



**Wyre Forest**  
District Council

# Pre-Audit Statement of Accounts 2024 - 2025

Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF

# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

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# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

## Narrative Report

### Preface by The Leader of the Council

#### Introduction to the 2024-25 Statement of Accounts by Councillor Marcus Hart, Leader of the Council and Cabinet Member for Strategy



As Leader of the Council, I am delighted to introduce Wyre Forest District Council's Statement of Accounts and Narrative Report for 2024–25. This report not only sets out our financial position for the year but also tells the story of how we have used our resources wisely and responsibly to deliver for our residents, businesses, and visitors.

Over the past year, we have made significant progress towards the ambitions set out in our Corporate Plan. From rejuvenating our town centres to enhancing community safety and environmental quality, we have continued to build a district that is safe, vibrant and clean—a place people are proud to call home or visit.

A particular highlight this year is the opening of The Old Court in Kidderminster—a striking restoration of the former magistrates' court into a hub for creative and digital industries. This transformation, supported by the previous government's Future High Streets Fund, is a powerful example of how targeted investment can breathe new life into our towns and support long-term economic growth.

We have also taken bold and practical steps to deliver more with less. Faced with financial pressures affecting all local authorities, we responded proactively - saving more than £660,000. These savings were achieved through lower-than-expected utility bills, careful budget management, stronger-than-forecast income from chargeable services, and smart investment decisions. It is a testament to the council's commitment to financial stewardship and innovation.

In addition to managing our finances well, we have invested in the things that matter. Our new Millpond House scheme provides high-quality short-term accommodation and has already been recognised regionally for excellence. This is an 'invest to save' project—meaning we have spent money upfront to reduce costs in the long term, while also meeting our legal duty to provide temporary housing. By offering purpose-built accommodation, we can avoid more expensive emergency placements. This ultimately saves taxpayers money and provides better outcomes for those in need.

We have improved community safety by tackling illegal parking and stepping up enforcement. And our environment has benefited from enhanced litter clearance, especially during the summer months, thanks to a new dedicated "blitz squad." We also launched a new commercial strategy that is helping to strengthen our income streams for the future. Our garden and business waste services achieved record earnings—helping fund the frontline services people rely on every day.

I want to thank our council team for their dedication and hard work. Together, we are building a stronger Wyre Forest—one that remains firmly focused on its people and their future.

**Narrative Report**

**Introduction by the Head of Resources and s151 Officer**

My role as the Council's statutory Chief Finance and s151 Officer is to ensure that the Council's financial affairs are properly administered, and its financial position remains stable and robust.

The narrative report provides an analysis of Council performance during the year, an explanation of the financial results included in the Statement of Accounts and an overview of the outlook beyond 2024-25. The purpose of this narrative report is to provide an easily understandable guide to the most significant matters affecting the Council's finances during the past year and information about Wyre Forest District.

A key objective of the Finance Team is to prepare the Statement of Accounts to the highest standards and in accordance with the guidance for Local Authorities in the UK. The Statement of Accounts provides information so that members of the public, including electors and residents of Wyre Forest District, Council Members, partners, stakeholders and other interested parties can have:

- A full and understandable explanation of the overarching financial position of the Council and the outturn for 2024-25;
- Confidence that the public money with which the Council has been entrusted has been used and accounted for in an appropriate manner;
- Assurance that the financial position of the Council is sound and secure.

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years.

The draft Accounts were published and submitted to the External Auditors on 20<sup>th</sup> June 2025, ahead of the 30<sup>th</sup> June deadline. The deadline for the completion of the audit of the 2024-25 accounts is 27<sup>th</sup> February 2026.

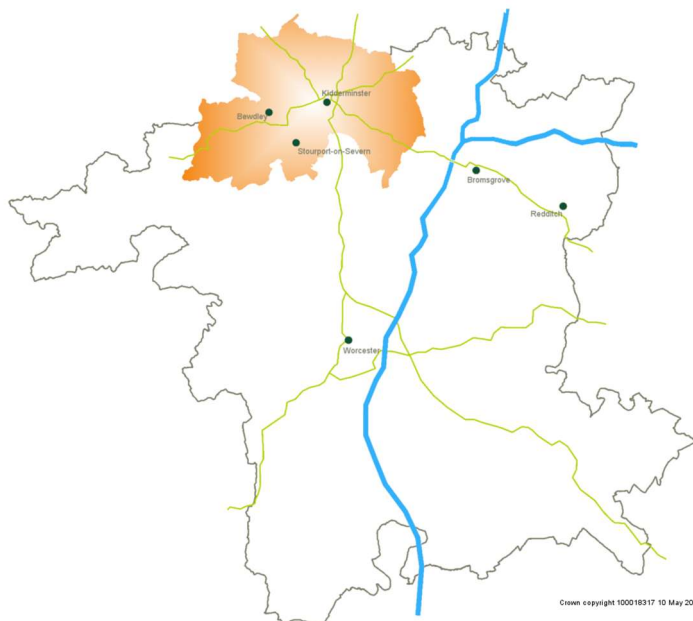
This Narrative report provides information about Wyre Forest, including the key issues affecting the Council and its accounts. It provides a summary of the Council's performance during the year and provides a commentary on how the Council has used its resources in year and how this aligns with objectives. The report is structured as follows:

- Wyre Forest District – the place
- Wyre Forest District – the Council
- Governance
- Corporate Plan 2023-27
- Risks and Opportunities
- Strategy and Resource Allocation and Strategic Planning Framework
- Our Performance
- Financial Performance
- Significant Transactions
- Statement of Accounts
- Further Information

**Narrative Report**

**1. Wyre Forest District – the place**

- 1.1 Wyre Forest District Council was formed in 1973, taking over responsibilities in 1974, and is one of 6 District/City/Borough Councils within Worcestershire. The area takes its name from The Forest of Wyre and comprises the three main towns of Kidderminster, Bewdley and Stourport-on-Severn together with several surrounding villages including Arley, Rock, Chaddesley Corbett and Wolverley. The area is both rural and urban and there are pockets of wealth and deprivation throughout the district. The area has some of the best attractions in the Midlands from an exciting safari and leisure park to Britain's premier steam railway.

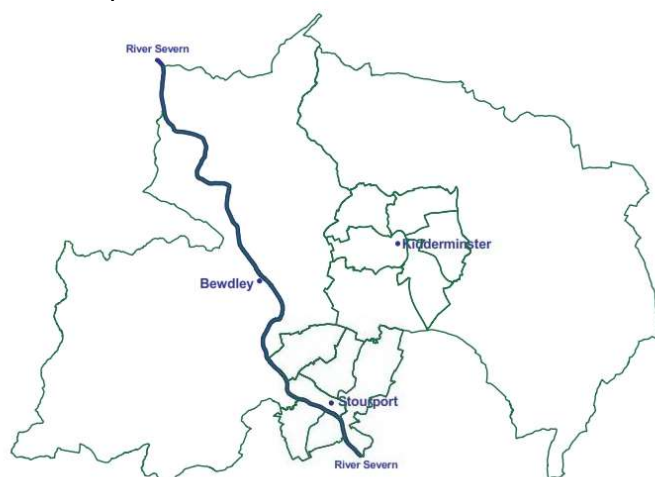


- 1.2 Wyre Forest is a predominantly rural district centred around the 3 towns of Kidderminster, Stourport and Bewdley. Each town has its own character and community identity. Kidderminster was the world leading centre for carpet production, but this sector has been in decline since the 1970s. Stourport and Bewdley are Georgian riverside towns that are popular destinations for day visitors.
- 1.3 The population of the district has increased at a slower rate than nationally. The population size increased by 3.7% between 2011 to 2021, this is lower than the overall increase for England of 6.6% and the West Midlands average of 6.2%. Wyre Forest has an aging population, there was a 25.1% increase in people aged 65 and over. This growth puts pressure on public service infrastructure and there is a widespread shortage of affordable homes and homes which are suitable for older people.
- 1.4 Residents in the district earn marginally higher than the West Midlands average. The largest proportion of residents work in the Wholesale and Retail Sector with Human Health & Social Work and Manufacturing the second and third largest sectors for occupations. Almost half of all residents who work are employed in managerial, professional or associate professional and technical occupations.
- 1.5 The most recent data (November 2024) shows that on average there were 4,500 businesses in the district. New businesses in the district consistently perform better than average in terms of 3 year survival rates.

## Narrative Report

### 2. Wyre Forest District – the Council

- 2.1 The Council delivers services to its community of around 101,800 people. Wyre Forest's 12 wards are represented by 33 Councillors (elected members). Following the all-out elections held on 4<sup>th</sup> May 2023, the Council's political leadership is provided by the Conservatives. The political groups that make up the opposition are the Independent and Green, Labour and Liberal Democrat Groups.



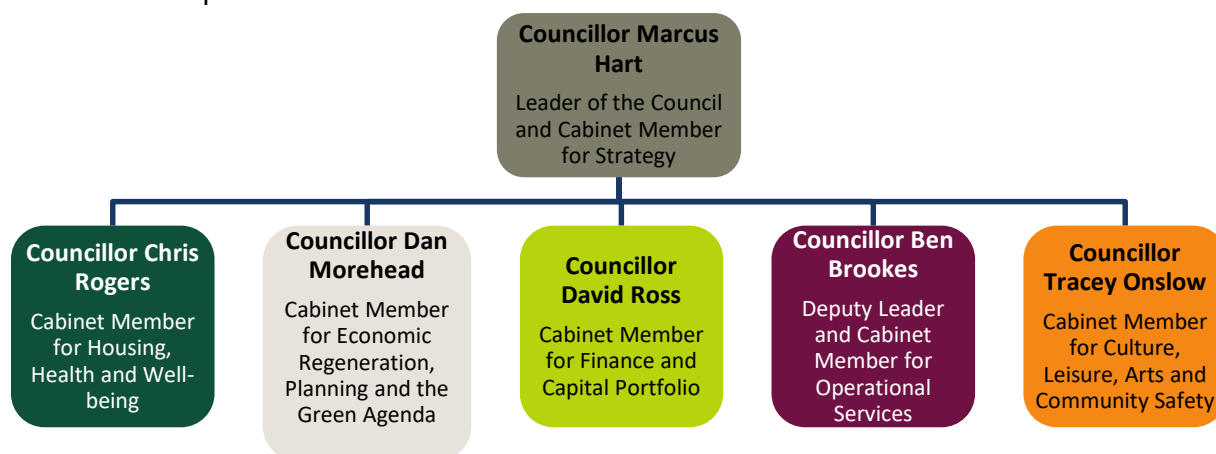
- 2.2 The Council has 20 Conservative, 7 Independent, 3 Labour, 2 Liberal Democrat and 1 Green Party councillors. Our 33 elected Councillors represent the people of Wyre Forest and set the overall budget and policy of the Council.

### Our Leadership and workforce

- 2.3 Wyre Forest District Council currently operates using the Leader and Cabinet Model.

The political management structure is centred upon a Leader Councillor Marcus Hart, who was elected to this role by local councillors. Cabinet Members are appointed by the Leader with responsibilities for particular portfolios.

The Cabinet in place at 31<sup>st</sup> March 2025 was as follows:



Councillor Ben Brookes was appointed as the new deputy leader on Friday 3<sup>rd</sup> May 2024, and Councillor Chris Rogers was appointed as Cabinet Member for Housing, Health and Well-being on Monday 23<sup>rd</sup> September 2024, taking over from Councillor Ian Hardiman.



## Narrative Report

The Cabinet members are held to account by a system of scrutiny which is set out in the Constitution. When major decisions are to be discussed or made, these are published in the Cabinet's Forward Plan.

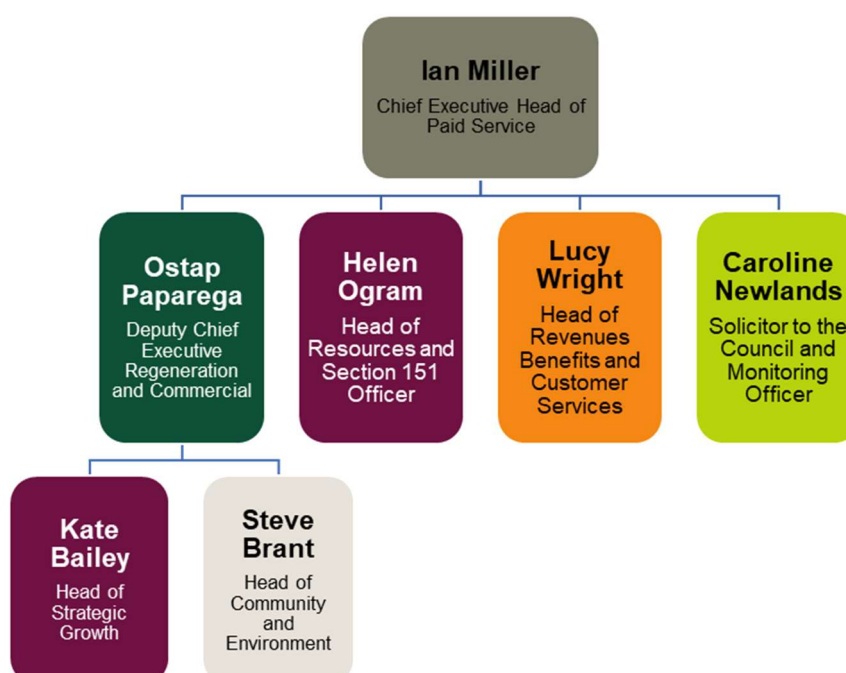
Committees are also included in the arrangements:

- Overview and Scrutiny
- Ethics and Standards
- Appointments and Appeals
- Audit
- Planning
- Licensing and Environmental

Full details, including Committee Chairs and membership, can be found on the Council's website.

### Wyre Forest District Council: Chief Officers

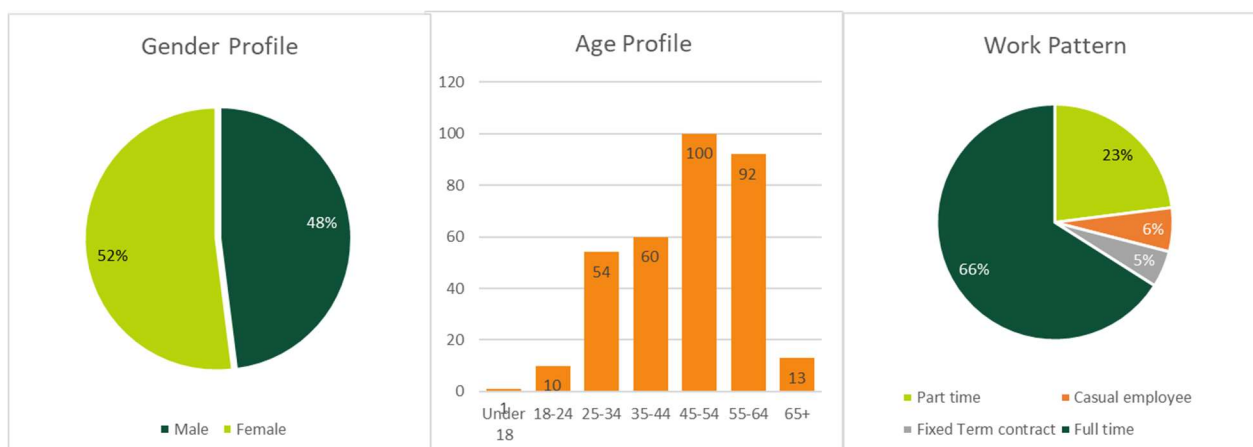
Senior officers, led by our Chief Executive, Ian Miller, support the work of the elected members. The Corporate Leadership Team (CLT) consists of seven officers. The statutory role of Section 151 officer is held by Helen Ogram, the Head of Resources, and the statutory role of Monitoring Officer is held by Caroline Newlands, the Solicitor to the Council. The third statutory officer, the Head of Paid Service is the Chief Executive. The CLT are responsible for advising councillors on policy, implementing councillors' decisions and managing the delivery of Council Services as well as directing overall service improvement and performance. The council implemented a new senior leadership team structure effective 1<sup>st</sup> July 2024 to ensure it has the capacity to drive forward commercial agendas and deliver on its priorities. The restructure includes the appointment of Ostap Paparega as Deputy Chief Executive with responsibility for Regeneration and Commercial. The new Deputy Chief Executive position replaces the Head of North Worcestershire Economic Development and Regeneration. The Corporate Leadership Team is as follows:



## Narrative Report

### Our Workforce

2.4 The council employs 337 staff, based across a number of sites



The Council has a set of values and behaviours that guide the way we go about our business, acting as a checklist for our actions and decisions.



### Legislative Framework

2.5 The Council operates within the legislative and regulatory framework as determined by Parliament and Government. The Statement of Accounts is prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting and the 2015 Accounts and Audit Regulations (and associated amendment regulations), and comply with the relevant Local Government Acts, Accounting Standards and CIPFA guidance.

### What we do

2.6 Wyre Forest District Council provides mandatory and discretionary services through a number of channels – directly, through joint working arrangements with other local authorities, through strategic partnerships with the voluntary and community sector and via third party organisations.



**Narrative Report**

- 2.7 The Council runs local services as efficiently and cost-effectively as possible to ensure that the council tax our residents pay represents value for money. Everyone benefits from the universal provision of Council services such as:
- Keeping our environment clean and protected through waste collection, recycling and keeping streets free of litter and fly-tipped waste and carrying out conservation and wildlife management at protected sites.
  - Working in partnership to keep the District safe, free from crime and anti-social behaviour, inspecting food and drink premises to make sure they are safe and hygienic and CCTV monitoring.
  - Encouraging economic development through investments made in infrastructure, housing growth, business support, maintaining the council's car parks and supporting tourism.
  - Looking after the health of our residents through the provision of a Leisure Centre and other services (including web based applications) and by providing and maintaining our green open spaces.
  - Providing support to our most vulnerable residents who are experiencing issues of social deprivation such as homelessness, poor physical or mental health and isolation.
  - Collecting council tax and business rates and helping people access financial support through housing benefit and council tax discounts.
  - Supporting residents to improve the homes and areas they live in by dealing efficiently with planning applications and providing building control.
  - Compiling and maintaining the electoral register and administering elections.
- 2.8 Council services are supported by internal professional and business services such as Human Resources, ICT (Information, Communication and Technology), Finance and Legal Services. The Council operates within a shire county structure so services such as Education, Social Care, Children's Services, Highways and Libraries are delivered by Worcestershire County Council. There are also 13 town and parish councils across the District that deliver various local services to the community.
- 2.9 During 2024-25 the Council participated in a number of Shared Services - Worcestershire Regulatory Services, Civil Contingencies and Resilience, Water Management, Payroll, Building Control, Economic Development and Regeneration - and is either host to the Shared Service or a partner in receipt of a service. In addition, the Council has a Local Authority Trading Company (LATC) in readiness for property/housing development, where this is the most viable option. The North Worcestershire Economic Development and Regeneration shared service was highly successful over a decade, securing £45m for regeneration projects for the district since 2020. At the end of June 2024 it was disbanded so the partner councils can concentrate on their own projects.

## Narrative Report

2.10 The core functions of the Council will remain the things that it is required to do by law, such as collecting waste, removing litter, housing services including tackling homelessness, producing a local plan and processing planning applications and administering local taxes and benefits. These activities cost about £6.281m a year. The remainder of the Council's work is discretionary. While the Council is not obliged to undertake such services, they are highly valued by local communities and businesses. They include parks, economic development and regeneration and leisure services. The Council spends about £4.546m a year on discretionary activities with a further £2.709m on corporate costs including the costs of the democratic core and pensions deficit funding.

### 2.11 What we did

## Our achievements

Our vision - A safe, vibrant and clean place to live, work and visit

Priority:  
Economic  
growth and  
regeneration



Using Future High Street Funding the former Magistrates' Court was restored into a hub for creative and digital industries

Progressed the development of the Piano Building which will provide a space for work and leisure

Launched a survey to help shape the long term plan for Stourport

Used UK Shared Prosperity Funding to fund various partner initiatives to help local businesses grow



Priority:  
Securing  
financial  
sustainability  
for services  
that local  
communities  
value

Approved a new commercial strategy

Increased commercial income from garden and business waste services

Created new site plans for all nature reserves

45,406 enquiries dealt with by our customer service team

Obtained planning permission for the lottery funded Brinton Park project

Collected 97.04% council tax



Priority:  
A clean, safe  
and green  
place to live,  
work and  
visit

Opened Millpond House – a new 20 room housing scheme for those needing temporary accommodation

Planted 10,270 trees

Dealt with 11,762 requests for help with housing advice

Increased participants of Adopt-A-Street scheme which was nominated for a national award

Introduced more inclusive play equipment

Helped deliver 522 new homes – 200 of which are affordable homes



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## Narrative Report

### 3. Governance

- 3.1 There have been no significant changes in governance arrangements during 2024-25 following the review of decision-making arrangements and the resolution at the Council's meeting in February 2020. The overview of the Council's current governance framework and its effectiveness during 2024-25 are set out in the Annual Governance Statement (AGS) contained within this Statement of Accounts.

### 4. Corporate Plan 2024-27

The Council adopted a new Corporate Plan in September 2023. The plan sets out the Council's vision, priorities and our values

**Our vision** is that Wyre Forest is

- A safe, vibrant and clean place to live, work and visit

#### Our Priorities

- Economic Growth and Regeneration
- Securing Financial Sustainability for Services the Local Communities Value.
- A Clean, Safe and Green Place to Live, Work, and Visit

#### Our Strategic Actions

Economic growth and regeneration	<ul style="list-style-type: none"><li>• Regenerate central Kidderminster including completion of Future High Streets and Levelling Up Fund projects</li><li>• Redevelop former Crown House site, Lionfields and other brownfield sites we own – mainly for housing</li><li>• Progress the redevelopment of Bridge Street site, Stourport</li><li>• Work with High Streets Task Force to develop and implement a vision for the regeneration of central Stourport</li><li>• Work with partners to improve skill levels and make sure they are the skills employers need</li><li>• Make sure business support services are available to help businesses grow</li></ul>
Securing financial sustainability	<ul style="list-style-type: none"><li>• Increase net income from our commercial activities</li><li>• Increase the visits to our nature reserves and make them more accessible</li><li>• Complete the redevelopment of Brinton Park, funded by the National Lottery Heritage Fund</li><li>• Investigate options for developers to make bio-diversity contributions on alternative sites</li></ul>

## Narrative Report

A clean, safe and green place to live, work and visit	<ul style="list-style-type: none"> <li>• Secure housing growth through the local plan</li> <li>• Invest more in tackling environmental crime and illegal parking</li> <li>• Invest more on clearing litter, particularly in summer months</li> <li>• Work with town councils and community groups to improve parks and open spaces</li> <li>• Help provide more cultural events</li> <li>• Increase the amount of temporary accommodation available by providing a new housing scheme</li> <li>• Produce and implement a carbon reduction plan for the district and for the council</li> <li>• Help people make their homes more energy efficient</li> <li>• Install electric charging points in car parks in all three towns</li> </ul>
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The support of regulatory, professional and business services is needed to deliver our priorities.

### 5. Risks and Opportunities

- 5.1 During 2024-25 the pressure on household incomes has continued to be a significant factor impacting on the local economy. This has resulted in many households facing unprecedented reductions in living standards. For Wyre Forest, which already has some of the highest rates of deprivation in the County, this has added pressures on the Council with a significant increase in demand for financial assistance, advice and support and record numbers of households applying for housing assistance and record numbers of households being accommodated.
- 5.2 Alongside the impact on residents, the challenging economic climate also directly affects the Council through increases in the cost of supplies and services which the Council purchases such as energy costs, pay inflation and the cost of borrowing. The Council was able to mitigate these challenges during the financial year by careful and prudent investment of surplus cashflow balances and smarter procurement.
- 5.3 Increased customer self-service and contact using technology has also proved successful helping the council to work smarter to make sure we can continue delivering the services that matter most. Whilst there will continue to be face to face or telephone contact much more business can be transacted on-line. This is the way forward for Council service delivery, having regard to equality and fair access to services for all.
- 5.4 The 2024 General Election led to a change in government. The new government outlined its plans for a joint program of devolution and local government reorganisation. The process will lead to significant changes in local government structures and governance. The reorganisation process is complex and carries a number of risks specifically capacity challenges and funding shortfalls for local authorities and the focus on efficiency and scale in governance might overshadow local identity, community engagement and the specific needs of different places.

## Narrative Report

- 5.5 **Risks** – Risk management is embedded in the Council through the Risk Management framework. The Council has a risk management strategy in place to identify and evaluate risk, ensuring that adequate controls are in place to provide sufficient mitigation from risks, without stifling the opportunities for development. The risk management framework has been substantially redesigned and a new strategy was adopted in April 2024.
- 5.6 The Corporate Risk Register plays an integral role to support delivery of the Corporate Plan and is reviewed and updated monthly by Service Managers and reported to the Corporate Leadership Team and Audit Committee each quarter. For significant projects separate detailed Risk Registers are held and monitored as part of the project management process linking directly to the Corporate Risk Register.
- 5.7 In addition to the Corporate Risk Register the Council maintains a separate Budget Risk Matrix (approved as part of the Medium-Term Financial Strategy) which is reviewed annually. The Budget Risk Matrix is also monitored on a regular basis by the Corporate Leadership Team with quarterly reports to the Audit Committee.
- 5.8 The top risks and uncertainties faced by the Council, in common with many District Councils, in relation to future service provision are
- Government policy impacts
  - Achieving financial plans and setting a balanced budget across the medium term
  - Cyber threats
  - Skills and capacity
  - Resilience event challenges and business continuity
- 5.9 **Opportunities** - We have a track record of recognising and managing existing risks, and identifying and dealing with emerging risks. We have responded well to recent financial challenges. We also work to ensure, given the current funding gap and pressures facing the Council coupled with greater expectations from our customers and residents, that we maximise our opportunities to deliver cost-effective, efficient and innovative services while minimising and managing the risks. Some of the key opportunities for the future include:
- ongoing investment of time and resource in our town centres to boost jobs, the economy and generate income;
  - increasing income
  - reducing costs through collaboration and service redesign;
  - promoting tourism and the visitor economy; and
  - channel shift by providing services and information in the most efficient way, encouraging self-service and the use of “apps” such as the My Wyre Forest App.

### Delivering a sustainable budget for the long term

- 5.10 Following a long period of austerity and significant reductions in core government grants and rising demand for services, ability to maintain financial resilience is one of the most significant challenges facing the council. It is essential to set a prudent, stable and achievable budget across the medium term. The Council is taking steps to meet corporate priorities and the future needs of residents in a way that secures financial resilience. The scale of future changes to achieve a stable financial position will inevitably affect all services and all residents to some extent. In considering what savings can be made we are reviewing the design of services to protect the needs of the most vulnerable people in the district.

**Narrative Report**

- 5.11 As outlined in the budget report considered by Council on 26<sup>th</sup> February 2025, the Section 151 Officer has considered the financial outlook for the authority, with a particular focus on sustainability. Consideration has been given to the robustness of the revenue and capital budgets agreed for the forthcoming year and the challenge of achieving balanced budgets over the medium-term horizon. The Section 151 Officer was satisfied that robust budgets were being set and that there were plans for achieving the agreed budget reductions. It was also believed that there is a structure and approach in place that will ensure a balanced position is achieved over the medium term. In addition, the adequacy of reserves has been reviewed and was considered appropriate for the size of authority and potential risks. The final revenue position for the 2024-25 year enabled further bolstering of reserves and has added to the level of financial sustainability.

**Delivering economic growth and regeneration**

- 5.12 The Council has continued to support economic growth, recognising the significant financial benefits in the form of retained business rates and creation of jobs. There are 3 significant town centre regeneration projects underway as well as proposals for further major investment in a variety of schemes.
- 5.13 The Levelling Up Fund programme of work to re-kindle Kidderminster's heritage and make the canal and the river a focus and encourage visitors by providing special, vibrant places with cafes, arts and cultural activities is progresses and nearing completion. The canal tow path project was completed in July 2023, completion of the Kidderminster Town Hall project is due in September 2025 and the grade 2 listed Piano Building will be brought back into use during 2025 with mixed food and beverage/leisure units and office space. This is a major opportunity for town centre regeneration that draws on £17.9m of Government investment into Kidderminster and should lead to improved economic prosperity for the whole district and growth in our key income stream of business rates. An ambitious programme of work set to achieve the business case objectives of improved connectivity and a fresh modern vibrant Kidderminster Town Centre.
- 5.14 The £20.5m Future High Street Fund project to create a Creative Hub at the former Magistrates Court and the Worcester Street connectivity project also saw significant progress during the year. The restoration of the Grade II listed former magistrates Court is now complete and open for business as The Old Court. The demolition works are complete and site levelling and drainage works are underway that will facilitate creation of the new public realm works including new slopes and steps linking Bromsgrove Street and its development sites with Worcester Street and the remainder of the town centre.

**A clean, safe and green place to live, work and visit**

- 5.15 Millpond House, a new purpose built housing scheme at Castle Road in Kidderminster, opened in February 2025 to provide short-term accommodation for people whilst they find permanent homes. The scheme which includes rooftop solar panels, so it can be powered by renewable energy, was a strategic spend to save investment. As well as delivering value for money the scheme is helping to create better outcomes for households.



**Narrative Report**

- 5.16 The Brinton Park Heritage Lottery Fund project will restore the park for future generations and enhance local cultural heritage. Although the project has faced a series of unforeseen delays - including the discovery of a number of badgers' setts - work to enhance facilities, protect local wildlife, and celebrate the park's rich heritage commenced in June 2025.
- 5.17 The Council has reaffirmed its commitment to installing electric vehicle (EV) chargers in council car parks, despite delays caused by the withdrawal of its contractor. Following a new procurement process the council appointed a new contractor in June 2025.
- 5.18 Our parks and open spaces continue to be well used. They hosted more than 30 events thanks to our support to businesses, community organisations and charities. Our town councils were also given grant funding to hold events.
- 5.19 Our climate action and carbon reduction plan sets out how we intend to tackle climate change in Wyre Forest. This includes action to reduce emissions from our homes, businesses and transport and to address the impacts of climate change in the area. Act on Energy delivered help to the public with energy advice, home visits and promotion of services. Feasibility work into solar panels for the Council's operational properties is underway.
- 5.20 A community litter picking scheme which encourages residents to take pride in their area was launched and was shortlisted for a national award for Community Involvement.

**6. Strategy and Resource Allocation and Strategic Planning Framework**

- 6.1 Our strategic planning framework creates a golden thread from the Council Plan priorities through to employees. Our latest Employee Survey found that 68% understood how their role contributes to the Council's priorities.
- 6.2 The Corporate Plan 2023-27 identifies the Council's strategic objectives and the strategy to deliver these corporate priorities.
- 6.3 The Workforce and Organisational Development Strategy action plan will deliver the Workforce and Organisational Development Strategy 2023-27. The strategy sets out our approach to upskilling and supporting the work force and making WFDC an employer of choice.
- 6.4 The Council's arrangements for corporate performance management have been redesigned following adoption of the 2023-27 Council Plan to clearly align with Council priorities. Clearer links are made between the basket of measures reported to enable the organisation to understand progress in the delivery of our corporate priorities.
- 6.5 The Council's Medium-Term Financial Strategy demonstrates how the Council's financial resources will be deployed over a 3-year period to deliver corporate priorities. It sets the overall shape of the Council's budget by determining the level of resources that will be available and how they are allocated between services. This provides a medium-term framework to enable members and officers to develop detailed annual budget allocations.

**Narrative Report**

- 6.6 The Council's MTFS is set within a robust and well-established planning framework and is based on an analysis of key influences on the financial position and an assessment of the main financial risks facing the Council. This framework enables the Council to deliver performance improvement whilst controlling use of its limited financial resources. As part of the financial strategy, consideration is given to the likely savings required in future years and services are actively working to develop plans which will change the shape of services and the way they are provided to deliver budget reductions in the future. The Council will need to secure further savings and to manage cost pressures effectively. Local demand for services continues to increase and put pressure on many of the Council's budgets.
- 6.7 In shaping the budget, issues are carefully considered to ensure that the financial strategy is both prudent and protects our most vulnerable residents. Ensuring that there is the capacity to invest is a critical part of the budget deliberations. In relation to council tax, the 2025-26 budget included an increase of 3%.
- 6.8 For many years the Council has been dealing with large reductions in government funding from the government's austerity cuts. Despite considerable success in reducing expenditure, the Council's expenditure continues to exceed its income resulting in a funding gap in future years, currently projected to be £2.2m in 2027-28 if savings plans and targets are not met. The budget is balanced by use of reserves. Initiatives by the Council to reduce costs and increase income have assisted and the Council has been very successful in "putting off" the day when significant cuts will have to have been made to services. The additional expenditure and pressure on income from fees and charges due to pressures on household budgets, have added to an already difficult financial position for local government as a whole. 2025-26 is likely to be another challenging year as increased demand for statutory services, pay inflation and national insurance costs exceed the income that can be raised from council tax. Just 30% of the increase in national insurance is being compensated for by government grant, the cost pressure of over £600k will need to be met from local resources, reserves or service reductions.

**7. Our Performance**

- 7.1 The Council's operational model is for a mixed economy of services provided directly by the Council or through collaborative working with other councils or public bodies and a limited range of services that are provided by the private sector. The Council's financial and non-financial performance is regularly monitored and reported to Cabinet and Scrutiny committees on a quarterly basis. Details of these reports for 2024-25 can be found on the Council's website.
- 7.2 The success of the Corporate Plan is measured by delivery against our strategic actions.
- 7.3 The outcomes we have achieved in the last 12 months are reported to Overview and Scrutiny Committee and Cabinet and demonstrate how the Council has been delivering its priorities and strategic actions in the Corporate Plan.

## Narrative Report

### 8. Financial Performance

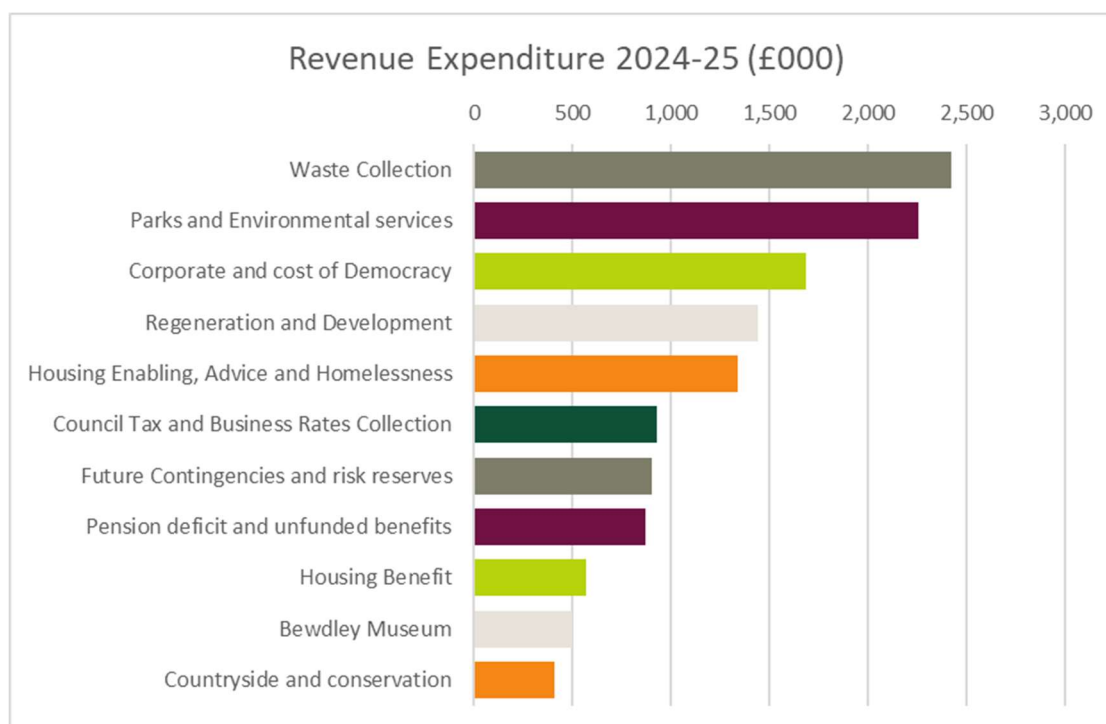
#### Core Funding

- 8.1 The Council's net budget for 2024-25 was £14.294m with a planned use of reserves of £342,000. The 2025-28 Medium Term Strategy was prepared on a revised net expenditure assumption of £13.983m supported by a £8,000 contribution from reserves.
- 8.2 The Council's core revenue expenditure was funded by a combination of locally raised funds and resources allocated by central government. Services also received funding from specific grants, contributions and fees and charges.
- 8.3 The Council adopts a cash limited approach to its budget, with Cabinet Members and the Corporate leadership team being responsible for ensuring services are delivered within budget.

#### Revenue Spending

- 8.4 Revenue expenditure covers the cost of the Council's day to day operations and contributions to and from reserves. The Council achieved an underspend in its net revenue budget of £660,000. Achieving a reduction in the cost of services has been achieved by prudent budget management and smarter procurement, service reviews and establishment savings from managing vacancies, some income growth from fees and charges, savings from operational property running expenses, additional ring-fenced government grant and prudent active management of the council's treasury balances. The saving will be used to increase the working balance by £40,000 in line with price inflation, with the remainder being transferred to General Reserves.
- 8.5 Net revenue expenditure across services of £13.323m, is shown in the graph below.

#### Service Spending 2024-25



# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

## Narrative Report

8.6 The Council has well established robust financial management procedures in place to monitor revenue and capital expenditure throughout the financial year. The process for the management and monitoring of budgets and achievement of savings targets continues to be refined to further ensure the sustainability of the Council's financial position over the longer term.

8.7 The Council's 2024-25 revenue outturn position is presented in the following tables:

### Service Expenditure

SERVICE REPORTING GROUP	[A] Original Budget	[B] Revised Budget	[C] Outturn	[C-A] Variance Outturn to Original	[C-B] Variance Outturn to Revised
	£000	£000	£000	£000	£000
Chief Executive and Solicitor to the Council	2,396	2,837	2,870	474	33
Community and Environment	6,209	5,813	5,613	(596)	(200)
Economic Development and Regeneration	616	567	472	(144)	(95)
Resources	2,190	2,163	2,112	(78)	(51)
Revenues Benefits and Customer Services	1,604	1,596	1,496	(108)	(100)
Strategic Growth	2,164	2,273	2,232	68	(41)
<b>Services Total</b>	<b>15,179</b>	<b>15,249</b>	<b>14,795</b>	<b>(384)</b>	<b>(454)</b>
Investment Income	(1,425)	(1,725)	(2,035)	(610)	(310)
Capital Account Other	540	459	647	107	188
Release of balance sheet provision			(84)	(84)	(84)
	<b>14,294</b>	<b>13,983</b>	<b>13,323</b>	<b>(971)</b>	<b>(660)</b>
Increase in working balance			40	40	40
<b>TOTALS</b>	<b>14,294</b>	<b>13,983</b>	<b>13,363</b>	<b>(931)</b>	<b>(620)</b>

Underspends and income denoted by brackets ( )

### Impact of Spending on Reserves

Reconciliation to Statements	2024-25 Outturn
	£000
<b>Service Expenditure reported to management</b>	13,323
Exclude items funded from earmarked reserves and other items (Capital transactions and accounting adjustments) to give net cost of service to comply with the CIPFA Code	16,365
<b>Net Cost of Services (CIES)</b>	<b>29,688</b>
Exclude items not met by local tax payers such as depreciation, some pension costs and holiday entitlement owed	(17,683)
Add statutory charges for the use of assets (Capital)	4,578
<b>Expenditure total</b>	<b>16,583</b>
<b>SOURCES OF INCOME</b>	
Council Tax (District element only)	8,391
Business Rates retention	4,500
Central Government Grant including New Homes Bonus	1,152
Treasury Interest (net)	1,007
<b>Income total</b>	<b>15,050</b>
<b>In Year (Surplus)/Deficit (Note 6: EFA)</b>	<b>1,533</b>
<b>FUNDING FROM RESERVES</b>	
Net addition (to)/from Earmarked reserves (general)	2,626
Increase in working balance	(40)
Release of Earmarked reserves to General Fund	(441)
Contribution (to)/from General Fund	(612)
<b>Total movement on General Fund reserves</b>	<b>1,533</b>

Underspends and income denoted by brackets ( )

# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

## Narrative Report

General (Unallocated) Reserves Statement	Original Budget	Revised Budget*	2024-25 Outturn	Variance Outturn to Revised
	£000	£000	£000	£000
Reserves as at 1st April 2023	3,683	3,916	3,916	0
Contribution to/(from) Reserves	(342)	(8)	652	660
Release of Earmarked to Unallocated (General) Reserves		441	441	0
Increase working balance				
Reserves as at 31st March 2024	3,341	4,349	5,009	660
Movement in reserves	(342)	433	1,093	660

\*Medium Term Financial Strategy assumptions

- 8.8 At the end of the financial year the useable reserves stood at £27.008m, compared to £27.634m at the end of 2023-24. The Council takes a risk-based approach to the management of useable reserves and as part of setting the annual budget, the s151 Officer (Head of Resources) undertakes a review of risks and known commitments to calculate a minimum level for the General Fund reserve; this was incorporated into the Council budget reports. For 2024-25 it was determined that a level of £1.76m remained an appropriate figure but that the position would be reviewed at final accounts. In light of the risks facing the council, in particular future funding uncertainty and demand led services pressures, this minimum level has been increased by the prevailing rate of inflation to £1.8m.

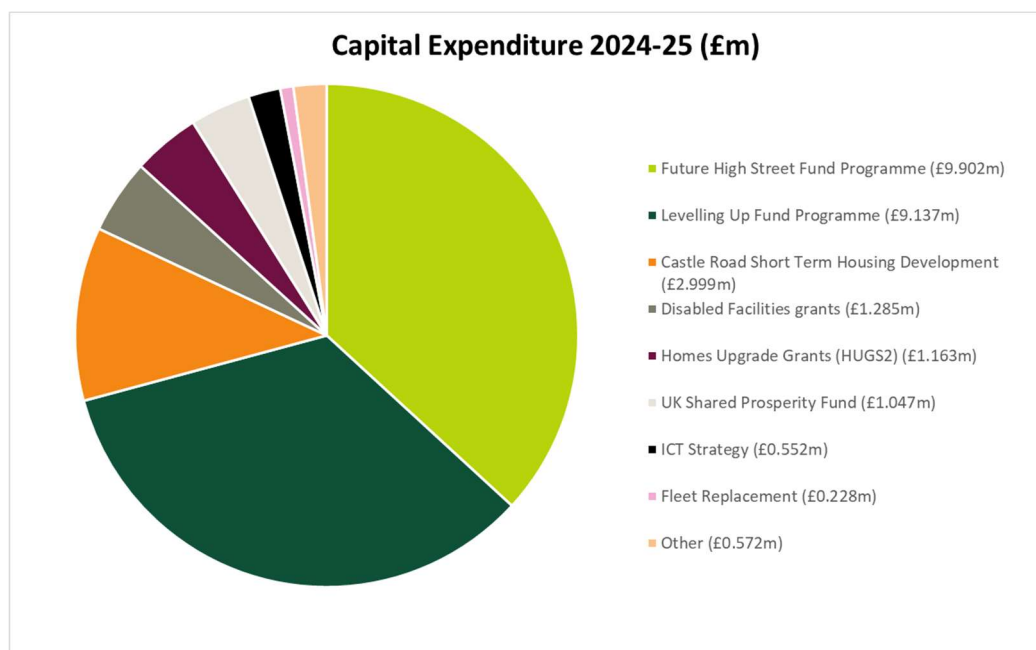
### Council Tax and Business Rates

- 8.9 The Council collects Council Tax on behalf of the Office of the Police and Crime Commissioner for West Mercia, Worcestershire County Council, Hereford and Worcester Fire authority and itself and the District's town and parish councils.
- 8.10 During the period from 2011 to 2020 the council tax charged by Wyre Forest District Council fell sharply in real terms, as a result of five years when the Council froze the tax. The annual increases from April 2020 onwards have been in-line with Government expectations in order to avoid a referendum on council tax.
- 8.11 During 2024-25 the Council was a member of the Herefordshire and Worcestershire business rates pool. The pool is a voluntary arrangement which allows retention of a greater share of local growth in business rates income. The operation of the pool is governed by a formal agreement between authorities. The pool consists of all Worcestershire districts, the County Council, the Fire Authority and Herefordshire Council. The benefit of being in the Business Rates Pool in 2024-25 was the retention of £306k which otherwise would have been paid to the Government as a growth levy.
- 8.12 In 2024-25 the net income before costs and tariffs from business rates was £30.428m, of which the Council receives a 40% share.
- 8.13 The Council maintains a separate fund for the collection and distribution of Council Tax and Business Rates. The account shows an in year surplus on both Council Tax and Business Rates at 31<sup>st</sup> March 2025. The District's share of these balances will be carried forward to future years. Further detail is presented in the Collection Fund notes section of the Accounts.

## Narrative Report

### Capital Expenditure

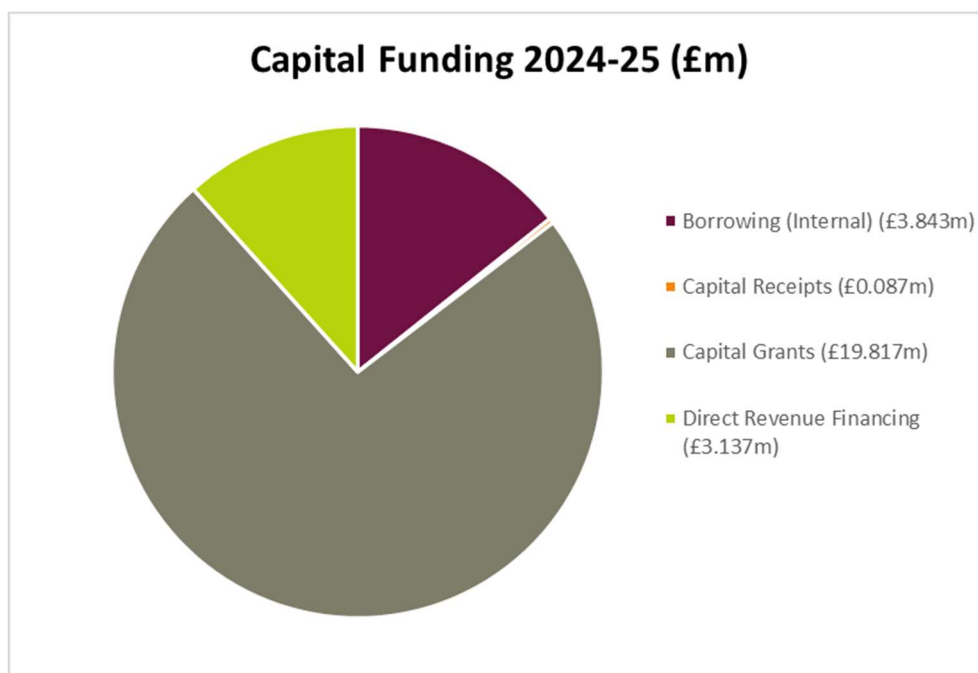
- 8.14 Capital expenditure is expenditure on non-current assets that have a life expectancy of more than one year and benefit not just current but future taxpayers within the district. The assets are usually funded from grants, reserves built up over a period of time or from borrowing. Capital expenditure forms a large part of our spending on the provision of services and, in line with our revenue budget setting process, our Capital Programme for 2024-25 was compiled to maximise and make the best use of the available funding to deliver projects that contributed towards the key priorities of the Council.
- 8.15 The Council has an ambitious capital programme. This investment will reshape how we deliver our services as well as helping to unlock revenue savings and efficiencies to secure ongoing financial sustainability. During 2024-25 the programme included:
- More commercial space for new and established businesses
  - Continuing to develop of a diverse Capital Portfolio of properties for regeneration and economic development or to meet housing need, that are self funding
  - Adaptations that improve the health and well-being of residents with disabilities
  - Development of Kidderminster town centre, to include transformation of the Magistrates' Court and Bromsgrove Street sites and infrastructure interventions to improve connectivity within the town and deliver an urban park
  - A programme of work to rekindle Kidderminster's heritage to make the canal and the river a focus with cafes, arts and cultural activities supported by the Levelling Up Fund.
- 8.16 The Council delivered £26.884m of capital projects during 2024-25. The Capital Programme budget for 2024-25 was originally set at £58.160m, revised to £41.475m following re-profiling of spend on approved schemes. Of the unspent budgeted balance £14.600m will be slipped to future years. An analysis of capital investment is shown in the chart below:



- 8.17 The Capital Programme was financed from a combination of internal borrowing, Government Grants, reserves (capital receipts) and revenue contributions. Capital Financing for 2024-25 is shown in the diagram below:



Narrative Report



**Treasury Management**

- 8.18 The Treasury Management Strategy for 2024-25 was approved by Council in February 2024. During the year treasury management performance was reviewed by the Treasury Management Review Panel before being reported to Council.
- 8.19 **Details of investment performance:** The Council manages all of its investments in house with the institutions listed in the Council's approved lending list. At the end of the financial year the Council had £24.651m of investments.
- 8.20 The Council's investment strategy is primarily to ensure funds are invested in institutions which are secure and to maintain sufficient cash reserves to give it necessary liquidity to ensure that funds invested are available for expenditure when needed. The Treasury team seeks to achieve optimal performance (yield) within these constraints. The Council achieved an average in-house return of 5.07%. Yields continued to exceed expectation during the year as bank rates fell at a slower rate than markets had expected. The interest received on investments during the year was £2.038m, £313k above the 2024-25 revised budget in the 2025-28 MTFS and £613k ahead of the Original Budget approved in February 2024. The increased investment return was due to both higher rates and to slippage in the capital programme, resulting in a larger balance of funds invested. The Council maintained an average investment balance of £40.246m compared to £55.237m in 2023-24, £46.567m in 2022-23 and £38.334m in 2021-22.
- 8.21 The outlook for investment returns for 2025-26 is likely to remain above historical averages but the bank rate is expected to continue to fall in 2025, and investment balances are expected to reduce as capital schemes funded from capital receipts or revenue reserves progress through to completion. The Council's overriding priority continues to be security and liquidity above yield.

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Narrative Report

8.22 **Details of borrowing:** At 31<sup>st</sup> March 2025 the Council had borrowings of £31.281m. A summary of the Council's borrowing activities for 2024-25 is provided below.

Long Term Borrowing	2022-23	2023-24	2024-25
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 1st April	32,000	34,000	31,000
Plus:			
New long-term borrowing	2,000	-	-
Long-term borrowing repaid	-	-	-
Re-classified as short-term borrowing (repayable in the following year)	-	(3,000)	-
<b>Balance as at 31st March</b>	<b>34,000</b>	<b>31,000</b>	<b>31,000</b>

ShortTerm Borrowing	2022-23	2023-24	2024-25
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 1st April	2,340	240	3,250
Plus:			
New short-term borrowing	-	10	31
Re-classified from long-term borrowing	-	3,000	-
	2,340	3,250	3,281
Repayments in year	(2,100)	-	(3,000)
<b>Balance as at 31st March</b>	<b>240</b>	<b>3,250</b>	<b>281</b>

8.23 The Council sets aside a prudent provision (Minimum Revenue Provision) for the repayment of debt where borrowing arrangements have been used to finance capital expenditure (historic and current) using an asset life method. The MRP policy for 2024-25 was approved by Council in February 2024 in line with statutory guidance and included the discretion for the Head of Resources and s151 Officer (Chief Financial Officer) to charge a Voluntary Revenue Provision (VRP).

## 9. Significant Transactions

### 9.1 Pensions

The cost of pensions remains a major item of expenditure. The Council is part of the Worcestershire Pension Fund; a full actuarial valuation was carried out as at 31<sup>st</sup> March 2022. The Council's pension liabilities are offset by the value of pension fund assets invested. The Worcestershire Pension Fund is independently revalued every three years to determine employer contribution rates. Employer contribution rates are set to achieve a 100% funding level (i.e., to be fully funded) by 2035. The most recent revaluation assessed the funding level for Wyre Forest at 97% compared with 83% in 2019. Following each triennial revaluation contribution rates payable by the individual employers within the pension fund are revised. The results of the 2022 revaluation impact on contribution rates payable from 1<sup>st</sup> April 2023.

**Narrative Report**

**9.2 Capital Grants**

During the year £10.199m of capital grants were applied to finance capital expenditure on council assets. This is recognised in the CIES before being reversed out via the MiRS. Of this balance £7.006m was Future High Street Fund grant to fund the creative hub scheme at the former magistrates court and the urban park connectivity project, £2.358m Levelling Up Fund Grant for works at the Piano building and £0.548m Uk Shared Prosperity Fund. A further £9.618m was applied to fund capital expenditure at the Kidderminster Town Hall, on Disabled Facilities Grants and Home Upgrade grants, that did not form an asset for the council.

**9.3 Revenue Reserves, Balances and Financial Resilience**

Revenue reserves play an important part in the Council's Financial Strategy by ensuring that we have some resilience to cope with unpredictable financial pressures. The Council holds working balances to meet unforeseen spending requirements and to provide certainty for medium term financial planning. The level of working balances takes into account the strategic, operational and financial risks facing the Council and has been increased by 2.6% in-line with the March rate of inflation, to provide additional risk mitigation. As at 31<sup>st</sup> March 2025, the working balance was £1.800m, an increase of £40,000.

The Statement of Accounts shows that at 31<sup>st</sup> March 2025 the Council held general balances (resources not earmarked for any specific purpose) of £6.769m (including working balance). This is an increase of £1.093m compared to the balance held at the start of the year, reflecting the positive revenue outturn position and the planned release of earmarked reserves to support the 2025-28 MTFS. The positive position was achieved despite rising demand largely due to better than expected investment returns.

In addition to General Fund balances, the level of earmarked reserves, included in the balance sheet at £14.355m also underpins the financial resilience of the Council. This is a fall of £2.626m following release to general balances and expenditure during the year. These reserves are held to manage future risk and expenditure priorities and expenditure commitments.

The level of reserves and balances is a key element in the CIPFA Financial Resilience Index. There are no Wyre Forest indicators where risk was considered to be extremely high or a cause for immediate concern.

The financial challenges facing local authorities have been widely reported, with 30 councils granted exceptional financial support by the government for 2025-26. A report from the Local Government Association (LGA), SOLACE and CIPFA, published in December 2024, highlighted underfunding across the local government sector and called for urgent reform of the funding system to put council finances on a sustainable footing. No authority, including Wyre Forest, is immune from these challenges, with work ongoing at pace to identify savings to reduce the funding gap for 2026/27 and 2027/28 and limit the reliance on cash reserves. Taken together, the level of the general fund earmarked and working balances contributes to the financial resilience of the Council and supports the MTFS. Our financial strategy continues to represent a robust foundation to support the delivery of the Council's priorities and from which to build on our financial sustainability.

## Narrative Report

### 9.4 Cash Flow Management

The Council primarily undertakes external borrowing to manage the cash flow implications of incurring capital expenditure that it does not immediately fund from cash resources, and in some instances also to manage fluctuations in its cash flows more generally. Separately, the Council has cash backed resources, which it has set aside for longer term purposes (such as funds set aside in reserves and balances) and working capital balances, that can either be invested or temporarily utilised to defer the need for external borrowing.

There were £3m external loans repaid in 2024-25 and no new loans were secured. During the year we increased our internal borrowing by £5.403m in line with our Treasury Management Strategy Statement, choosing to use temporary cashflow funds instead of securing new borrowing. Total internal borrowing at 31<sup>st</sup> March 2025 was £11.667m.

The Council's cash balances are invested until required on a short-term basis up to a maximum period of 1 year. During 2024-25 funds were invested with Money Market Funds (MMFs), Certificates of Deposit (CD's), institutions (such as banks) with high credit ratings and the Government Debt Management Office facility (DMO), our primary concern always being security of funds.

## 10. Statement of Accounts

10.1 The Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2022, require the Council to produce a **Statement of Accounts** for each financial year. These statements contain a number of different elements which are explained below. The Statement of Accounts is set out in the accompanying document.

10.2 **Statement of Responsibilities for the Statement of Accounts** sets out the respective responsibilities of the Authority and the Chief Finance Officer (Head of Resources and s151 Officer).

10.3 **Auditor's Report** gives the auditor's opinion of the financial statements and of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.

### 10.4 Core Statements

- The **Comprehensive Income and Expenditure Statement** – this records all the Council's income and expenditure for the year. The top half of the statement provides an analysis by service area. The bottom half of the statement deals with corporate transactions and funding. Expenditure represents a combination of the services and activities that the Council is required to carry out by law (statutory duties) such as street cleansing, waste collection and planning and discretionary expenditure focussed on local priorities and needs.
- The **Movement in Reserves Statement** is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "usable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific purposes.
- The **Balance Sheet** is a "snapshot" of the Council's assets, liabilities, cash balances and reserves at the year-end date.

## Narrative Report

- The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investments, or financing activities (such as repayment of borrowing and other long term liabilities).

### Supplementary Statement

- The **Collection Fund** - summarises the collection of Council Tax and Business Rates and the redistribution of some of that money to the Office of the Police and Crime Commissioner for West Mercia, Worcestershire County Council, Hereford and Worcester Fire Authority, Worcestershire Business Rates Pool and Central Government.

The **Notes** to these financial statements provide more detail about the Council's accounting policies and individual transactions. The **Annual Governance Statement** sets out the governance structures of the Council and its key internal controls which are a critical component of our overall governance arrangements.

## 11. Further Information

If you would like to receive further information about these accounts, please contact Helen Ogram, Head of Resources and s151 Officer, Wyre Forest House, Finepoint Way Kidderminster, Worcestershire, DY11 7WF.

**Statement of Responsibilities for the Statement of Accounts**

**The Council's Responsibilities**

The Council is required:

- (a) 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 Head of Resources and s151 Officer;
- (b) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- (c) to approve the Statement of Accounts.

**The Head of Resources and s151 Officer's Responsibilities**

The Head of Resources and s151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the UK (The Code).

In preparing this Statement of Accounts, the Head of Resources and s151 Officer has:

- (a) selected suitable accounting policies and applied them consistently, except where policy changes have been noted in these accounts;
- (b) made judgements and estimates that were reasonable and prudent;
- (c) complied with The Code of Practice on Local Authority Accounting in the UK.

The Head of Resources and s151 Officer has also:

- (a) kept proper accounting records which were up to date;
- (b) taken reasonable steps for the prevention and detection of fraud and other irregularities.

**Issue Date**

The Statement of Accounts 2024-25 was certified for issue on 20<sup>th</sup> June 2025. All known material events that occurred up to and including this date which relate to 2024-25 or before have been reflected in the accounts.

**Certification of Accounts**

In accordance with the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2021, I certify that the Statement of Accounts presents a true and fair view of the financial position of Wyre Forest District Council at 31<sup>st</sup> March 2025 and its income and expenditure for the year ended 31<sup>st</sup> March 2025.

Helen Ogram CPFA – Head of Resources and s151 Officer  
20<sup>th</sup> June 2025

***Approval of the Accounts***

*I certify that the Statement of Accounts has been approved by a resolution of the Audit Committee in accordance with the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2021 and is authorised for issue.*

*Councillor Nathan Desmond - Chair, Audit Committee  
xx xx 2025*



## Annual Governance Statement 2024-25

### Why have we prepared this Annual Governance Statement (AGS)?

- To demonstrate whether, and to what extent, the council has a sound system of governance and has complied with its local requirements in 2024-25.
- To fulfil the statutory requirement for each local authority to conduct a review of its system of internal control and prepare and publish an AGS at least once a year in each financial year.
- To demonstrate our achievements and help us to be more effective and take action to improve.

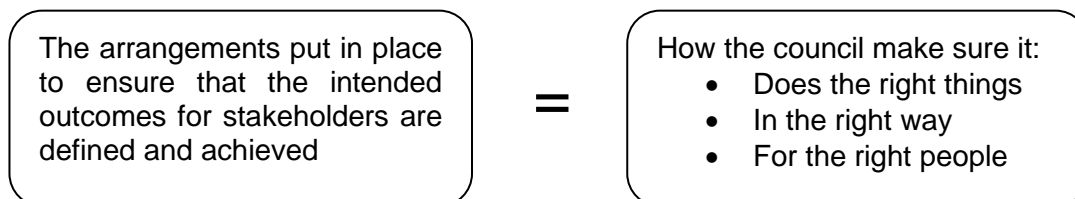
### What is the Annual Governance Statement?

Legislation requires local authorities to prepare and publish an Annual Governance Statement, in order to report publicly on the effectiveness of the Council's governance arrangements. The statement provides an overview of the current governance framework and a summary of the review of the effectiveness of Wyre Forest District Council's governance framework for 2024-25 (which coincides with the annual statement of accounts). The statement openly communicates significant governance issues that have been identified during the review and sets out how the authority will secure continuous improvement in these areas over the coming year.

### What do we mean by governance?

By governance, we mean the arrangements that are put in place to ensure the intended outcomes for local people are defined and achieved. It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled. Good governance is about making sure the Council does the right things, in the right way for the right people, in a timely, inclusive, open, honest and accountable manner.

This is summarised as:



### What is the Scope of our responsibility?

Wyre Forest District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Wyre Forest District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Wyre Forest District Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

Wyre Forest District Council has adopted the code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework; *Delivering Good Governance in Local Government*. A copy of the code is on our website at [www.wyreforestdc.gov.uk](http://www.wyreforestdc.gov.uk) or can be obtained by contacting The Hub, Green Street, Kidderminster DY10 1HA. This statement explains how Wyre Forest District Council has complied with the code and the requirements of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

### **What is the definition of the governance framework?**

This is defined as ‘the systems by which local authorities direct and control their functions and relate to their communities’. The governance framework encompasses the Council’s financial management arrangements that conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (Head of Resources and s151 Officer for this Council) in Local Government; the governance arrangements also conform to the requirements of the CIPFA Statement on the role of the Head of Internal Audit in public service organisations.

The key elements of the Council’s systems and processes that comprise the authority’s governance arrangements are included in the Council’s Constitution which is reviewed and updated throughout the year. The following diagram is reproduced from “Delivering Good Governance in Local Government Framework 2014” published by CIPFA/IFAC and shows core principles and how they are delivered within the robust framework at Wyre Forest.

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

GOVERNANCE PRINCIPLES		INTERNAL CONTROLS
<ul style="list-style-type: none"> <li>➤ Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area</li> <li>➤ Members and officers working together to achieve a common purpose with clearly defined functions and roles</li> <li>➤ Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</li> <li>➤ Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</li> <li>➤ Developing the capacity and capability of members and officers to be effective</li> <li>➤ Engage with local people and other stakeholders to ensure robust public accountability</li> </ul>	<div data-bbox="645 300 1451 1056" data-label="Diagram"> </div> <p data-bbox="645 1145 1460 1241">The governance framework has been in place at Wyre Forest District Council for the year ended 31<sup>st</sup> March 2025 and up to the date of approval of the statement of accounts.</p>	<div data-bbox="1505 236 2159 370"> <b>Leadership, Culture and Planning</b>  Organisational goals and priorities  Strategic and operational plans  Performance management  Medium term financial strategy </div> <div data-bbox="1505 370 2159 504"> <b>Statutory Officers &amp; Decision Making</b>  The Constitution  The Monitoring Officer  Section 151 Officer </div> <div data-bbox="1505 504 2159 778"> <b>Policies &amp; Procedures</b>  Codes of conduct  Ways of working  Anti-fraud, Bribery and Corruption Policy  Whistleblowing Policy  HR Policies and procedures  Corporate Communications and Engagement Programme </div> <div data-bbox="1505 778 2159 983"> <b>People, Knowledge, Finance, Assets</b>  Robust HR practices  Robust Internal Audit function  Information governance  Performance monitoring and improvement  Financial management and reporting  Ethical &amp; legal practices </div> <div data-bbox="1505 983 2159 1257"> <b>Scrutiny and Transparency</b>  Freedom of Information requests  Complaints procedure  Reports considered by legal and finance  Overview and Scrutiny Committee  Equality impact assessments  Corporate risk register  Transparency duty publication </div> <div data-bbox="1505 1257 2159 1385"> <b>Partnership Working/Stakeholder Engagement</b>  ‘Love to get involved’  ‘Let us know’ Consultations  Community Localism fund </div>

### **How does the Council deliver these outcomes?**

The Council delivers these outcomes through:

- Annually reviewing local procedures and practices, which together create the framework for good corporate governance as described in the CIPFA/SOLACE Framework Corporate Governance in Local Government: A Keystone for Community Governance.
- Regularly reviewing progress against the elements of the Governance Framework
- Producing an Assurance Statement on the extent to which the local code has been adhered to and the actions required where adherence has not been achieved.

### **How is effectiveness reviewed?**

Wyre Forest District Council has responsibility for regularly reviewing the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the Corporate Leadership Team within the Authority, which has responsibility for the development and maintenance of the governance environment, the Audit Manager's annual report endorsed by the Head of Resources, and also by comments made by the external auditors and other review agencies and inspectorates.

The Council process for maintaining and reviewing the effectiveness of the governance framework includes:

- Findings and recommendations of Internal Audit;
- Updates by the managers within the authority who have responsibility for the development and maintenance of the internal control environment;
- Findings and recommendations by the External Auditors and other review agencies and inspectorates;
- Audit Committee review of current arrangements against best practice, including consideration of progress against issues identified in the Annual Governance Statement action plan.
- Ethics and Standards Committee promotes high standards of ethical conduct, advising on the revision of the Codes of Corporate governance and Conduct for Members.
- Managers Annual Assurance Statements completed by Heads of Service
- Annual review of the effectiveness of audit committee and Audit Committee Annual report to Council

Regular reviews are carried out by the Corporate Leadership Team, including during March and May 2025. These reviews take into account:

- the Internal Audit Annual Assurance report from the Audit Manager, in consultation with the Head of Resources and s151 Officer
- comments of other review agencies, inspectorates and external bodies, including LGA Peer Reviews

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

- the Audit Findings report of the External Auditor (Audit Completion Report) which was reported to the Audit Committee on 26<sup>th</sup> September 2024, the Auditors Annual Reports reported to Audit Committee 20<sup>th</sup> March 2024 and 26<sup>th</sup> September 2024 and progress on implementing improvement recommendations.

All Councillors and Officers of the Council adhere to the Constitution and codes of conduct. The requirements and obligations are reinforced through compulsory training. The duty to ensure compliance is predominantly the responsibility of the Council's three statutory officers:

- Head of the Paid Service (Chief Executive)
- Monitoring Officer (Solicitor to the Council)
- Section 151 Officer (Head of Resources)

The constitution is under constant review, to ensure that it remains fit for purpose. A review of the governance arrangements was undertaken and reported to Council on the 26<sup>th</sup> February 2020. No change was approved, so the Cabinet and Scrutiny Systems remain.

[http://www.wyreforest.gov.uk/council/docs/doc55603\\_20200226\\_council\\_agenda.pdf](http://www.wyreforest.gov.uk/council/docs/doc55603_20200226_council_agenda.pdf)

The Strategic Review Panel has operated since 2019-20. The Panel has performed an advisory role on a range of issues including policy development on the latest Corporate Plan. It also considered the Cabinet's proposals for the Medium-Term Financial Strategy for 2025-2028 to inform the Cabinet's proposed strategy and budget; and for consideration of any alternative budget proposals.

The Audit Committee is the Member forum that is responsible for reviewing and monitoring Corporate Governance in relation to Risk and Audit matters. The Audit Committee also regularly considers the recommendations from Internal Audit. A review of progress against the Corporate Risk Register treatment action plan was considered by the Committee on the 26<sup>th</sup> September 2024 and 26<sup>th</sup> March 2025. Progress against the 2023-24 Annual Governance Action plan is reported for consideration by Committee at the May and November meetings. A separate action plan was prepared following receipt of the combined 2021-22 and 2022-23 Annual Audit Report received March 2024 for consideration by Audit Committee, progress against the action plan was monitored by CLT and reported to Audit Committee in May, July, September and November and is also included in the AGS progress report.

### Summary

The Council's Head of Resources as Chief Financial Officer has overall responsibility to ensure that the internal control environment is effective and adhered to. This is delivered through the Internal Audit service. Internal Audit undertake regular reviews of all Council systems and produce reports containing recommendations for improvement wherever necessary, in line with the approved Annual Audit Plan.

During 2023-24 the Council commissioned Internal Audit Services from BDO via the CCS framework to ensure that it had adequate internal audit capacity to effectively deliver a risk based annual audit plan. The service continued to be delivered by BDO during 2024-25.

Internal Audit is delivered in accordance with the UK Public Sector Internal Audit Standards. An annual update on compliance with Standards is provided to the Audit Committee as part of the Internal Audit Manager's annual report. The Internal Audit charter is formally approved by Audit Committee each year alongside the Annual Audit Plan. A number of other internal and external reports considered the challenges around governance. Consideration of these reports helps ensure all appropriate controls and updates are in place across the Council.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

In order to comply with professional standards for internal auditing, internal audit activities are required to have an external quality assessment provided by independent professionally qualified internal auditors every 5 years. The last assessment of BDO's Public Sector Audit clients was carried out in July 2021.

The Institute of Internal Auditors concluded that:

“the Public Sector outsourced internal audit services [provided by BDO] Generally Conform at an overall level with the PSIAS; Generally Conforms is the highest opinion we offer.”

BDO's internal audit services are delivered by qualified, professional individuals with a strong level of client engagement.

An update on counter fraud arrangements was received at the July 2024 meeting providing members with detail on those areas managed by both the Compliance Officers and Internal Audit, evidenced by supporting national programmes for tackling fraud.

External audit reports are reviewed and considered by the Audit Committee and the Council's Corporate Leadership Team. The Council's External Auditors for 2024-25 are Bishop Fleming.

The Council was the subject of an LGA Peer Review in March 2024. Feedback was positive overall. The relevant action learning points are reflected in the 2023-24 Annual Governance Statements.

The conclusion of the latest review of effectiveness the Council's governance framework is that arrangements continue to be regarded as fit for purpose. Some key areas for particular focus or improvement have been identified and the actions plan to specifically address these points is outlined below.



## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Significant Governance Issues for 2024-25: 2025-6 Action Plan**

Wyre Forest District Council have completed a number of actions over the last year, that have alleviated significant governance issues identified in the 2023-24 Annual Governance Statement. The following new or continuing governance issues have been identified and further actions have been put in place against each for progression in 2025-26, to continue to strengthen the Council's governance arrangements.

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### On-going Governance Issues

	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
1.	<p><b>General – Significant Financial Challenges</b></p> <p>The Council continues to face significant funding pressures.</p> <p>In response we will continue to maintain financial resilience by:</p> <p>i) Moving towards a fully balanced budget without reliance on reserves.</p> <p>ii) Deliver the income growth targets approved in the 2025-28 MTFS</p> <p>ii) Progression of the transformation plan and the Commercial Strategy through the 4 delivery Units</p> <p>iii) Promote commercialisation within the Council to ensure that everyone understands the part they play</p>	<p>AGS 2023-24 highlighted by the Corporate Leadership Team and reflected in the MTFS and Corporate risk register. The need to promote commercialisation was identified by the Peer Review Team</p>	<p>The Medium Term Financial Strategy MTFS) reflects the expected need to make future savings over the medium term taking into account anticipated changes in financing. Actions to be progressed:</p> <p>a) Delivering the Council's plan for financial resilience 2024-27 and the agreed initiatives and projects contained within, such as: -Thinking smarter about service delivery: Taking a fresh look at how we plan, commission and deliver services - Service collaboration, service reviews, redesigning services and digital transformation. - Increasing early intervention to reduce demand for services</p> <p>b) To continue to actively participate in and understand/model the impact of the fundamental Finance Reform and SR2025-28, encompassing New Homes Bonus and Business Rate Review, transfer of New Burdens, progression of Welfare, Waste and Planning Reform including extended producer responsibility for packaging.</p> <p>c) To re-focus the work around income generation and commercialisation on net income, recognising the impact of price and wage inflation and interest rates on service viability.</p> <p>d) To continue to work with partners on Localism to meet target savings in MTFS</p>	<p>a) Target savings achieved and a balanced budget for all years in the three year MTFS 2025-28 with progression of proposals for significant savings/cost reductions to close the funding gap and reduce the contribution from reserves.</p> <p>b) Fair(er) distribution of funding to District Councils</p> <p>c) Income growth targets achieved</p> <p>d) Pursue discussions with town councils to seek further transfers of assets and services, in particular parks and play areas, in order significantly to reduce net cost to WFDC.</p>	<p>Cabinet/CLT Chief Executive, and Head of Resources</p> <p>Chief Executive, Head of Resources</p> <p>Deputy Chief Executive</p> <p>Head of Community and Environment</p>	<p>April to March 2026</p> <p>January 2026</p> <p>March 2026</p> <p>March 2026</p>

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
2.	<b>Partnership and Engagement Governance issues</b> Maintaining resilience in the governance process with particular regard to the increasingly complex array of partnership agreements and alternative funding solutions the Council may enter into as part of alternative service delivery solutions to reduce cost or unlock funding opportunities. This includes the Local Authority Trading Company (LATC), localism, joint operations (e.g. joint County wide food waste collaboration), and other new shared service arrangements, outsourcing or collaborations).	Annual Governance Statement 2023-24 and risk register	a) Ensure all partnering arrangements have robust governance arrangements including full regard to legal, financial and HR implications. Once governance arrangements are in place continue to review and ensure they remain robust.  b) Ensure arrangements for traded services and arms-length organisations are fit for purpose  c) Further investigation of various structures for different arrangements, including utilisation of the approved LATC.	Robust due diligence for all proposals presented in business cases to be considered by Overview and Scrutiny Committee and Cabinet	CLT – Solicitor to the Council	Ongoing due diligence work presented to Overview and Scrutiny Cabinet throughout the year

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

Ref	Governance issue	Source	Actions to address the issue	Measures of	Lead/s	Timescale
3	<p><b>Cyber Resilience Governance Issues</b></p> <p>There has been an increase in the number of cyber security related incidents affecting the public sector and they are becoming increasingly sophisticated.</p> <p>It is vital that the council maintains ICT resilience to ensure a secure network, ensuring the ICT infrastructure is protected adequately from attacks and threats.</p> <p>The council needs an effective security strategy to ensure that cyber security is embedded as part of normal business activities.</p>	<p>Corporate Risk Register and ICT Strategy Board; ICT Security {Sub-Group}</p> <p>National Cyber Security Centre (NCSC)</p> <p>Press and journals</p>	<ul style="list-style-type: none"> <li>a) Deliver the overall Cyber security and business continuity Strategies</li> <li>b) Deliver the business case for implementing a Cloud First policy</li> <li>c) Quarterly review of network security and cyber resilience; extra assurance/training for remote working/meetings</li> <li>d) ICT Strategy and Strategy Board</li> <li>e) Review of compliance by Cyber Security and Information Governance Sub-Group</li> <li>f) Risk assessments and review of security of hybrid working arrangements and remote meetings built into assurance programme.</li> <li>g) Regular cyber and phishing training</li> <li>h) on-going improvement to infrastructure and system updates including patching, firmware updates.</li> <li>i) annual penetration tests</li> <li>j) additional 2 factor authentication and cloud back-up for o365</li> <li>k) MHCLG Cyber Assessment Framework (CAF) accreditation. CAF provides a systematic and comprehensive approach to assessing management of cyber risks to essential functions.</li> <li>l) Continued assessment and replace / upgrade</li> </ul>	<ul style="list-style-type: none"> <li>a) PSN compliance, secure network.</li> <li>b) Work proceeds to timetable</li> <li>c) Review evidenced compliance</li> <li>d) Compliant risk assessments</li> <li>e) CAF Achievement</li> <li>f) cyber accreditations, cyber essential</li> <li>g) essential functions continue</li> </ul>	<p>Chief Executive/Head of Resources/ICT Manager/Data Controller</p>	<p>Ongoing reports to ICT Strategy Board, and Cyber Security and Information Governance Sub- Group, Cabinet Members and Group Leaders</p> <p>Ongoing risk assessments</p>

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
4.	<p><b>Major Capital Projects</b> - The Council has a number of major capital projects including Major grant funded regeneration schemes in Kidderminster. Governance arrangements were flagged as requiring improvement by external auditors and by the Peer review team. Improvements have been made to address concerns raised and will be reviewed as part of the VFM work undertaken by external Audit over the summer period (2025).</p> <p>There are significant risks associated with these major schemes, including implications for revenue as well as capital budgets.</p> <ul style="list-style-type: none"> <li>- The governance arrangements to oversee all major schemes, including the Future High Street Fund (FHSF) and Levelling up Fund (LUF) programmes, must ensure a strong first line of defence.</li> <li>- Governance arrangements incorporate a project board, chaired by the Head of NWEDR and attended by the S151 Officer, the Monitoring Officer and lead Cabinet member, to oversee progress. The board receives regular updates on all projects and has responsibility for approving project variations.</li> <li>- The board provides transparent governance arrangements to ensure that projects are run appropriately with vigour ensuring funding and statutory obligations are met.</li> <li>- The Board reports to Cabinet and Overview and Scrutiny through regular quarterly performance reports and regular monthly update briefings are received by Cabinet/CLT.</li> <li>- Risk management is reported to the Boards by exception and full risk registers are circulated to mitigate the risk of board members losing sight of all risks affecting the project.</li> </ul>	Combined Annual Audit Report 2021-22 and 2022-23, Peer Review and Risk Register	<p>On-going regular reporting on progress will be delivered through enhanced quarterly Capital Programme reporting. Dedicated project management expertise is in place for all major projects and programme and cost risks will be closely managed.</p> <p>All reporting will be assessed to ensure that governance arrangements both pre and post project approval maximises the benefit that can be gained from limited capital resources and exposure to financial risk is managed.</p> <p>Project Board meets regularly and in line with agreed timeline</p> <p>Financial, performance and assurance returns completed.</p> <p>Clarity of delineation of the roles of those Members and Officers concerned with the delivery of projects and those concerned with regulatory decisions will be factored into the project management and decision making. Protocols will provide necessary ethical walls within the organisation and in line with the council's constitution.</p>	<p>Quarterly progress/monitoring reports presented to Overview and Scrutiny Committee and Cabinet</p> <p>Monthly update provided to Cabinet/CLT</p> <p>Projects delivered on time within cost plan</p> <p>MHCLG satisfied with progress</p> <p>Progress reports presented to the Boards and grant draw down meets assurance requirements</p> <p>VFM review recognises that recommended actions have been implemented</p>	CLT, Deputy Chief Executive Regeneration and Commercial, Head of Resources and Solicitor to the Council.	November 2025

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
5.	<p><b>Workforce planning</b>  <i>Resilience, recruitment and retention.</i>  Appropriate resilience and succession planning arrangements need to be established across all teams as in some areas there continues to be a reliance on a limited number of key individuals.</p> <p>Attracting suitable candidates to professionally graded posts continues to be challenging.</p> <p>Retention of staff significant issue due Local Government Reorganisation</p> <ul style="list-style-type: none"> <li>the increased risk of staff becoming unsettled due to increased turnover and problems with recruitment and retention</li> <li>challenging change management</li> </ul>	Combined Annual Audit Report 2021-22 and 2022-23, Peer Review and Risk Register	<p>Implementation of the Organisation Development (OD) Strategy action plan which underpins our Wyre Forest Forward vision to become an employer of choice. Actions are based on the following priorities:</p> <ul style="list-style-type: none"> <li>Recruitment</li> <li>Retention</li> <li>Growing our future workforce</li> <li>Culture and leadership development</li> <li>Health and Well-being</li> </ul> <p>Explore collaborative service solutions where resilience can't be secured internally.</p>	<p>Implementation of OD Strategy (Year 3)</p> <p>Succession planning embedded with plans developed</p> <p>We are seen as the local employer of choice, demonstrated by the number and quality of applicants for roles and increased staff retention/lower staff turnover.</p>	Chief Executive, Solicitor to the Council, Head of HR&OD	March 2026

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
6.	<b>Risk Management</b> The 2023-24 Internal Audit plan reviewed the Council's risk management arrangements to assess how effective and how well embedded risk management arrangements are. The report identified areas that could be further developed to help the Council make better use of its risk register for both management and senior members to support good governance.	Internal Audit assessment of risk maturity, Combined Annual Audit Report 2021-22 and 2022-23, Peer Review	Embedding the new Risk Management strategy <ul style="list-style-type: none"> <li>• Work with Cabinet, Committee Chairs and vice chairs, group leaders and senior officers to prepare a risk appetite statement</li> <li>• establishing risk tolerance/appetite for each category of risk</li> <li>• Identify target risk scores for each risk</li> <li>• Identify further mitigations to bring risk in-line with target scores.</li> <li>• Identify assurance measures and KPIs</li> </ul> Identify and deliver appropriate risk management training to members and responsible officers  Operational risks identified in Service plans and scored in-line with the strategy	Council approve risk appetite statement  Risk registers includes Risk category, target risk score, further mitigating actions to bring risk score in-line with target, KPIs and assurance statements  Training delivered and training objectives met.	Head of Resources, other members of CLT and risk action owners	September 2026

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### New Governance issues identified 2024-25

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
7.	<p><b>There is scope to improve how well the corporate governance framework is embedded at middle management level</b></p> <p>A new Managers Assurance statement was introduced for middle managers in 2024-25. All WFDC managers were asked a series of questions centred around:</p> <ul style="list-style-type: none"> <li>• Policies, objectives and Plans</li> <li>• Compliance</li> <li>• Management Structures and Staffing</li> <li>• Performance Management</li> <li>• Risk Management</li> <li>• Financial Management</li> </ul>	Fieldwork undertaken to inform AGS	<p>Embedding the Corporate Governance Framework</p> <p>Identify and deliver appropriate training to managers and responsible officers</p> <p>Review implementation of Internal Audit Recommendations</p> <p>Work with our Strategic Procurement Partner to review all procurement procedures</p> <p>Actively promote the Antifraud, Bribery and Corruption Plan and the Council's Whistle Blowing Policy</p>	<p>Compliance statistics improved when 2025-26 Managers Assurance Statements are Prepared</p> <p>Recommendations implemented by their due date</p> <p>All procurement procedures, proformas and documentation refreshed</p>	Solicitor to the Council, Head of Resources, other members of CLT	March 2026



## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
8.	The Council's governance structure does not allow the identification of key areas of improvement as the Council does not complete performance evaluations on the effectiveness of the Council and all of its Committees through the use of internal self-assessments or external feedback	Internal Audit Review – Governance and Ethics	An internal self-assessment exercise will be completed at the end of each financial year, And be included in the annual workplan for all the Committees as agreed by members. This will enable Committees to reflect on their performance over the year, comparing what they have achieved to targets set at the beginning of the year to identify any learning to take forward. This will be reported to the Council as part of the Committee's annual report.	Annual reports to Council include self assessments	Solicitor to the Council	March 2026

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

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

Ian R Miller  
Chief Executive

Councillor Marcus Hart  
Leader of the Council

20<sup>th</sup> June 2025

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

**Independent Auditor's Report to the Members of Wyre Forest District Council**

The Independent Auditor's Report will be included following  
the xx 2025 Audit Committee.

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### 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. The council raises taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the movement in reserves statement.

2023-24 Expenditure £000	2023-24 Income £000	2023-24 Net £000		Notes	2024-25 Expenditure £000	2024-25 Income £000	2024-25 Net £000
<b>Service Expenditure Analysis:</b>							
3,227	(390)	2,837	Chief Executive and Solicitor to the Council		3,613	(767)	2,846
10,456	(4,806)	5,650	Community and Environmental Services		13,535	(5,133)	8,402
9,959	(7,512)	2,447	Strategic Growth		9,443	(7,252)	2,191
13,474	(5,257)	8,217	Economic Development and Regeneration		25,655	(11,266)	14,389
766	(321)	445	Resources		828	(433)	395
22,706	(21,317)	1,389	Revenues, Benefits and Customer Services		22,653	(21,188)	1,465
<b>60,588</b>	<b>(39,603)</b>	<b>20,985</b>	<b>Net Cost of Services</b>		<b>75,727</b>	<b>(46,039)</b>	<b>29,688</b>
1,838	-	1,838	Other Operating Expenditure	10	2,012	(343)	1,669
6,196	(7,561)	(1,365)	Financing and Investment Income and Expenditure	11	6,402	(7,190)	(788)
-	(26,948)	(26,948)	Taxation and Non-specific Grant Income and Expenditure	12	-	(26,847)	(26,847)
		<b>(5,490)</b>	<b>(Surplus)/Deficit on the Provision of Services</b>				<b>3,722</b>
<b>Items that will not be reclassified to the (Surplus)/Deficit on the Provision of Services:</b>							
		(2,358)	(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Asset	25			(1,413)
		(6,376)	Re-measurement of the Net Defined Benefit Liability	25			(20,431)
		3,587	Asset Ceiling Adjustment	25			16,854
		<b>(5,147)</b>	<b>Total Other Comprehensive (Income) and Expenditure</b>				<b>(4,990)</b>
		<b>(10,637)</b>	<b>Total Comprehensive (Income) and Expenditure</b>				<b>(1,268)</b>

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Movement In Reserves Statement

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

#### 2024-25

Notes	General Fund Balance 6, 9	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves 9	Total Unusable Reserves 9, 25	Total Reserves
	£000	£000	£000	£000	£000	£000
<b>Balance at 1st April 2024</b>	22,657	2,652	2,325	27,634	28,223	55,857
<b>Movement in Reserves during 2024-25:</b>						
Total Comprehensive Income & (Expenditure)	(3,722)	-	-	(3,722)	4,990	1,268
Adjustments between accounting basis & funding basis under regulations	2,189	554	353	3,096	(3,096)	-
Net increase/ (decrease) in year	(1,533)	554	353	(626)	1,894	1,268
<b>Balance at 31st March 2025</b>	21,124	3,206	2,678	27,008	30,117	57,125

#### 2023-24 Comparative Information

Notes	General Fund Balance 6, 9	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves 9	Total Unusable Reserves 9, 25	Total Reserves
	£000	£000	£000	£000	£000	£000
<b>Balance at 1st April 2023</b>	18,362	3,456	2,346	24,164	21,056	45,220
<b>Movement in Reserves during 2023-24:</b>						
Total Comprehensive Income & (Expenditure)	5,490	-	-	5,490	5,147	10,637
Adjustments between accounting basis & funding basis under regulations	(1,195)	(804)	(21)	(2,020)	2,020	-
Net increase/ (decrease) in year	4,295	(804)	(21)	3,470	7,167	10,637
<b>Balance at 31st March 2024</b>	22,657	2,652	2,325	27,634	28,223	55,857

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Reconciliation of General Fund Balance

Earmarked Reserves are combined with the General Fund Balance. A reconciliation of the General Fund Balance is provided below.

#### 2024-25

	General Reserves (including £1.80m Working Balance at 31st March 2025)	Earmarked Reserves	Total General Fund Balance
Notes	13	6	
	£000	£000	£000
<b>Balance at 1st April 2024</b>	5,676	16,981	22,657
Net increase/ (decrease) in year	1,093	(2,626)	(1,533)
<b>Balance at 31st March 2025</b>	6,769	14,355	21,124

#### 2023-24 Comparative Information

	General Reserves (including £1.76m Working Balance at 31st March 2024)	Earmarked Reserves	Total General Fund Balance
Notes	13	6	
	£000	£000	£000
<b>Balance at 1st April 2023</b>	5,118	13,244	18,362
Net increase/ (decrease) in year	558	3,737	4,295
<b>Balance at 31st March 2024</b>	5,676	16,981	22,657

# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

## Balance Sheet

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

31st March 2024 £000	Notes	31st March 2025 £000
Property, Plant and Equipment:		
58,922	Land and Buildings 14	58,691
2,497	Vehicles, Plant and Equipment 14	2,493
4,368	Community Assets 14	4,538
750	Surplus Assets 14	865
7,942	Assets under Construction 14	7,404
1,266	Heritage Assets 15	1,280
434	Intangible Assets 16	475
<b>76,179</b>	<b>Long-term Assets</b>	<b>75,746</b>
18,248	Short-term Investments 17	15,195
17,984	Cash and Cash Equivalents 17, 20	9,140
72	Inventories	52
9,380	Short-term Debtors 18	7,984
750	Assets held for Sale (less than one year) 21	750
<b>46,434</b>	<b>Current Assets</b>	<b>33,121</b>
(3,286)	Short-term Borrowing 17	(281)
(11,679)	Short-term Creditors 22	(11,821)
(1,316)	Short-term Provisions 23	(1,113)
<b>(16,281)</b>	<b>Current Liabilities</b>	<b>(13,215)</b>
(31,158)	Long-term Borrowing 17	(31,158)
(8,449)	Other Long-term Liabilities 35, 43	(4,099)
(10,868)	Capital Grants Receipts in Advance 41	(3,270)
<b>(50,475)</b>	<b>Long-term Liabilities</b>	<b>(38,527)</b>
<b>55,857</b>	<b>Net Assets/(Liabilities)</b>	<b>57,125</b>
27,634	Usable Reserves 9, 13	27,008
28,223	Unusable Reserves 9, 25	30,117
<b>55,857</b>	<b>Total Reserves</b>	<b>57,125</b>

Helen Ogram, Head of Resources and s151 Officer  
20<sup>th</sup> June 2025

# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

## Cash Flow Statement

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

<b>2023-24</b>		<b>Notes</b>	<b>2024-25</b>
<b>£000</b>			<b>£000</b>
5,490	Net surplus/(deficit) on the provision of services		(3,722)
8,160	Adjust net surplus/(deficit) for non-cash movements	26	19,282
(7,805)	Adjust for items included in the net surplus/(deficit) on the provision of services that are investing and financing activities	26	(17,780)
<b>5,845</b>	<b>Net cash flows from operating activities</b>		<b>(2,220)</b>
(1,341)	Net cash flows from investing activities	27	(4,121)
(1,991)	Net cash inflows from financing activities	28	(2,503)
<b>2,513</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(8,844)</b>
15,471	Cash and cash equivalents at the beginning of the reporting period	20	17,984
<b>17,984</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	20	<b>9,140</b>



# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

## Notes to the Accounts

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# **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

## **Notes to the Accounts**

### **Note 1: Accounting Policies**

#### **1.1 General Principles**

The Statement of Accounts summarises the Council's transactions for the 2024-25 financial year and its position at 31<sup>st</sup> March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015; those Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (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.

The Accounts have been drawn up under the going concern concept, i.e. that, under the Code, it is assumed that the services of the Council will continue to operate for the foreseeable future. Local Authorities cannot be created or dissolved without statutory prescription. The provisions of the CIPFA Code on going concern reflect the economic and statutory environment in which local authorities operate and hence these accounts are prepared on this basis.

#### **1.2 Accruals of Income and Expenditure**

All revenue and capital expenditure is accounted for on an accruals basis in accordance with the Code and International Accounting Standard (IAS) 1. Sums due to or from the Council during the year are recorded, irrespective of whether the cash has actually been received or paid during the year. 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.
- Supplies and services are recorded as expenditure when they are consumed (when supplies are held for future use they are carried as inventories on the Balance Sheet).
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments is accounted for 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 income 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 it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**1.3 Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more 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.

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

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

Service revenue accounts including professional business support and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. 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. This is the Minimum Revenue Provision (MRP). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

#### **1.6 Employee Benefits**

##### **Benefits Payable During Employment**

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

##### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the relevant service or, where appropriate, to a corporate service at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. When termination benefits involve the enhancement of pensions, statutory provision requires the General Fund balance to be charged with the amount payable by the Council to the pension fund in the year, not the amount calculated according to the relevant accounting standard. In the Movement in Reserve Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and any such amount payable but unpaid at the year end.

Redundancy payments are based upon an employee's actual week's salary and the number of weeks as defined in the Employment Relations Act 1996, up to a maximum of 30 weeks' pay.

##### **Post-Employment Benefits**

The Council participates in one defined benefit scheme for its employees (retirement lump sums and pensions), earned as employees work for the Council, administered by Worcestershire County Council. Pension costs are assessed in accordance with the advice of an independent qualified Actuary (Hymans Robertson LLP).

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

The liabilities of the Worcestershire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about life expectancy, employee turnover rates, etc, and projected earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate of 5.8% based on the indicative rate of return on high quality corporate bond.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

The assets of Worcestershire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

The change in the net 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.
- net interest on the net defined benefit liability/(asset) - i.e. net interest expense for the Council – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contribution and benefit payments.

➤ **Remeasurements comprising:**

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability/(asset), charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- asset ceiling – the present value of any economic benefit available in the form of refunds from the plan or reductions in the future contributions to the plan – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

➤ **Contributions paid to the Worcestershire County Council pension fund:**

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

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

Further information in respect of the Pension Fund Accounts can be found in Worcestershire County Council's Superannuation Fund Annual Report available on request from:

Worcestershire County Council,  
County Hall,  
Petchey Road,  
Worcester,  
WR5 2NP

<http://www.worcestershire.gov.uk/pensions>

#### **1.7 Events After the Reporting Period**

Events after the balance sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date 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 – 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, detailed in Note 39, are not reflected in the Statement of Accounts.

#### **1.8 Financial Instruments**

##### **Financial Liabilities**

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

The amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

##### **Financial Assets**

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

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

The Council currently only holds financial assets at amortised cost.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

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

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

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

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

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

Any gains and losses that arise on the de-recognition of a financial asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

#### **Expected Credit Loss Model**

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

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

### **1.9 Government Grants and Contributions**

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grants or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using 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.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

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

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

#### **1.10 Heritage Assets**

Heritage assets are held in support of the Council's primary objective of increasing the knowledge, understanding and appreciation of the social and industrial history of the Wyre Forest area. They currently consist of the Richard Eve Memorial, art collection and those exhibits that are held in the Bewdley Museum and in other Council Buildings.

Heritage assets have indeterminate useful economic lives and high residual values and, therefore, it is not considered appropriate to charge depreciation. They have been measured in the Balance Sheet at their insurance valuations, based on market values and are updated every two years unless, in the interim, evidence from the various trade press or auctions etc indicates a significant variation in prices of similar assets. The accounting treatment of revaluation gains & losses are in accordance with those for property, plant & equipment.

The Balance Sheet carrying values of all heritage assets are reviewed at the end of the year where there is evidence of impairment, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment (Note 1.17).

Purchases and acquisitions e.g. by donations are rare, but when they do occur purchases will be initially recognised at cost and acquisitions will be initially recognised at valuations ascertained by either the museum's curators, with reference to the appropriate commercial markets, or by an external valuer.

The Council will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. Transfers to partners/appropriate third parties such as Town Councils under Localism principles may also be agreed. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Any disposal proceeds will be disclosed separately in the notes to the financial statements and will be accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (Note 1.17).

The Council applies a de minimis level of £10,000 for assets included in the Balance Sheet. However, there are many de minimis Heritage Assets that, when aggregated, exceed this level. Therefore, all Heritage Assets have been aggregated into the categories stated above and included in the Balance Sheet.



## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

#### **1.11 Intangible Assets**

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

Intangible assets are measured initially at cost. Amounts are only re-valued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

#### **1.12 Interests in Companies and Other Entities**

Where the Council has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures, it is required to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities will be recorded as investments, i.e. at cost, less any provision for losses.

#### **1.13 Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

#### **1.14 Joint Operations**

The Council is a partner in the Worcestershire Regulatory Services (WRS) shared service, which discharges various of the council's statutory functions relating to Environmental Health and Licensing via a Joint Committee constituted under the relevant provisions of the Local Government Act 1972, together with Bromsgrove District Council (the host), Redditch Borough Council, Malvern Hills District Council, Worcester City Council and Wychavon District Council. All partners have rights to the assets and obligations for the liabilities relating to this shared arrangement and each participant accounts separately for its own transactions arising within the agreement, including the assets, liabilities, income, expenditure and cash flows. The shared service undertakes work for a range of other local authorities and third parties including a contractual arrangement with Worcestershire County Council for the provision of management and support services for its Trading Standards and Animal Health team that was formerly part of the partnership arrangement.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

The shared service agreements with Redditch Borough Council and Bromsgrove District Council for North Worcestershire Economic Development and Regeneration, previously hosted by the council, was terminated on 30<sup>th</sup> June 2024.

The council hosts the North Worcestershire Water Management and North Worcestershire Civil Contingencies and Resilience shared services and also partners with Bromsgrove District Council who host Building Control, Redditch Borough Council as host authority for payroll services and Wychavon District Council who provide a car park administration service for penalty charge notices.

#### **1.15 Leases**

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

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

##### **Initial measurement**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The authority 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.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

#### **Subsequent measurement**

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

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- 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. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

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

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

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

#### **Lease expenditure**

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed. Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

#### **The Council as Lessor:**

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

#### **Finance leases**

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

Lease rentals receivable are apportioned between:

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

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

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

#### **Operating leases**

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

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**1.16 Overheads and Professional and Business Services (Support Services)**

The costs of overheads and Professional and Business Services are charged to services in accordance with the Council's arrangements for accountability and financial performance.

**1.17 Property, Plant and Equipment**

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

**Recognition**

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

**Measurement**

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- where applicable, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- land and buildings – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- specialised assets (for example the council offices containing the Council Chamber) – because of their specialist nature are measured at depreciated replacement cost which is used as an estimate of current value
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (EUV)

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate. In some circumstances it may be necessary for specialist valuations to be combined with an accounting estimate where there is sufficient local knowledge to justify such treatment.

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

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end. Assets with a valuation in excess of £1m are revalued annually. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

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

#### **Impairment**

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

Where impairment losses are identified, they are accounted for as follows:

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

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

#### **Depreciation**

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

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant and equipment – straight-line allocation over the useful life of the asset as estimated by a suitably qualified officer

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

- no depreciation is charged in the year of acquisition unless the apportioned sum is above trivial
- a full year's depreciation will be charged on assets revalued in year (where applicable) to ensure that the service retains a consistent charge for the consumption of the asset, in accordance with the principal of total cost as defined in the CIPFA Service Reporting Code of Practice for Local Authorities.

Where an item of Property, Plant and Equipment, valued in excess of £1million, has major components whose cost is 20% in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost.

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

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on provision of services. Depreciation is not charged on Assets Held for Sale.

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

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

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

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

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

#### **Surplus Assets**

Assets that have been declared 'surplus' but are being held pending an improvement in market conditions are classified as surplus assets but continue to be held within Property, Plant and Equipment.

#### **1.18 Fair Value Measurement of Non-Financial Assets**

The Council's accounting policy for fair value measurement of financial assets is set out in Note 1.8. The Council also measures some of its non-financial assets such as surplus assets and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

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

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

When measuring the fair value of a non-financial asset, the authority 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 authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly

Level 3 – unobservable inputs for the asset.

#### **1.19 Provisions**

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

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

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



## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

Provisions are charged as an expense to the appropriate service in the Comprehensive Income and Expenditure Statement in the year that the Council has an obligation, or the Collection Fund in respect of business rates, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

#### **1.20 Contingent Liabilities**

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

Contingent liabilities are not recognised in the Balance Sheet but disclosed in Note 36 to the accounts.

#### **1.21 Contingent Assets**

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

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

#### **1.22 Reserves**

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

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

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**1.23 Revenue Expenditure funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

**1.24 Value Added Tax (VAT)**

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

**1.25 Interest and Investment Income**

Investments of surplus resources are carried out in accordance with regulations. Interest is credited to the General Fund based on the actual interest earned on investments during the year. Funds are managed in accordance with the Council's Treasury Management Strategy Statement (TMSS).

**1.26 Borrowing**

In accordance with the Capital and Treasury Management Strategies the Council has made use of the prudential borrowing regime. Several schemes contained within the capital programme are being financed through prudential borrowing, the result being that the Capital Financing Requirement (CFR) will increase. A statutory minimum revenue provision (MRP) is made, based on the writing down period of the assets (the asset life). The CFR is kept under review with the possibility of further external borrowing available if required.

**Minimum 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), although it is also allowed to undertake additional voluntary payments if required at the discretion of the Chief Financial Officer (Voluntary Revenue Provision - VRP). Further details can be found in the approved Treasury Management Strategy Statement.

The Ministry for Housing, Communities and Local Government (MHCLG) Regulations require full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils so long as there is a prudent provision. The Council's approved MRP Policy Statement for 2024-25 can be found in the Treasury Management Strategy Statement; key points are summarised below and include the option of using the annuity method to calculate MRP under the Asset Life Method:

- For outstanding debt liability incurred prior to the new guidance – i.e. pre 2008-09 MRP is calculated based on the previous 4% reducing balance method.
- From 1<sup>st</sup> April 2008 for all unsupported borrowing the MRP will be:

**Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Directive).

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Notes to the Accounts

There are two ways of calculating MRP under the Asset Life Method:-

- i. **the equal instalment method** allows the use of a simple formula to generate a series of equal annual amounts over the estimated life of the asset.
- ii. **the annuity method** makes provision for an annual charge to the General Fund which takes account of the time value of money (e.g. whereby paying £100 in 10 years' time is less of a burden than paying £100 now). The schedule of charges produced by the annuity method results in a consistent charge to revenue over an asset's life, taking into account the real value of the annual charges when they fall due. The annuity method also matches the repayment profile to how the benefits of the asset financed by borrowing are consumed over its useful life (i.e. the method reflects the fact that asset deterioration is slower in the early years of an asset's life and accelerates towards the latter years). This is commensurate with a prudent provision matching debt repayment to the period which the capital expenditure provides benefit. This method is most appropriate for use in circumstances where the initial investment is recouped from rental yields that are subject to cyclical, upwards only reviews. It is also appropriate in connection with projects promoting regeneration or administrative efficiencies or other schemes where revenues will increase over time.

The Chief Finance Officer (Section 151 Officer) will determine whether an annuity or equal instalment method is utilised to ensure that a prudent and financially beneficial method is adopted.

#### 1.27 Council Tax and Non-Domestic Rates (NDR)

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

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

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the authority's share of 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 CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

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

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the debt is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

#### **1.28 Business Improvement District**

A business improvement district (BID) scheme for Kidderminster commenced with effect from 1<sup>st</sup> April 2020. The scheme is funded by a BID levy paid by non-domestic ratepayers. The authority acts as agent under the scheme, collecting the BID levy income on behalf of the BID body and therefore most BID transactions would not be recognised in the Comprehensive Income and Expenditure statement. The BID levy collection costs and associated reimbursement income will be shown in the Revenues, Benefits & Customer Services outturn line.

#### **1.29 Long-Term Contracts**

Long term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

#### **1.30 Other Accounting Principles**

- The provision for impairment of bad debts is estimated by reference to CIPFA guidance and local knowledge.
- Officers' remuneration. It has been determined that payment for Returning Officer duties is not included but are disclosed separately within the same note where/if applicable.

#### **Note 2: Accounting Standards that have been issued but have not yet been adopted**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2024-25 Code.

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

Accounting changes that are introduced by the 2025-26 Code are:

- IAS 21 - The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) – 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 – IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

- 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.

These changes are not expected to have a material impact on the Council's Statement of Accounts.

### **Note 3: Critical Judgements in applying Accounting Policies**

In applying the accounting policies set out in Note 1, the Council has had to make certain critical judgements in the Statement of Accounts about complex transactions.

- Valuation of Wyre Forest House

Wyre Forest House is valued on a hybrid basis due to the space occupied by third parties being in excess of the amount of accommodation occupied by the local authority. The wing containing the Council Chamber continues to be valued as a specialised asset on a Depreciated Replacement Cost (DRC) basis, with the remainder now being valued at fair value using a traditional capitalisation method.

- Investment Properties

The Council's property estate has been assessed using the identifiable criteria under the International Accounting Standards to determine whether assets are being held purely for their rental income potential or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation, and it is the council's view that all properties are held for an operational reason, such as economic development or regeneration.

- Business Rate Appeals

The 2024-25 gross collectable business rates before prior year adjustments, standard reliefs and Retail, Hospitality and Leisure reliefs were £42.375m. The amount paid by each hereditament is based on the valuation lists prepared by the Valuation Office Agency (VOA). Rate payers can appeal to the VOA against their valuations; any refunds as a result of appeal decisions fall as a cost to the Collection Fund. After considering IAS37 management are satisfied that a provision should be made against this potential liability since it is likely that a liability will arise even though the timing and amount of the potential liability is uncertain, but whilst uncertain it can be reliably estimated. Many appeals from the 2017 list have now either been settled or withdrawn during 2024-25, although a high volume still remain outstanding for the VOA to assess. The total appeals provision at 31<sup>st</sup> March 2025 stands at £2.782m; our local share being £1.113m.

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Notes to the Accounts

The source data is primarily the hereditaments on our local list, commentary and analysis in professional journals and Local Government Finance Reports. The Council's Business Rates/Revenues expert, Accountants and s151 officer communicate with a cross section of contacts, experts and advisors (CIPFA) throughout the year and at year end to formulate a balanced view. Calculations are based upon current data including VOA threats list in liaison with other Pool members and historic experience.

- **Pensions Liability**

The Fund's liabilities are calculated every three years by the actuary. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuation are agreed with the actuary. This estimate is subject to significant variances based on changes to the underlying assumptions.

#### **Note 4: Assumptions made about the future and other major sources of estimation uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the Council's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31<sup>st</sup> March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
<b>Property, Plant and Equipment</b>	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Valuations are based on the assumption that the Council will be able to sustain its current spending on repairs and maintenance.</p> <p>Valuation methods result in a point estimate of value and involve judgements based on the latest most reliable information. They are based on market prices and are periodically reviewed.</p> <p>If the reduction of funding streams results in a reduction of service delivery or closure of facilities, this could result in the impairment of assets due to obsolescence. Similarly, regulation changes could result in obsolescence of some equipment.</p> <p>Property assets have been revalued at 31<sup>st</sup> March 2025 so although there is still estimation by the Valuer, there is more certainty as they are valued at the Balance Sheet date.</p>	<p>If the useful life of assets is reduced, depreciation will increase and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £16,628 for every year that useful lives had to be reduced.</p> <p>Changes in estimation technique can result in the carrying amount of an asset increasing or decreasing, the movements will be reflected in the CIES.</p> <p>Impairing the assets would be reflected in the CIES.</p>
<b>Pensions Liability</b>	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, life expectancy rates and expected returns on pension fund assets. The Actuary, Hymans Robertson LLP, is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate</p>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

	<p>Wyre Forest District Council defined benefit scheme was in deficit at the last valuation. Employers with a funding deficit at the last valuation pay secondary contributions to make good the deficit. It is possible that these secondary contributions, once paid, lead to a future accounting surplus that will not be recognised due to the IFRIC14 (asset ceiling) adjustment. This is known as an onerous funding commitment and the additional liability of £16.027m is recognised on the balance sheet.</p> <p>The net liability to pay pensions is calculated every three years with annual updates in the intervening years. The last actuarial valuation was 31<sup>st</sup> March 2022.</p> <p>The WRS scheme was in a surplus at the last valuation. The Asset Ceiling calculation results in an additional liability of £827k.</p>	<p>assumption would result in a decrease in the pension liability of £1.383m for the WFDC scheme.</p>
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**Note 5: Material items of Income and Expense**

This note discloses material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement (CIES).

During 2024-25 the Council received a further £7.294m towards the Levelling Up Fund capital scheme. At 31<sup>st</sup> March 2025 the unspent balance was held as Capital Grants Receipts in Advance (see Note 41).

Asset revaluation adjustments totalling £17.045m have been charged to the CIES in 2024-25. This mostly relates to the capital expenditure on assets previously classified as Assets under Construction being written off once they became operational, following a formal revaluation at 31<sup>st</sup> March 2025. The revaluation adjustments are not a charge to the General Fund, so the impact of the revaluation adjustments are reversed in the Movement in Reserves Statement.

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Note 6: Expenditure and Funding Analysis**

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, 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 services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	<b>Net Expenditure as reported for Resource Management</b>	<b>Adjustments to arrive at the Net Expenditure chargeable to General Fund (see Note 7)</b>	<b>Net Expenditure chargeable to the General Fund Balance</b>	<b>Adjustments to arrive at the Net Expenditure in the Comprehensive Income and Expenditure Statement (see Note 7)</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
<b>2024-25</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive and Solicitor to the Council	2,870	14	2,884	(38)	2,846
Community and Environmental Services	5,526	(1,298)	4,228	4,174	8,402
Strategic Growth	2,229	215	2,444	(253)	2,191
Economic Development and Regeneration	474	(434)	40	14,349	14,389
Resources	2,113	(1,201)	912	(517)	395
Revenues, Benefits and Customer Services	1,496	3	1,499	(34)	1,465
Capital	(1,385)	1,385	-	-	-
<b>Net Cost of Services</b>	<b>13,323</b>	<b>(1,316)</b>	<b>12,007</b>	<b>17,681</b>	<b>29,688</b>
Other Income and Expenditure	(9,089)	(1,385)	(10,474)	(15,492)	(25,966)
<b>(Surplus)/Deficit</b>	<b>4,234</b>	<b>(2,701)</b>	<b>1,533</b>	<b>2,189</b>	<b>3,722</b>



**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
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Comparative information for 2023-24

2023-24	Net Expenditure as reported for Resource Management	Adjustments to arrive at the Net Expenditure chargeable to General Fund (see Note 7)	Net Expenditure chargeable to the General Fund Balance	Adjustments to arrive at the Net Expenditure in the Comprehensive Income and Expenditure Statement (see Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
Chief Executive and Solicitor to the Council	2,860	-	2,860	(23)	2,837
Community and Environmental Services	4,871	(1,097)	3,774	1,876	5,650
Strategic Growth	2,281	5	2,286	161	2,447
Economic Development and Regeneration	497	(1,264)	(767)	8,984	8,217
Resources	2,214	(1,363)	851	(406)	445
Revenues, Benefits and Customer Services	1,336	68	1,404	(15)	1,389
Capital	(1,468)	1,468	-	-	-
<b>Net Cost of Services</b>	<b>12,591</b>	<b>(2,183)</b>	<b>10,408</b>	<b>10,577</b>	<b>20,985</b>
Other Income and Expenditure	(13,235)	(1,468)	(14,703)	(11,772)	(26,475)
<b>(Surplus)/Deficit</b>	<b>(644)</b>	<b>(3,651)</b>	<b>(4,295)</b>	<b>(1,195)</b>	<b>(5,490)</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
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The table below reconciles the opening and closing balances of the General Fund (including earmarked reserves). Additional information on the movements in the General Fund balance can be found in the Movement in Reserves Statement.

<b>Movement in General Fund Balance</b>	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Opening General Fund Balance at 1st April	(18,362)	(22,657)
Surplus)/Deficit on General Fund Balance in year	(4,295)	1,533
<b>Closing General Fund Balance at 31st March</b>	<b>(22,657)</b>	<b>(21,124)</b>

**Note 7: Note to the Expenditure and Funding Analysis**

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund balance to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

Adjustments to arrive at the General Fund Balance:

<b>2024-25</b>	<b>Exclude Transfers to/from Reserves</b>	<b>Exclude Depreciation to arrive at Funding Basis</b>	<b>Exclude Debt Financing and MRP Reported to Management under Net Cost of Services</b>	<b>Adjustments to arrive at the Net Expenditure chargeable to General Fund (see Note 6)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive and Solicitor to the Council	14	-	-	14
Community and Environmental Services	(141)	(1,157)	-	(1,298)
Strategic Growth	261	(46)	-	215
Economic Development and Regeneration	80	(514)	-	(434)
Resources	(901)	(300)	-	(1,201)
Revenues, Benefits and Customer Services	3	-	-	3
Capital	-	-	1,385	1,385
<b>Net Cost of Services</b>	<b>(684)</b>	<b>(2,017)</b>	<b>1,385</b>	<b>(1,316)</b>
Other Income and Expenditure	-	-	(1,385)	(1,385)
<b>(Surplus)/Deficit</b>	<b>(684)</b>	<b>(2,017)</b>	<b>-</b>	<b>(2,701)</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

Comparative information for 2023-24

<b>2023-24</b>	<b>Exclude Transfers to/from Reserves</b>	<b>Exclude Depreciation to arrive at Funding Basis</b>	<b>Exclude Debt Financing and MRP Reported to Management under Net Cost of Services</b>	<b>Adjustments to arrive at the Net Expenditure chargeable to General Fund (see Note 6)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive and Solicitor to the Council	-	-	-	0
Community and Environmental Services	20	(1,117)	-	(1,097)
Strategic Growth	5	-	-	5
Economic Development and Regeneration	(660)	(604)	-	(1,264)
Resources	(922)	(441)	-	(1,363)
Revenues, Benefits and Customer Services	70	(2)	-	68
Capital	-	-	1,468	1,468
<b>Net Cost of Services</b>	<b>(1,487)</b>	<b>(2,164)</b>	<b>1,468</b>	<b>(2,183)</b>
Other Income and Expenditure	-	-	(1,468)	(1,468)
<b>(Surplus)/Deficit</b>	<b>(1,487)</b>	<b>(2,164)</b>	<b>-</b>	<b>(3,651)</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Adjustments to arrive at the Comprehensive Income and Expenditure Statement:**

Adjustments between Funding and Accounting Basis 2024-25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net change for Pensions Adjustments	Other Statutory Differences	Total Statutory Adjustments	Other Adjustments (non-statutory)	Total Adjustments
	£000	£000	£000	£000	£000	£000
Chief Executive and Solicitor to the Council	-	(30)	-	(30)	(9)	(39)
Community and Environmental Services	4,265	(96)	-	4,169	4	4,173
Strategic Growth	(244)	(12)	-	(256)	3	(253)
Economic Development and Regeneration	14,353	(3)	-	14,350	-	14,350
Resources	300	(826)	-	(526)	10	(516)
Revenues, Benefits and Customer Services	-	(43)	-	(43)	10	(33)
<b>Net Cost of Services</b>	<b>18,674</b>	<b>(1,010)</b>	<b>-</b>	<b>17,664</b>	<b>18</b>	<b>17,682</b>
Other income and expenditure from the Expenditure and Funding Analysis	(13,768)	219	(505)	(14,054)	(1,439)	(15,493)
<b>Difference between General Fund Surplus/Deficit and Comprehensive Income and Expenditure Statement Surplus/Deficit</b>	<b>4,906</b>	<b>(791)</b>	<b>(505)</b>	<b>3,610</b>	<b>(1,421)</b>	<b>2,189</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

Adjustments between Funding and Accounting Basis 2023-24 Comparative information

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net change for Pensions Adjustments £000	Other Statutory Differences £000	Total Statutory Adjustments £000	Other Adjustments (non-statutory) £000	Total Adjustments £000
Chief Executive and Solicitor to the Council	-	(30)	-	(30)	7	(23)
Community and Environmental Services	1,889	(48)	-	1,841	35	1,876
Strategic Growth	194	(33)	-	161	-	161
Economic Development and Regeneration	8,991	(6)	-	8,985	(1)	8,984
Resources	441	(841)	-	(400)	(6)	(406)
Revenues, Benefits and Customer Services	2	(20)	-	(18)	3	(15)
<b>Net Cost of Services</b>	<b>11,517</b>	<b>(978)</b>	<b>-</b>	<b>10,539</b>	<b>38</b>	<b>10,577</b>
Other income and expenditure from the Expenditure and Funding Analysis	(12,304)	399	1,499	(10,406)	(1,366)	(11,772)
<b>Difference between General Fund Surplus/Deficit and Comprehensive Income and Expenditure Statement Surplus/Deficit</b>	<b>(787)</b>	<b>(579)</b>	<b>1,499</b>	<b>133</b>	<b>(1,328)</b>	<b>(1,195)</b>

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Notes to the Accounts

#### Adjustments for Depreciation/Rental Income

For resource management purposes, the Council includes depreciation in its reporting. However, these charges are removed as they are not included in the net expenditure chargeable to the General Fund.

#### Adjustment for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and revaluation gains and losses in the services line, and for:

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

#### Net Change for the Pensions Adjustments

Net change for the removal of pensions contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- **For services** this represents the removal of the employer pension contributions made by the Council as required by statute and the replacement with current service costs
- **For Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

#### Other Statutory Adjustments

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

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

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Other Non-statutory Adjustments**

Other non-statutory adjustments represent amounts debited/credited to service segments that 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 CIES:

- For **financing and investment income and expenditure** the other non-statutory adjustments column recognises adjustments to service segments e.g. for interest income and expenditure.
- For **taxation and non-specific grant income and expenditure** the other non-statutory adjustments column recognises adjustments to service segments e.g. for non-ringfenced government grants.

**Note 8: Expenditure and Income analysed by nature**

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>		
Employee Benefits Expenses	13,179	13,766
Other Service Expenses	36,062	42,939
Support Services	(12)	49
Depreciation and Revaluation Adjustments	11,359	18,974
Interest Payments	1,030	1,041
Pensions	5,166	5,361
Precepts	1,759	2,012
Net Loss on Disposal of Fixed Assets	79	-
<b>Total Expenditure</b>	<b>68,622</b>	<b>84,142</b>
<b>Income</b>		
Fees, Charges and Other Service Income	(16,164)	(22,280)
Interest and Investment Income	(2,794)	(2,048)
Council Tax and NNDR	(13,811)	(15,407)
Pensions*	(4,767)	(5,142)
Government Grants and Contributions	(36,576)	(35,200)
Net Gain on Disposal of Fixed Assets	-	(343)
<b>Total Income</b>	<b>(74,112)</b>	<b>(80,420)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>(5,490)</b>	<b>3,722</b>

\*Pensions income 2023-24 includes an audit adjustment of £33k relating to 2022-23.

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Note 9: Adjustments between Accounting basis and Funding basis under Regulations**

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

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

**General Fund Balance**

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

**Capital Grants Unapplied**

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the funds, 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.



**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

2024-25	Usable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000
<b>Adjustments involving the Capital Adjustment Account</b>				
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets	18,974	-	-	(18,974)
Capital grants and contributions applied	(20,259)	-	353	19,906
Revenue expenditure funded from capital under statute	9,670			(9,670)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(61)	-	-	61
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment	(1,439)	-	-	1,439
Revenue contribution to finance capital	(3,137)	-	-	3,137
<b>Adjustments involving the Capital Receipts Reserve</b>				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(282)	641	-	(359)
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(87)	-	87
<b>Adjustments involving the Pensions Reserve</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	1,966	-	-	(1,966)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,756)	-	-	2,756
<b>Adjustments involving the Collection Fund Adjustment Account</b>				
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(505)	-	-	505
<b>Adjustment involving the Accumulated Absences Account</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	18	-	-	(18)
<b>Total Adjustments</b>	<b>2,189</b>	<b>554</b>	<b>353</b>	<b>(3,096)</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

2023-24 Comparative Figures	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments involving the Capital Adjustment Account</b>				
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets	11,359	-	-	(11,359)
Capital grants and contributions applied	(15,570)	-	(21)	15,591
Revenue expenditure funded from capital under statute	3,536	-	-	(3,536)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	310	-	-	(310)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment	(1,366)	-	-	1,366
Revenue contribution to finance capital	(189)	-	-	189
<b>Adjustments involving the Capital Receipts Reserve</b>				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(231)	244	-	(13)
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(1,048)	-	1,048
<b>Adjustments involving the Pensions Reserve</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,085	-	-	(2,085)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,664)	-	-	2,664
<b>Adjustments involving the Collection Fund Adjustment Account</b>				
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	1,498	-	-	(1,498)
<b>Adjustment involving the Accumulated Absences Account</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	37	-	-	(37)
<b>Total Adjustments</b>	<b>(1,195)</b>	<b>(804)</b>	<b>(21)</b>	<b>2,020</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Note 10: Other Operating Expenditure**

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Parish/Town Council Precepts	1,759	2,012
Gains/Losses on the disposal of non-current assets	79	(343)
<b>Total</b>	<b>1,838</b>	<b>1,669</b>

**Note 11: Financing and Investment Income and Expenditure**

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Interest payable and similar charges	1,030	1,041
Net interest on the net defined benefit liability/(asset)*	399	219
Interest receivable and similar income	(2,794)	(2,048)
<b>Total</b>	<b>(1,365)</b>	<b>(788)</b>

\* Net interest on the net defined benefit liability/(asset)\*2023-24 includes an audit adjustment of £33k relating to 2022-23.

**Note 12: Taxation and Non-Specific Grant Income and Expenditure**

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Council Tax income	(9,800)	(10,441)
Business Rates income and expenditure	(4,011)	(4,942)
New Homes Bonus	(240)	(285)
Revenue Support Grant	(151)	(160)
NNDR Levy redistribution	(24)	(24)
Other non-service related grants	(12,722)	(10,995)
<b>Total</b>	<b>(26,948)</b>	<b>(26,847)</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Note 13: Movements in Earmarked Reserves**

This note details the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from the earmarked reserves to meet General Fund expenditure in 2024-25.

<b>Earmarked Reserve</b>	<b>Balance at 1st April 2024 £000</b>	<b>Receipts in year £000</b>	<b>Payments in year £000</b>	<b>Transfers between reserves £000</b>	<b>Total movements in year £000</b>	<b>Balance at 31st March 2025 £000</b>
Future High Streets Fund – DRF for Capital Financing	2,955	-	(2,755)	-	(2,755)	200
General Risks	2,027	384	(142)	-	242	2,269
Innovation Fund	1,364	250	(74)	-	176	1,540
Capital Financing	1,115	-	(115)	-	(115)	1,000
Levelling Up Fund	944	-	(133)	-	(133)	811
Pension Fund Contribution	650	350	-	-	350	1,000
State of the Area Projects	390	159	-	-	159	549
Future High Streets Fund	261	-	(40)	-	(40)	221
Property Risk Reserve	212	98	(20)	-	78	290
District Local Development Framework	191	65	-	-	65	256
External Funding	2,311	304	(974)	(7)	(677)	1,634
Other Miscellaneous Reserves (below £150,000)	1,432	493	(543)	7	(43)	1,389
<b>Sub Total</b>	<b>13,852</b>	<b>2,103</b>	<b>(4,796)</b>	<b>-</b>	<b>(2,693)</b>	<b>11,159</b>
Business Rates Pool – Re-distribution Timing Reserve	1,796	67	-	-	67	1,863
Collection Fund (timing differences)	1,333	-	-	-	-	1,333
<b>Total Earmarked Reserves</b>	<b>16,981</b>	<b>2,170</b>	<b>(4,796)</b>	<b>-</b>	<b>(2,626)</b>	<b>14,355</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Note 14: Property Plant and Equipment (PPE)**

**Movements on Balances**

Movements in 2024-25:

	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000
<b>Cost or Gross Book Value at 1st April 2024</b>	<b>58,922</b>	<b>8,376</b>	<b>4,368</b>	<b>750</b>	<b>7,942</b>	<b>80,358</b>
Right of Use Assets recognised upon transition (IFRS16)	212	-	-	-	-	212
Additions and Enhancements	12,255	750	15	-	3,999	17,019
Revaluation movements recognised in the Revaluation Reserve	263	-	155	-	-	418
Revaluation movements recognised in the Surplus/Deficit on the Provision of Services	(14,576)	-	-	(34)	(2,435)	(17,045)
Disposals	(285)	(902)	-	-	-	(1,187)
Reclassifications	1,953	-	-	149	(2,102)	-
<b>Cost or Gross Book Value at 31st March 2025</b>	<b>58,744</b>	<b>8,224</b>	<b>4,538</b>	<b>865</b>	<b>7,404</b>	<b>79,775</b>
<b>Accumulated Depreciation at 1st April 2024</b>	<b>-</b>	<b>(5,879)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,879)</b>
Depreciation Charge	(1,121)	(740)	-	-	-	(1,861)
Reversal of Depreciation on Revaluation taken to the Revaluation Reserve	980	-	-	-	-	980
Reversal of Depreciation on Revaluation taken to the Surplus/Deficit on the Provision of Services	88	-	-	-	-	88
Disposals	-	888	-	-	-	888
<b>Accumulated Depreciation at 31st March 2025</b>	<b>(53)</b>	<b>(5,731)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,784)</b>
<b>Net Book Value at 31st March 2025</b>	<b>58,691</b>	<b>2,493</b>	<b>4,538</b>	<b>865</b>	<b>7,404</b>	<b>73,991</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

Right of Use (RoU) assets are included in Other Land and Buildings as part of the transition to IFRS16 2024-25 for which the corresponding lease liability is outlined in Note 42 Leases and Note 43 Other Long-term Liabilities.

The major Assets Under Construction at 31<sup>st</sup> March 2025 were:

- the Future High Streets Fund regeneration programme in Kidderminster of the Urban Park. This major capital scheme is under way and is currently anticipated to reach completion by December 2025.
- Brinton Park Heritage Lottery Fund development. This capital scheme is now under way in close liaison with the Heritage Lottery Fund.

The £2.435m reduction in the valuation of Assets Under Construction reflects the current estimated value of the Piano Building once the construction works are complete and the asset becomes operational.

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

Comparative Movements in 2023-24:

	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000
<b>Cost or Gross Book Value at 1st April 2023</b>	58,729	8,331	3,950	1,001	3,708	75,719
Additions and Enhancements	3,795	302	-	362	9,244	13,703
Revaluation movements recognised in the Revaluation Reserve	460	-	418	(1)	-	877
Revaluation movements recognised in the Surplus/Deficit on the Provision of Services	(3,738)	-	-	(612)	(5,010)	(9,360)
Disposals	(324)	(257)	-	-	-	(581)
Reclassifications	-	-	-	-	-	-
<b>Cost or Gross Book Value at 31st March 2024</b>	58,922	8,376	4,368	750	7,942	80,358
<b>Accumulated Depreciation at 1st April 2023</b>	-	(5,272)	-	-	-	(5,272)
Depreciation Charge	(1,132)	(852)	-	-	-	(1,984)
Reversal of Depreciation on Revaluation taken to the Revaluation Reserve	955	-	-	-	-	955
Reversal of Depreciation on Revaluation taken to the Surplus/Deficit on the Provision of Services	166	-	-	-	-	166
Disposals	11	245	-	-	-	256
<b>Accumulated Depreciation at 31st March 2024</b>	-	(5,879)	-	-	-	(5,879)
<b>Net Book Value at 31st March 2024</b>	<b>58,922</b>	<b>2,497</b>	<b>4,368</b>	<b>750</b>	<b>7,942</b>	<b>74,479</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

Depreciation Methods:

All non-current assets are depreciated on a straight-line basis over the period of their useful economic life (see section 1.17 of the Accounting Policies) as follows:

<b>Asset Category</b>	<b>Life</b>
Offices, Leisure & Recreation and Museum	1 - 62
Depot & Workshops	8 - 37
Vehicles, Plant & Machinery, Equipment and Lighting	1 - 10
ICT Systems	1 - 5

The number and type of major non-current assets are:

	<b>2023-24</b>	<b>2024-25</b>
<b>Land, Properties and Vehicles:</b>		
Assets Under Construction	7	6
Car Parks	20	19
Cemetery Sites	2	2
Civic & Administrative Buildings	2	2
Leisure Centres (Including leasehold interest in Bewdley Leisure Centre)	2	2
Museums	1	1
Nature Reserves	4	4
Other Land & Buildings	34	38
Public Conveniences	-	1
Sports & Social Clubs	2	2
Sports Fields & Parks	13	13
Trading Estates & Enterprise Centres	7	7
Vehicles	79	76



**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

The major items of capital expenditure in 2024-25 were:

<b>Scheme</b>	<b>£000</b>
Future High Streets Fund, Kidderminster	9,902
Levelling Up Fund	9,137
Disabled Facilities/Housing Grants	2,552
Castle Road Development	2,999
UK Shared Prosperity Fund Grants	1,047
Vehicle & Equipment Replacement Programme	367
ICT Strategy	552
Other Capital Schemes (below £50k)	328
<b>Total Capital Expenditure</b>	<b>26,884</b>

The Council's Capital Programme was financed as follows:

<b>Type of Financing</b>	<b>£000</b>
Grants	19,817
Prudential Borrowing	3,843
Direct Revenue Funding	3,137
Application of Capital Receipts	87
<b>Total Financing</b>	<b>26,884</b>

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At 31<sup>st</sup> March 2025 the following capital contracts had been entered into, with the following sums remaining to be paid.

<b>Description</b>	<b>£000</b>
Levelling Up Fund	3,049
Future High Streets Fund, Kidderminster	2,772
Disabled Facilities/Housing Grants	254
Castle Road Development (retention)	88
Vehicle & Equipment Replacement Programme	45
ICT Strategy	44

**Revaluations**

All of the Council's Land, Buildings, Community Assets and Surplus Assets have been revalued, ensuring the carrying value does not differ materially from the fair value. The current asset values used in the accounts are based on valuations provided by Avison Young, Independent Valuers. The valuations of assets carried at current value are analysed in the table below. This table does not include other items contained within the Council's Asset Register such as Vehicles, Plant and Equipment, Intangible Assets or Assets under Construction as these assets are carried at Depreciated Historical Cost and are not, therefore, subject to revaluation.

The fair value of surplus properties has been measured using a market approach, that takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market yields, the covenant strength for existing tenants, and data and market knowledge. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs is significant, leading to the properties being categorised as level 2 on the fair value hierarchy.

Valuations of non-current assets carried at current value (fair value if surplus):

	<b>Land and Buildings</b>	<b>Community Assets</b>	<b>Surplus Assets</b>	<b>Assets Held for Sale</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Historic Cost	159	-	-	-	159
2023-24	7	-	-	-	7
2024-25	58,525	4,538	865	750	64,678
<b>Total</b>	<b>58,691</b>	<b>4,538</b>	<b>865</b>	<b>750</b>	<b>64,844</b>

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**Note 15: Heritage Assets**

Reconciliation of the carrying value of heritage assets held by the Council, 2024-25.

	<b>Art Collection</b>	<b>Richard Eve Memorial and Museum Exhibits</b>	<b>Total Heritage Assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation at 1st April 2024</b>	<b>658</b>	<b>607</b>	<b>1,265</b>
Net Revaluation Increases/(Decreases)	-	15	15
<b>Net Book Value at 31st March 2025</b>	<b>658</b>	<b>622</b>	<b>1,280</b>

Comparative information for 2023-24:

	<b>Art Collection</b>	<b>Richard Eve Memorial and Museum Exhibits</b>	<b>Total Heritage Assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation at 1st April 2023</b>	<b>647</b>	<b>594</b>	<b>1,241</b>
Net Revaluation Increases/(Decreases)	11	13	24
<b>Net Book Value at 31st March 2024</b>	<b>658</b>	<b>607</b>	<b>1,265</b>

**Revaluations**

Heritage Assets are carried at their insurance values. A specialist valuation of the Richard Eve Memorial is carried out every two years; the last being by Robert Vaughan (Chartered Quantity Surveyor) as at 31<sup>st</sup> March 2025.

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**Note 16: Intangible Assets**

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets, including both purchased licenses and software, are given a finite useful life based on assessments of the period that they are expected to be of use.

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
<b>Balance at 1st April:</b>		
Gross Carrying Amount	2,115	2,141
Accumulated Amortisation	(1,527)	(1,707)
<b>Net Carrying Amount at 1st April</b>	<b>588</b>	<b>434</b>
Purchases	26	196
Amortisation for period	(180)	(155)
Reduction in gross values for assets no longer in use	-	(780)
Accumulated depreciation written off for assets no longer in use	-	780
<b>Net Carrying Amount at 31st March</b>	<b>434</b>	<b>475</b>
Comprising:		
Gross Carrying Amount	2,141	1,557
Accumulated Amortisation	(1,707)	(1,082)
<b>Net Carrying Amount at 31st March</b>	<b>434</b>	<b>475</b>

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**Note 17: Financial Instruments (Including Nature and Extent of Risks)**

**Categories of Financial Instruments**

	Non-Current		Current	
	2024 £000	2025 £000	2024 £000	2025 £000
<b>Financial Assets</b>				
<b>Investments</b>				
Fair Value through profit and loss				
Amortised Cost – Investments (Principal)	-	-	18,000	15,000
Amortised Cost – Investments (Accrued Interest)	-	-	248	195
Amortised Cost - Cash and cash equivalents			17,919	9,111
Amortised Cost - Cash and cash equivalents (Accrued Interest)			65	29
<b>Total Investments</b>	<b>-</b>	<b>-</b>	<b>36,232</b>	<b>24,335</b>
Amortised cost - Debtors	-	-	1,306	271
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>37,538</b>	<b>24,606</b>
<b>Financial liabilities</b>				
Amortised cost - Borrowing	(31,158)	(31,158)	(3,286)	(281)
Amortised Cost - Creditors	-	-	2,700	2,107
<b>Total Financial Liabilities</b>	<b>(31,158)</b>	<b>(31,158)</b>	<b>(586)</b>	<b>1,826</b>

Short-term debtors and creditors in the above table include only those balances which the Council considers are receivable under a contractual arrangement, as per the Code and will therefore differ from the figures in the Balance Sheet.

**Income, Expense, Gains and Losses**

The income and expenditure recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments valued at amortised cost comprise:

	2024 £000	2025 £000
Interest income	2,794	2,048
Interest expense	(1,030)	(1,041)
<b>Total</b>	<b>1,764</b>	<b>1,007</b>

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

There are no financial liabilities or financial assets carried on the balance sheet that are not measured at Fair Value (but for which Fair Value disclosures are required).

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
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The fair values of Financial Assets are as follows:

	2024		2025	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Cash and Cash Equivalents	17,984	17,984	9,140	9,140
Add back: Overdraft/(Cash at Bank)	(538)	(538)	316	316
Short-term Deposits	18,248	18,248	15,195	15,195
<b>Total Temporary Investments</b>	<b>35,694</b>	<b>35,694</b>	<b>24,651</b>	<b>24,651</b>

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

As at 31st March 2025 the Council held no financial assets for which Level 1 valuations will apply and £24.651m financial assets for which Level 2 valuations will apply. All the financial assets are valued at amortised cost.

As at 31st March 2025 the Council held £31.158m financial liabilities for which Level 2 valuations will apply. The financial liabilities are held with the Public Works Loan Board (PWLB) and Market lenders. All of these borrowings were not quoted on an active market and a Level 1 valuation is not available. To provide a fair value which provides a comparison to the carrying amount, we have used a financial model valuation provided by MUFG Corporate Markets (MUFG) (formerly Link Asset Services). This valuation applies the Net Present Value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date. This is a widely accepted valuation technique commonly used by the private sector. Our accounting policy uses both premature repayment rates and new borrowing rates to discount the future cash flows as detailed below:

- For PWLB loans payable, new loan rates from the PWLB have been applied to provide the fair value;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value.

The fair values of Financial Liabilities are as follows:

	2024		2025	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Market Debt	2,030	2,030	-	-
PWLB Loan – Maturity	32,164	22,804	31,158	20,488
<b>Total Borrowing</b>	<b>34,194</b>	<b>24,834</b>	<b>31,158</b>	<b>20,488</b>

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### **Notes to the Accounts**

The fair value of PWLB loans of £20.488m 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 prevailing market rates.

However, the Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. When interest rates rise significantly above the rates secured for its current loans, the Council could repay the loans to the PWLB who would offer a discount for early redemption. The exit price for the PWLB loans including the discount would be £22.737m at 31<sup>st</sup> March 2025. However, replacement debt would be more expensive to service.

#### **Nature and Extent of Risk Arising from Financial Instruments**

The Council's Treasury Management activities expose it to a variety of financial risks, including:

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

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

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

Risk management is carried out by a central treasury 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 compliance with the Annual Investment Strategy within the Treasury Management Strategy that is approved by Full Council each year and available on the Council website.

#### **Credit Risk Management Practices**

The credit criteria in respect of financial assets held by the Council are based on the creditworthiness service provided by MUFG. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies and a number of relevant overlays as detailed below:

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Notes to the Accounts

- credit watches and credit outlooks from credit rating agencies
- credit default swaps (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

The Council has determined that there is no significant credit risk to financial instruments since initial recognition. The historic risk of default at 31<sup>st</sup> March 2025 was 0.018% (0.012% at 31<sup>st</sup> March 2024), as provided by MUFG, therefore no adjustment has been made to the carrying value of the investments.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions cannot be assessed generally. The current TMSS limits this risk by limiting total investments with any financial institution or group to 25% or 50% for Government backed institutions and the Council's own bank (with specific approval by the Head of Resources and s151 Officer). The risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at 31<sup>st</sup> March 2025 that this was likely to crystallise.

#### Credit Risk Exposure

The risk of credit exposure from the Council's customers arises from the possibility that debts raised by the Council are not collected. The Council's standard credit terms are 14 days from invoice date for its trade debtors. The authority has the following exposure to credit risk at 31<sup>st</sup> March 2025. These are analysed by age as shown in the table below:

	<b>2024</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>
Less than three months	1,329	1,695
Three to six months	134	158
Six months to one year	214	105
More than one year	470	501
<b>Total</b>	<b>2,147</b>	<b>2,459</b>

The Council has an impairment allowance of £864k in place to mitigate against this risk (£706k in 2023-24).

#### Liquidity risk

The Council's liquidity position is managed through its risk management procedures above (the setting and approval of prudential indicators, non-treasury 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.



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The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets is as follows:

	<b>2024</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>
Less than one year	35,694	24,651
<b>Total</b>	<b>35,694</b>	<b>24,651</b>

However, the Council maintains a significant debt and investment portfolio and whilst the cash flow procedures above are considered by reference to the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature.

The approved treasury indicator limits for the maturity structure of debt and the limits on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council's approved treasury and investment strategies address the main risks and the treasury team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period being 100% and zero respectively:

	<b>2024</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>
Less than one year	3286	281
Between one and two years	-	1006
Between two and five years	4017	4021
Between five and ten years	5037	5032
Between ten and fifteen years	4029	4036
Between fifteen and twenty years	2016	1004
Between twenty and twenty-five years	-	-
Over twenty-five years	16059	16059
<b>Total</b>	<b>34,444</b>	<b>31,439</b>

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### Notes to the Accounts

#### Market risk

##### Interest rate risk

The Council is exposed to interest rate movements on its investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowing at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowing at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in other comprehensive income and expenditure.

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

According to this assessment strategy, at 31<sup>st</sup> March 2025, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£000
<b>Increase in interest receivable on variable rate investments</b>	<b>402</b>

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

#### 2. Price risk

The Council, excluding the pension fund administered by Worcestershire County Council, does not generally invest in equity shares or marketable bonds.

#### 3. Foreign Exchange Risk

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

#### 4. Transfers of Financial Assets

There have been no transfers of financial assets during the year.

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**Note 18: Debtors**

<b>Short-term Debtors</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Trade Receivables	1,306	271
Prepayments	581	552
Local Taxation including Major Precepting Authorities	6,077	6,135
Other Receivable Amounts	1,416	1,026
<b>Total</b>	<b>9,380</b>	<b>7,984</b>

**Note 19: Debtors for Local Taxation**

<b>Debtors for Local Taxation (memorandum - gross debtors)</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Council Tax:		
Current year	2,148	2,463
More than one year	4,259	4,357
NNDR:		
Current year	1,298	924
More than one year	1,295	991
<b>Total</b>	<b>9,000</b>	<b>8,735</b>

**Note 20: Cash and Cash Equivalents**

Cash and Cash Equivalents comprises:

	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Cash held by the Council	4	2
Bank current accounts	534	(318)
Short-term deposits with banks/building societies	17,446	9,456
<b>Total Balance at 31st March</b>	<b>17,984</b>	<b>9,140</b>

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**Note 21: Assets Held for Sale**

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Balance at 1st April	250	750
<b>Balance at 31st March</b>	<b>750</b>	<b>750</b>

Assets included in the Held for Sale category are those which were being actively marketed/have contracts for disposal agreed at the balance sheet date. It is the Council's intention to market the other surplus properties in due course.

**Note 22: Creditors**

<b>Short-term Creditors</b>	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Government Departments	4,091	4,109
Local Authorities	1,688	1,568
Sundry Creditors	2,646	2,227
Council Taxpayers (overpayments/receipts in advance)	158	177
Business Rates (overpayments/receipts in advance)	532	753
Receipts in Advance	2,438	2,800
Contractors and other Deposits	126	187
<b>Total</b>	<b>11,679</b>	<b>11,821</b>

<b>Creditors - Summary</b>	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Trade payables	2,700	2,107
Other payables	8,979	9,714
<b>Total</b>	<b>11,679</b>	<b>11,821</b>

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**Note 23: Provisions**

	1st April 2024	Provided in Year	Payments in Year	31st March 2025
	£000	£000	£000	£000
Business Rates Appeals	1,232	1,008	(1,127)	1,113
Other Miscellaneous	84	-	(84)	-
<b>Total</b>	<b>1,316</b>	<b>1,008</b>	<b>(1,211)</b>	<b>1,113</b>

The Collection Fund holds a provision for backdated revaluations arising from Business Rates Retention. The Council share is shown above.

**Note 24: Usable Reserves**

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

**Note 25: Unusable Reserves**

Summary of Unusable Reserves

	2023-24 £000	2024-25 £000
Revaluation Reserve	20,571	21,447
Capital Adjustment Account	16,088	12,252
Pensions Reserve	(8,449)	(4,082)
Collection Fund Adjustment Account	240	745
Accumulated Absences Account	(227)	(245)
<b>Total Unusable Reserves</b>	<b>28,223</b>	<b>30,117</b>

**Revaluation Reserve**

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

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

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

<b>Revaluation Reserve</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
<b>Balance at 1st April</b>	<b>18,747</b>	<b>20,571</b>
Revaluation Gains	4,142	2,754
Revaluation reductions written off against prior balances	(1,784)	(1,341)
(Surplus)/Deficit on revaluation of property, plant and equipment assets	2,358	1,413
Excess current value depreciation over historic cost depreciation	(266)	(252)
Balances written out following disposal	(268)	(285)
<b>Balance at 31st March</b>	<b>20,571</b>	<b>21,447</b>

**Capital Adjustment Account**

The Capital Adjustment Account reflects the timing difference between the cost of fixed assets consumed and the capital financing set aside to pay for them. The account also contains revaluation gains accumulated on property, plant and equipment before 1<sup>st</sup> April 2007, the date that the revaluation reserve was created to hold such gains.

<b>Capital Adjustment Account</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
<b>Balance at 1st April</b>	<b>12,578</b>	<b>16,088</b>
Capital receipts applied	1,048	87
Depreciation	(2,164)	(2,016)
Revaluation adjustments	(9,195)	(16,958)
Direct revenue financing	189	3,137
Appropriation of minimum revenue provision	1,366	1,439
Revenue expenditure funded from capital under statute	(3,536)	(9,670)
Disposal of non-current assets	(324)	(298)
Capital grants	15,592	19,906
Revaluation reserve	534	537
<b>Balance at 31st March</b>	<b>16,088</b>	<b>12,252</b>

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**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 Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve shows a shortfall in the benefits earned by past and current employees and the resources available to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

As a partner to Worcestershire Regulatory Services (WRS), the Council includes its share of the net position on the Pension Reserves.

<b>Pensions Reserve</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
<b>Balance at 1st April</b>	<b>(11,784)</b>	<b>(8,449)</b>
Remeasurements of the net defined benefit (liability and asset)	6,376	20,431
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement	(2,118)	(1,966)
Employer's pension contributions and direct payments to pensioners payable in year	2,664	2,756
Asset ceiling adjustment	(3,587)	(16,854)
<b>Balance at 31st March</b>	<b>(8,449)</b>	<b>(4,082)</b>

**Collection Fund Adjustment Account**

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

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<b>Collection Fund Adjustment Account</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
<b>Balance at 1st April</b>	<b>1,738</b>	<b>240</b>
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 calculated for the year in accordance with statutory requirements	(1,498)	505
<b>Balance at 31st March</b>	<b>240</b>	<b>745</b>

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

<b>Accumulated Absences Account</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
<b>Balance at 1st April</b>	<b>(190)</b>	<b>(227)</b>
Reversal of Opening Balance	190	227
Amounts accrued at the end of the current year	(227)	(245)
<b>Balance at 31st March</b>	<b>(227)</b>	<b>(245)</b>

**Note 26: Cash Flow Statement – Operating Activities**

The cash flows for operating activities include the following items:

<b>Cash Flow Statement - Operating Activities</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Interest received	(2,755)	(2,101)
Interest paid	870	861
<b>Net cash flows from operating activities</b>	<b>(1,885)</b>	<b>(1,240)</b>



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

<b>Cash Flow Statement - Operating Activities</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Depreciation	2,164	2,016
Downward revaluations	9,195	16,958
Increase/(decrease) in creditors	(804)	(465)
(Increase)/decrease in debtors	(2,590)	1,448
(Increase)/decrease in inventories	27	20
Movement in pension liability	(579)	(790)
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	324	298
Other non-cash items charged to the net surplus or deficit on the provision of services	423	(203)
<b>Total</b>	<b>8,160</b>	<b>19,282</b>

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

<b>Cash Flow Statement - Operating Activities</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Proceeds from short-term and long-term investments	8,010	3,031
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(240)	(641)
Any other items for which the cash effects are investing or financing cash flows	(15,575)	(20,170)
<b>Total</b>	<b>(7,805)</b>	<b>(17,780)</b>

**Note 27: Cash Flow Statement – Investment Activities**

<b>Cash Flow Statement - Investment Activities</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Purchase of property, plant and equipment, investment property and intangible assets	(13,729)	(17,303)
Purchase of short-term and long-term investments	(10)	(31)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	240	641
Other receipts from investing activities	12,158	12,572
<b>Net cash flows from investing activities</b>	<b>(1,341)</b>	<b>(4,121)</b>

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**Note 28: Cash Flow Statement – Financing Activities**

<b>Cash Flow Statement - Financing Activities</b>	<b>2023-24 £000</b>	<b>2024-25 £000</b>
Cash receipts of sort-term and long-term borrowing	10	32
Cash payments for the reduction of outstanding liabilities relating to leases	-	(51)
Repayments of short-term and long-term borrowing	-	(3,000)
Other payments for financing activities	(2,001)	516
<b>Net cash flows from financing activities</b>	<b>(1,991)</b>	<b>(2,503)</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
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**Note 29: Members' Allowances and Expenses**

Members' allowances and expenses paid during the year were £249,003 (£247,471 in 2023-24). Further information is provided on the Council's website.

**Note 30: Officers' Remuneration**

The following table details the full year remuneration of Senior Officers who serve on the Corporate Leadership team and whose full-time equivalent salary is more than £50,000 per year:

Position	Year	Salary (including fees & allowances)	Expenses Allowances	Total Remuneration excluding Pension Contributions	Pension Contributions	Total Remuneration including Pension Contributions
		£	£	£	£	£
Chief Executive (Head of Paid Service)	2024-25	131,236	244	131,480	25,591	157,071
	2023-24	128,035	761	128,796	24,967	153,763
Deputy Chief Executive: Regeneration and Commercial (from 1st July 2024)	2024-25	72,694	-	72,694	14,175	86,869
	2023-24	-	-	-	-	-
Head of North Worcestershire Economic Development and Regeneration (to 30th June 2024)	2024-25	19,261	-	19,261	3,756	23,017
	2023-24	77,044	-	77,044	15,024	92,068
Solicitor to the Council (Monitoring Officer)	2024-25	48,698	-	48,698	9,496	58,194
	2023-24	48,857	-	48,857	9,527	58,384
Head of Resources and S151 Officer	2024-25	78,255	-	78,255	15,260	93,515
	2023-24	74,583	-	74,583	14,544	89,127
Head of Strategic Growth	2024-25	73,096	36	73,132	14,254	87,386
	2023-24	70,557	68	70,625	13,759	84,384
Head of Community and Environment	2024-25	73,668	50	73,718	14,365	88,083
	2023-24	70,557	59	70,616	13,759	84,375
Head of Revenues, Benefits and Customer Services	2024-25	73,496	-	73,496	14,332	87,828
	2023-24	70,693	20	70,713	13,785	84,498

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
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A new post of Deputy Chief Executive: Regeneration and Commercial was created and filled from 1<sup>st</sup> July 2024. Prior to that date the Head of North Worcestershire Economic Development and Regeneration provided services for both the Council, Bromsgrove District Council and Redditch Borough Council. He was employed by the Council and 85% of his salary was funded by the Shared Service. Redditch and Bromsgrove Councils met 46% of the costs of the shared service. This arrangement ceased on 30<sup>th</sup> June 2024.

\*All mileage is reimbursed at 40p per mile which is below the HMRC approved rate of 45p per mile for cars and vans.

Other officers whose remuneration (excluding employer pension contributions) for the year exceeded £50,000:

<b>Total Remuneration (excluding employer's contributions)</b>	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
£50,000 - £54,999	5	2
£55,000 - £59,999	3	2
£60,000 - £64,999	-	1
£65,000 - £69,999	-	2

In addition to the above salaries, the Elections Returning Officer (Chief Executive) received £16,102 remuneration (includes pension contribution and mileage allowance), for his role in the Police and Crime Commission for West Mercia, Kidderminster Town Council and UK Parliamentary (General) Elections in May 2024, July 2024 and February 2025 respectively.

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

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (excluding WRS)	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
							£	£
£0 - £20,000	2	2	-	-	2	2	11,340	4,563
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £300,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>11,340</b>	<b>4,563</b>

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**Notes to the Accounts**

**Note 31: External Audit Costs**

The Council has incurred the following costs in relation to the audit of the Statement of Accounts provided by the Council's External Auditors:

<b>Fees payable to the Council's External Auditors</b>	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Fees payable relating to external audit services carried out by the appointed auditor	145	159
PSAA approved audit fee variation	-	16
<b>Total</b>	145	175

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
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**Note 32: Grant Income**

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

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Credited to Taxation and Non-Specific Grant Income:		
New Homes Bonus	240	285
Revenue Support Grant	151	160
Funding Guarantee	425	687
Services Grant	115	20
NNDR Levy Redistribution	24	24
Repayment of Covid 19 Grant to DLUHC	(11)	-
S31 Business Rates Relief Grant	3,305	3,699
<b>Subtotal</b>	<b>4,249</b>	<b>4,875</b>
WFDC Council Tax Income	9,800	10,441
Business Rates Retention	706	1,243
Capital Grants Applied	12,193	10,288
<b>Total Credited to Taxation and Non-Specific Grant Income</b>	<b>26,948</b>	<b>26,847</b>
Credited to Services:		
Housing Benefit Subsidy	19,898	19,990
Housing Benefit Admin	260	260
Other Grants:		
Chief Executive & Solicitor to the Council	67	20
Community and Environmental Services	200	192
Economic Development & Regeneration	893	1,190
Resources	8	114
Revenues, Benefits and Customer Services	629	357
Strategic Growth	3,971	3,142
<b>Total Grant Income Credited to Services</b>	<b>25,926</b>	<b>25,265</b>

Grant income credited to services in the above table includes government grants & contributions totalling £23.759m (these are included in Government Grants & Contributions in Note 8).

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

#### **Note 33: Related Party Transactions**

The Council is required to disclose material transactions with related parties. A related party is a body or individual that has the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows the reader to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

##### **Central Government**

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Significant grants received from Government Departments are set out in Note 32. Grant receipts outstanding at 31<sup>st</sup> March 2025 are included in Note 18.

##### **Members**

Members of the Council have a direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024-25 is shown in Note 29. The Council maintains a Register of Members' Interests in compliance with the Localism Act 2011, available for inspection on the Council's website.

Members sit on several other outside bodies where transactions of less than £10k were made in 2024-25 to:

- District Councils' Network
- Age UK, Bromsgrove, Redditch and Wyre Forest
- Wolverley & Cookley Parish Council
- Elizabeth Mills Day Centre
- Rock Parish Council
- Bewdley Town Council
- Needs More Robots

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Notes to the Accounts

Major transactions over £10k for 2024-25 where Councillors or Officers were also members of outside bodies are shown in the table below:

	Total Income 2024-25 £000	Total Expenditure 2024-25 £000	Income due at 31/03/2025 £000	Expenditure due at 31/03/2025 £000
<b>Other Public Bodies</b>				
Worcestershire County Council	3,627	917	2	57
Kidderminster Town Council	197	3	-	-
Stourport Town Council	13	10	4	-
<b>Other Bodies</b>				
Wyre Forest Citizens Advice Bureau	-	265	-	-
The Herbery	-	15	-	-
Stourport Sports Club	16	16	-	-
Local Government Association	-	-	-	-
Wyre Forest Nightstop & Mediation	-	22	-	-
H.E.L.P.	-	10	-	-
West Mercia PCC	19	38	-	-

### Officers

The Community and Strategic Projects Manager and the Community and Environment Strategic Manager were board Members of Stourport Sports Club Limited during 2024-25.

### Operations Jointly Controlled by the Council

The Council works in partnership with various Councils/Organisations on a number of services, either as host itself or where the service is hosted by another Council and full details of these arrangements are shown in note 1.14 in the Accounting Policies. The tables below set out the movements in 2024-25.

### Services Hosted by WFDC

Service	Council	Value of Service in 2024-25 £000	Payment due from WFDC at 31/03/2025 £000	Receipt due to WFDC at 31/03/2025 £000
North Worcestershire Economic Development and Regeneration	Redditch Borough Council	61	-	-
	Bromsgrove District Council	37	-	-
North Worcestershire Water Management	Redditch Borough Council	72	-	18
	Bromsgrove District Council	108	-	27
North Worcestershire Civil Contingencies and Resilience	Redditch Borough Council	2	-	1
	Bromsgrove District Council	2	-	1



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**Services Hosted by Other Councils**

Service	Host Council	Value of Service in 2024-25 £000	Payment due from WFDC at 31/03/2025 £000	Receipt due to WFDC at 31/03/2025 £000
Worcestershire Regulatory Services	Bromsgrove District Council	628	-	-
North Worcestershire Building Control	Bromsgrove District Council	188	-	-
Payroll	Redditch Borough Council	60	60	-
Car Park Administration Service	Wychavon District Council	75	-	-

Officers employed by other Councils where services are shared are jointly funded by this Council.

**Note 34: Capital Expenditure and Capital Financing**

	2023-24 £000	2024-25 £000
Opening Capital Financing Requirement	41,194	40,264
Right of Use Assets included upon transition Lease Liabilities (IFRS16)	-	212
	<b>41,194</b>	<b>40,476</b>
Operational assets	4,123	13,216
Non-operational asset	9,606	3,999
Revenue expenditure funded from capital under statute	3,536	9,670
Capital receipts	(1,048)	(87)
Government grants and other contributions	(15,592)	(19,817)
Sums set aside from revenue	(1,555)	(4,525)
Sums set aside from revenue Lease Liabilities (IFRS16)	-	(51)
<b>Closing Capital Financing Requirement</b>	<b>40,264</b>	<b>42,881</b>
Explanation of movements in the year:		
Increase in underlying requirement to borrow (unsupported by Government financial assistance)	(930)	2,617
<b>Increase in Capital Financing Requirement</b>	<b>(930)</b>	<b>2,617</b>

**Note 35: Defined Benefit Pension Schemes**

**Participation in Pension Schemes**

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

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Accounts**

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

Discretionary post-retirement benefits upon early retirement are an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. There are no assets within the pension plan built up to meet these pension liabilities. Where applicable, the obligation relating to unfunded benefits of £421k is reflected in the Wyre Forest District Council columns within this disclosure note.

Worcestershire Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pension Committee of Worcestershire County Council. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes, structural changes (e.g. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts as described in the accounting policy notes.

#### **Transactions Relating to Post-Employment Benefits**

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

The Council is a partner in Worcestershire Regulatory Services (WRS), governed by the Joint Committee. Staff were transferred to the host authority – Bromsgrove District Council on a fully funded basis. The shared service was admitted to the pensions fund as a 'ghost body'; as such any liability or surplus that accrues is the responsibility of the partners of the shared service. The Council's share of the overall deficit as defined by the partnership legal agreement is currently 15.24% (15.08% in 2023-24) and this is reflected in the note below:

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	WFDC		Share of WRS	
	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000
<b>Comprehensive Income and Expenditure Statement</b>				
<b>Cost of Services</b>				
Service cost comprising:				
Current Service Cost*	1,621	1,639	65	70
Administration expenses	-	38	-	0
<b>Financing and Investment Income and Expenditure</b>				
Net interest expense	435	(228)	(3)	9
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>2,056</b>	<b>1,449</b>	<b>62</b>	<b>79</b>
<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>				
Remeasurement of the net defined liability comprising:				
Return on plan assets (excluding the amount included in net interest expense)	(5,519)	(3,094)	(68)	(136)
Actuarial (gains) and losses arising on changes in actuary assumptions	(679)	(16,499)	(109)	(701)
<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>(4,142)</b>	<b>(18,144)</b>	<b>(115)</b>	<b>(758)</b>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(525)	(758)	(21)	(32)
<b>Actual amount charged against the General Fund Balance for pensions in the year</b>				
Employers' contributions payable to scheme	2,141	2,242	83	93
Discretionary retirement benefits payable to pensioners	440	421	-	0

\*In 2023-24 Current Service Costs includes an allowance for administration expenses of 0.4% of payroll.

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

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

	WFDC		Share of WRS	
	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000
Present value of defined benefit obligation	108,798	94,808	4,202	3,709
Fair value of plan assets	(103,755)	(103,927)	(4,383)	(4,489)
IFRIC14 (Asset Ceiling) Adjustment	3,351	16,027	236	827
<b>Net liability/(Surplus) arising from defined benefit obligation</b>	<b>8,394</b>	<b>6,908</b>	<b>55</b>	<b>47</b>

**Asset Ceiling (IFRIC14 adjustment)**

Wyre Forest District Council defined benefit scheme was in deficit at the last valuation. Employers with a funding deficit at the last valuation pay secondary contributions to make good the deficit. It is possible that these secondary contributions, once paid, lead to a future accounting surplus that will not be recognised due to the IFRIC14 (asset ceiling) adjustment. This is known as an onerous funding commitment. The recovery period (funding horizon) is based on 12 years and the additional liability of £16.0271m is recognised on the balance sheet.

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Following the pensions valuation (effective from 1<sup>st</sup> April 2023) for WRS by the actuary, Hymans Robertson LLP, the host authority, Bromsgrove District Council, determined that the fair value of its pension plan assets outweighed the present value of the plan obligations resulting in a pension plan asset for the first time. IAS19 Employee Benefits required that, when a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan
- The asset ceiling

The asset ceiling is a specified estimate of the present value of any economic benefit which the employer can realise, either through refunds or by gaining economic benefit through reductions in future contributions. The actuary calculated the asset ceiling as the net present value of the future service costs less net present value of future contributions.

The host authority has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

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

	WFDC		Share of WRS	
	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000
Opening fair value of scheme assets	95,669	103,755	4,133	4,147
Interest income	4,536	4,928	198	214
Remeasurement gain/(loss) - return on plan assets, excluding amount included in net expense	5,519	(3,094)	68	(136)
Contributions from employer	2,581	2,663	83	93
Contributions from employees into scheme	584	607	26	35
Benefits Paid	(5,134)	(4,931)	(125)	(146)
<b>Closing fair value of scheme assets</b>	<b>103,755</b>	<b>103,928</b>	<b>4,383</b>	<b>4,207</b>
Asset Ceiling adjustment	(3,351)	(16,027)	(236)	(827)
<b>Closing fair value of scheme assets (Adjusted)</b>	<b>100,404</b>	<b>87,901</b>	<b>4,147</b>	<b>3,380</b>

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

	WFDC		Share of WRS	
	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000
Opening balance at 1st April	107,435	108,798	4,151	4,202
Current service cost	1,621	1,677	65	70
Interest cost	4,971	5,156	195	205
Contributions from scheme participants	584	607	26	35
Remeasurement (gains)/losses				
Actuarial (gains)/losses arising from:				
Experience (gains)/losses	1,146	(1,493)	32	(33)
Changes in financial assumptions	51	(14,816)	(77)	(661)
Demographic assumptions	(1,876)	(190)	(65)	(7)
Past service costs/curtailments	-	-	-	-
Benefits paid	(5,134)	(4,931)	(125)	(146)
<b>Closing balance at 31st March</b>	<b>108,798</b>	<b>94,808</b>	<b>4,202</b>	<b>3,665</b>

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**Local Government Pension Scheme assets comprised:**

	WFDC		Share of WRS	
	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000
Cash and Cash Equivalents	1,709	1,623	75	74
Investment Funds and Unity Trusts:				
Equities	57,296	56,577	1,522	1,524
Bonds	3,271	3,305	1,046	695
Infrastructure	17,446	18,708	609	610
Other	1,885	2,116	579	400
Subtotal Investment Funds and Unity Trust	79,898	80,706	3,756	3,229
Property:				
UK	5,707	5,823	187	199
Overseas	2,413	2,543	92	84
Subtotal Property	8,120	8,366	279	283
Equity Securities	11,134	10,693	272	296
UK Government Debt Securities	2,849	2,250		605
Private Equity	45	284	1	1
Derivatives		5		0
<b>Total Assets</b>	<b>103,755</b>	<b>103,927</b>	<b>4,383</b>	<b>3,586</b>

Note: Total Assets held is presented gross before the IFRIC14 asset ceiling adjustment

**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 including life expectancy and salary levels etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme effective from 1<sup>st</sup> April 2023.

The significant assumptions used by the actuary have been:

	WFDC		Share of WRS	
	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000
<b>Long term expected rate of return on assets in the scheme</b>				
<b>Life expectancy</b>				
Longevity at 65 of current pensioners				
Male	21.3 yrs	21.2 yrs	21.3 yrs	21.2 yrs
Female	23.6 yrs	23.6 yrs	23.6 yrs	23.6 yrs
Longevity at 65 of future pensioners				
Male	22.6 yrs	22.5 yrs	22.6 yrs	22.5 yrs
Female	25.5 yrs	25.4 yrs	25.5 yrs	25.4 yrs
<b>Financial assumptions</b>				
Pension Increase/Revaluation Rate (CPI)	2.80%	2.80%	2.75%	2.75%
Rate of increase in salaries	4.30%	4.30%	4.25%	4.25%
Discount rate on liabilities	4.80%	4.80%	4.85%	4.80%

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Notes to the Accounts

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Impact on the Defined Benefit Obligation in the Scheme	Approximate increase in assumptions 2024-25			
	WFDC		Share of WRS	
	£000	%	£000	%
0.1% decrease in real discount rate	1,388	1%	447	2%
1 year increase in member life expectancy	3,792	4%	973	4%
0.1% increase in salary increase rate	42	0%	39	0%
0.1% increase in the pension increase/revaluation rate (CPI)	1,383	1%	419	2%

### Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 12 years from the last pension valuation on 31<sup>st</sup> March 2022, to give a fully funded position by 31<sup>st</sup> March 2035. Funding levels are monitored on an annual basis.

The scheme takes into account 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 certain benefits in relation to service after 31<sup>st</sup> March 2014. The Act provides for scheme regulations within a common framework that result in career average revalued earnings schemes to pay pensions and other benefits.

The weighted average duration of the defined benefit obligation for scheme members is 15 years. For Worcestershire Regulatory Services the weighted average duration is 18 years.

### Note 36: Contingent Liabilities

The Council continues to have a contingent liability in respect of the potential level of exposure to future claims relating to its liability from Municipal Mutual (MMI), its former insurers. There is a contingent liability for payment of future claims that may come forward.

### Note 37: Trust Funds

Wyre Forest District Council acts as trustee of the Bewdley Museum Trust (charity number 527511).

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Note 38: Interests in Companies and Other Entities**

The Council does not have any material interests in another entity that has the nature of subsidiaries, associates or joint ventures that require it to prepare group accounts in 2024-25.

**Note 39: Events after the Balance Sheet Reporting Period**

The Head of Resources and s151 Officer confirms that there were no non-adjusting Post Balance Sheet Events (PBSE) identified at 20<sup>th</sup> June 2025, the date that the pre-audit Statement of Accounts 2024-25 was approved.

**Note 40: Going Concern Disclosure**

The Statement of Accounts is prepared on a going concern basis, on the assumption that it will continue in existence into the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to significantly curtail the scale of operations. The CIPFA Code (paragraph 2.1.2.9) confirms that local authority accounts must be prepared on a going concern basis.

Our balances at 31<sup>st</sup> March 2025 compared to prior years are as follows:

	<b>General Reserves including £1.80m Working Balance (£1.76m Working Balance at 31/03/24)</b>	<b>Earmarked Reserves Note 13</b>	<b>Total General Fund Balance Note 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 31st March 2024	5,676	16,981	22,657
<b>Balance at 31st March 2025</b>	<b>6,769</b>	<b>14,355</b>	<b>21,124</b>

Worst case scenario planning has been undertaken and the Head of Resources and s151 Officer has concluded that the Council has sufficient headroom, (including e.g. access to borrowing, General Fund reserve, cashflow and remaining government grant funding) over the next 12 months to manage the financial position – therefore management consider that the adoption of the going concern basis remains appropriate.

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

**Note 41: Capital Grants Receipts in Advance**

The Council holds the following capital grants receipts in advance at 31<sup>st</sup> March:

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Levelling Up Fund	3,734	1,891
Future High Streets Fund	7,006	-
Defra Food Waste Grant	-	1,371
UK Shared Prosperity Fund	120	
Other	8	8
<b>Balance at 31st March</b>	<b>10,868</b>	<b>3,270</b>

Any capital grants or contributions that have been received, but not applied to finance capital expenditure, that have conditions attached, are classified as Capital Grants Receipts in Advance. The various capital schemes for which these balances are held at 31<sup>st</sup> March are detailed above. The schemes are currently in progress and the funding will be applied in future years or returned to the grantor if the conditions are not met.

**Note 42: Leases**

The Council adopted IFRS16 from 1 April 2024, to recognise all right of use assets. Under this reporting standard some leases where the Council acts as lessee will be brought onto the balance sheet. Lessor accounting is effectively unchanged. Right of Use (RoU) assets and lease liabilities will have been calculated as if IFRS16 had always applied but recognised in 2024-25, and not by adjusting prior year figures.

**Council as Lessee**

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising any leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), any RoU asset identified along with a corresponding lease liability are now brought onto the balance sheet at 1<sup>st</sup> April 2024. Leases for items of low value and leases that expire on or before 31<sup>st</sup> March 2025 are exempt from the new arrangements.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS16, the Council recognises RoU assets and lease liabilities where required.

The Council has elected not to recognise RoU assets for leases of low value assets and lease liabilities for short-term leases that have a term of 12 months or less. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

<b>Right of Use Assets</b>	<b>Land and Buildings £000</b>
<b>Value at 1st April 2024 (recognised upon transition IFRS16)</b>	<b>212</b>
Depreciation charged in year	(53)
<b>Value at 31st March 2025</b>	<b>159</b>

<b>Transactions under Leases</b>	<b>Land and Buildings 2024-25 £000</b>
Interest expense on lease liability	6
Expense relating to short-term leases	51
Expense relating to exempt leases of low value items	77
Income from subletting RoU Assets	(4)
<b>Cashflow Statement</b>	
Minimum lease payments	53

	<b>2024-25 £000</b>
RoU assets liabilities (net present value of minimum lease payments) - current	55
RoU assets liabilities (net present value of minimum lease payments) - non-current	17
Finance costs payable in future years	5
<b>Total</b>	<b>77</b>

The minimum lease payments will be payable over the following periods:

	<b>2024-25 £000</b>
Less than one year	58
One to five years	19
<b>Total</b>	<b>77</b>

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**  
**Notes to the Accounts**

The disclosures below relate to low value (below £10k assets) and leases that have less than 12 months to run that fall outside the scope of IFRS16. The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was as follows:

	<b>2024-25</b>
	<b>£000</b>
Minimum lease payments	77
<b>Total</b>	<b>77</b>

**Council as Lessor**

Under IFRS16, lessor accounting is effectively unchanged.

Operating Leases - The Council leases out property under operating leases primarily in relation to property and industrial estates.

**Note 43: Other Long-term Liabilities**

Other long-term liabilities are amounts which must be paid back at some time after the next financial year or are amounts to be paid off over a period in yearly instalments. The Balance Sheet reflects the amortised values (see also Note 35).

	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Liability related to defined benefit pension scheme	8,449	4,082
Liability under IFRS16 (Property)	-	17
<b>Balance at 31st March</b>	<b>8,449</b>	<b>4,099</b>

# Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

## The Collection Fund Account

This statement shows the transactions of the billing authority in relation to the collection of council tax and non-domestic rates from local taxpayers and its subsequent distribution to local authorities and the Government. There is no requirement for a separate Collection Fund Balance Sheet since the assets and liabilities arising from collecting non-domestic rates and council tax belong to the bodies concerned (i.e. major preceptors, the billing authority and the Government). The Council's share of council tax and business rates is reflected in the Comprehensive Income and Expenditure Statement on an accruals basis in line with the Code. The adjustment between the statutory credit to the General Fund and the accrued income is made through the Movement in Reserves Statement and the Collection Fund adjustment Account.

2023-24 Business Rates £000	2023-24 Council Tax £000	2023-24 Total £000		2024-25 Business Rates £000	2024-25 Council Tax £000	2024-25 Total £000
<b>Income</b>						
-	(72,454)	(72,454)	Council Tax Receivable	-	(77,248)	(77,248)
(27,103)	-	(27,103)	Business Rates Receivable	(27,609)	-	(27,609)
(1,902)	-	(1,902)	Appeals settled against Provision	(2,819)	-	(2,819)
<b>(29,005)</b>	<b>(72,454)</b>	<b>(101,459)</b>	<b>Total Income</b>	<b>(30,428)</b>	<b>(77,248)</b>	<b>(107,676)</b>
<b>Expenditure</b>						
<b>Precepts, Demands and Shares:</b>						
14,195	-	14,195	Central Government	13,232	-	13,232
2,555	50,917	53,472	Worcestershire County Council	2,382	53,196	55,578
284	3,279	3,563	Hereford and Worcester Fire Authority	265	3,360	3,625
-	9,191	9,191	Office of the Police and Crime Commissioner for West Mercia	-	9,592	9,592
11,355	8,205	19,560	Wyre Forest District Council	10,585	8,390	18,975
-	1,759	1,759	Parish/Town Councils	-	2,012	2,012
<b>Charges to the Collection Fund:</b>						
733	319	1,052	Write Offs and Increase in Allowance for Impairment	143	412	555
3,081	-	3,081	Increase/(Decrease) in Provision for Appeals	2,520	-	2,520
132	-	132	Cost of Collection Allowance	132	-	132
4	-	4	Disregarded Amounts	4	-	4
<b>32,339</b>	<b>73,670</b>	<b>106,009</b>	<b>Total Expenditure</b>	<b>29,263</b>	<b>76,962</b>	<b>106,225</b>
3,334	1,216	4,550	<b>(Surplus)/Deficit for the Year</b>	(1,165)	(286)	(1,451)
(4,531)	543	(3,988)	<b>(Surplus)/Deficit at 1st April</b>	(1,197)	1,759	562
<b>(1,197)</b>	<b>1,759</b>	<b>562</b>	<b>(Surplus)/Deficit at 31st March</b>	<b>(2,362)</b>	<b>1,473</b>	<b>(889)</b>
<b>Allocation of (Surplus)/Deficit:</b>						
(598)	-	(598)	Central Government	(1,181)	-	(1,181)
(108)	1,222	1,114	Worcestershire County Council	(212)	1,023	811
(12)	78	66	Hereford and Worcester Fire Authority	(24)	65	41
-	220	220	Office of the Police and Crime Commissioner for West Mercia	-	185	185
(479)	239	(240)	Wyre Forest District Council	(945)	200	(745)
<b>(1,197)</b>	<b>1,759</b>	<b>562</b>		<b>(2,362)</b>	<b>1,473</b>	<b>(889)</b>

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Notes to the Collection Fund Account**

#### **Note 1: General**

The Collection Fund Statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (NNDR) and its distribution to local government bodies and the Government. The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Business Rates. The administrative costs associated with the collection process are charged to the General Fund. Collection Fund surpluses declared by the billing authority in relation to Council Tax are apportioned to the relevant major precepting bodies in the subsequent financial year. Deficits, likewise, are proportionately charged to the relevant major precepting bodies in the following year. For Wyre Forest, the Council Tax major precepting bodies are Worcestershire County Council (WCC), the Office of the Police and Crime Commissioner for West Mercia (PCC) and the Hereford and Worcester Fire Authority (H&WFA).

Business Rates surpluses or deficits declared by the billing authority in relation to the Collection Fund are apportioned in the subsequent financial year in their respective proportions. To help mitigate the risk of fluctuations in Business Rates income, Wyre Forest District Council (WFDC) was a member of the Herefordshire and Worcestershire Business Rates Pool (HWBRP) with WCC being the lead authority. Separate accounts are maintained that form part of the WCC Accounts and are not reflected in the WFDC Collection Fund Accounts.

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

#### **Note 2: National Non-Domestic Rates (NNDR) (Business Rates Retention)**

The Council collects National Non-Domestic Rates (NNDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) and multipliers set by central government. The Business Rates Retention Scheme, introduced in 2013-14, aims to give councils a greater incentive to grow businesses but it also increases financial risk to councils due to volatility and non-collection of rates. Local authorities retain a proportion of the total collectable rates due.

The business rates shares payable for 2024-25 were estimated before the start of the financial year as £13.720m to Central Government (£12.884m in 2023-24), £2.470m to WCC (£2.319m in 2023-24), £0.274m to H&WFA (£0.258m in 2023-24) and £10.976m to WFDC (£10.308m in 2023-24). These sums have been paid in 2024-25 and charged to the collection fund in year. WFDC draft share of the Pool retained levy for 2024-25 was £306k, although this is an estimated figure and is subject to the remaining district councils submitting their year-end information to WCC.

In addition to the local management of business rates, local authorities finance appeals made in respect of rateable values as set by the Valuation Office Agency (VOA) and are required to make a provision for these amounts. Appeals are charged and provided for in proportion to the precepting shares. The source data is primarily the hereditaments on our local list, the list of cases in the Check, Challenge, Appeal process, commentary and analysis in professional journals and local experience.

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

The Non-Domestic rateable value of the Council's area at 31<sup>st</sup> March 2025 was £73,201,531 (31<sup>st</sup> March 2024 - £73,798,656), based upon the 2017 rating list and £79,993,291 (31<sup>st</sup> March 2024 - £80,811,396), based upon the 2023 rating list. The standard national multiplier for 2024-25 was 54.6p (51.2p in 2023-24) and 49.9p for qualifying Small Businesses (49.9p in 2023-24).

The net income from business rate payers collected in 2024-25 was £30.428m; an increase on the sum collected in 2023-24 (£29.005m). The Council has been compensated for the loss in income resulting from the granting of retail, hospitality and leisure relief to eligible businesses via grant received from MHCLG.

### Note 3: Council Tax

Council Tax is charged on residential properties based upon valuation bandings established when the system was introduced in 1993. Individual charges are based on estimates of the income required from the Collection Fund by this Council, WCC, PCC, H&WFA and Town/Parish Councils within Wyre Forest for the forthcoming year and dividing this by the Council Tax base. The basic amount of Council Tax for a band D property (excluding Town & Parish Councils), £2,156.93 for 2024-25 (£2,060.89 in 2023-24) is multiplied by the proportion specified for the particular band to give an individual amount due. Council Tax written off in the year amounted to £361,105 (£258,465 in 2023-24).

The Council taxbase, is based upon the number of dwellings in each valuation band on the listing produced by the Valuation Office Listing Officer. This is adjusted for exemptions, discounts, disabled banding changes and appeals. The taxbase estimate for 2024-25 was 34,902 (34,738 in 2023-24).

Valuation Band	Number of Dwellings per Valuation List	Adjustment, Disabled Banding Appeals, Discounts & Exemptions	Full Charge Equivalent	Ratio to Band D Charge	Band D Equivalent
Band A	11,725	4,663.53	7,061.47	6/9	4,707.64
Band B	11,833	2,713.17	9,119.83	7/9	7,093.21
Band C	11,820	1,685.33	10,134.67	8/9	9,008.60
Band D	6,398	574.53	5,823.47	1	5,823.47
Band E	3,538	230.57	3,307.43	11/9	4,042.42
Band F	1,794	92.23	1,701.77	13/9	2,458.11
Band G	1,273	49.34	1,223.66	15/9	2,039.43
Band H	134	3.58	130.42	2	260.84
Total	48,515	10,012.28	38,502.72		35,433.72
Less allowance for non-collection					-531.72
<b>District Tax Base</b>					<b>34,902</b>

Income from Council Tax in 2024-25 was £77.248m (£72.454m in 2023-24).

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### Note 4: Collection Fund Surpluses and Deficits

The Council Tax deficit of £1.473m at 31<sup>st</sup> March 2025 will be recovered in subsequent financial years from this Council, WCC, PCC and H&WFA in proportion to the value of the respective precepts and demands made by the four Authorities on the Collection Fund.

The Business Rates surplus of £2.362m at 31<sup>st</sup> March 2025 will be adjusted accordingly in subsequent financial years between this Council, Central Government, WCC and H&WFA in proportion to the value of the respective shares of the Business Rates Retention Scheme.

### Note 5: Significant Precepts/Demands on the Collection Fund

The significant precepts and demands on the Collection Fund in 2024-25, excluding surplus/deficits, are as follows:

	Council Tax £000	NNDR £000
Worcestershire County Council	53,711	2,470
Office of the Police and Crime Commissioner for West Mercia	9,685	-
Hereford and Worcester Fire Authority	3,393	274
Wyre Forest District Council	10,503	10,976
<i>of which Town &amp; Parish Council Tax demands</i>	<i>2,012</i>	<i>-</i>
Central Government	-	13,720

### Note 6: Allowance for Impairment

The Collection Fund account provides for bad debts on arrears on the basis of prior years' experience and current collection rates.

2023-24			2024-25	
Council Tax £000	NNDR £000		Council Tax £000	NNDR £000
974	1,113	Allowance for impairment at 1st April	1,035	1,618
(258)	(133)	Past years write offs	(361)	(367)
319	638	Increase in year	411	88
<b>1,035</b>	<b>1,618</b>	<b>Allowance for impairment at 31st March</b>	<b>1,085</b>	<b>1,339</b>

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

The Wyre Forest District Council share is as follows:

2023-24			2024-25	
Council Tax £000	NNDR £000		Council Tax £000	NNDR £000
141	647		148	536
		Wyre Forest District Council share of allowance for impairment at 31st March		

### Note 7: Provision for NNDR Appeals

The Collection Fund account provides for NNDR appeals against the rateable value set by the VOA not settled at 31<sup>st</sup> March 2025.

	2023-24 £000	2024-25 £000
Provision for appeals at 1st April	1,902	3,081
Appeals settled/withdrawn in year	(1,902)	(2,819)
Increase/(reduction) in provision	3,081	2,520
<b>Provision for appeals at 31st March</b>	<b>3,081</b>	<b>2,782</b>

The Wyre Forest District Council share is as follows:

	2023-24 £000	2024-25 £000
<b>Wyre Forest District Council share of provision for appeals at 31st March</b>	<b>1,232</b>	<b>1,113</b>

## Glossary Of Financial Terms

### Accounting Policies

The policies and concepts used in the preparation of the accounts.

### Accruals

Income and expenditure are shown in the accounts in the period they are earned or incurred, not as money is received or paid. All entries shown are therefore in respect of the financial year to which the set of accounts relate.

### Actuary

An expert on pension scheme assets and liabilities.

### Amortised Cost

A charge to the Comprehensive Income and Expenditure Statement (CIES) that spreads the cost of an intangible asset over a number of years in line with the council's accounting policies.

### Asset

Any resource the council owns – for example a building or a vehicle and also cash or money owed.

### Asset Register

Each local authority is required to compile a register of all its capital assets (examples include premises, vehicles, equipment and computer systems). Each asset must be professionally valued, generally at replacement cost, at least every five years. Capital charges for the use of assets are calculated on the values contained in the asset register.

### Audit Opinion

The auditor's opinion on whether the council's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

### Balance Sheet

A year-end statement prepared by all public and private sector organisations, which shows the net assets controlled by the organisation and how these have been funded. The balance sheet is known as the statement of financial position under International Financial Reporting Standards (IFRS).

### Budget

A statement detailing the council's financial policy over a specified period of time.

### Capital Adjustment Account

This reflects the timing difference between the cost of fixed assets consumed and the capital financing set aside to pay for them.

### Capital Expenditure

Expenditure on acquisition, construction or improvement of assets (property, plant and equipment) which have a value to the authority for more than one year e.g. land and buildings.

### Capital Programme

The authority's plan of capital expenditure on capital schemes/projects for current and future financial years, including details on the funding of the programme.

### Capital Receipts

Income from the sale of capital assets, such as land or buildings, which may also be available to finance other items of capital (but not revenue) expenditure.



**Code of Practice on Local Authority Accounting (the Code)**

The code is the framework for preparing and publishing local authority statutory accounts based on accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC), modified to reflect specific statutory requirements.

**Comprehensive Income and Expenditure Statement**

A statement of the council's net revenue costs in the year and how this cost was financed by government grant and taxpayers.

**Contingent Liability**

A possible or present obligation which is difficult to quantify, or which may not come to pass (a liability which cannot be reasonably estimated and may or may not be incurred depending on the outcome of a future event).

**Council Tax**

A tax collected by the district council which is payable at the same rate by each household in the same valuation band in the area. There are eight council tax bands and how much each household pays depends upon the value of the homes. The majority of council tax income is distributed to precepting authorities (the County Council, the police and fire authorities) and also to parish and town councils.

**Council Taxbase**

The council taxbase of an area is equal to the number of band D equivalent properties. To calculate this, the council counts the number of properties in each band and works out an equivalent number of band d properties. For example, one band H property is equivalent to two band D properties, attracting twice as much tax.

**Council Tax Discounts and Exemptions**

Discounts are available to people who live alone or have a severe mental impairment. Council tax is not charged for certain properties, known as exempt properties, such as those lived in only by students.

**Council Tax Reduction Scheme**

A locally determined scheme which sets the system to calculate amounts deducted from the bills of working age council tax payers. The scheme sets the maximum discount that can be given, so there is a minimum percentage of the council tax bill that all taxpayers must pay; currently 10%.

**Counterparty Report**

List of approved financial institutions the council can invest surplus funds with. This is based on credit ratings criteria approved by council within the Treasury Management Policy.

**Creditors**

Amounts owed by the district council for work done, goods or services received but for which payment has not been made by the end of the accounting period.

**Current Asset or Liability**

An asset or liability the council expects to hold for less than one year.

**Debtors**

Amounts due to the district council but unpaid by the end of the accounting period.

**Depreciation**

The measure of the cost or revalued amount of the benefits of an asset that have been consumed/used during the financial year. Consumption includes wear and tear, age and obsolescence.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Direct Revenue Financing**

Revenue resources used to finance capital expenditure.

### **Discounted Cash Flow**

A method of assessing investments taking into account the expected accumulation of interest.

### **Earmarked Reserves**

Amounts set aside for purposes falling outside the definition of provisions.

### **Expenditure and Funding Analysis**

The expenditure and funding analysis shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's service areas.

### **Fair Value**

The amount for which an asset or liability could be exchanged between knowledgeable, willing parties in an arm's length transaction.

### **Fees and Charges**

In addition to income from the council tax, retained business rates and grants from government, local authorities charge for some services, including car parking, as they are used.

### **Finance Lease**

An arrangement whereby the party leasing an asset has most or all of the use of that asset, and the lease payments are akin to repayments on a loan.

### **Financial Instrument**

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. Examples include borrowings, loans receivable and investments.

### **Financial Regulations and Standing Orders**

The rules and procedures that the council's financial affairs are operated within.

### **Financial Statements**

Another term for the primary statements (Balance sheet, Consolidated Income and Expenditure Account and Movement in Reserves Statement) that are published in the annual statement of accounts.

### **Going Concern**

The assumption that the services of the council will continue to operate for the foreseeable future.

### **Government Grants**

Payments by central government towards the cost of local authority services. These are either for particular purposes or services (specific grants) or in aid of local services generally.

### **Housing Benefit (see also note on Universal Credit)**

This scheme provides financial assistance towards the domestic rent payments of tenants in registered social landlord or privately owned accommodation, whose incomes fall below prescribed amounts. The district council is reimbursed by the government for 100% of the cost as well as a government contribution towards the cost of administering housing benefit.

**Impairment**

A reduction in the value of a fixed asset below its carrying amount on the balance sheet arising from obsolescence or physical damage such as a major fire or a significant reduction in market value.

**International Financial Reporting Standards (IFRS)**

The accounting standards introduced from 2010-11. They constitute a standardised way of describing financial performance so that financial statements are understandable and comparable across international boundaries.

**Inventories**

Previously referred to as stock – items purchased and paid for but not yet used.

**Liability**

Something the council owes – for example an overdraft, a loan, or a bill it has not yet paid.

**Liquid Investments**

These are assets that are readily converted into cash without significant loss, e.g. Short term investments.

**Movement in Reserves Statement (MiRS)**

A statement which analyses movements in the council's usable and unusable reserves during the year.

**National Non-Domestic Rates (NNDR)**

A business tax collected locally by district councils also referred to as Business Rates.

**Net Present Value**

Provides an estimate of the value of payments in the future in today's terms, as at the balance sheet date.

**New Burdens**

A new burden is defined as any central government policy or initiative which increases the cost of providing local authority services.

**Non-current Assets**

A tangible asset which is intended to be used for several years, such as a vehicle or building, previously referred to as fixed assets.

**Non-Operational Assets**

Council assets not directly used in the provision of services, such as surplus assets.

**Operating Leases**

This is where the rewards and risks of ownership of the asset remain with the leasing company and the annual rental is charged directly to the revenue account.

**Operational Assets**

Council owned fixed assets used to deliver services, such as buildings and equipment.

**Outturn**

Actual income and expenditure for the financial year.

**Pension Asset Ceiling Adjustment**

The pension asset ceiling adjustment is made to ensure that the council's balance sheet properly reflect how the value of any defined benefit deficit or surplus is affected by the pensions scheme's rules and funding requirement.

**Precept**

This is the amount of council tax income that county councils, police and crime commissioners, fire authorities and parish/town councils need to provide their services. The amounts for all local authorities providing services in an area appear on one council tax bill which is issued by the district council.

**Provisions**

These are monies set aside to meet any liabilities or losses which are likely or will be incurred, but the amounts or the dates on which they will arise are uncertain e.g., Provision for bad debts.

**Prudential Code for Capital Finance in Local Authorities**

The Chartered Institute of Public Finance and Accountancy (CIPFA) developed a professional code of practice to support local authorities in taking capital investment decisions. The key objectives of the code are to ensure, within a clear framework, that local authorities' capital investment decisions are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management planning and proper option appraisal are supported.

**Quantitative Easing**

Quantitative easing (QE) is a monetary policy whereby a central bank buys government bonds or other financial assets in order to inject money into the economy to expand economic activity.

**Rateable Value**

A value placed on all non-domestic properties subject to business rates to which a uniform rate poundage is applied to arrive at rates payable. The value is based on a notional rent that property could be expected to yield after deducting the cost of repairs.

**Reserves**

These are monies set aside to meet the cost of specific future expenditure.

**Revaluation Reserve**

Revaluation reserve – this records the unrealised net gains from revaluations made after 1<sup>st</sup> April 2007.

**Revenue Balances**

The accumulated surplus or deficit of income over expenditure.

**Revenue Expenditure**

This is expenditure incurred on the day to day provision of services and consists principally of pay costs, capital charges and general running expenses.

**Revenue Expenditure funded from Capital under Statute**

Capital expenditure for which no tangible fixed asset exists is now classified as revenue expenditure funded from capital under statute and is charged to the comprehensive income and expenditure statement.

**Support Services**

The provision of services by the central divisions of the council in respect of finance, personnel, legal, policy, administration, information technology and property. Now referred to as Professional and Business services.

**True and Fair**

It is the aim of the accounts to show a true and fair view of the council's financial position, i.e., they should faithfully represent what has happened in practice.

## **Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

### **Universal Credit (see also definition of Housing Benefit above)**

Universal credit is a payment to help low income working age households with living costs and has replaced the following benefits:

- Child tax credit
- Housing benefit (see separate definition above)
- Income support
- Income-based jobseeker's allowance (JSA)
- Income-related employment and support allowance (ESA)
- Working tax credit

No new claims for housing benefit can be made, with the following exceptions:

- Pension age claimants
- Claimants living in specified accommodation (supported housing)
- Claimants moving to temporary housing (homeless)

The existing housing benefit caseload for working age claims is due to be migrated to universal credit with an estimated completion timetable of 2028.

### **Unrealised Gains and Losses**

Gains and losses may be realised or unrealised. Unrealised gains and losses are gains and losses that the council has recognised in its accounts, but which are potential as they have not been realised. An example of a gain that is recognised but not realised is where the value of assets has increased. The gain is realised when the asset is sold.

### **Virement**

The authorised transfer of an underspend in one budget head to another head.

## Wyre Forest District Council – DRAFT Statement of Accounts 2024-25

### List of commonly used Acronyms

Acronym	Description/Definition
<b>AGS</b>	Annual Governance Statement – this provides an overview of the Governance arrangements within the Council, along with any potential weaknesses.
<b>BID</b>	Business Improvement District - a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit businesses in the local area.
<b>CFR</b>	Capital Financing Requirement – measures the authority's underlying need to borrow, or finance by other long-term liabilities, its capital expenditure.
<b>CIES</b>	Comprehensive Income and Expenditure Statement – This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practice rather than the amount to be funded from taxation.
<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy – the institute that sets the accounting rules and guidance for Local Government.
<b>CLT</b>	Corporate Leadership Team of Wyre Forest District Council.
<b>DMO</b>	UK Debt Management Office - The DMO is legally and constitutionally part of HM Treasury (HMT) and, as an executive agency, it operates at arm's length from Ministers.
<b>DRC</b>	Depreciated Replacement Cost – valuation method used within the Statement of Accounts relating to the Replacement Cost less any accrued depreciation.
<b>DWP</b>	Department for Works and Pensions – largest central government department which amongst its responsibilities are Benefits payments.
<b>FHSF</b>	Future High Streets Fund – central government funding to renew and reshape town centres and high streets to drive growth and future sustainability.
<b>FTE</b>	Full-time equivalent – relates to employee numbers.
<b>GDPR</b>	General Data Protection Regulation - the GDPR applies to 'personal data' meaning any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier.
<b>HMRC</b>	His Majesty's Revenue and Customs – central government organisation responsible for the administration and collection of national taxes including VAT.
<b>HWBRP</b>	Herefordshire & Worcestershire Business Rates Pool - Under the business rates retention scheme local authorities are able to come together, on a voluntary basis, to pool their business rates, giving them scope to generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area. At 31 <sup>st</sup> March 2025 the members of the HWBRP were Worcestershire County Council (Lead Authority), Herefordshire County Council, Wyre Forest District Council, Wychavon District Council, Worcester City Council, Malvern Hills District Council, Redditch Borough Council, Bromsgrove District Council and Hereford and Worcester Fire Authority. This Pool replaced the previous Worcestershire Business Rates Pool with effect from 1 <sup>st</sup> April 2023.
<b>IASB</b>	International Accounting Standards Board – governing body of expertise on accounting standards.
<b>IFAC</b>	International Federation of Accountants – the global organisation for the accountancy profession.
<b>IFRIC</b>	International Financial Reporting Interpretations Committee
<b>IFRS</b>	International Financial Reporting Standards – international framework to ensure common approach to the production of Statement of Accounts across the world.

**Wyre Forest District Council – DRAFT Statement of Accounts 2024-25**

<b>Acronym</b>	<b>Description/Definition</b>
<b>LASAAC</b>	Local Authority (Scotland) Accounts Advisory Committee – operates in the same way as CIPFA within England, and often works in partnership with CIPFA on accounting guidance through a Joint Committee.
<b>LATC</b>	Local Authority Trading Company - companies that are free to operate commercially but remain wholly owned by the parent local authority. As a trading organisation, they can provide their services to a much wider market than a council department and, crucially, they can generate income, to be ploughed back into the LATC itself or the wider council.
<b>LEP</b>	Local Enterprise Partnership - partnerships of businesses, local authorities and universities that support private sector growth and job creation.
<b>LGA</b>	Local Government Association – the body that represents Local Government nationally, this body has a key lobbying role with central government.
<b>LLP</b>	Limited Liability Partnership.
<b>LUF</b>	Levelling up Fund – the governments major regeneration initiative for providing grants to support capital investment projects across Great Britain.
<b>MCC</b>	Material change in circumstances appeals – a business rate challenge can be lodged with the where there has been physical change to a property or in the locality affecting its value.
<b>MHCLG</b>	Ministry of Housing, Communities & Local Government
<b>MIRS</b>	Movement in Reserves Statement – represents the changes in the Council's financial resources.
<b>MRP</b>	Minimum Revenue Provision – this represents the minimum which authorities must repay on their debts each year.
<b>NDR or NNDR</b>	National Non-Domestic Rates – sometimes called business rates – these are collected by Local Authorities and are the way that those who occupy non-domestic property contribute towards the cost of local services.
<b>PBSE</b>	Post Balance Sheet Event – an event taking place after the Balance Sheet event that may either be noted or adjusted in the accounts depending on its relevance.
<b>PPE</b>	Property Plant and Equipment – IFRS terminology for fixed assets.
<b>PWLB</b>	Public Works Loan Board – this is a central government body which makes loans to local government and other prescribed public bodies from the National Loans Fund.
<b>s151</b>	Section 151 – this refers to Section 151 of the Local Government Act 1972 where it states that every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.
<b>SOLACE</b>	Society of Local Authority Chief Executives – professional organisation for Chief Executives and Senior Managers within Local Government.
<b>VFM</b>	Value for Money – this represents a formal review by the auditors on whether the Council is delivering Value for Money to its residents. This opinion forms part of the overall audit certificate.