<b>3,475</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve (MiRS)	129	(129)	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) (note 25b)	941	0	0	(941)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account) (note 25b)	25	0	0	(25)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>1,095</b>	<b>(129)</b>	<b>0</b>	<b>(966)</b>
<b>Adjustments to Capital Resources</b>				
Use of the Capital Receipts Reserve to finance capital expenditure (MiRS)	0	8	0	(8)
Application of capital grants to finance capital expenditure (MiRS)	4,929	0	(3,083)	(1,846)
<b>Total Capital Resources</b>	<b>4,929</b>	<b>8</b>	<b>(3,083)</b>	<b>(1,854)</b>
<b>Total Adjustments</b>	<b>2,549</b>	<b>(121)</b>	<b>(3,083)</b>	<b>655</b>

2023/24	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
<b>Adjustments to the Revenue Resources</b>				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve) (note 25d)	236	0	0	(236)
Financial instruments (transferred to the Financial Instruments Adjustments Account) (note 25c)	0	0	0	0
Council tax and NDR (transfers to or from Collection Fund Adjustment Account) (note 25e)	(234)	0	0	234
Holiday pay (transferred to the Accumulated Absences Reserve) (note 25f)	26	0	0	(26)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) (note 25b)	2,957	0	0	(2,957)
<b>Total Adjustments to Revenue Resources</b>	<b>2,985</b>	<b>0</b>	<b>0</b>	<b>(2,985)</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve (MiRS)	21	(21)	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) (note 25b)	1,442	0	0	(1,442)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account) (note 25b)	556	0	0	(556)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>2,019</b>	<b>(21)</b>	<b>0</b>	<b>(1,998)</b>
<b>Adjustments to Capital Resources</b>				
Use of the Capital Receipts Reserve to finance capital expenditure (MiRS)	0	245	0	(245)
Application of capital grants to finance capital expenditure (MiRS)	4,055	0	(2,599)	(1,456)
<b>Total Capital Resources</b>	<b>4,055</b>	<b>245</b>	<b>(2,599)</b>	<b>(1,701)</b>
<b>Total Adjustments</b>	<b>9,059</b>	<b>224</b>	<b>(2,599)</b>	<b>(6,684)</b>

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

### General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid, and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

## Capital Receipts Reserve

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

## Capital Grants Unapplied

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

## 11 TRANSFERS TO/FROM EARMARKED RESERVES

The movements in reserves during the year were as follows

Type of Earmarked Reserve	Balance 1 April 2023 £'000	Transfers			Balance 31 March 2024 £'000	Transfers			Balance 31 March 2025 £'000
		Out £'000	Movement s Between £'000	(In) £'000		Out £'000	Movement s Between £'000	(In) £'000	
Rephasing of planned expenditure	(1,083)	73	115	(196)	(1,091)	72	0	(482)	(1,500)
Rephasing of New Investment Projects	(871)	70	189	0	(612)	299	0	(159)	(472)
Grants reserved for specific expenditure	(30)	0	30	0	0	0	0	0	0
Financing of capital expenditure	(1,646)	924	(112)	0	(834)	146	0	(114)	(802)
Planning purposes including appeals	(215)	50	0	(82)	(247)	0	0	(217)	(464)
Restructuring of services	(238)	14	(200)	0	(424)	6	0	(200)	(618)
Retail Investment	(171)	17	0	0	(154)	79	0	0	(75)
Apprenticeships and Graduates	(223)	80	0	0	(143)	9	0	0	(134)
Resource equalisation	(782)	521	(189)	0	(450)	0	0	0	(450)
Maintenance of Council buildings	(104)	24	69	0	(11)	0	0	0	(11)
Maintenance of Grounds	(44)	10	35	0	0	0	0	0	0
Elections	(156)	59	0	0	(97)	0	0	(47)	(144)
Covid-19 funding	0	0	0	0	0	0	0	0	0
Collection Fund Surplus/Deficit Adjustment Reserve - (formerly Business Rates Exceptional Payments Reserve)	(1,222)	0	1,191	(469)	(500)	0	0	(135)	(635)
Budget Equalisation Reserve - Formerly Support for the recovery from the pandemic and the cost of living crisis - communities & businesses	(1,269)	456	(137)	0	(950)	26	0	0	(925)
Leisure Services Contingency	0	0	0	0	0	0	0	(162)	(162)
Funding Held for Investment Priorities	0	0	0	0	0	0	0	(921)	(921)
Other	(5)	5	0	(6)	(6)	6	0	(13)	(14)
<b>Total Earmarked Reserves</b>	<b>(8,059)</b>	<b>2,302</b>	<b>991</b>	<b>(753)</b>	<b>(5,519)</b>	<b>642</b>	<b>0</b>	<b>(2,450)</b>	<b>(7,327)</b>
General Reserve	(4,271)	1,170	(991)	0	(4,092)			(219)	(4,311)
<b>Total General Fund Reserves</b>	<b>(12,330)</b>	<b>3,472</b>	<b>0</b>	<b>(753)</b>	<b>(9,611)</b>	<b>642</b>	<b>0</b>	<b>(2,670)</b>	<b>(11,638)</b>

## **Purpose of Earmarked Reserves**

**Rephasing of planned expenditure** – there are a number of directorate initiatives which span more than one financial year or for which funds have been budgeted but not yet started. These reserves will ensure that such initiatives can be completed. They include £830k of Refugee / Asylum seeker funding and £496k for ICT Transformation and Food Waste Collection.

**Rephasing Investment Projects** – there are a number of specific investment packages included in the Council's annual revenue budget aimed at delivering corporate priorities. As delivery on these schemes will be made over more than one year, these reserves enable unspent balances to be carried forward to future years. They include investment budgets carried forward to 2025/26 £378k and an investment fund for realising income generation £93k.

**Financing of capital expenditure** – this comprises of £450k of funding for the future capital programme plus an additional £353k remaining specifically for Climate Change works.

**Planning purposes including appeals** – this reserve has been established to mitigate future costs of planning appeals and the funding of the local plan.

**Restructuring of services** – this reserve is provided to support the one-off staffing cost implications of service transformation programmes.

**Retail Investment** – this reserve represents the council's investment in the borough through the Retail Grants Programme which provides specific funding for local businesses in the form of refurbishment grants and business rate subsidy.

**Apprenticeships and Graduates** – this reserve provides funding for apprenticeships and graduates across the organisation in the coming years.

**Resource equalisation** – this represents the income equalisation reserves for Logistics House (£450k). This was established to minimise the risk of fluctuations in future income levels from the council owned warehousing and distribution facility.

**Maintenance of Council buildings** – this reserve has been established to provide funding for future asset improvement works in relation to the council owned Market Walk retail precinct and other Council properties.

**Elections** – this has been established to equalise the costs of holding local elections over the Council's four-year election cycle.

**Collection Fund Surplus/Deficit Adjustment Reserve** - (formerly Business Rates Exceptional Payments Reserve) – This has been established to remove significant fluctuations in annual budgets through Collection Fund surplus or deficits.

**Budget Equalisation Reserve** - (formerly Inflationary and cost of living pressures) – This funding has been created from various other reserves to offset any future inflationary and cost of living budget pressures.

**Leisure Services Contingency** - this reserve has been established to mitigate future costs in relation to Leisure Services across the borough.

**Funding held for Investment Priorities** - this reserve is being held to ensure future investment projects are supported which are aimed at delivering corporate priorities.

**Other** – this represents other balances set aside in reserves for Mayoral Charities and What's your Story Event.

## 12 OTHER OPERATING EXPENDITURE

2023/24 £'000		2024/25 £'000
807	Parish council precepts	876
16	(Gains)/losses on disposal of non-current assets	9
(21)	Other capital receipts	(129)
<b>802</b>	<b>Total</b>	<b>756</b>

## 13 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2023/24 £'000		2024/25 £'000
2,021	Interest payable and similar charges	2,574
86	Net interest on the net defined benefit liability (asset)	81
(400)	Interest receivable and similar income	(639)
(2,769)	Income and Expenditure in relation to investment properties and changes in their fair value	(2,973)
852	Allowance for impairment of outstanding debts	117
<b>(210)</b>	<b>Total</b>	<b>(840)</b>

## 14 TAXATION AND NON-SPECIFIC GRANT INCOME & EXPENDITURE

2023/24 £'000		2024/25 £'000
(8,584)	Council tax income	(8,931)
(3,032)	Non-domestic rates income and expenditure	(3,840)
(5,035)	Non ring-fenced government grants	(5,646)
(4,069)	Capital grants and contributions	(7,413)
<b>(20,720)</b>	<b>Total</b>	<b>(25,830)</b>

## 14(a) LANCASHIRE BUSINESS RATES POOL

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

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

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

In 2019/20 we successfully submitted a bid along with 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 2023/24 and 2024/25 are shown in the table below:

Lancashire Business Rates Pool - Income Allocations for 2023/24 and 2024/25	
District Authorities	40%
Lancashire County Council	9%
Lancashire Combined Fire Authority	1%
	50%
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.

Lancashire Business Rates Pool Members 2024/25	Authority Type	Tariffs and Top-Ups in Respect of 2024/25	£	Retained Levy on Growth 2024/25	£	10% Retained Levy Payable to/received by Lancashire County Council	£	Net Retained Levy 2024/25	£
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>	

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

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

## 15 PROPERTY PLANT AND EQUIPMENT

The valuations are carried out with a valuation date of 31<sup>st</sup> March 2025.

	Other Land & Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Infrastructure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
<b>Cost or Valuation</b>							
<b>At 1 April 2024</b>	<b>128,690</b>	<b>6,499</b>	<b>912</b>	<b>5,330</b>	<b>468</b>	<b>5,912</b>	<b>147,810</b>
Opening Balance Adjustment (IFRS 16)		965					965
<b>At 1 April 2024(Amended)</b>	<b>128,690</b>	<b>7,464</b>	<b>912</b>	<b>5,330</b>	<b>468</b>	<b>5,912</b>	<b>148,776</b>
Additions	1,647	536	347	68	3	2,820	5,420
Revaluation increases/(decreases) recognised in the revaluation reserve	7,916	-	-	2,396	-	-	10,312
Revaluation increases/(decreases) recognised in the surplus/deficit on the provision of services	(5,368)	-	-	88	-	-	(5,280)
De-recognition - disposals	-	(2,068)	(102)	(10)	-	-	(2,179)
Assets reclassified (to)/from	453	480	-	(71)	-	(862)	-
Other movements in cost or valuation	-	-	-	-	-	-	-
<b>At 31 March 2025</b>	<b>133,338</b>	<b>6,413</b>	<b>1,158</b>	<b>7,800</b>	<b>471</b>	<b>7,869</b>	<b>157,049</b>
<b>Depreciation and Impairment</b>							
At 1 April 2024	(1,466)	(4,117)	(439)	(1,997)	-	(423)	(8,441)
Depreciation charge	(2,273)	(561)	(29)	(219)	-	-	(3,082)
Depreciation written out to the revaluation reserve	657	-	-	254	-	-	911
Depreciation written out to the surplus/deficit on the provision of services	1,371	-	-	13	-	-	1,385
Impairment (losses)/reversals recognised in the revaluation reserve	-	-	-	-	-	-	-
Impairment (losses)/reversals recognised in the surplus/deficit on the provision of services	559	-	-	-	-	(739)	(180)
De-recognition - disposals	-	2,068	102	2	-	-	2,171
Assets reclassified (to)/from	287	(314)	-	27	-	-	0
Other movements in depreciation and impairment	-	-	-	-	-	-	-
<b>At 31 March 2025</b>	<b>(864)</b>	<b>(2,924)</b>	<b>(366)</b>	<b>(1,921)</b>	<b>-</b>	<b>(1,162)</b>	<b>(7,236)</b>
<b>Net Book Value</b>							
At 1 April 2024	127,224	3,348	473	3,333	468	5,489	140,335
Cumulative movements	5,250	141	318	2,546	3	1,219	9,478
<b>At 31 March 2025</b>	<b>132,475</b>	<b>3,489</b>	<b>791</b>	<b>5,879</b>	<b>471</b>	<b>6,707</b>	<b>149,812</b>

The closing net book value of vehicles, plant, furniture and equipment includes £0.772m relating to Right of Use assets.

The comparative figures for 2023/24 are as follows:

	Other Land & Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Infrastructure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
<b>Cost or Valuation</b>							
At 1 April 2023	114,764	6,100	732	5,324	473	590	127,983
Additions	4,861	489	206	335	-	6,241	12,132
Revaluation increases/(decreases) recognised in the revaluation reserve	4,000	-	-	(246)	(1)	-	3,753
Revaluation increases/(decreases) recognised in the surplus/deficit on the provision of services	4,121	-	-	4	(5)	-	4,121
De-recognition - disposals	(4)	(90)	(26)	-	-	-	(121)
Assets reclassified (to)/from	949	-	-	(87)	-	(919)	(58)
Other movements in cost or valuation	-	-	-	-	-	-	-
<b>At 31 March 2024</b>	<b>128,690</b>	<b>6,499</b>	<b>912</b>	<b>5,330</b>	<b>468</b>	<b>5,912</b>	<b>147,810</b>
<b>Depreciation and Impairment</b>							
At 1 April 2023	(1,016)	(3,764)	(435)	(1,803)	-	(18)	(7,035)
Depreciation charge	(1,887)	(440)	(21)	(227)	-	-	(2,575)
Depreciation written out to the revaluation reserve	663	-	-	20	-	-	683
Depreciation written out to the surplus/deficit on the provision of services	1,176	-	-	1	-	-	1,177
Impairment (losses)/reversals recognised in the revaluation reserve	(112)	-	-	-	-	-	(112)
Impairment (losses)/reversals recognised in the surplus/deficit on the provision of services	(338)	-	-	-	-	(405)	(744)
De-recognition - disposals	1	88	17	-	-	-	105
Assets reclassified (to)/from	-	-	-	-	-	-	-
Other movements in depreciation and impairment	48	-	-	12	-	-	61
<b>At 31 March 2024</b>	<b>(1,466)</b>	<b>(4,117)</b>	<b>(439)</b>	<b>(1,997)</b>	<b>-</b>	<b>(423)</b>	<b>(8,441)</b>
<b>Net Book Value</b>							
At 1 April 2023	113,748	2,336	297	3,521	473	573	120,948
Cumulative movements	13,477	46	176	(188)	(5)	4,916	18,422
<b>At 31 March 2024</b>	<b>127,224</b>	<b>2,382</b>	<b>473</b>	<b>3,333</b>	<b>468</b>	<b>5,489</b>	<b>139,369</b>

## Fixed Assets Valuations

During 2024/25 the valuations were carried out by Align Property Partners. RICS-qualified Surveyors. The basis of valuation is set out in the Accounting Policies note.

	Other Land & Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Infrastructure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
Carried at historical cost	320	6,413	1,158	3,096	18	7,869	18,874
Valued at current value as at:							
31 March 2025	117,059	-	-	4,179	-	-	121,238
31 March 2024	4,899	-	-	498	9	-	5,406
31 March 2023	2,123	-	-	26	230	-	2,380
31 March 2022	5,752	-	-	-	214	-	5,966
31 March 2021	3,185	-	-	0	-	-	3,185
<b>Total cost or valuation</b>	<b>133,338</b>	<b>6,413</b>	<b>1,158</b>	<b>7,800</b>	<b>471</b>	<b>7,869</b>	<b>157,049</b>

Within the carried historical cost of vehicles, plant, furniture and equipment is £0.965m relating to Right of Use assets.

The Authority has considered whether the carrying value of PPE assets that have not been revalued in the year is materially different to fair value. In revaluing assets during 2024/25, the Council's Surveyor has considered the effect of any significant movement in the value of revalued assets on the remaining assets not scheduled for revaluation and has confirmed that no further adjustments are required.

## Depreciation

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

### years

Property (excluding components separately identified)	5-100
Property components - mechanical	25
Portable office facilities	10-15
Vehicles	3-10
IT equipment	3-5
Other equipment	5-15

## **Capital Commitments**

At 31st March 2025, the authority had entered into contracts for the construction or enhancement of property, plant and equipment in 2025/26 totalling £621k (£869k major commitments at 31<sup>st</sup> March 2024). The commitments are:

- Drain Works - £0.056m
- Reservoir Works - £0.056m
- Town Centre Improvements - £0.433m
- Woodlands - £0.077m
- Waste caddies - £0.182m
- Other - £0.458m

## **Material Items of Expenditure**

During 2024/25 the authority made additions to PPE assets of £5.562m, which compares to £13.132m in 2023/24.

## **Impairment Losses**

During 2024/25, the authority has recognised an impairment loss of £738,690 relating to Woodlands College.

Following the revaluation of the relevant assets in 2024/25, there have also been 2 reversals of previous impairments. These are in respect of:

- Town Hall, Market Street - £43,996
- Briscall Baths - £515,041

## **16 HERITAGE ASSETS**

<b>Cost or Valuation</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
As at 1 April	3,385	3,318
Additions	0	0
Reclassification to Property, Plant & Equipment	(67)	0
Revaluations recognised in Revaluation Reserve	0	0
Disposals	0	0
<b>As at 31 March</b>	<b>3,318</b>	<b>3,318</b>

## **HERITAGE ASSETS – FIVE YEAR SUMMARY OF TRANSACTIONS**

There were no disposals and no acquisitions during the five years 2020/21 to 2024/25.

## **HERITAGE ASSETS – FURTHER INFORMATION**

The assets included within Heritage assets are as follows:

### **Civic Regalia**

This mainly consists of mayoral badges, chains of office, and other regalia used in civic activities. It was re-valued in 2023.

### **Astley Hall furniture and art collection**

A large part of the collection was gifted to the Council with the house, but it has been added to through gifts and purchases made in the following years. The collection consists of numerous minor works of art and furniture. It is included in the statement of accounts at a value of £2.482m.

### **Astley Park Entrance**

Astley Park was given, along with the Hall, to Chorley Council in 1922 in memory of those who died in the Great War. After this transfer the arch, formerly of nearby Gillibrand Hall, was rebuilt as the main entrance, which it still serves as today. Close to the main gates and arch is a former drinking fountain, inscribed with the words “Erected by Ann Pollard AD 1861”. It was included in the statement of accounts at the value of £0.534m.

### **Benjamin Disraeli Statue**

The statue was formerly situated on a rooftop on the corner of Chapel Street and Cleveland Street on the building once known as Beaconsfield Buildings. The statue was erected in 1886, after his death in 1881, by the Primrose League who met in the room below. The statue was taken down and restored following problems with the roof and due to the prohibitive cost of returning it to its original position was donated to the council and is now located in the Walled Garden in Astley Park.

### **Preservation and management**

The Council has a ten-year plan for the use and maintenance of the hall and contents, with periodic structural surveys being undertaken. Within this framework a major scheme for the refurbishment of the hall commenced in 2020/21 and was completed in May 2022. Additions and disposal of the collection is managed in accordance with The Acquisitions and Disposal Policy.

## **17 INVESTMENT PROPERTIES**

The following items of income have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2023/24 £'000	2024/25 £'000
Rental Income from Logistics House	(1,661)	(1,836)
Rental Income from other investment properties	(61)	(90)
Direct operating expenses arising from investment property	0	0
<b>Net (gain)/loss</b>	<b>(1,722)</b>	<b>(1,926)</b>

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or its right to receipt of income or the proceeds of disposal. The authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The assets are comprehensively re-valued every year. The following table summarises the movement in the fair value of these properties over the past years.

	2023/24 £'000	2024/25 £'000
Fair value at the start of the year	33,337	34,385
Additions	0	0
Disposals	0	0
Net gain/(loss) from fair value adjustments	1,049	1,086
Other	(1)	0
Transfers:		
(To)/From Property, Plant and Equipment	0	0
<b>Value at year-end</b>	<b>34,385</b>	<b>35,471</b>

### Fair Value Hierarchy

All the Council's investment property portfolio has been assessed as Level 2 for valuation purposes.

### Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels during the year.

### Valuation techniques used to determine Level 2 fair values for investment properties

The fair value for the investment properties has been measured using the market approach. The approach is described at paras B5 to B7 of IFRS 13; it uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The inputs to this technique constitute **Level 2 inputs** in each instance. Level 2 inputs are inputs that are observable for the asset, either directly or indirectly. The inputs used took the form of

analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

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

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

### **Valuation Techniques**

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

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

The fair value of the council's investment property is measured annually at each reporting date. All valuations are carried out in accordance with the methodologies and bases set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

## **18 INTANGIBLE ASSETS**

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

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. Useful lives assigned to the major software suites used by the Authority are:

<b>Asset Description</b>	<b>Amortisation Period</b>
Website	3 years
Thin client implementation	7 years
Revenues & Benefits software	7 years

Amortisation is on a straight-line basis. In 2024/25 the amortisation was charged principally to the Customer & Digital directorate.

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

	2023/24 £'000	2024/25 £'000
<b>Balance at the start of the year</b>		
Gross carrying amount	639	639
Accumulated amortisation	(634)	(637)
<b>Net carrying amount at year start</b>	<b>5</b>	<b>1</b>
<b>Movements in the year</b>		
Additions in year	0	20
Disposals in year	0	0
Amortisation in year	(3)	0
Amortisation in respect of disposals	0	0
<b>Net carrying amount at the year-end</b>	<b>1</b>	<b>21</b>

There are no significant contractual commitments, and no individual intangible assets the amortisation of which is materially significant to the Council.

## 19 FINANCIAL INSTRUMENTS

### 19a Categories of Financial Instruments

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

	Long-Term		Current	
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000
<b>Financial Assets</b>				
<b>Carried at Amortised Cost</b>				
Cash & cash equivalents (note 21) net of bank overdraft	0	0	4,812	11,602
Debtors	4,351	4,044	2,520	1,750
<b>Total Debtors</b>	<b>4,351</b>	<b>4,044</b>	<b>7,332</b>	<b>13,352</b>
<b>Financial Liabilities</b>				
<b>Carried at Amortised Cost</b>				
Borrowing - Principal	(64,753)	(62,987)	(21,838)	(24,227)
Borrowing – Accrued Interest	0	0	(270)	(255)
Creditors	(1,476)	(2,054)	(4,371)	(3,942)
<b>Total Creditors</b>	<b>(66,229)</b>	<b>(65,042)</b>	<b>(26,479)</b>	<b>(28,424)</b>
<i>Memo: Items that are not Financial Instruments</i>				
Debtors	0	0	3,774	6,020
Creditors	0	0	(6,014)	(6,048)

The figure shown for Long Term Debtors includes amounts in respect of rent-free periods granted and payments made to incoming tenants in the Market Walk and Market Walk Extension commercial units. At 31 March 2025, the total outstanding in respect of such payments was £3.699m (31 March 2024 £3.999m). These sums will be recovered from the rental income payable over the lifetime of the tenancies.

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

### 19b Income, Expense, Gains and Losses

The amounts charged in the Comprehensive Income and Expenditure Statement are as follows:

	2023/24			2024/25		
	Financial Liabilities at Amortised Cost £'000	Financial Assets Loans & Receivables £'000	Total £'000	Financial Liabilities at Amortised Cost £'000	Financial Assets Loans & Receivables £'000	Total £'000
Interest expenses	2,021	0	2,021	2,574	0	2,574
Impairment Increase/ (Reduction)	0	0	0	0	0	0
	<b>2,021</b>	<b>0</b>	<b>2,021</b>	<b>2,574</b>	<b>0</b>	<b>2,574</b>
Interest income	0	(400)	(400)	0	(639)	(639)
<b>Total income</b>	<b>0</b>	<b>(400)</b>	<b>(400)</b>	<b>0</b>	<b>(639)</b>	<b>(639)</b>
<b>Net (gain)/loss for the year</b>			<b>1,621</b>			<b>1,935</b>

### 19c Fair Values of Assets and Liabilities

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

- For loans from the Public Works Loans Board (PWLB) payable, new borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the table sets out the alternative fair value measurement applying the premature repayment rates, highlighting the impact of the alternative valuation;
- For non-PWLB loans payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Financial Liabilities	2023/24		2024/25	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
PWLB Debt including debt maturing within 1 year	(66,772)	(44,267)	(65,018)	(39,878)
Short Term Borrowing excluding PWLB debt maturing within 1 year	(20,089)	(20,089)	(22,451)	(22,451)
Short Term Creditors	(4,371)	(4,371)	(3,942)	(3,942)
Long Term Creditors	(1,476)	(1,476)	(2,054)	(2,054)
<b>Total Liabilities</b>	<b>(92,708)</b>	<b>(70,203)</b>	<b>(93,466)</b>	<b>(68,326)</b>

The fair value of the liabilities is less than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £39.878m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the balance sheet date. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at the new borrowing rates from the PWLB.

The Authority has also calculated an exit price fair value for PWLB loans of £44.373m, which is calculated using early repayment discount rates. The Authority has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

Financial Assets	2023/24		2024/25	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Cash and Cash Equivalents	4,812	4,812	11,602	11,602
Short Term Debtors	2,520	2,520	1,750	1,750
Long Term Debtors	4,351	4,351	4,044	4,044
<b>Total Assets</b>	<b>11,683</b>	<b>11,683</b>	<b>17,396</b>	<b>17,396</b>

Short Term debtors and creditors are carried at cost as this is a fair approximation of their value.

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

### **Key risks**

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

- Credit risk – 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 interest rates.

### **Overall procedures for managing risk**

The authority'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 by the financial accounts 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.

### **Credit risk**

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

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

The key areas of the Investment Strategy are as follows:

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

## Sundry Debtors

Assessment of the expected credit loss on the outstanding balance of short-term debtors is made using a provision matrix based on the age of the outstanding debt and previous experience of recovery rates. At 31 March 2025, the outstanding gross amount was £4.583m (£5.477m at 31 March 2024) and the maximum exposure to credit loss was assessed as £2.833m (£2.956m at 31 March 2024).

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

## **Liquidity risk**

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow requirements, and access to the Public Works Loans Board and money markets for longer term funds. The Council is required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure.

Interest rates on its borrowings at 31 March 2025 vary between 1.32% and 4.34%, and the maturity analysis of its borrowing is as follows:

	<b>31 March 2024 £'000</b>	<b>31 March 2025 £'000</b>
Less than 1 year	22,108	24,482
Between 1 and 2 years	1,776	1,802
Between 2 and 5 years	7,120	5,317
More than 5 years	55,868	55,868
<b>Total</b>	<b>86,871</b>	<b>87,469</b>

## **Market risk**

**Interest rate risk** – The Council has limited exposure to interest rate movements on its borrowings and investments. Borrowings and short-term investments are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings and investments do not impact on the Comprehensive Income and Expenditure Statement. To mitigate risk the Council's annual Treasury Strategy reviews interest rate forecasts and fixes prudential indicators for fixed and variable interest rate exposure.

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

	£'000
Loss - Increase in interest payable on variable rate borrowings	0
Gain - Increase in interest receivable on variable rate investments	(146)
Gain - Impact on Comprehensive Income and Expenditure Statement	(146)
Loss - Increase in fair value of fixed rate borrowing (no impact on Comprehensive Income & Expenditure Statement)	444

**Price risk** – The Council has no exposure to this risk, having no available for sale assets.

**Foreign Exchange Risk** – The Council has no material exposure to the risk of currency movements.

## 20 DEBTORS

	31 March 2024 £'000	31 March 2025 £'000
Trade Receivables	3,997	3,048
Prepayments	967	948
Other Receivables	5,263	7,952
<b>Gross Carrying Amount</b>	<b>10,227</b>	<b>11,948</b>
Less Bad Debt Provisions	(3,933)	(4,178)
<b>Net Carrying Amount</b>	<b>6,294</b>	<b>7,770</b>

## 21 CASH AND CASH EQUIVALENTS

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

	31 March 2024 £'000	31 March 2025 £'000
Cash held by the Authority	282	106
Bank current and call accounts	4,531	11,496
Bank overdraft	0	0
<b>Total Cash and Cash Equivalents</b>	<b>4,812</b>	<b>11,602</b>

## 22 SHORT TERM CREDITORS

	31 March 2024 £'000	31 March 2025 £'000
Trade Payables	(4,610)	(3,020)
Other Payables	(5,775)	(6,970)
<b>Total</b>	<b>(10,385)</b>	<b>(9,990)</b>

## 23 PROVISIONS

The movements in provisions during the year were as follows.

	Balance 1 April 2024 £'000	Used £'000	Added £'000	Unused and Reversed £'000	Balance 31 March 2025 £'000
Business rates appeals	(1,412)	453	0	127	(832)
<b>Total</b>	<b>(1,412)</b>	<b>453</b>	<b>0</b>	<b>127</b>	<b>(832)</b>

**Business Rates Appeals** – Due to the localisation of Business Rates, which became effective from the 1st April 2013, the council now bears part of the risk for future appeals against rateable valuations of business premises. Therefore, the council has set aside a provision for any potential liabilities as a result of appeals. At the end of 2024-25, the council is responsible for a 40% share of this liability along with the Ministry of Housing, Communities and Local Government (50%), Lancashire County Council (9%) and the Lancashire Fire Authority (1%). These were borne wholly by the Government under the old scheme. The council's estimate of the value of outstanding appeals up to 31 March 2025 is £2.080m (£3.529m at 31 March 2024). The council has made a provision for 40% of this figure totalling £0.832m (£1.412m at 31 March 2024). Appeals are assessed and decided by the Valuation Office Agency, an executive agency of HM Revenue & Customs, rather than by the council and as such the timing of the settlement of any successful appeals is uncertain.

## 24 USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement (page 41). The purpose of General Fund Earmarked Reserves is detailed in Note 11 page 70.

	31 March 2024 £'000	31 March 2025 £'000
General Fund Working Balance	(4,092)	(4,312)
General Fund Earmarked Reserves	(5,519)	(7,326)
Total General Fund Balance	(9,611)	(11,638)
Capital Receipts Reserve	(73)	(194)
S106 Contributions from developers	(3,919)	(4,037)
Community Infrastructure Levy (CIL)	(8,825)	(11,942)
Other Capital Grants and Contributions	(159)	(6)
Total Capital Grants and Contributions Unapplied	(12,903)	(15,986)
<b>Total Usable Reserves at year-end</b>	<b>(22,587)</b>	<b>(27,818)</b>

## 25 UNUSABLE RESERVES

	31 March 2024 £'000	31 March 2025 £'000
Revaluation Reserve (Note 25a)	(23,477)	(34,265)
Capital Adjustment Account (Note 25b)	(43,761)	(42,659)
Deferred Capital Receipts Reserve (Note 25c)	(289)	(289)
Pensions Reserve (Note 25d)	2,689	2,356
Collection Fund Adjustment Account (Note 25e)	143	(425)
Accumulated Absences Account (Note 25f)	175	186
<b>Total Unusable Reserves at year-end</b>	<b>(64,520)</b>	<b>(75,096)</b>

### 25a Revaluation Reserve

The Revaluation Reserve holds the gains arising from increases in the valuation of 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 holds only gains accumulated since 1 April 2007. Gains prior to that date were consolidated into the Capital Adjustment Account.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>(19,503)</b>	<b>(23,478)</b>
Upward revaluation of assets	(5,172)	(17,611)
Downward revaluation and impairment not charged to the Comprehensive Income & Expenditure Statement	849	6,387
Difference between fair value and historic cost depreciation	349	432
Revaluation reserve balances written off on disposed assets	0	4
<b>Balance at 31 March</b>	<b>(23,478)</b>	<b>(34,265)</b>

## 25b Capital Adjustment Account

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>(36,756)</b>	<b>(43,761)</b>
<u>Reversal of items relating to capital expenditure debited or credited to the CI&amp;ES</u>		
Charges for depreciation & impairment of non-current	3,258	3,262
Revaluation gains on Property, Plant and Equipment	(5,298)	3,895
Amortisation of intangible assets	3	0
Revenue expenditure funded from capital under statute	1,180	2,138
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	16	9
	<b>(841)</b>	<b>9,304</b>
<u>Adjusting amounts written out of the Revaluation Reserve</u>		
Difference between fair value and historic cost depreciation	(349)	(432)
Revaluation reserve balances written off on disposed assets	0	(4)
	<b>(349)</b>	<b>(436)</b>
<i>Net written out amount of the cost of non-current assets consumed in the year</i>	<i>(1,190)</i>	<i>8,868</i>
<u>Capital financing applied in the year</u>		
Use of Capital Receipts Reserve to finance new capital expenditure	(224)	0
Capital grants & contributions credited to the CI&ES that have been applied to capital financing	(1,067)	(3,860)
Capital receipts credited to the CI&ES that have been applied to capital financing	(21)	(8)
Application of grants to capital financing from Capital Grants Unapplied	(1,456)	(1,846)
Statutory & voluntary provision for the repayment of debt	(1,442)	(941)
Capital expenditure charged to the General Fund Balance	(556)	(25)
	<b>(4,766)</b>	<b>(6,680)</b>
Movements in the market value of Investment Properties debited or credited to the CI&ES	(1,049)	(1,086)
<b>Balance at 31 March</b>	<b>(43,761)</b>	<b>(42,659)</b>

This account contains the following:

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

## 25c Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	(289)	(289)
Transfer to Capital Receipts Reserve on receipt of cash	0	0
<b>Balance at 31 March</b>	(289)	(289)

## 25d Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid and to maintain a solvency funding level of 100%.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	2,822	2,689
Remeasurement of the net defined benefit liability	(6,650)	(13,798)
Reversal of charges posted to the Comprehensive Income & Expenditure Statement	1,799	1,798
Employers contributions and direct payments to pensioners payable in the year	(2,035)	(2,123)
Impact of Asset Ceiling	6,753	13,790
<b>Balance at 31 March</b>	<b>2,689</b>	<b>2,356</b>

## 25e Collection Fund Adjustment Account

This account manages the differences arising from the recognition of Council Tax and Business Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers and Business Rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	(91)	143
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	234	(568)
<b>Balance at 31 March</b>	<b>143</b>	<b>(425)</b>

## 25f Accumulated Absences Account

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

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>201</b>	<b>175</b>
Settlement or cancellation of accrual made at the end of the preceding year	(201)	(175)
Amounts accrued at the end of the current year	175	186
Amount by which officer remuneration charged to the CI&ES on accruals basis differs from remuneration chargeable in year in accordance with statutory requirements	(26)	11
<b>Balance at 31 March</b>	<b>175</b>	<b>186</b>

## 26 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

	2023/24 £'000	2024/25 £'000
Interest received	400	639
Interest paid	(1,944)	(2,226)
	<b>(1,544)</b>	<b>(1,587)</b>

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

Note 26a: Non-cash movements	2023/24 £'000	2024/25 £'000
Depreciation	2,524	3,082
Impairment and valuation changes	(4,563)	4,075
Amortisation	3	0
Increase/(decrease) in creditors	(4,914)	(19)
(Increase)/decrease in debtors	4,569	(1,364)
(Increase)/decrease in impairment for bad debts	898	0
Movement in pension liability	(236)	(325)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	16	9
Other non-cash items charged to the net surplus or deficit on the provision of services	(675)	(1,666)
	<b>(2,380)</b>	<b>3,793</b>

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

Note 26b: Investing and financing activities	2023/24 £'000	2024/25 £'000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(21)	(129)
Any other items for which the cash effects are investing or financing cash flows	(5,122)	(8,789)
	<b>(5,142)</b>	<b>(8,918)</b>

## 27 CASH FLOW STATEMENT – INVESTING ACTIVITIES

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

	2023/24 £'000	2024/25 £'000
Purchase of property, plant & equipment, investment property, heritage assets and intangible assets.	(10,650)	(6,189)
Other payments for investing activities	(1)	(123)
Proceeds from the sale of assets.	21	129
Other receipts from investing activities	5,673	13,226
<b>Net cash flows from investing activities</b>	<b>(4,958)</b>	<b>7,044</b>

## 28 CASH FLOW STATEMENT – FINANCING ACTIVITIES

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

	2023/24 £'000	2024/25 £'000
Cash receipts from short- and long-term borrowing	30,000	27,000
Other Receipts from Financing Activities	0	0
Cash payments for the reduction of outstanding lease liabilities	0	(175)
Repayment of Short and Long Term Borrowing	(21,855)	(26,740)
Other receipts from financing activities	2,046	211
<b>Net cash flows from financing activities</b>	<b>10,191</b>	<b>296</b>

## 29 MEMBERS ALLOWANCES

	2023/24 £'000	2024/25 £'000
Allowances	340	370
Expenses	2	4
Backdated Costs	44	0
<b>Total</b>	<b>386</b>	<b>374</b>

## 30 OFFICERS REMUNERATION

Remuneration of Senior Employees was as follows:

2024/25 Remuneration															
Post Title	Note	Salary		Expenses / Allowances		Compensation for Loss of Office		Benefits in Kind		Pension Contribution		Total Remuneration	Charges to SRBC (50%)	Charges from SRBC (50%)	Net Cost to CBC
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				
Chief Executive	A	158	0	0	0	29	187	(94)	0	0	94				
Deputy Chief Executive	B	0	0	0	0	0	0	0	0	0	66	66			
Director (Customer & Digital)	C	99	0	0	0	18	117	(59)	0	0	59				
Director (Planning and Property)	D	0	0	0	0	0	0	0	0	52	52				
Director (Communities)	E	0	0	0	0	0	0	0	0	52	52				
Director (Governance)	F	0	0	0	0	0	0	0	0	52	52				
Director (Finance & s151 Officer)	G	72	0	0	0	13	85	(43)	0	0	43				
Director (Finance & s151 Officer)	H	22	0	0	0	4	26	(13)	0	0	13				
Director (Change & Delivery)	I	88	0	0	0	16	104	(52)	0	0	52				

**Note A:** The Chief Executive is employed by Chorley Borough Council since 1 January 2023. The Chief Executive is a shared post with South Ribble Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

**Note B:** The Deputy Chief Executive is a shared post with South Ribble Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.

**Note C:** The Director (Customer & Digital) is a shared post with South Ribble Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

**Note D:** The Director (Planning & Property) is a shared post with South Ribble Borough Council; the postholder was employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.

**Note E:** The Director (Communities) is a shared post with South Ribble Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.

**Note F:** The Director (Communities) is a shared post with South Ribble Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.

**Note G:** The Director (Finance & s151 Officer) is a shared post with South Ribble Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post. The postholder left the authority on the 1 January 2025.

**Note H:** The Director (Finance & s151 Officer) is a shared post with South Ribble Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post. The postholder was employed by Chorley Borough Council from the 2 January 2025

**Note I:** The Director (Change & Delivery) is a shared post with South Ribble Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

The comparative information for the preceding year is as follows:

2023/24 Remuneration											
Post Title	Note	Salary	Expenses / Allowances	Compensation for Loss of Officer	Benefits in Kind	Pension Contribution	Total Remuneration	Charges to SRBC (50%)	Charges from SRBC (50%)	Net Cost to CBC	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Chief Executive	A	154	0	0	0	29	183	(92)	0	92	
Deputy Chief Executive	B	0	0	0	0	0	0	0	0	15	
Interim Deputy Chief Executive	C	108	0	0	0	0	108	(54)	0	54	
Director (Customer & Digital)	D	97	0	0	0	18	115	(58)	0	58	
Director (Planning and Property)	E	0	0	0	0	0	0	0	9	9	
Interim Director (Commercial & Property)	F	35	0	0	0	0	35	(18)	0	18	
Director (Communities)	G	0	0	0	0	0	0	0	51	51	
Director (Governance)	H	0	0	0	0	0	0	0	50	50	
Director (Finance & s151 Officer)	I	92	0	0	0	17	109	(55)	0	55	
Director (Change & Delivery)	J	20	0	0	0	4	24	(12)	0	12	

**Note A:** The Chief Executive is employed by Chorley Borough Council since 1st January 2023. The Chief Executive is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

**Note B:** The Deputy Chief Executive is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council since 8th January 2024 and Chorley Borough Council have been charged 50% of the cost of the post.

**Note C:** The Interim Deputy Chief Executive was contracted by Chorley Borough Council through an employment agency between 1st August 2023 to 9th February 2024. The Post was a shared post and South Ribble Borough Council have been charged 50% of the cost.

**Note D:** The Director (Customer & Digital) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

**Note E:** The Director (Planning & Property) is a shared post with Chorley Borough Council; the postholder was employed by Chorley Borough Council from 29th January 2024 and South Ribble Borough Council have been charged 50% of the cost of the post.

**Note F:** The Interim Director (Commercial & Property) was contracted by Chorley Borough Council through an employment agency from 5th December 2022 to 6th July 2023. The Interim Director (Commercial & Property) was a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

**Note G:** The Director (Communities) is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.

**Note H:** The Director (Governance) is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.

**Note I:** The Director (Finance & s151 Officer) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

**Note J:** The Director (Change & Delivery) is employed by Chorley Borough Council from 8th January 2024. The Director (Change & Delivery) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

Other employees receiving more than £50,000 remuneration, excluding pension contributions, were as follows:

Remuneration Band	2023/24 Number of Employees	2024/25 Number of Employees
£50,000 - £54,999	4	15
£55,000 - £59,999	3	6
£60,000 - £64,999	5	1
£65,000 - £69,999	5	2
£70,000 - £74,999	1	4
£75,000 - £79,999	1	2
£80,000 - £84,999	1	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-

### 31 TERMINATION BENEFITS

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Packages banded by cost	Number of compulsory redundancies		Number of other agreed departures		Total number of exit packages by cost band		Total cost of exit packages in each band £'000	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	0	0	5	4	5	4	44	42
£20,001 - £40,000	0	0	1	3	1	3	24	92
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,000 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
£200,001 - £250,000	0	0	0	0	0	0	0	0
£250,001 - £300,000	0	0	0	0	0	0	0	0
£300,000 - £350,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>67</b>	<b>134</b>

## 32 EXTERNAL AUDIT COSTS

The fees due from the Council to the external auditors for works carried out relating to the year of account 2024/25 were as follows.

	2023/24 £'000	2024/25 £'000
Fees for statutory inspection and audit	145	159
Additional Fees outside of Scale Fee	0	0
Audit Variation for ISA 315	8	0
Fees for the certification of grant claims and returns	47	36
2022/23 External Audit. Agreed fee variations now approved by PSAA	0	48
<b>Total</b>	<b>199</b>	<b>243</b>

## 33 GRANT INCOME

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

	2023/24 £'000	2024/25 £'000
<b><u>Credited to Taxation and Non-Specific Grant Income (TNSGI) (Note 14)</u></b>		
New Homes Bonus grant	(297)	(141)
Section 31 Grants - Business Rates Reliefs	(3,329)	(3,735)
Other revenue grants	(1,409)	(1,770)
Capital Contributions – S106 Contributions	(1,304)	(1,032)
Capital Contributions – Community Infrastructure Levy	(2,816)	(4,014)
Capital other grants and contributions	51	(2,367)
<b>Total</b>	<b>(9,104)</b>	<b>(13,059)</b>
<b><u>Credited to Services</u></b>		
Grants – benefits related	(19,388)	(19,688)
Grants – other	(3,936)	(5,762)
Contribution – County Council reimbursement	(1,073)	(479)
Contributions – other	(882)	(1,087)
<b>Total</b>	<b>(25,279)</b>	<b>(27,016)</b>

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income, because they have conditions attached that could require the monies to be returned to the giver. The balance of such grants is shown separately at the end

of the year on the balance sheet as Grant Receipts in Advance, either Capital or Revenue as appropriate. At the end of 2023/24 and 2024/25 there were no individual material amounts. The totals were as follows:

<b>Grant Receipts in Advance - Capital</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Various grants and contributions	(2,029)	(6,036)
<b>Total</b>	<b>(2,029)</b>	<b>(6,036)</b>

<b>Grant Receipts in Advance - Revenue</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Various grants and contributions	(572)	(387)
<b>Total</b>	<b>(572)</b>	<b>(387)</b>

## 34 RELATED PARTIES

The financial statements must disclose material transactions with related parties, to draw attention to the possible extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the council.

- **Central Government**

Central government has effective control over the general operations of the council as it provides the statutory framework within which the Authority operates and the majority of its funding in the form of grants. Details of government grants received are given in note 33.

- **Members of the Council**

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

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

- Members are also appointed to represent the Council on various external organisations some of which receive financial assistance from the Council. Significant payments to such

organisations are discussed under “Entities Controlled or Significantly Influenced by the Authority”. In other cases, the amounts paid were immaterial, and were properly approved.

- **Officers**

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

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

- **Chorley Youth Zone**

Chorley Youth Zone opened on 5<sup>th</sup> May 2018 and is owned and operated as the Chorley Youth Zone Charitable Trust (CYZCT) with Chorley Council as landowner leasing the land to CYZCT over a 125-year lease at a peppercorn rate.

Chorley Council makes a £120k annual revenue contribution to the trust to support its operations. The council has also commissioned services from the Youth Zone at a total of £131k during the 2024/25 financial year. The Chief Executive at Chorley and South Ribble Borough Councils is one of 9 directors to CYZCT and therefore does not have a controlling interest.

- **Partnerships, Companies and Trusts**

Shared Services Partnership – In January 2009 this partnership was established under an Administrative Collaboration Agreement entered into by South Ribble and Chorley Borough Councils; originally for the provision of Accountancy, Exchequer, Treasury Management, Procurement and Assurance services across the administrative areas of the two Councils.

The partnership has since been expanded to include a shared Management Team, including Chief Executive as well as the Finance, Corporate Governance and Legal, Communication and Visitor Economy, Transformation and Partnerships, ICT Services and Customer Services functions. The agreement between the two councils has been updated to reflect the new arrangements.

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

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

As at 31<sup>st</sup> March 2025, there are outstanding creditor / debtor balances of £884k and £756k respectively.

- **Entities Controlled or Significantly Influenced by the Authority**

Chorley and South Ribble Shopmobility

Payment of subsidy of £18.8k was made to Chorley & South Ribble Shopmobility to supply Shopmobility services for the community of Chorley and District with wheelchairs and Mobility Scooters for the year 2024/25 (£18.8k 2023/24).

Chorley & South Ribble Shopmobility typically receive £25k to £35k of income per annum and therefore Chorley Council's contribution represents a significant proportion of this income. The council has one councillor who is a trustee of the charity, there are five trustees in total.

- **Subsidiary Companies**

During 2024/25 the Council operated two wholly owned companies - Chorley Leisure Limited and Chorley BC Property Ltd.

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

## **35 CAPITAL EXPENDITURE AND FINANCING**

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

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed. The CFR is analysed in the second part of this note.

	<b>2023/24</b> <b>£'000</b>	<b>2024/25</b> <b>£'000</b>
<b>Opening Capital Financing Requirement</b>	<b>102,335</b>	<b>110,753</b>
Adjustment for Right of Use Assets		965
Adjustment for Historic Error		(921)
<b>Adjusted Opening Capital Financing Requirement</b>		<b>110,798</b>
Capital investment		
Property, Plant and Equipment (Note 15)	12,005	5,420
Heritage Assets (Note 16)	0	0
Investment Properties (Note 17)	0	0
Intangible Assets (Note 18)	0	20
Revenue Expenditure Funded from Capital under Statu	1,180	2,138
Sources of finance		
Capital Receipts	(245)	(8)
Government Grants and Other Contributions	(2,523)	(5,704)
Sums set aside from revenue		
Revenue Financing (Note 25b)	(557)	(25)
Minimum Revenue Provision – statutory (Note 25b)	(1,442)	(941)
<b>Closing Capital Financing Requirement</b>	<b>110,753</b>	<b>111,697</b>
Explanation of movements in year		
Increase in prudential borrowing	9,860	2,806
Provision made for debt repayment	(1,442)	(1,862)
<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>8,418</b>	<b>944</b>

## 36 IFRS 16 LEASES

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

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

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

### 36a Authority as lessee

#### Right of Use Assets

The Council has recognised a right of use asset within vehicles, plant, furniture and equipment, the opening balance can be reconciled to the closing operating lease commitments from 2023/24 as follows:

<b>Reconciliation of the Council's operating lease commitments as at 31 March 2024 to the total lease liability recognised on adoption of IFRS 16</b>	<b>£'000</b>
Operating lease commitments 31 March 2024	1,251
Contracts not in the scope of IFRS 16	(46)
Effect of discounting	(146)
Short term and low value leases	(94)
<b>Lease liabilities recognised on adoption of IFRS 16</b>	<b>965</b>

The incremental borrowing rate applied to lease liabilities recognised at 1 April 2024 was 4.84%

The change in the value of the right of use asset during 2024/25 is shown in the table below:

	<b>Vehicles, Plant, Furniture and Equipment</b> <b>£'000</b>
<b>Balance at 1 April 2024</b>	<b>965</b>
Additions	0
Depreciation	(193)
Disposals	0
<b>Balance at 31 March 2025</b>	<b>772</b>

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

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

Lease Liabilities in respect of Right of Use Assets

	1 April 2024 £'000	31 March 2025 £'000
<b>No later than one year</b>	175	184
Later than one and not later than 5 years	790	606
<b>Balance at 31 March 2025</b>	<b>965</b>	<b>790</b>

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

	31 March 2024 £'000	31 March 2025 £'000
Interest expense on lease liabilities	0	47
Expense related to exempt short term leases	0	136
Expense related to exempt low value leases	0	0
<b>Total</b>	<b>0</b>	<b>183</b>

Finance leases

The Council has no finance leases.

Operating leases

The Authority operates plant, vehicles and office equipment under operating leases. There are also lease arrangements embedded in the refuse contract. The future minimum payments, and sub-lease minimum receipts, are as follows:

	31 March 2024		31 March 2025	
	Payments £'000	Receipts £'000	Payments £'000	Receipts £'000
Not later than 1 year	319	0	225	0
Later than 1 year, not later than 5	931	0	666	0
Later than 5 years	0	0	0	0
<b>Minimum lease payments</b>	<b>1,251</b>	<b>0</b>	<b>891</b>	<b>0</b>

The operating lease rentals charged in the Comprehensive Income and Expenditure Statement during the year were as follows:

	2023/24 £'000	2024/25 £'000
Minimum lease payments	342	230
Sub-lease payments receivable	0	0
<b>Total payable rentals</b>	<b>342</b>	<b>230</b>

### 36b Authority as Lessor

#### Finance leases

The Council has leased two properties, each for periods of 125 years.

The authority has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the authority in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	31 March 2024 £'000	31 March 2025 £'000
Finance lease debtor (present value of minimum lease payments)		
• Current	0	0
• Non-Current	289	289
Unearned finance income	2,021	1,997
<b>Gross investment in the lease</b>	<b>2,310</b>	<b>2,286</b>

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

	Gross investment in the lease		Minimum lease payments	
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000
Not later than 1 year	24	24	24	24
Later than 1 yr. not later than 5	95	95	95	95
Later than 5 years	2,191	2,168	2,191	2,168
<b>Total</b>	<b>2,310</b>	<b>2,286</b>	<b>2,310</b>	<b>2,286</b>

No allowance for uncollectible amounts is deemed necessary. No contingent rents were received by the authority.

### Operating leases

The Council lets offices, industrial units and sites, and units in the Market Walk Shopping Centre and Extension. The future minimum lease payments receivable are:

	<b>31 March 2024</b> £'000	<b>31 March 2025</b> £'000
Not later than one year	5,358	5,740
Later than one year and not later than five years	18,625	19,499
Later than five years	101,090	70,369
<b>Total receivable rentals</b>	<b>125,073</b>	<b>95,608</b>

No contingent rents were received by the authority.

## **37 DEFINED BENEFIT PENSION SCHEME**

### **37a Governance**

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

### **37b Funding the liabilities**

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

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

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

The latest valuation, effective as at 31st March 2022 has determined primary contribution rates for 2023/24 – 2025/26 at 18.3% with no secondary rate adjustments.

### **37c Risks**

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

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

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

Sensitivity to these risks is estimated in note 37j.

### **37d Transactions relating to retirement benefits**

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

	2023/24 £'000	2024/25 £'000
<u>Comprehensive Income &amp; Expenditure Statement</u>		
Cost of Services:		
Administration	59	62
Current service cost	1,654	1,655
Past service cost	0	0
Settlement and curtailment	0	0
Net interest on the net defined benefit liability:		
Interest costs	5,445	5,564
Interest on surplus above asset ceiling	605	984
Expected return on scheme assets	(5,964)	(6,467)
<b>Total post-employment benefit charged to the (Surplus)/Deficit on the Provision of Service</b>	<b>1,799</b>	<b>1,798</b>
<u>Other post-employment benefit charged to the Comprehensive Income &amp; Expenditure Statement</u>		
Re-measurement of the net defined benefit liability:		
Return on plan assets, excluding amount included in interest expense	(4,345)	2,038
Actuarial experience (gains) & losses	1,019	(152)
Actuarial (gains) & losses from changes in demographic assumptions	(1,601)	(359)
Actuarial (gains) & losses from changes in financial assumptions	(1,723)	(15,325)
Changes in the effect of the asset ceiling	6,753	13,790
<b>Total re-measurements recognised in Other Comprehensive Income</b>	<b>103</b>	<b>(8)</b>
<b>Total post-employment benefit charged to the Comprehensive Income &amp; Expenditure Statement</b>	<b>1,902</b>	<b>1,790</b>
<u>Movement in Reserves Statement</u>		
Reversal of net charges made to the (Surplus)/Deficit on the Provision of Services	(1,799)	(1,798)
Actual employer contributions to the scheme	2,035	2,123

### 37e Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	Scheme Liabilities	
	Local Government Pension	
	2023/24 £'000	2024/25 £'000
Present value of the defined benefit obligation	(116,272)	(102,158)
Fair value of plan assets	133,661	134,654
<b>Net asset/(liability) arising from defined benefit obligation</b>	<b>17,389</b>	<b>32,496</b>
Impact of Asset Ceiling	(20,078)	(34,852)
<b>Reported Net asset/(liability) arising from defined benefit obligation</b>	<b>(2,689)</b>	<b>(2,356)</b>

The valuation of the Local Government Pension Scheme has resulted in a net defined benefit asset. Regulations state that this must be measured at the lower of the surplus in the defined benefit plan and the "asset ceiling". An asset ceiling is the limit above which further increases in net pension cease to be recognised for accounting purposes. The asset ceiling for Chorley Council is nil meaning that the surplus of £32.496 million cannot be recognised and has been adjusted for by way of an "Impact of Asset Ceiling" adjustment.

#### Court of Appeal Decision - Virgin Media Ltd vs NTL Trustees:

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this may apply to the Local Government Pension Scheme and HM Treasury is currently assessing if there are implications for all public service pension schemes. No further information is available at this stage. Given the above, it is not considered necessary to make any allowance in the disclosure of the value of retirement benefits in the financial statements for 2024/25.

### 37f Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

	Scheme Assets	
	Local Government Pension	
	2023/24 £'000	2024/25 £'000
<b>Opening fair value of scheme assets</b>	<b>125,318</b>	<b>133,661</b>
Interest income	5,964	6,467
<b>Re-measurement gain/(loss)</b>		
Return on plan assets, excluding amount included in interest expense	4,345	(2,038)
Employer contributions	2,035	2,123
Employee contributions	586	679
Benefits paid	(4,528)	(6,176)
Other	(59)	(62)
<b>Closing fair value of scheme assets</b>	<b>133,661</b>	<b>134,654</b>

### 37g Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Scheme Liabilities	
	Local Government Pension	
	2023/24 £'000	2024/25 £'000
<b>Opening Balance at 1 April</b>	<b>(115,420)</b>	<b>(116,272)</b>
Current service cost	(1,654)	(1,655)
Interest cost	(5,445)	(5,564)
Contributions by scheme participants	(586)	(679)
<b>Re-measurement gains and (losses)</b>		
Gains and (losses) in demographic assumptions	1,601	359
Gains and (losses) Changes in financial assumptions	1,723	15,325
Experience gain or (loss)	(1,019)	152
Other	0	0
Benefits paid	4,528	6,176
Curtailment	0	0
Past service costs	0	0
<b>Closing Balance at 31 March</b>	<b>(116,272)</b>	<b>(102,158)</b>

The employers' liability contains an "unfunded" element. This means that it is not a liability of the Local Government Pension Scheme and is instead met by Chorley Council as the employer from its own financial resources; at 31st March 2025 the unfunded liability was £2.356 million. This element exists every year within the overall net defined liability.

### **37h Impact on the Authority's Future Cash Flows**

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

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

The authority will pay £1.897m expected contributions to the scheme in 2025/26.

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

**37i Local Government Pension Scheme assets comprised**

	Fair value of scheme			
	2023/24 £'000	Percentage total of asset %	2024/25 £'000	Percentage total of asset %
<b>Cash</b>				
Cash and cash equivalents		0.00%		0.00%
Cash Accounts	2,469	1.85%	1,715	1.27%
Net Current Assets	123	0.09%	252	0.19%
	<b>2,592</b>	<b>1.94%</b>	<b>1,967</b>	<b>1.46%</b>
<b>Bonds</b>				
UK corporate	0	0.00%	0	0.00%
Overseas corporate	106	0.08%	135	0.10%
Government	0	0.00%	0	0.00%
Overseas Fixed Interest	0	0.00%	0	0.00%
<b>Sub-total bonds</b>	<b>106</b>	<b>0.08%</b>	<b>135</b>	<b>0.10%</b>
<b>Property</b>				
Offices	23	0.02%	0	0.00%
Retail Warehouse	0	0.00%	808	0.60%
Shops	447	0.33%	269	0.20%
Commercial	1,246	0.93%	539	0.40%
<b>Sub-total property</b>	<b>1,716</b>	<b>1.28%</b>	<b>1,616</b>	<b>1.20%</b>
<b>Private equity</b>				
UK	2,162	1.62%	0	0.00%
Overseas	7,894	5.91%	8,278	6.15%
<b>Sub-total private equity</b>	<b>10,056</b>	<b>7.53%</b>	<b>8,278</b>	<b>6.15%</b>
<b>Other</b>				
Infrastructure	20,195	15.11%	17,897	13.29%
Indirect Property Funds	10,619	7.94%	9,202	6.83%
Credit funds	19,748	14.78%	21,637	16.07%
Equities	147	0.11%	135	0.10%
Pooled Fixed Income	5,157	3.86%	7,266	5.40%
UK Pooled Equity Funds	404	0.30%	2	0.00%
Overseas Pooled Equity Funds	62,920	47.07%	66,520	49.40%
<b>Sub-total alternatives</b>	<b>119,190</b>	<b>89.17%</b>	<b>122,659</b>	<b>91.09%</b>
	<b>133,660</b>	<b>100.00%</b>	<b>134,655</b>	<b>100.00%</b>

### 37j Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The liabilities have been assessed by Mercers, an independent firm of actuaries. Estimates for the Fund are based on the latest full valuation of the scheme as at 31 March 2022.

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

	Local Government Pension Scheme	
	2023/24	2024/25
<b>Mortality assumptions</b>		
<i>Longevity at 65 for current pensioners</i>		
Men	21.1	21.1
Women	23.5	23.6
<i>Longevity at 65 for future pensioners</i>		
Men	22.4	22.3
Women	25.3	25.4
Rate of inflation (CPI)	2.70%	2.60%
Rate of increase in salaries	4.20%	4.10%
Rate of increase in pensions	2.80%	2.70%
Rate for discounting scheme liabilities	4.90%	5.80%

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

	Impact on the defined benefit obligation in the scheme £'000
Longevity (increase 1 year)	2,187
Rate of inflation (increase of 0.25% p.a.)	3,394
Salary inflation (increase of 0.25% p.a.)	502
Rate for discounting scheme liabilities (increase of 0.5%)	(6,463)
Change in 2022/23 investment returns (increase of 1.0%)	(1,330)

## **38 CONTINGENT LIABILITIES**

On transferring its housing stock in 2006/07, the Council gave warranties to Chorley Community Housing Limited against certain environmental risks. The Council's liability is restricted to a maximum loss of £18m arising over a period of 18 years. It has paid a single premium to insure against claims of up to £15m for a period of 10 years, and has covered the remaining 8 years by payment of additional annual premiums. At 31 March 2025 there is no remaining liability period outstanding.

## **39 CONTINGENT ASSETS**

Following the end of the agreement entitling the Council to a share of proceeds from the sale of dwellings transferred to Chorley Community Housing, there are no contingent assets to note.

## Collection Fund Statement

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

2023/24		Collection Fund	2024/25
Business Rates £'000	Council Tax £'000		Business Rates £'000
		<b>INCOME</b>	
	(82,368)	Council Tax Receivable	(86,795)
(27,568)		Business Rates Receivable	(28,844)
<b>(27,568)</b>	<b>(82,368)</b>	<b>Total Income</b>	<b>(28,844)</b>
		<b>EXPENDITURE</b>	
		<b>Apportionment of previous year's estimated Surplus/(Deficit)</b>	
327		Central Government	72
262	(98)	Chorley Council (Note 14)	58 (30)
59	(664)	Lancashire County Council	13 (209)
7	(34)	Lancashire Combined Fire Authority	1 (11)
	(102)	Police & Crime Commissioner for Lancashire	(33)
655	(898)		144 (283)
		<b>Precepts, Demands and Shares</b>	
13,284		Central Government	14,030
10,627	8,615	Chorley Council (Note 14)	11,224 8,980
2,391	60,378	Lancashire County Council	2,525 63,884
266	3,154	Lancashire Combined Fire Authority	281 3,274
	9,641	Police & Crime Commissioner for Lancashire	10,178
26,568	81,788		28,060 86,316
<b>27,223</b>	<b>80,890</b>	<b>Total Expenditure</b>	<b>28,204 86,033</b>
		<b>Transfers From General Fund</b>	
	(168)	Discretionary Discounts	14
		<b>Charges to Collection Fund</b>	
0	0	Write offs of uncollectable amounts	0 0
199	1,044	(Increase)/Decrease in Bad Debt Provision	196 935
935		(Increase)/Decrease in Provision for Appeals	(1,450)
135		Cost of Collection	135
(170)		Transitional Protection Payments	287
<b>1,099</b>	<b>876</b>	<b>Total Charges to Collection Fund</b>	<b>(832) 949</b>
<b>754</b>	<b>(602)</b>	<b>(Surplus)/Deficit arising during the year</b>	<b>(1,472) 187</b>
		<b>Collection Fund Balance</b>	
(429)	737	Balance brought forward at 1 April	325 135
754	(602)	(Surplus)/Deficit for the year	(1,470) 186
<b>325</b>	<b>135</b>	<b>Balance carried forward at 31 March</b>	<b>(1,145) 321</b>
		<b>Allocated to</b>	
130	14	Chorley Council - Collection Fund Adjustment Account	(458) 33
163		Central Government	(573)
29	100	Lancashire County Council	(103) 238
3	16	Lancashire Combined Fire Authority	(11) 12
	5	Police & Crime Commissioner for Lancashire	38
<b>325</b>	<b>135</b>	<b>(Surplus)/Deficit at 31 March</b>	<b>(1,145) 321</b>

## ACCOUNTING FOR COUNCIL TAX

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

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

## COUNCIL TAX DETAILS OF CHARGE

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

Band	Dwellings	Dwellings adj. for discounts & exemptions	Proportion of Band D Charge	Band D Equivalent
<b>A (disabled)</b>	20	19.25	5/9	10.69
<b>A</b>	15,205	12,750.75	6/9	8,500.50
<b>B</b>	12,141	10,690.00	7/9	8,314.44
<b>C</b>	9,730	8,797.00	8/9	7,819.56
<b>D</b>	6,968	6,429.00	9/9	6,429.00
<b>E</b>	5,382	5,099.50	11/9	6,232.72
<b>F</b>	2,329	2,210.25	13/9	3,192.58
<b>G</b>	1021	975.75	15/9	1,626.25
<b>H</b>	58	52.75	18/9	105.50
<b>Total</b>	<b>52,854</b>	<b>47,024.25</b>		<b>42,231.24</b>
Less adjustments for anticipated losses on collection				(583.34)
Add adjustment for new properties/technical changes to discounts				334.46
Less local Council Tax Support Scheme discounts				(3,341.02)
Band D Equivalent Number of Properties				<b>38,641.34</b>

Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the precepting authorities for the forthcoming year and dividing this by the council tax base. This results in an average Band D charge (excluding Parish Precepts) of £2,188.66 for 2024/25 (£2,090.24 for 2023/24). The other valuation bands are proportionate to this.

## ACCOUNTING FOR BUSINESS RATES (NNDR)

From 2013/14, NNDR income, debtor and creditor balances, provisions, arrears and prepayments have been apportioned between the Council, Government, Lancashire County Council, and Lancashire Combined Fire Authority, as a result of the implementation of Business Rates Retention.

The surplus apportioned in 2024/25 was £0.145m, being the estimated deficit for 2023/24 included on the council's NNDR1 form, as completed in January 2024. The amount that can be distributed in 2024/25 is restricted to this figure. The actual outturn position at the end of 2023/24 was a deficit of £0.325m, leaving a balance of (£0.470m) for distribution in 2025/26.

Note 14 Taxation and Non-Specific Grant Income and Expenditure shows net Non-Domestic Rates Income to be £3.840m (compared to net income in 2023/24 of £3.032m). This is reconciled to Chorley Council's share of Business Rates Income in the Collection Fund statement in the following table:

2023/24 £'000		2024/25 £'000
10,627	Chorley Council share of Business Rates	11,224
(7,561)	Tariff payable to Lancashire Business Rates Pool	(7,898)
(119)	Levy payable to Lancashire Business Rates Pool	(132)
(302)	Chorley Council share of surplus or (deficit) for year (transferred to Collection Fund Adjustment Account - Note 25e)	588
262	Chorley Council share of previous year's surplus or (deficit)	58
125	Prior year adjustment	0
<b>3,032</b>	<b>NNDR net income per Note 14</b>	<b>3,840</b>

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

## NNDR DETAILS OF CHARGE

Business Rates are organised on a national basis. In 2005/06 the Government introduced a Small Business Rate Relief Scheme. This results in there being two multipliers in England – one for small businesses at 49.9p in 2024/25 (49.9p in 2023/24); and one for larger businesses at 54.6p in 2024/25 (51.2p in 2023/24).

The Business Rates Income after reliefs and interest was £28.761m for 2024/25 (£23.569m in 2023/24). The rateable value for the Council's area at the end of the financial year 2024/25 was £78.080m (£77.680m in 2023/24)

# Group Accounts

## INTRODUCTION

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

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

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

Chorley Leisure Ltd is a company with charitable purposes, limited by shares and is wholly owned by Chorley Council. The company commenced trading on 1 August 2021. Its objectives include;

- management of the council's leisure centres;
- to enable the advancement and support of education and culture;
- to provide or assist in the provision of facilities for recreation or other leisure time occupations;
- to promote and preserve good health through community participation in healthy recreation;

The company is overseen by a Board of Directors which consists of three Chorley Council officers, one of whom resigned in March 2025, one of whom is designated the Managing Director of the Company. A new Managing Director was appointed in September 2023.

Chorley BC Property Ltd is a company wholly owned by Chorley Council. The company was incorporated on 12 March 2020 and remained dormant until 2023/24 and currently contains the lease in respect of Logistics House.

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

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

## ACCOUNTING POLICIES

The notes which follow the main statements detail any variations from the accounting policies used by the authority and should be read in conjunction with the relevant notes to authority's accounts. The consolidation has been done on a merger basis as Chorley Leisure Ltd and Chorley BC Property Ltd are wholly owned by the Council.

### Group Comprehensive Income and Expenditure Statement

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

2023/24				2024/25		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
7,087	(4,041)	3,046	Communities and Leisure	6,562	(4,508)	2,054
719	(1,073)	(354)	Corporate	20,466	(21,047)	(581)
715	(715)	0	Covid	0	0	0
29,998	(23,244)	6,754	Customer & Digital	11,701	(3,417)	8,284
383	(4,475)	(4,092)	Major Projects	7,311	(5,367)	1,944
1,980	(1,257)	723	Planning	1,931	(1,301)	630
9,316	(2,780)	6,536	Policy & Governance	9,544	(3,379)	6,165
4,229	(4,550)	(321)	Property	6,222	(5,336)	886
<b>54,427</b>	<b>(42,135)</b>	<b>12,292</b>	<b>Cost of Services</b>	<b>63,737</b>	<b>(44,355)</b>	<b>19,382</b>
802	0	802	Other operating expenditure	756	0	756
7,249	(5,799)	1,450	Financing and investment income and expenditure	7,194	(6,198)	996
651	(21,371)	(20,720)	Taxation and non-specific grant income	671	(26,440)	(25,769)
<b>63,129</b>	<b>(69,305)</b>	<b>(6,176)</b>	<b>(Surplus) / deficit on provision of services</b>	<b>72,358</b>	<b>(76,993)</b>	<b>(4,635)</b>
			(Surplus)/deficit on revaluation of Property, Plant and Equipment			(11,223)
			Re-measurement of the net defined benefit liability (note 3c)			(290)
			<b>Other Comprehensive (Income) and Expenditure</b>			<b>(11,513)</b>
			<b>Total Comprehensive (Income) and Expenditure</b>			<b>(16,148)</b>

## Reconciliation of Financing and Investment Income and Expenditure

	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Financing and investment income and expenditure	7,194	(8,034)	(840)
Inter company Transfers *	0	1,836	1,836
<b>Group Financing and investment income and expenditure</b>	<b>7,194</b>	<b>(6,198)</b>	<b>996</b>

\* Income on property rental from Chorley BC to Chorley BC Property Limited is treated as Financing and Investment income in the authority accounts but as operating expenditure in the Chorley BC Property accounts.

## Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Authority's share of the usable reserves of the subsidiary £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Authority's share of the unusable reserves of the subsidiary £'000	Total Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 31 March 2023</b>	<b>(12,329)</b>	<b>(297)</b>	<b>(10,304)</b>	<b>29</b>	<b>(22,901)</b>	<b>(53,616)</b>	<b>14</b>	<b>(53,602)</b>	<b>(76,503)</b>
<b>Movements in 2023/24</b>									
Total Comprehensive Income & Expenditure	(6,341)	0	0	163	(6,178)	(4,221)	(12)	(4,233)	(10,411)
Adjustments between accounting basis & funding basis (note 10)	9,058	224	(2,599)	4	6,687	(6,683)	(4)	(6,687)	0
(Increase) / Decrease in year	2,717	224	(2,599)	167	509	(10,904)	(16)	(10,920)	(10,411)
<b>Balance at 31 March 2024</b>	<b>(9,612)</b>	<b>(73)</b>	<b>(12,903)</b>	<b>196</b>	<b>(22,392)</b>	<b>(64,520)</b>	<b>(2)</b>	<b>(64,522)</b>	<b>(86,914)</b>
<b>Movements in 2024/25</b>									
Total Comprehensive Income & Expenditure	(4,575)	0	0	(60)	(4,635)	(11,231)	(282)	(11,513)	(16,148)
Adjustments between accounting basis & funding basis (note 10)	2,549	(121)	(3,083)	38	(617)	655	(38)	617	0
(Increase) / Decrease in year	(2,026)	(121)	(3,083)	(22)	(5,252)	(10,576)	(320)	(10,896)	(16,148)
<b>Balance at 31 March 2025</b>	<b>(11,638)</b>	<b>(194)</b>	<b>(15,986)</b>	<b>174</b>	<b>(27,644)</b>	<b>(75,096)</b>	<b>(322)</b>	<b>(75,418)</b>	<b>(103,062)</b>

## Group Balance Sheet

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

31 March 2024 £'000		31 March 2025 £'000
139,369	Property, Plant & Equipment	149,812
3,318	Heritage Assets	3,318
34,385	Investment Property	35,471
1	Intangible Assets	21
4,351	Long-Term Debtors	4,044
<b>181,424</b>	<b>Long-Term Assets</b>	<b>192,666</b>
6,296	Short-Term Debtors	8,095
5,045	Cash and Cash Equivalents	12,098
<b>11,341</b>	<b>Current Assets</b>	<b>20,193</b>
(22,108)	Short-Term Borrowing	(24,482)
(10,816)	Short-Term Creditors	(10,984)
(1,412)	Provisions	(832)
<b>(34,336)</b>	<b>Current Liabilities</b>	<b>(36,298)</b>
(1,476)	Long-Term Creditors	(2,054)
(64,753)	Long-Term Borrowing	(62,987)
(2,687)	Other Long-Term Liabilities – pensions	(2,036)
0	Other Long-Term Liabilities – other	0
(2,029)	Grant Receipts in Advance - Capital	(6,036)
(571)	Grant Receipts in Advance - Revenue	(387)
<b>(71,516)</b>	<b>Long Term Liabilities</b>	<b>(73,500)</b>
<b>86,913</b>	<b>Net Assets</b>	<b>103,061</b>
(22,391)	Usable Reserves	(27,644)
(64,522)	Unusable Reserves	(75,417)
<b>(86,913)</b>	<b>Total Reserves</b>	<b>(103,061)</b>

*Neil Halton*

Neil Halton  
Director of Finance and Section 151 Officer  
Date: 30 January 2026

## Group Cash Flow Statement

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

The cash flows in respect of Chorley Leisure Ltd and Chorley BC Property Ltd have been consolidated within a cash flow statement for the group. All Chorley Leisure Ltd's and Chorley BC Property Ltd's cash flows in 2024/25 arose from operating activities. There were no investing or financing activities.

2023/24 £'000		2024/25 £'000
6,176	Net surplus or (deficit) on the provision of services	4,635
(2,621)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	3,996
(5,142)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	(8,918)
<b>(1,587)</b>	<b>Net cash flows from Operating Activities</b>	<b>(287)</b>
(4,958)	Investing Activities	7,044
10,191	Financing Activities	296
<b>3,646</b>	<b>Net increase or (decrease) in cash and cash equivalents</b>	<b>7,053</b>
1,400	Cash and cash equivalents at the beginning of the reporting period	5,045
<b>5,046</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>12,098</b>

# Group Account Notes

## INTRODUCTION

The following notes have been prepared on an exception basis with only those items which have materially changed from the Council's Statement of Accounts being included. For all other items, reference should be made to the Council's Comprehensive Income and Expenditure Statement on page 40 and Balance Sheet on page 42 and the appropriate note.

## 1 EXPENDITURE AND FUNDING ANALYSIS

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

2023/24			Directorate	2024/25		
Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
3,103	(59)	3,044	Communities and Leisure	2,102	(48)	2,054
(483)	129	(354)	Corporate	(956)	375	(581)
1	(1)	0	Covid	0	0	0
7,025	(271)	6,754	Customer & Digital	7,301	983	8,284
(1,000)	(3,092)	(4,092)	Major Projects	(1,376)	3,320	1,944
763	(40)	723	Planning	665	(35)	630
6,482	54	6,536	Policy & Governance	6,519	(354)	6,165
(473)	152	(321)	Property	(528)	1,414	886
<b>15,418</b>	<b>(3,128)</b>	<b>12,290</b>	<b>Net cost of Service</b>	<b>13,727</b>	<b>5,655</b>	<b>19,382</b>
(14,194)	(5,934)	(20,128)	Other Income and Expenditure	(15,775)	(8,242)	(24,017)
<b>1,224</b>	<b>(9,062)</b>	<b>(7,838)</b>	<b>(Surplus) / Deficit in year</b>	<b>(2,048)</b>	<b>(2,587)</b>	<b>(4,635)</b>
<b>(12,299)</b>			<b>Opening General Fund Balance at 1 April</b>	<b>(9,416)</b>		
1,454			Add (Surplus) / Less Deficit on General Fund Balance in Year	(2,048)		
(230)			Adjustment in respect of previous years pension			
<b>(11,075)</b>			<b>Closing General Fund Balance at 31 March</b>	<b>(11,464)</b>		

## 2 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

	2023/24 £'000	2024/25 £'000
<b>Expenditure/Income</b>		
<b>Expenditure</b>		
Employee benefits expenses	15,890	16,396
Other service expenses	42,810	42,318
Depreciation, amortisation, impairment	(2,037)	7,158
Interest payments	7,445	8,138
Precepts, tariffs and levies	8,363	8,906
Loss on the disposal of assets	(5)	(120)
Changes in the fair values of investment properties		
<b>Total expenditure</b>	<b>72,467</b>	<b>82,796</b>
<b>Income</b>		
Fees, charges and other service income	(17,586)	(18,280)
Interest and investment income	(5,738)	(6,147)
Changes in the fair values of investment properties	(1,049)	(1,086)
Income from council tax and non-domestic rates	(19,171)	(20,801)
Government grants and contributions	(27,171)	(29,008)
Other grants and contributions	(7,931)	(12,109)
Gain on the disposal of assets	0	0
<b>Total income</b>	<b>(78,646)</b>	<b>(87,431)</b>
<b>Surplus or Deficit on the Provision of Services</b>	<b>(6,179)</b>	<b>(4,635)</b>

## 3 DEFINED BENEFIT PENSION SCHEME

### 3a Governance

As part of the terms and conditions of employment of its officers and other employees, both Chorley Borough Council and Chorley Leisure Ltd offer retirement benefits through the Local Government Pension Scheme. Both schemes are administered by Lancashire County Council who have appointed a Pension Fund Committee (comprising a mix of County Councillors and representatives from other employers) to manage the Funds. The Committee is assisted by an investment panel which advises on investment strategy and risk management. The scheme is funded and pays defined benefits based on how long employees are active members, and their

salary when they leave (a “final salary” scheme) for service up to 31 March 2014 and on revalued average salary (a “career average” scheme) for service from 1 April 2014 onwards.

### **3b Funding the liabilities**

Regulations require actuarial fund valuations to be carried out every 3 years. Contributions for each employer are set having regard to their individual circumstances. Contributions must be set with a view to targeting the Funds solvency (the detailed provisions are set out in the Fund’s Funding Strategy Statement). Whilst the Chorley Leisure Ltd is a relatively new fund, as it was established on the date that the company began trading operations on 1<sup>st</sup> August 2021, the Chorley Borough Council fund has been in operation since the establishment of the council in 1974. Details of the council valuation, carried out as at 31<sup>st</sup> March 2022, can be found at Note 37.

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

### **3c Transactions relating to retirement benefits**

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

	<b>2023/24</b> <b>£'000</b>	<b>2024/25</b> <b>£'000</b>
<b><u>Comprehensive Income &amp; Expenditure Statement</u></b>		
Cost of Services:		
Administration	66	69
Current service cost	1,784	1,771
Past service cost	0	0
Settlement and curtailment	0	0
Net interest on the net defined benefit liability:		
Interest costs	5,444	5,558
Interest on surplus above asset ceiling	605	984
Expected return on scheme assets	(5,964)	(6,467)
<b>Total post-employment benefit charged to the (Surplus)/Deficit on the Provision of Service</b>	<b>1,935</b>	<b>1,915</b>
<b><u>Other post-employment benefit charged to the Comprehensive Income &amp; Expenditure Statement</u></b>		
Re-measurement of the net defined benefit liability:		
Return on plan assets, excluding amount included in interest expense	(4,363)	2,048
Actuarial experience (gains) & losses	1,025	(152)
Actuarial (gains) & losses from changes in demographic assumptions	(1,607)	(361)
Actuarial (gains) & losses from changes in financial assumptions	(1,786)	(15,546)
Changes in the effect of the asset ceiling	6,821	14,111
<b>Total re-measurements recognised in Other Comprehensive Income</b>	<b>90</b>	<b>100</b>
<b>Total post-employment benefit charged to the Comprehensive Income &amp; Expenditure Statement</b>	<b>2,025</b>	<b>2,015</b>
<b><u>Movement in Reserves Statement</u></b>		
Reversal of net charges made to the (Surplus)/Deficit on the Provision of Services	(1,935)	(1,915)
Actual employer contributions to the scheme	2,175	2,278

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

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

	Scheme Liabilities	
	Local Government Pension	
	2023/24 £'000	2024/25 £'000
Present value of the defined benefit obligation	(116,813)	(102,686)
Fair value of plan assets	134,270	135,503
<b>Net asset/(liability) arising from defined benefit obligation</b>	<b>17,457</b>	<b>32,817</b>
Impact of Asset Ceiling	(20,144)	(35,173)
<b>Reported Net asset/(liability) arising from defined benefit obligation</b>	<b>(2,687)</b>	<b>(2,356)</b>

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

	Scheme Assets	
	Local Government Pension	
	2023/24 £'000	2024/25 £'000
<b>Opening fair value of scheme assets</b>	<b>125,640</b>	<b>134,270</b>
Interest income	5,985	6,502
<b>Re-measurement gain/(loss)</b>		
Return on plan assets, excluding amount included in interest expense	4,363	(2,048)
Employer contributions	2,175	2,278
Employee contributions	646	751
Benefits paid	(4,473)	(6,181)
Other	(66)	(69)
<b>Closing fair value of scheme assets</b>	<b>134,270</b>	<b>135,503</b>

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

	<b>Scheme Liabilities</b>	
	<b>Local Government Pension</b>	
	<b>2023/24</b> <b>£'000</b>	<b>2024/25</b> <b>£'000</b>
<b>Opening Balance at 1 April</b>	<b>(115,759)</b>	<b>(116,813)</b>
Current service cost	(1,784)	(1,771)
Interest cost	(5,465)	(5,593)
Contributions by scheme participants	(646)	(751)
<b>Re-measurement gains and (losses)</b>		
Gains and (losses) in demographic assumptions	1,607	361
Gains and (losses) Changes in financial	1,786	15,546
Experience gain or (loss)	(1,025)	152
Other	0	2
Benefits paid	4,473	6,181
Curtailment	0	0
Past service costs	0	0
<b>Closing Balance at 31 March</b>	<b>(116,813)</b>	<b>(102,686)</b>

### 3g Local Government Pension Scheme assets comprised

	Fair value of scheme			
	2023/24 £'000	Percentage total of asset %	2024/25 £'000	Percentage total of asset %
<b>Cash</b>				
Cash and cash equivalents	0	0.00%	0	0.00%
Cash Accounts	2,480	1.85%	1,728	1.28%
Net Current Assets	123	0.09%	252	0.19%
	<b>2,603</b>	<b>1.94%</b>	<b>1,980</b>	<b>1.46%</b>
<b>Equities</b>				
Financials	0	0.00%	1	0.00%
	<b>0</b>	<b>0.00%</b>	<b>1</b>	<b>0.00%</b>
<b>Bonds</b>				
UK corporate	0	0.00%	0	0.00%
Overseas corporate	106	0.08%	135	0.10%
Government	1	0.00%	1	0.00%
Overseas Fixed Interest	0	0.00%	0	0.00%
<b>Sub-total bonds</b>	<b>107</b>	<b>0.08%</b>	<b>136</b>	<b>0.10%</b>
<b>Property</b>				
Offices	23	0.02%	0	0.00%
General Property	8	0.01%	10	0.01%
Retail Warehouse	0	0.00%	808	0.60%
Shops	447	0.33%	269	0.20%
Commercial	1,246	0.93%	539	0.40%
<b>Sub-total property</b>	<b>1,724</b>	<b>1.28%</b>	<b>1,626</b>	<b>1.20%</b>
<b>Private equity</b>				
UK	2,162	1.61%	0	0.00%
Overseas *	7,894	5.88%	8,278	6.11%
<b>Sub-total private equity</b>	<b>10,056</b>	<b>7.49%</b>	<b>8,278</b>	<b>6.11%</b>
<b>Other</b>				
Infrastructure	20,195	15.04%	18,721	13.82%
Other	589	0.44%	0	0.00%
Indirect Property Funds	10,619	7.91%	9,202	6.79%
Credit funds	19,748	14.71%	21,637	15.97%
Equities	147	0.11%	135	0.10%
Pooled Fixed Income	5,157	3.84%	7,266	5.36%
UK Pooled Equity Funds	404	0.30%	2	0.00%
Overseas Pooled Equity Funds	62,921	46.86%	66,520	49.09%
<b>Sub-total alternatives</b>	<b>119,780</b>	<b>89.21%</b>	<b>123,483</b>	<b>91.13%</b>
	<b>134,270</b>	<b>100.00%</b>	<b>135,504</b>	<b>100.00%</b>

## **Annual Governance Statement (AGS)**

### **1. Introduction**

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

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

## 2. What is Corporate Governance?

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

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

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

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

Good governance means:-

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

Our Local Code was reviewed and approved by Governance Committee on 19 March 2025 and can be accessed via the following hyperlink:

<https://democracy.chorley.gov.uk/ieListDocuments.aspx?CId=688&MId=10625>

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

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

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

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

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

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

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

#### **Values of good governance**

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

Codes of Conduct (Members and Officers)  
Member Officer Protocol  
Suite of HR policies  
Suite of Counter Fraud Policies – reviewed annually

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

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

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

### **Governance Committee**

The Governance Committee provides member oversight and scrutiny of the Council's business controls. The Governance committee undertakes all of the core functions of an audit committee as identified in the relevant CIPFA guidance. During 2023, an assessment of the skills and knowledge of the Committee was undertaken, and bespoke training delivered to Committee members by CIPFA in October 2023. It is the intention that the skills and knowledge of the Governance Committee will be reassessed in Quarter 2 2025/2026.

In January 2025, the effectiveness of the Governance Committee was measured against CIPFA's Audit Committees – Practical Guidance for Local Authorities and Police 2022. The Committee were supportive of the proposal to recruit an independent person with suitable experience to provide additional support and a recruitment exercise has now taken place with Independent Persons due to join the Committee in May 2025.

The Governance Committee also has responsibility for consideration of standards complaints under the Council's Code of Conduct for Members and convenes Standards Sub-Committees drawn from the main committee to hear complaints which have warranted investigation.

### **Shared Services Joint Committee**

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

## **Overview and Scrutiny Committee**

The Overview and Scrutiny Committee has continued to play an active role in the business of the Council, holding the Executive to account and assisting in the development of Policy and feeding into the budget cycle. It was Chaired by a councillor who is member of the opposition party.

The Overview and Scrutiny Performance Panel meets to challenge and comment on the quarterly performance and budget monitoring reports prior to consideration by Cabinet as part of our new rigorous Performance Management Framework.

## **Member Training**

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

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

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

## **Management Team / Leadership Team**

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

## **Head of Paid Service**

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

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

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

## **Statutory Regulation / Monitoring Officer**

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

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

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

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

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

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

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

## **Service Assurance Statement**

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

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

## **Programme Board**

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

## **Data Security / Information Governance**

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

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

## **Organisational Development**

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

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

## **Corporate Complaints / Local Ombudsman**

The Council are aware of 12 complaints which were made to the Local Government Ombudsman in the year 2024/25. 11 of these have not been investigated further by the Ombudsman and one is the subject of an ongoing investigation

## **External Audit**

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

The most recent review undertaken (which was concluded in February 2025) related to the Councils Annual Accounts process which was positive

## **Approach to Risk Management**

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

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

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

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

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

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

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

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

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

## 5. Governance Environment

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

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

### AGS Management Actions 2024/25

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

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

		awareness of customer access charter	officers who have regular contact with customers.
Communications	Communication Strategy	Strategies to be reviewed and updated.	Campaign communication plans and branding guidelines are in place. Overarching communication plans will be developed for 2025/26 incorporating a communication strategy, campaigns and protocols.
Policy review	A process is required to document review of policies	A procedure has been developed and is being implemented as a digital process.	The online repository has been developed with workflows developed to support ongoing policy management. An audit of all policies has been undertaken to assess dates and gaps. Policies will be transferred to new corporate templates with version control and uploaded to the repository. More work is required to document the process and create a monitoring and reporting schedule.
Contract Management / Procurement	Ownership of process need to be allocated to single team/officer	Procurement to review existing controls and take on co-ordination role and development of linking process for allocation and monitoring of contracts.	The service have reviewed existing controls but will acquire a contract management system to assist with Procurement Act compliance.

		Work to be tied to requirements of new Procurement Act.	
Constitution	Requires updating	Scheme of delegation has been reviewed and will be approved shortly. Contract Procedure Rules/ Financial Procedure Rules will be updated to address the Procurement Act changes.	A review of the Constitution has been completed and approved at Full Council on 13 <sup>th</sup> May 2025.
Transparency Code	Revisit publication of data to ensure compliance.	In particular the council's publicised asset register. The council are updating their asset software which will ensure correct publication.	New asset management software has been used to publish the Council's asset register.

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

## Improvement Actions

2025 AGS Actions	Findings	Action	Timescale
GDPR UK/Data Protection	Embed processes for maintaining the ROPA, data security, retention and deletion	Ensure compliance with all aspects of the GDPR UK/Data Protection (ROPA, data security/retention/deletion). Implement process to ensure compliance is maintained.	To be completed by the end of Quarter 3

Digital Strategy	Joint Digital Strategy is at the end of its term	To review and update the Joint Digital Strategy.	To be completed by the end Quarter 2.
Project Management	Lack of awareness of project management	The Project Management Framework has been reviewed and agreed for imminent relaunch.	Presented to SMT 23.04.2025 Launch to SLT through Brilliant Governance session on 3 <sup>rd</sup> June
Communications	Communication Strategy	Overarching communication plans to be developed for 2025/26 incorporating a communication strategy, campaigns and protocols.	Will be presented to SMT on 28 May.
Policy review	A process is required to document review of policies	Policies will be transferred to new corporate templates with version control and uploaded to the repository. The process will be documented and a monitoring and reporting schedule created.	To be fully implemented by Q3 2025/26. Interim process agreed by SMT 30.04.2025.
Contract Management / Procurement	Improve and embed contract management processes	Implement a new contract management system and deliver a programme of system training for officers within procurement and contract management responsibilities.	To be implemented by the end of Quarter 2. Ongoing discussions with providers/neighbouring councils

## 6. Conclusion

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



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Leader of the Council

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Chief Executive

Date: 21 May 2025

On behalf of the Members and Senior Officers of Chorley Council.

## GLOSSARY

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

## **Glossary of Terms**

### **Accounting Policies**

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

### **Accruals Basis**

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

### **Agency Services**

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

### **Appointed Auditors**

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

### **Balances**

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

### **Capital Adjustment Account**

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

### **Capital Expenditure**

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

### **Capital Financing Charges**

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

**Capital Financing Requirement (CFR)**

CFR is a measure of the capital expenditure historically incurred by the Authority that has yet to be financed. This will be discharged by future charges to the revenue account. In determining Council Tax charges, authorities have to make a specific provision for the financing of capital expenditure. The outstanding amount for which provision has to be made is known as the Capital Financing Requirement.

**Capital Receipts**

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

**Carrying Amount**

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

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

CIPFA is the leading professional accountancy body for public services.

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

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

**Collection Fund**

The Council as a billing authority has a statutory obligation to maintain a separate Collection Fund. This shows the transactions of the Council in relation to the collection from taxpayers of Council Tax and Non-Domestic Rates (NDR) and its distribution to local government bodies and the Government.

**Community Assets**

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

**Contingency**

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

**Contingent Liabilities or Assets**

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

**Council Tax**

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

**Council Tax Base**

The amount calculated for each billing authority from which the grant entitlement of its share is derived. The number of properties in each band is multiplied by the relevant band proportion in order to calculate the number of Band D equivalent properties in the area. The calculation allows for exemptions, discounts, appeals and a provision for non-collection.

**Council Tax Requirement**

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

**Creditors**

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

**Current Service Cost**

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

**Current Value**

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

**Curtailment**

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

**Debtors**

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

**Deferred Capital Receipts**

These represent capital income still to be received after disposals have taken place and wholly consists of principal outstanding from the sale of council houses.

#### **Defined Benefit Scheme**

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

#### **Depreciation**

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

#### **Derecognition**

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

#### **Discounts**

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

#### **Earmarked Reserves**

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

#### **External Audit**

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

#### **Fair Value**

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### **Finance Lease**

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

#### **Financial Instruments**

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

### **Financial Regulations**

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

### **General Fund**

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

### **Highways Network Asset**

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

### **Housing Benefit**

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

### **Impairment**

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

### **Infrastructure Assets**

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

### **Intangible Assets**

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

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

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

### **Inventories**

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

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

### **Investment Properties**

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

### **Joint Venture**

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

### **Leasing Costs**

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

### **Materiality**

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

### **Medium Term Financial Strategy (MTFS)**

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

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

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

### **Ministry of Housing, Communities & Local Government (MHCLG)**

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

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

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

**Net Book Value (NBV)**

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

**Net Realisable Value (NRV)**

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

**Operating Lease**

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

**Precept**

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

**Premiums**

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

**Prior Period Adjustments**

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

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

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

**Provisions**

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

### **Public Works Loan Board (PWLB)**

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

### **Related Parties**

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

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

### **Remeasurement of the Net Defined Benefit Liability**

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

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

### **Reporting Standards**

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

### **Regulation(s)**

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

### **Reserves**

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

### **Revaluation Reserve**

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

**Revenue Support Grant**

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

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

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

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

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

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

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

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

**Treasury Management**

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

**Treasury Management Strategy (TMS)**

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

**Voluntary Revenue Provision**

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