



Wyre Forest
District Council

Statement of Accounts 2023 - 2024

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

Wyre Forest District Council – Statement of Accounts 2023-24

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Wyre Forest District Council – Statement of Accounts 2023-24

Narrative Report

Preface by The Leader of the Council

Introduction to the 2023-24 Statement of Accounts by Councillor Marcus Hart, Leader of the Council and Cabinet Member for Strategy



As Leader of the Council I am very pleased to welcome you to Wyre Forest District Council's Statement of Accounts and Narrative Report for 2023-24. The Statement details the financial position of the Council for the last year. The Narrative Report provides information on the council, setting out the financial performance in context by highlighting the current financial challenges it faces. It explains how we have used our resources to meet the needs of our residents, businesses and visitors. The Council continues to work hard to make sure people have a safe, vibrant and clean place to live, work and visit.

Last year we published our Corporate Plan for the next four years (2023-2027). We did this having talked to residents, partners, stakeholders, businesses to make sure that our plans were in line with what communities here wanted. Together we decided on three key priorities for the district. We are focussing on economic growth and regeneration, securing financial sustainability for services our local communities value as well as making the district a clean, safe and green place to live, work and visit. Our vision is to make Wyre Forest 'a safe, vibrant and clean place to live, work and visit'.

I am proud to report we have already made progress. Projects like our new creative hub, our Kidderminster connectivity works and bringing the Grade II listed Piano Building back into use are now well advanced. Regeneration is forging ahead. These projects have won external funding, thanks to fantastic submissions by the council. While this is great news, we are also realistic about what we can achieve with our budget and we are working hard to fill the budget gap, developing more ways to work in partnership, reduce cost and grow our commercial income.

This Statement of Accounts and Narrative Report for 2023-24 sets out our financial position and the challenges we are facing in more detail. It shows that we have saved just over £340k. This was mostly due to utility bills being less than anticipated, closely managing our budgets, getting more income than projected from the services we charge for and actively managing our investments.

Our transformation, our dedication to providing services communities value and our determination to make Wyre Forest a safe, vibrant and clean place to live, work and visit have never been stronger. My thanks to everyone at the council. It is a dedicated team, all wanting the best for the district.

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 2023-24. 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.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) to provide information to members of the public, including electors and residents of Wyre Forest District, Council Members, partners, stakeholders and other interested parties. The Statement aims to give readers:

- A full and understandable explanation of the overarching financial position of the Council and the outturn for 2023-24;
- 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.

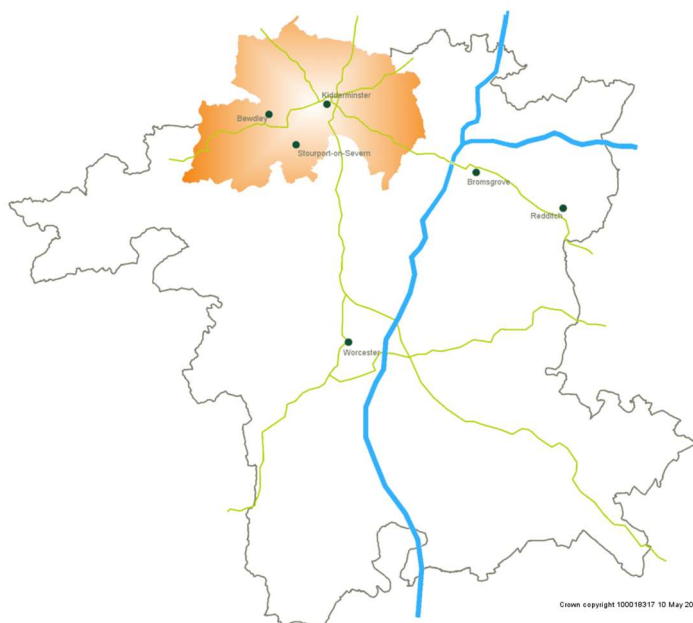
This Narrative report provides information about Wyre Forest, including the key issues affecting the Council and its accounts. It provides a summary of the Council's performance during the year and the financial position at 31st March 2024. It is structured as follows:

- 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.

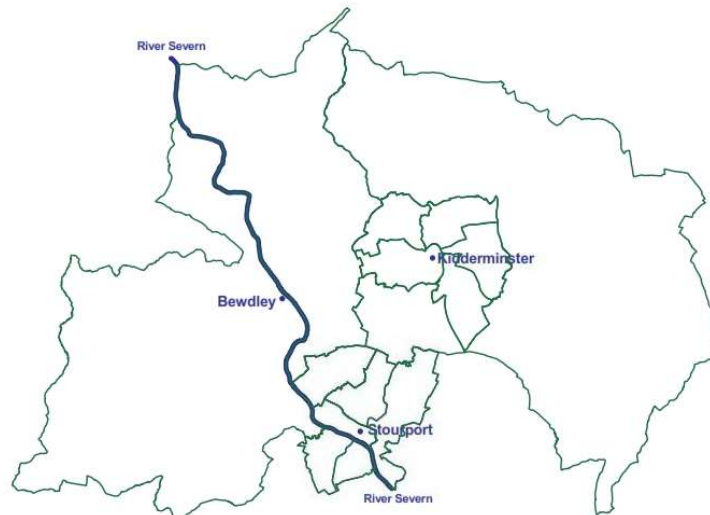


- 1.2 Wyre Forest is a predominantly rural district centred around the 3 towns of Kidderminster, Stourport and Bewdley. Each town has its own character and community identity. Kidderminster was the world leading centre for carpet production, but this sector has been in decline since the 1970s. Stourport 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 less than the West Midlands average. The largest proportion of residents work in the Wholesale and Retail Sector with Manufacturing and Human Health & Social Work 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 shows that there are 4,155 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 4th 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.



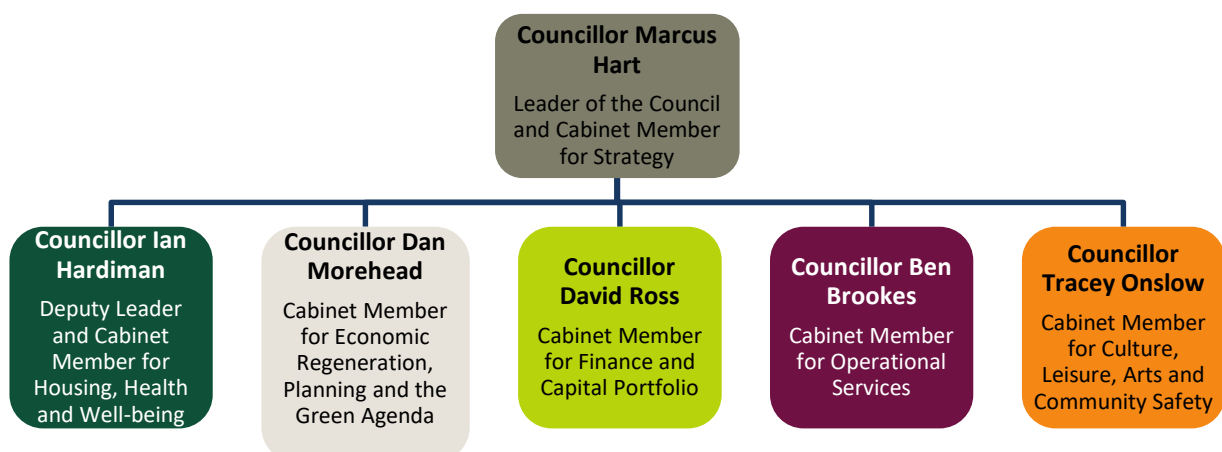
- 2.2 The Council has 20 Conservative, 7 Independent, 3 Labour, 2 Liberal Democrat and 1 Green Party councillors. Our 33 elected Councillors represent the people of Wyre Forest and set the overall budget and policy of the Council.

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 31st March 2024 was as follows:

Wyre Forest District Council: Cabinet Members for 2023-24



Wyre Forest District Council – Statement of Accounts 2023-24

Narrative Report

Councillor Ben Brookes was appointed as the new deputy leader on Friday 3rd May 2024, taking over from Councillor Ian Hardiman.

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:

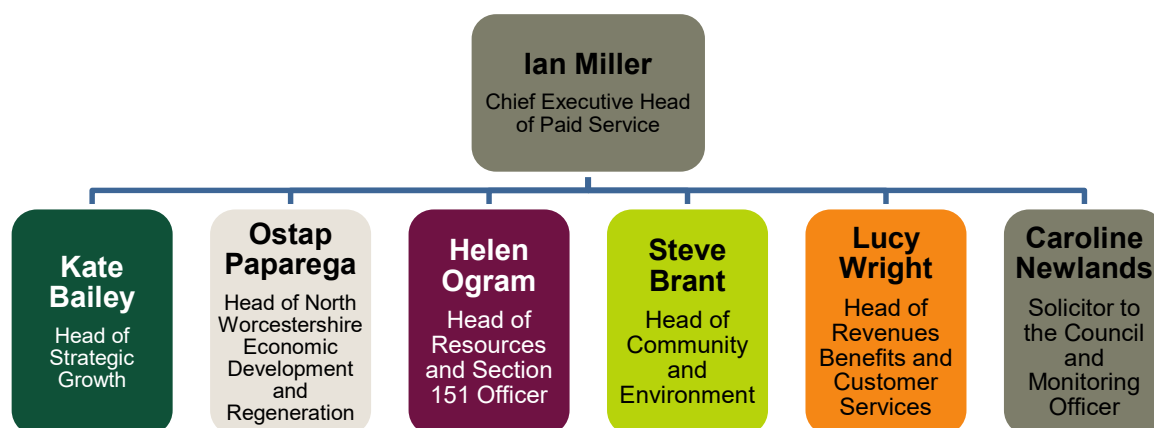
- Overview and Scrutiny
- Ethics and Standards
- Appointments and Appeals
- Audit
- Planning
- Licensing and Environmental

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

Wyre Forest District Council: Chief Officers

- 2.4 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 current management arrangements have been in place since 1st January 2022 following the decision on 12th May 2021 to implement a slimmed down structure to realise savings to contribute to the funding gap.

The Corporate Leadership Team is as follows:



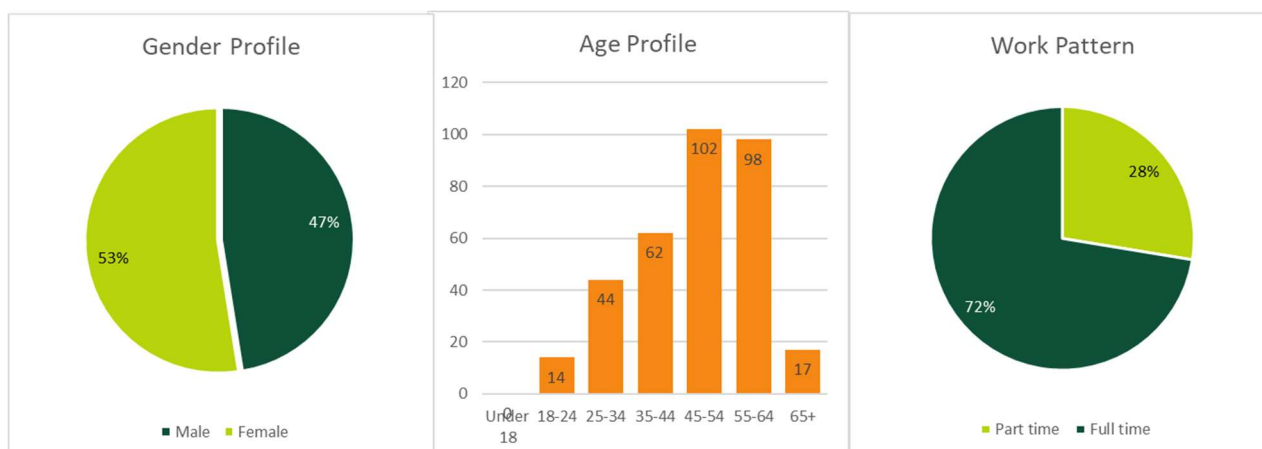
A new senior management structure is being introduced from July 2024. The new structure includes a new Deputy Chief Executive position, the position replaces the Head of North Worcestershire Economic Development and Regeneration.

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Our Workforce

2.5 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

2.6 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

2.7 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.

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Narrative Report

- 2.8 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 existing 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.
- 2.9 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.
- 2.10 During 2023-24 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 Council currently hosts the North Worcestershire Economic Development and Regeneration shared service. This shared service has been highly successful over a decade, securing £45m for regeneration projects for the district since 2020, but at the end of June it is being disbanded so the councils can concentrate on their own projects.

Narrative Report

2.11 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 £5.969m 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 £3.889m a year on discretionary activities with a further £2.745m on corporate costs including the costs of the democratic core and pensions deficit funding.

2.12 What we did

Economic growth & regeneration



Invested over £100,000 into skills support for economically inactive individuals



159 businesses received advice, support or grants through projects funded by WFDC



Completed the demolition of unused retail units in Worcester Street



Purchased the empty Piano building to transform it into food and drink spaces and office spaces



Invested over £500,000 UKSP funding into business support



Introduced free parking in Bewdley



Launched Visit Severn Valley website to promote the local area

Securing financial sustainability for services that local communities value



Signed off and published statement of accounts – only 1% of all council's achieved this



Dealt with 46,526 customer enquiries



Created a Commercial Programme Board to oversee all commercial activities and projects



Collected 97.23% council tax

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



369 homes built and 119 of these were affordable



Processed 712 planning applications and investigated 192 complaints of planning breaches



£400,000 given to 19 households to improve energy efficiency



Planted 660 trees



Gave housing advice to 10,934 households and prevented 131 homelessness cases



Launched 'Adopt a Street' scheme with almost 200 streets adopted



Supported 73 local good causes with fundraising through Wyre Forest Community Lottery



Collected 21,477 tonnes of household waste that was converted back into energy

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3. Governance

- 3.1 There have been no significant changes in governance arrangements during 2023-24 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 2023-24 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

Narrative Report

Our Strategic Actions

Economic growth and regeneration	<ul style="list-style-type: none"> • Regenerate central Kidderminster including completion of Future High Streets and Levelling Up Fund projects • Redevelop former Crown House site, Lionfields and other brownfield sites we own – mainly for housing • Progress the redevelopment of Bridge Street site, Stourport • Work with High Streets Task Force to develop and implement a vision for the regeneration of central Stourport • Work with partners to improve skill levels and make sure they are the skills employers need • Make sure business support services are available to help businesses grow
Securing financial sustainability	<ul style="list-style-type: none"> • Increase net income from our commercial activities • Increase the visits to our nature reserves and make them more accessible • Complete the redevelopment of Brinton Park, funded by the National Lottery Heritage Fund • Investigate options for developers to make bio-diversity contributions on alternative sites
A clean, safe and green place to live, work and visit	<ul style="list-style-type: none"> • Secure housing growth through the local plan • Invest more in tackling environmental crime and illegal parking • Invest more on clearing litter, particularly in summer months • Work with town councils and community groups to improve parks and open spaces • Help provide more cultural events • Increase the amount of temporary accommodation available by providing a new housing scheme • Produce and implement a carbon reduction plan for the district and for the council • Help people make their homes more energy efficient • Install electric charging points in car parks in all three towns

The support of regulatory, professional and business services is needed to deliver our priorities.

5. Risks and Opportunities

- 5.1 During 2023-24 the cost of living crisis continued to be the major 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 accommodated.

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- 5.2 Alongside the impact on residents, high inflation rates and 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.
- 5.3 Despite significant housing growth the Council tax base has not grown at the rate expected due to discounts and awards, in particular severely mentally impaired exemptions and a slow down in the housing market leading to sites being built out at a slower rate than assumed.
- 5.4 For over 10 years, some staff of the Council have worked from home or in an agile way from various locations. The pandemic had a widespread impact on the wider workforce of the Council and the way in which the Council delivers services. By utilising new technology, the Council has supported staff who do office-type work to work seamlessly in a blended hybrid of work from home or one of the Council's offices. For many such staff the amount of time that they work at the office or from home varies. The greatest advantages have been:
- Improved work life balance for employees, higher motivation and greater staff engagement contributing to making Wyre Forest District Council the local employer of choice.
 - Reduced greenhouse gas emissions from less travel to work by car.
 - More efficient use of time, greater ability to focus leading to increased productivity.
 - Rationalisation of office space and increased income generated from surplus accommodation to support local services and help close the funding gap.
 - Effective discharge of the Council's duties under equalities legislation.
 - Generally lower sickness absence levels, although they were higher in Q4 of 2023-24, in common with many other local employers. Allowing individuals choice about where they do their work while meeting business needs improves wellbeing and is a recognised mitigation measure against burnout.
- 5.5 Increased customer self-service and contact using technology has also proved successful. 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.
- 5.6 **Risks** – 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 is in place from April 2024.
- 5.7 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 at least twice a year. The regular Performance Monitoring reports to Overview and Scrutiny Committee include risk mitigations that are unachieved/behind schedule. 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.
- 5.8 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 bi-annual reports to the Audit Committee.

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5.9 The top risks and uncertainties faced by the Council in relation to future service provision are summarised in the following table. All risks are rescored as a minimum on a quarterly basis:

Risk Ref.	Risk Category	2024-25 Risk Statement	Mitigated Scores		
			L	I	Total
Economic growth and regeneration					
SR01	Strategy	Decline in our key towns impacts upon economic prosperity of the district resulting in economically inactive towns which do not serve their wider communities and loss of local jobs and investment	3	3	9
SR02	Strategy	Lack of workspace in the district resulting in economic decline (current businesses may not be able to remain in our district) and lost opportunity to prosper (we may not attract new businesses)	3	4	12
SR03	Strategy	Lower than average skill levels results in our residents becoming economically inactive and unable to participate in work leading to a poorer health and wellbeing or quality of life for residents.	3	3	9
SR04	Strategy	Start-up and small businesses within the District are unable to grow and flourish	3	4	12
SR05	Project/ Programme	Income and economic outcomes may not be delivered from major regeneration schemes due to cost or time over runs.	2	4	8
Securing financial sustainability for services communities value					
SR06	Financial	The Council is not financially sustainable, is unable to set a balanced budget and is unable to deliver key services that our communities value. Ultimately resulting in intervention from government.	3	5	15
SR07	Project/ Programme	We are unable to redesign services or identify efficiency measures resulting in inability to deliver the Council Plan and ultimately to set a balanced budget	4	5	20
SR08	Project/ Programme	Income projections from the council's property estate, commercial income and fees and charges are not met resulting in a widening of the financial gap and greater drain on reserves	3	5	15
SR09	People	Lack of available skills and resources results in the Corporate Strategic priorities and ambition, and stake holders' and community expectation, not being met.	4	3	12
A clean, safe and green place to live, work and visit					
SR10	Strategy	Insufficient or inappropriate supply of land resulting in inability to meet housing need	3	3	9
SR11	People	We fail to protect those to whom we owe a duty of care resulting in the health, safety or wellbeing of individuals being compromised, May result in fines from the HSE and reputational damage resulting in inability to attract and retain staff	3	3	9
SR12	Project/ Programme	Unable to deliver the outputs and outcomes from our significant capital projects	3	3	9
SR13	Strategy	The Council fails to deliver on its stated intent to make the district a clean place to live, work and visit leading to a lack of confidence in the Council and an escalation in negative publicity	2	2	4
SR14	Strategy	Increased demand on public services that cannot be met within existing resources, this may lead to poorer health and wellbeing or quality of life for residents.	2	4	8
SR15	Strategy	Net zero - the Council fails to reduce the Council's footprint in line with stated intent and national guidelines resulting in damage to reputation and breaches to legal or regulatory duties	4	3	12
Organisational Health					
SR16	People	Officers and members fail to maintain high standards of conduct, act professionally or take rational decisions resulting in damage to reputation which may result in fraud or prevent us from entering into positive partnerships or working effectively with stakeholders in achieving strategic priorities.	4	3	12
SR17	Security	Threats originating both from inside and outside the organisation from cyber attacks results in disruption to service delivery	3	5	15
SR18	Project/ Programme	Changing Government policy impacts on Council Strategies or services and the Council's organisational capacity to deliver - particularly planning, housing, Environment Act, Elections Act	5	4	20
SR19	People	Members and officers lack skills and knowledge necessary for effective discharge of their responsibilities and to effectively perform their duties.	2	3	6

Narrative Report

5.10 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 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

5.11 Following a long period of austerity and significant reductions in core government grants and the recent rising demand for services due to current economic conditions, 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 financial sustainability will inevitably affect all services and all residents to some extent. In considering what savings can be made we are taking a long-term approach to the design of future services and this approach will help to protect the needs of the most vulnerable people in the district. The Medium Term Financial Strategy (MTFS) planning process for 2024-25 updated the funding gap. The Corporate Leadership Team is working with Cabinet to set out how the financial gap can be significantly reduced in order to secure financial sustainability over the next 3 years, through further transformation and other measures. In line with the best value duty to consult about how the council achieves continuous improvement, the plan will be the subject of consultation later in 2024 and be taken forward for implementation by March 2026.

5.12 The previous transformation plan introduced in the 2021-24 MTFS continued to be progressed during 2023-24. The plan successfully achieved annual net savings of more than £750,000. The 2021-24 plan incorporated an ambitious programme of savings and service redesign but focussing on these areas alone would reap diminishing returns and a new approach is needed with more targeted actions. Previous actions included:

- Transferring assets and services to local organisations, in particular town and parish councils. Models ranged from those where the district council ceased to have any role (the freehold was transferred, where there is an asset involved, and the local organisation meets 100% of the operational costs) to those where the District Council still has a role in operating the service or asset but the cost is shared with another body instead of being met solely by the District Council.
- Implementing shared services and other collaborative arrangements with other councils and public bodies.
- Implementing efficiency measures and other changes that reduced the call on council services by implementation of digital services.

Narrative Report

- Reducing spend on services, and therefore reducing quality/frequency in some cases.

The approved MTFs for 2024-25 includes the ambition to make the Council leaner, more productive and more commercially aware. Future years will be revised in light of the work currently being undertaken on a new transformation and financial sustainability plan.

Delivering economic growth and regeneration

- 5.13 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.
- 5.14 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 in progress. The canal tow path project was completed in July 2023, completion of the Kidderminster Town Hall project is due in February 2025 and the grade 2 listed Piano Building will be brought back into use within the project timeframe. This is a major opportunity for town centre regeneration that will draw 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 is underway to achieve the business case objectives of improved connectivity and a fresh modern vibrant Kidderminster Town Centre.
- 5.15 The £20.5m Future High Street Fund project to create a Creative Hub at the former Magistrates Court and the Worcester Street connectivity project are also progressing well. The contractor is on site at the Creative Hub and the demolition works are complete 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

- 5.16 The short term housing scheme at Castle Road in Kidderminster is progressing well, contractors are on site and construction is expected to complete ready for occupation in the spring of 2025.
- 5.17 The Brinton Park Heritage Lottery Fund project will restore the park for future generations and enhance local cultural heritage. The bandstand in the park has been renovated, refurbished and painted. The main works contract is expected to be complete by the end of 2025.
- 5.18 2023 saw the launch of the Visit Severn Valley website to promote the area and boost local businesses.
- 5.19 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.

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- 5.20 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.

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 66% 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 has 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.
- 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 continue to secure further savings and to manage cost pressures effectively. Local demand for services continues to increase and to 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 2023-24 budget included an increase of 3%.

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- 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, currently projected to be £2.172m in 2026-27 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 the cost of living crisis, have added to an already difficult financial position for local government as a whole. The further postponement of the Fair Funding Review, and the uncertainty this brings, has added to the Council's financial challenges in the medium term and there is concern that the overall funding position for the waste reforms under the Environment Act 2021 will leave the Council worse off.

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 2023-24 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.

8. Financial Performance

Core Funding

- 8.1 The Council's General Fund budget for its own net expenditure in 2023-24 was originally set at £13.687m with a planned use of reserves of £159,010. The 2023-24 overall outturn position was £12.970m allowing a £448,000 transfer to reserves and £110,000 increase in the working balance, an overall improvement of £343,000 on the budget approved by Council in February 2024.
- 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 Income from fees and charges was hit particularly hard during the pandemic but had substantially recovered by the end of 2021-22. However, the impact of the war in Ukraine, including significant price increases for gas and electricity and more general price inflation, on household income and the profitability of businesses has suppressed revenue from many of our services and in particular the fees and charges from car parking activities have struggled to return to pre pandemic levels. Overall, performance is ahead of that received in 2019-20 but the majority of this growth is in relation to rent reviews on commercial property leases and leases from new premises. The total income (from all sources excluding shared services) achieved in 2023-24 is £7.440m, this is less than the 2022-23 total of £8.128m but ahead of the pre-pandemic level of £7.391m in 2019-20 (ignoring the time value of money).

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When inflation is factored in income has fallen and is significantly less than the level assumed for the year in the 2020-23 MTFS. The Council will continue to raise income from fees and charges, so that users of particular services contribute to the cost of providing them rather than being subsidised by council taxpayers.

- 8.4 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

- 8.5 Revenue expenditure covers the cost of the Council's day to day operations and contributions to and from reserves. Net revenue expenditure across services of £12.970m, is shown in the graph below.

Service Spending 2023-24



- 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.

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8.7 The Council's 2023-24 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	2,219	2,865	2,860	641	(5)
Community and Environment	5,482	5,434	5,069	(413)	(365)
Economic Development and Regeneration	249	563	498	249	(65)
Resources	2,448	2,295	2,224	(224)	(71)
Revenues Benefits and Customer Services	1,390	1,444	1,336	(54)	(108)
Strategic Growth	2,064	2,287	2,282	218	(5)
Services Total	13,852	14,888	14,269	417	(619)
Investment Income	(750)	(1,810)	(1,884)	(1,134)	(74)
Capital Account	585	235	416	(169)	181
Release of balance sheet provision			(198)	(198)	(198)
Funding changes			367	367	367
	13,687	13,313	12,970	(717)	(343)
Increase in working balance			110	110	110
NET SERVICE TOTALS	13,687	13,313	13,080	(607)	(233)

Underspends and income denoted by brackets ()

Impact of Spending on Reserves

Reconciliation to Statements	2023-24 Outturn
Service Expenditure reported to management	£000
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	12,970
Net Cost of Services (CIES)	8,015
Exclude items not met by local tax payers such as depreciation, some pension costs and holiday entitlement owed	20,985
Add statutory charges for the use of assets (Capital)	(10,576)
Expenditure total	1,555
SOURCES OF INCOME	11,964
Council Tax (District element only)	8,466
Business Rates retention	(5,345)
Central Government Grant including New Homes Bonus	945
Capital Grants and contributions	12,193
Income total	16,259
In Year (Surplus)/Deficit (Note 6: EFA)	(4,295)
FUNDING FROM RESERVES	
Net addition (to)/from Earmarked reserves (general)	(3,737)
Increase in working balance	(110)
Contribution (to)/from General Fund	(448)
Total movement on General Fund reserves	(4,295)

Underspends and income denoted by brackets ()

Wyre Forest District Council – Statement of Accounts 2023-24

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Reserves Statement	Original Budget	Revised Budget*	2023-24 Outturn	Variance Outturn to Revised
	£000	£000	£000	£000
Reserves as at 1st April 2023	3,468	3,468	3,468	0
Contribution to/(from) Reserves	(159)	215	558	343
Increase working balance			(110)	(110)
Reserves as at 31st March 2024	3,309	3,683	3,916	233

*Medium Term Financial Strategy assumptions

The above tables shows that in overall terms the outturn position was £717k more favourable than planned when compared to the original budget approved in February 2023 and £343k more favourable than the revised budget approved in February 2024. There was an increase in the cost of services of £417k when compared to the original budget due to significant price inflation and the impact of the April 2023 pay award. The increase was mitigated by additional investment income from careful and prudent management of balances and the beneficial impact of the Bank of England's increases to the base rate on investments (£1.134m). The improvement in the outturn position when compared to the approved Medium Term Financial Strategy was largely due to the release of a balance sheet provision for utility bills, careful budget management and an improved income position from fees and charges. This position is reported before an increase in the working balance in line with price inflation (September 2023) of £110k.

- 8.8 At the end of the financial year the useable reserves stood at £27.634m, compared to £24.164m at the end of 2022-23. 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 2022-23 it was determined that a level of £1.65m 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 inflation and demand led services pressures such as housing support and advice, this minimum level has been increased by the prevailing rate of inflation to £1.76m.

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.

Wyre Forest District Council – Statement of Accounts 2023-24

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- 8.11 During 2023-24 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. In 2023-24 membership of the pool was expanded to include Herefordshire Council, to maximise the advantage from pooling. The pool now consists of all Worcestershire districts, the County Council, the Fire Authority and Herefordshire Council. The benefit of being in the Business Rates Pool in 2023-24 was the retention of £120k which otherwise would have been paid to the Government as a growth levy.
- 8.12 In 2023-24 the net income before costs and tariffs from business rates was £29.005m, 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 deficit on both Council Tax and Business Rates at 31st March 2024. Income from business rates is worse than the position previously estimated due to a significant increase in the provision held for appeals. 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.

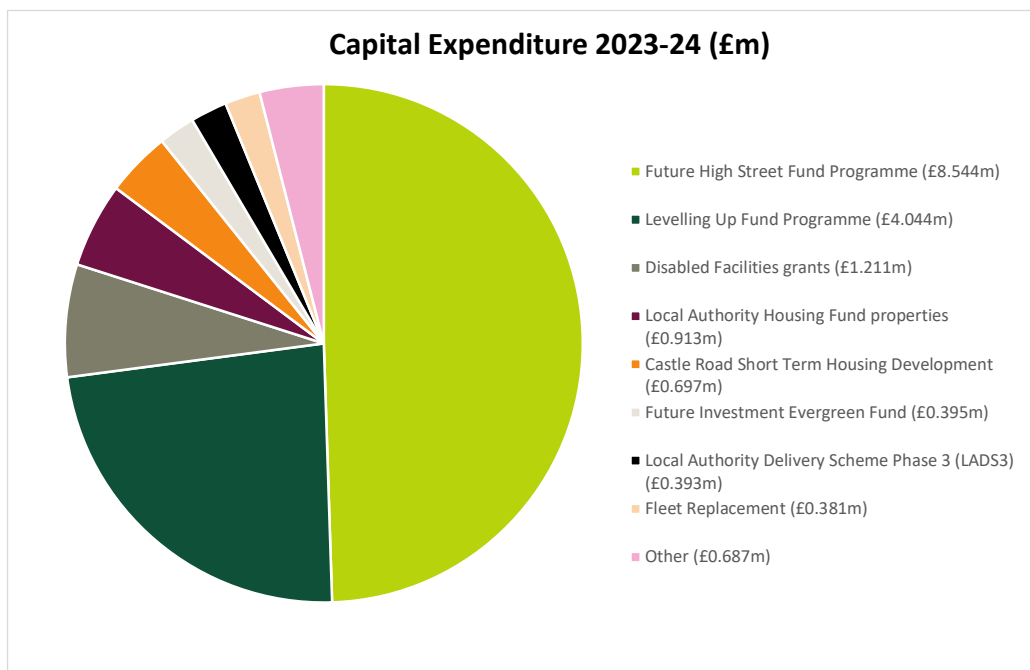
Capital Expenditure

- 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 2023-24 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 which includes £20.5m Future High Streets grant Funding and £17.9m Levelling Up Funding, will reshape how we deliver our services as well as helping to unlock revenue savings and efficiencies to secure our ongoing financial sustainability including:
- More commercial space for new and established businesses
 - Acquisition 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
 - Restoration of Brinton Park following the award of funding from the National Lottery Heritage Fund Parks for People grant programme
 - 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.

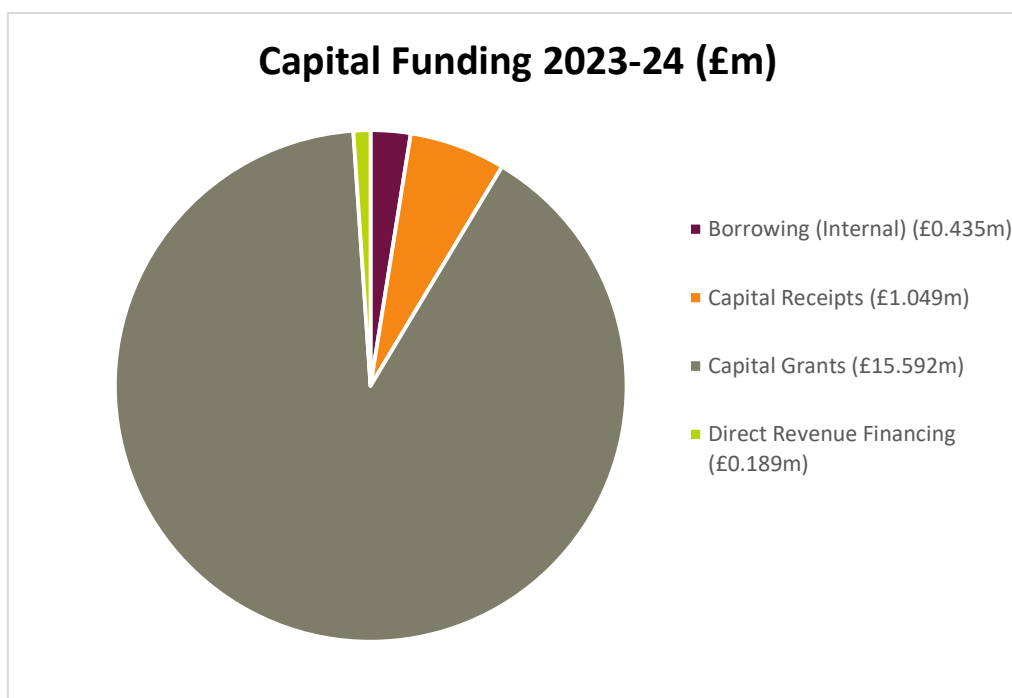
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- 8.16 The Council delivered £17.265m of capital projects during 2023-24 despite delays on the major grant funded schemes arising from rescoping to bring in-line with funding. The Capital Programme budget for 2023-24 was originally set at £38.345m, revised to £30.662m following re-profiling of spend on approved schemes. Of the unspent budgeted balance £13.263m 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 2023-24 is shown in the diagram below:



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Treasury Management

- 8.18 The Treasury Management Strategy for 2023-24 was approved by Council on 22nd February 2023. 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 £35.694m of investments.
- 8.20 The Council's investment strategy is primarily to ensure funds are invested in institutions which are secure, to maintain sufficient cash reserves to give it necessary liquidity, whilst also trying to attain a benchmark average rate of return in excess of the 7 day backwards looking Sterling Overnight Index Average (SONIA) rate. The average interest rate for investments held at 31st March was 5.28%. The average rate achieved during the year was 5.06%, compared to the 7 day backward looking Sterling Overnight Index Average (SONIA) benchmark rate of 4.97%. Yields continued to exceed expectation during the year as bank rates were increased and then remained high for longer than predicted. The bank rate at the start of the year was 4.25% rising by 25 basis points at each subsequent meeting of the Bank of England's Money Policy Committee until reaching a high of 5.25% in August and held at this rate for the remainder of the financial year. The interest received on investments during the year was £2.793m, slightly above (£74k) the 2023-24 revised budget in the 2024-27 MTFS and £2.043m ahead of the Original Budget approved in February 2023. The increased investment return was due to both the interest rate increases and to slippage in external grant funded schemes in the capital programme, resulting in a larger balance of funds invested. The Council maintained an average investment balance of £55.237m in 2023-24 compared to £46.567m in 2022-23 and £38.334m in 2021-22.
- 8.21 The outlook for investment returns for 2024-25 is likely to remain good since the bank rate is expected to remain at or above 4% until the end of the year, but investment balances are expected to reduce as the grant funded schemes continue to progress. The Council's overriding priority continues to be security and liquidity above yield.
- 8.22 **Details of borrowing:** At 31st March 2024 the Council had borrowings of £34.250m. A summary of the Council's borrowing activities for 2023-24 is provided below.

Long Term Borrowing	2021-22	2022-23	2023-24
	£000	£000	£000
Balance as at 1st April	34,000	32,000	34,000
Plus:			
New long-term borrowing	0	2,000	0
Long-term borrowing repaid	0	0	0
Re-Classified as temporary borrowing (repayable in the following financial year)	(2,000)	0	(3,000)
Balance as at 31st March	32,000	34,000	31,000

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Short Term Borrowing	2021-22	2022-23	2023-24
	£000	£000	£000
Balance as at 1st April	3,280	2,340	240
Plus:			
New temporary borrowing	60	0	10
Re-classified from long-term borrowing	2,000	0	3,000
	5,340	2,340	3,250
Repayments in year	3,000	2,100	0
Balance as at 31st March	2,340	240	3,250

- 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 2023-24 was approved at the 22nd February 2023 Council 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 31st 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 1st April 2023.

9.2 Capital Grants

During the year £12.193m of capital grants were applied to finance capital expenditure. This is recognised in the CIES before being reversed out via the MiRS. Of this balance £8.544m was Future High Street Fund grant and £3.056m Levelling Up Fund Grant to fund the creative hub schemes at the former magistrates court, the urban park connectivity project and works at Kidderminster Town Hall and the Piano building.

9.3 Homes for Ukraine - Ukrainian visitor support funding

Funding of £736k for the Support of Ukrainian Visitors was received from Worcestershire County Council (funded by DHLUC). Expenditure of £381k in 2023-24, with the balance of funding bought forward for further support in 2024-25.

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9.4 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 6% in-line with the September rate of inflation, following easing of cost pressures at 31st March 2024, to provide additional risk mitigation. As at 31st March 2024, the working balance was £1.760m.

The Statement of Accounts shows that at 31st March 2024 the Council held general balances (resources not earmarked for any specific purpose) of £5.676m (including working balance). This is an increase of £558,000 compared to the balance held at the start of the year, reflecting the positive revenue outturn position. The positive position was achieved despite rising costs and demand due to better than expected investment returns following increases in the Bank of England's base rate and delays to grant funded capital programmes.

In addition to General Fund balances, the level of earmarked reserves, included in the balance sheet at £16.981m also underpins the financial resilience of the Council. These reserves are held to manage future risk and expenditure priorities and expenditure commitments.

The most significant movements in Earmarked reserves are the collection fund accounting adjustment for business rates that smooths the timing differences inherent in the local retention of Business Rates system and additions to the FHSF and LUF revenue reserves from the investment income earned on the ring fenced capital grants received in advance from DLUHC. A significant allocation of £2.950m from Earmarked reserves was made in July 2023 to provide additional funding to support cost escalation in the Creative Hub project at the former Magistrates Court and the Urban Park Connectivity project in Kidderminster.

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 19 councils granted exceptional financial support in February 2024. The cross-party House of Commons Levelling Up, Housing and Communities committee's report on Financial Distress in Local Authorities, published in February 2024, highlighted underfunding across the local government sector and called on the next government to reform 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 2025/26 and 2026/27 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.

Wyre Forest District Council – Statement of Accounts 2023-24

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9.5 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 no external loans due to be repaid in 2023-24 and no new loans were secured. During the year we increased our internal borrowing by £435,000 in line with our Treasury Management Strategy Statement, choosing to use temporary cashflow funds instead of securing new borrowing. Total internal borrowing at 31st March 2024 was £6.264m.

The Council's cash balances are invested until required on a short-term basis up to a maximum period of 1 year. During 2023-24 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.

The bank rates steadily rose from 4.25% at the start of the year to 5.25% by August. Rates remained at 5.25% throughout the remainder of the year. The interest received on investments during the year was £2.793m, slightly above (£74k) the 2023-24 revised budget in the 2024-27 MTFS and £2.043m ahead of the Original Budget approved by Council in February 2023. The increased investment return was due to both the interest rate increases and slippage in external grant funded schemes in the capital programme, resulting in a larger balance of funds invested.

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.

Wyre Forest District Council – Statement of Accounts 2023-24

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- 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.
- 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.

Wyre Forest District Council – Statement of Accounts 2023-24

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 2023-24 was re-certified for issue on 14th November 2024. All known material events that occurred up to and including this date which relate to 2023-24 or before have been reflected in the accounts. This replaces the unaudited Statement of Accounts issued on 31st May 2024.

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 31st March 2024 and its income and expenditure for the year ended 31st March 2024.

Helen Ogram CPFA – Head of Resources and s151 Officer
14th November 2024

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
14th November 2024

Wyre Forest District Council – Statement of Accounts 2023-24

Annual Governance Statement 2023-24

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 2023-24.
- 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.

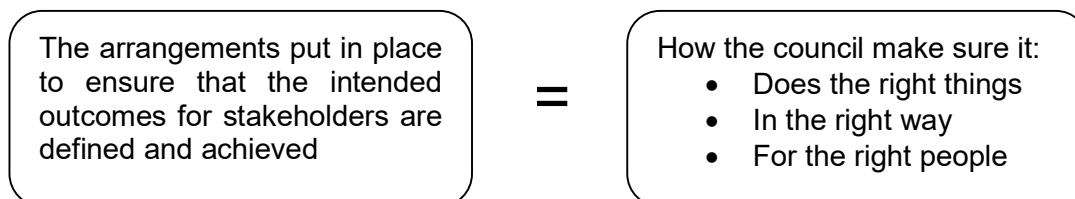
What is the Annual Governance Statement?

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 2023-24 (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 – Statement of Accounts 2023-24

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 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 – Statement of Accounts 2023-24

GOVERNANCE PRINCIPLES		INTERNAL CONTROLS
<ul style="list-style-type: none"> ➤ Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area ➤ Members and officers working together to achieve a common purpose with clearly defined functions and roles ➤ Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour ➤ Taking informed and transparent decisions which are subject to effective scrutiny and managing risk ➤ Developing the capacity and capability of members and officers to be effective ➤ Engage with local people and other stakeholders to ensure robust public accountability 	<div data-bbox="645 300 1433 1053" data-label="Diagram"> </div> <p data-bbox="645 1145 1456 1236">The governance framework has been in place at Wyre Forest District Council for the year ended 31st March 2024 and up to the date of approval of the statement of accounts.</p>	<p>INTERNAL CONTROLS</p> <p>Leadership, Culture and Planning Organisational goals and priorities Strategic and operational plans Performance management Medium term financial strategy</p> <p>Statutory Officers & Decision Making The Constitution The Monitoring Officer Section 151 Officer</p> <p>Policies & Procedures Codes of conduct Ways of working Anti-fraud, Bribery and Corruption Policy Whistleblowing Policy HR Policies and procedures Corporate Communications and Engagement Programme</p> <p>People, Knowledge, Finance, Assets Robust HR practices Robust Internal Audit function Information governance Performance monitoring and improvement Financial management and reporting Ethical & legal practices</p> <p>Scrutiny and Transparency 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</p> <p>Partnership Working/Stakeholder Engagement 'Love to get involved' 'Let us know' Consultations Community Localism fund</p>

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.

Regular reviews are carried out by the Corporate Leadership Team, including during March and May 2024. 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
- the Audit Findings report of the External Auditor which was reported to the Audit Committee on 27th September 2023, the latest Auditor's Annual Report reported to Audit Committee 20th March 2024 and progress on implementing improvement recommendations.

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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 26th 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

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 2024-2027 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 was considered by the Committee on the 20th March 2024. Progress against the 2022-23 Annual Governance Action plan is reported for consideration by Committee at the May meeting. Progress against the External Auditor's improvement recommendations included in the Annual Audit Report received April 2022 is included in the AGS progress report. A separate action plan has been prepared following receipt of the combined 2021-22 and 2022-23 Auditor's Annual Report received March 2024 for consideration by Audit Committee.

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.

The Council struggled to retain and recruit internal audit capacity during 2021-22, 2022-23 and into 2023-24. The Council ensured that it had adequate internal audit capacity during both 2021-22 and 2022-23 through interim arrangements. In both years the Chief Internal Auditor was able to issue an annual internal audit opinion. 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.

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.

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.

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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 September 2023 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 took a proactive approach to Member involvement and actively engaged Members at Audit Committee with their Update Reports being of particular interest.

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 Council is part of the Worcestershire Regulatory Shared Service (WRS) hosted by Bromsgrove District Council. During the year there was a regulatory intervention from the Food Standards Agency into the food hygiene inspection service. In particular concerns were raised about the application of a risk based assessment to selecting premises for inspection that was adopted to maximise the effectiveness of constrained capacity. This meant some low risk establishments were not regularly inspected. Following the intervention, a revised operating model has been approved and the budget allocation from each Council in the partnership was increased to fund the additional resource required.

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.

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Significant Governance Issues for 2023-24: 2024-25 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 2022-23 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 2024-25, to continue to strengthen the Council's governance arrangements.

Wyre Forest District Council – Statement of Accounts 2023-24

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
1	<p>Performance Management Governance issues</p> <p>The council needs to focus activity and resource on Council priorities to drive improvements. The council does not have a robust service planning and performance management framework in place to help manage performance, to provide assurance of the effectiveness of strategies and actions in delivering desired outcomes and to enable residents to hold members to account.</p>	Auditors Annual Report 2021-22 and 2022-23 and Peer review March 2024	<p>a) Recruit a Policy and Performance Officer to expand capacity and drive delivery of the framework</p> <p>b) Redesign performance reporting following adoption of the 2023-2027 Council Plan to clearly align with Council priorities.</p> <p>c) A revised presentation will be introduced for the performance summary in the 2023-24 Narrative report to help the public hold Members to account. The performance summary will be published as a news/information item.</p> <p>d) The process for recording, monitoring and reporting complaints has been refreshed for 2024-25 and rolled out to all managers. Information relating to complaints will form part of the quarterly budget and performance monitoring report in 2024-25. A summary of the complaints received in 2023-24 will be incorporated into the Q4 budget and performance report.</p> <p>e) All Council service plans to have a uniform introduction/structure and to be aligned with the vision, priorities, and values outlined in the Council's Corporate Plan so that there is a single 'golden thread' pervading all aspects of the Council's operations. The service plans will identify actions and assurance measures and KPIs.</p>	<p>a) Officer in post</p> <p>b) Refreshed quarterly performance reporting</p> <p>c) Publication of the performance summary</p> <p>d) Data will be analysed for use as a source of performance information to improve service quality</p> <p>e) There will be a golden thread that links and aligns the Council's actions with Council priorities</p>	CLT – Chief Executive, Head of Resources, Head of Revenues, Benefits and Customer Services	<p>a) April 2024</p> <p>b) On going</p> <p>c) June 2024</p> <p>d) June 2024</p> <p>e) September 2024</p>

Wyre Forest District Council – Statement of Accounts 2023-24

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
2	<p>General – Significant Financial Challenges</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 2024-27 MTFS</p> <p>ii) Progression a new programme of work to close the funding gap in the 2024-27 MTFS.</p> <p>iii) Promote commercialisation within the Council to ensure that everyone understands the part they play</p>	<p>AGS 2022-23 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. The council set a budget in February 2024 outlining the strategic direction towards achieving on-going savings:</p> <p>a) Progressing implementation of the Council's plan for financial resilience 2024-27 and the agreed initiatives and projects contained within, such as major service collaborations reviews, redesigning services and digital transformation.</p> <p>b) To continue to actively participate in and understand/model the impact of the fundamental Finance Reform, encompassing New Homes Bonus and Business Rate Review, phasing out of Revenue Support Grant, 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 and parish councils to seek further transfers of assets and services, in particular parks and play areas, in order significantly to reduce net cost to WFDC. If internal options to grow income/reduce costs of Bewdley Museum, Guildhall and QE2 gardens are not judged sufficient, explore a significant reduction in net cost through transfer to the joint museum service for Worcestershire or other partner organisation.</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 2025</p> <p>January 2025</p> <p>March 2025</p> <p>March 2025</p>

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Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
3	Governance of Property Portfolio to safeguard access to PWLB loans for all Council services by ensuring that the impact of the policy is to deliver corporate service objectives under the Corporate Plan priority to deliver a successful local economy whilst also supporting the Financial Strategy - recognising that the 2021 CIPFA Prudential and Treasury Management codes set out that the CFR cannot be increased for commercial purposes and acquisition decisions cannot primarily be based on generating a financial return.	AGS 2022-23 and AAR 2021-22 and 2022-23	<p>a) Continue to implement the agreed governance framework when considering proposals to be funded via the approved Capital Portfolio Fund Strategy</p> <p>b) Undertake thorough due diligence and complete the due diligence check list at each stage of the approval process</p> <p>c) The business case model and each business case reflects the evidence requirement for the economic argument and fully covers whether capital plans and risks are proportionate i.e., any plausible losses can be absorbed within existing budgets or reserves.</p>	<p>a) All proposals further the Corporate plan priorities, meet service objectives and secure net income streams in accordance with the approved strategy.</p> <p>b) Completed, certified checklist for all acquisitions</p> <p>c) Business case reports on all approved acquisitions contains a strong, evidence based, economic case</p>	CLT -Deputy Chief Executive Head of Resources, Solicitor to the Council	<p>a) On-going</p> <p>b) On-going</p> <p>c) On-going</p>

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Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
4	Partnership and Engagement Governance issues 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 2022-23 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

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Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
5	<p>Cyber Resilience Governance Issues</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>MTFS 2023-2026</p> <p>GDPR Legislation - effective date 25th May 2018</p>	<p>a) Develop the overall Cyber security and business continuity Strategies</p> <p>b) Develop the business case for implementing a Cloud First policy</p> <p>c) Quarterly review of network security and cyber resilience; extra assurance/training for remote working/meetings</p> <p>d) ICT Strategy and Strategy Board</p> <p>e) Review of compliance by Cyber Security and Information Governance Sub-Group</p> <p>f) Risk assessments and review of security of hybrid working arrangements built into assurance programme.</p> <p>g) Regular cyber and phishing training</p> <p>h) on-going improvement to infrastructure and system updates including patching, firmware updates.</p> <p>i) annual penetration tests</p> <p>j) additional 2 factor authentication and cloud back-up for o365</p> <p>k) Signed up to DLUHC Cyber Assessment Framework (CAF) pilot. CAF provides a systematic and comprehensive approach to assessing management of cyber risks to essential functions.</p> <p>l) Continued assessment and replace / upgrade systems where appropriate to enhance security</p> <p>m) Cyber security exercises to test service / users readiness</p> <p>n) Regular security policy updates</p>	<p>a) PSN compliance, secure network.</p> <p>b) Work proceeds to timetable</p> <p>c) Review evidenced compliance</p> <p>d) Compliant risk assessments</p> <p>e) CAF Achievement</p> <p>f) cyber accreditations, cyber essential</p> <p>g) essential functions continue</p>	<p>Chief Executive/H ead of Resources/ ICT Manager</p> <p>Data Controller</p> <p>ICT Manager</p> <p>ICT Manager</p> <p>CLT</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> <p>Summer 2025</p>

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Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
6	<p>Major Capital Projects - The Council has a number of major capital projects including Major grant funded regeneration schemes and delivering a Housing provision scheme in Kidderminster. 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"> - 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. - Current arrangements include separate project boards chaired by the Head of NWEDR and attended by the S151 Officer, the Monitoring Officer and lead Cabinet member. The boards receive regular updates on all projects managed through the project delivery boards and to have responsibility for approving project variations. - The boards provide transparent governance arrangements to ensure that projects are run appropriately with vigour ensuring funding and statutory obligations are met. - There is no direct reporting from the Boards to Cabinet or Overview and Scrutiny although regular monthly update briefings are received by Cabinet/CLT. This could result in a perceived lack of transparency by decision makers and the public. - Risk management is reported to the Boards by exception which risks board members losing sight of all risks affecting the project. 	Combined Auditor's Annual 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 Boards 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>Government Office satisfied with progress</p> <p>Progress reports presented to the Boards and grant draw down meets assurance requirements</p>	CLT, Head of NWEDR, Head of Strategic Growth, Head of Community and the Environment, Head of Resources and Solicitor to the Council.	<p>June 2024</p> <p>March 2025</p> <p>On-going</p>

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Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
7	<p>Workforce planning <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 with key posts remaining vacant or being filled by agency resource.</p>	Combined Auditor's Annual Report 2021-22 and 2022-23, Peer Review and Risk Register	<p>Implementation of the new 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"> • Recruitment • Retention • Growing our future workforce • Culture and leadership development • Health and Well-being <p>Explore collaborative service solutions where resilience can't be secured internally.</p>	<p>Implementation of OD Strategy.</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 2025

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Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
8	<p>Risk Management</p> <p>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.</p> <p>The latest Risk Management Strategy, approved by Cabinet in April 2024, will, when implemented, embed an effective risk culture.</p>	Internal Audit assessment of risk maturity, Combined Auditor's Annual Report 2021-22 and 2022-23, Peer Review	<p>Embedding the new Risk Management strategy</p> <ul style="list-style-type: none"> • Work with Cabinet, Committee Chairs and vice chairs, group leaders and senior officers to prepare a risk appetite statement • establishing risk tolerance/appetite for each category of risk • Identify target risk scores for each risk • Identify further mitigations to bring risk in-line with target scores. • Identify assurance measures and KPIs <p>Identify and deliver appropriate risk management training to members and responsible officers</p> <p>Operational risks identified in Service plans and scored in-line with the strategy</p>	<p>Council approve risk appetite statement</p> <p>Risk registers includes Risk category, target risk score, further mitigating actions to bring risk score in-line with target, KPIs and assurance statements</p> <p>Training delivered and training objectives met.</p>	Head of Resources, other members of CLT and risk action owners	September 2024

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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

14th November 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYRE FOREST DISTRICT COUNCIL

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Wyre Forest District Council (the 'Authority') for the year ended 31 March 2024, which comprise the Authority Comprehensive Income and Expenditure Statement, the Authority Movement in Reserves Statement, the Authority Balance Sheet, the Authority Cash Flow Statement, the Collection Fund Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice 2024 ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The Head of Resources and S151 Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant government body of the intention to dissolve the Authority without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements.

In auditing the financial statements and having regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities, we have concluded that the Head of Resources and S151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on

the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Head of Resources and S151 Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Head of Resources and S151 Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

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

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

Responsibilities of the Authority and the Head of Resources and S151 Officer

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Head of Resources and S151 Officer. The Head of Resources and S151 Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, for being satisfied that they give a true and fair view, and for such internal control as the Head of Resources and S151 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Head of Resources and S151 Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management, internal audit and the Audit Committee in relation to their own identification and assessment of the risk of irregularities within the entity, and whether they were aware of any instances of non-

- compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the Authority's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK) we are required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Authority operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 (as amended by the Accounts and Audit (Amendment) Regulations 2024), the Local Government Act 2003, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012)).

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Authority's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing Committee meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of land and buildings, and defined benefit pensions liability valuations; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating

the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including material misstatements in the financial statements or non-compliance with regulation, will be detected by us, even though the audit is properly planned and performed in accordance with the ISAs (UK). The risk increases the further removed compliance with a law or regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

Report on other legal and regulatory matters

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter, except for a significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. This was in relation to the Authority's performance management arrangements. This weakness was identified in the 2022-23 Auditor's Annual Report issued in March 2024. The auditor at the time (Grant Thornton UK LLP) recommended that the Authority invest in its performance management arrangements throughout the organisation as a means to focus resources on priorities and drive improvements. Because of the timing of the issue of the 2022-23 Report, the Authority was unable to fully address the significant weakness by 31 March 2024.

Responsibilities of the Authority

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in May 2024 and

related statutory guidance. We considered whether the Authority has proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services.

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

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

We cannot formally conclude the audit and issue an audit certificate for Wyre Forest District Council for the year ended 31 March 2024 in accordance with the requirements of Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have:

- confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

Use of our report

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

Alex Walling, Key Audit Partner
for and on behalf of Bishop Fleming LLP
Chartered Accountants and Statutory Auditors

Bristol

14 November 2024

Wyre Forest District Council – Statement of Accounts 2023-24

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.

2022-23 Expenditure £'000	2022-23 Income £'000	2022-23 Net £'000		Notes	2023-24 Expenditure £'000	2023-24 Income £'000	2023-24 Net £'000
Service Expenditure Analysis							
2,979	(436)	2,543	Chief Executive and Solicitor to the Council		3,227	(390)	2,837
9,843	(5,115)	4,728	Community and Environmental Services		10,456	(4,806)	5,650
7,726	(6,176)	1,550	Strategic Growth		9,959	(7,512)	2,447
6,887	(4,347)	2,540	Economic Development and Regeneration		13,474	(5,257)	8,217
1,445	(397)	1,048	Resources		766	(321)	445
22,549	(21,393)	1,156	Revenues, Benefits and Customer Services		22,706	(21,317)	1,389
51,429	(37,864)	13,565	Net Cost of Services		60,588	(39,603)	20,985
1,588	-	1,588	Other Operating Expenditure	10	1,838	-	1,838
5,435	(3,896)	1,539	Financing and Investment Income and Expenditure	11	6,196	(7,561)	(1,365)
-	(16,596)	(16,596)	Taxation and Non-specific Grant Income and Expenditure	12	-	(26,948)	(26,948)
		96	(Surplus)/Deficit on the Provision of Services				(5,490)
			Items that will not be reclassified to the Deficit on the Provision of Services:				
		1,523	(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets	25			(2,358)
		(50,091)	Re-measurement of the Net Defined Benefit Liability	25			(6,376)
		-	Asset Ceiling Adjustment	25			3,587
		(48,568)	Total Other Comprehensive (Income) and Expenditure				(5,147)
		(48,472)	Total Comprehensive (Income) and Expenditure				(10,637)

Wyre Forest District Council – Statement of Accounts 2023-24

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.

2023-24						
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
Balance at 1st April 2023 brought forward	18,362	3,456	2,346	24,164	21,056	45,220
Movement in Reserves during 2023-24:						
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
Balance at 31st March 2024 carried forward	22,657	2,652	2,325	27,634	28,223	55,857

2022-23 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
Balance at 1st April 2022 brought forward	20,707	3,089	1,966	25,762	(29,014)	(3,252)
Movement in Reserves during 2022-23:						
Total Comprehensive Income & (Expenditure)	(96)	-	-	(96)	48,568	48,472
Adjustments between accounting basis & funding basis under regulations	(2,249)	367	380	(1,502)	1,502	-
Net increase/ (decrease) in year	(2,345)	367	380	(1,598)	50,070	48,472
Balance at 31st March 2023 carried forward	18,362	3,456	2,346	24,164	21,056	45,220

Wyre Forest District Council – Statement of Accounts 2023-24

Reconciliation of General Fund Balance

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

2023-24

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

2022-23 Comparative Information

Notes	General Reserves (including £1.65m Working Balance at 31 st March 2023)	Earmarked Reserves 13	Total General Fund Balance 6
	£'000	£'000	£'000
Balance at 1st April 2022 brought forward	5,341	15,366	20,707
Net increase/ (decrease) in year	(223)	(2,122)	(2,345)
Balance at 31st March 2023 carried forward	5,118	13,244	18,362

Wyre Forest District Council – Statement of Accounts 2023-24

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".

31 st March 2023 £'000		Notes	31 st March 2024 £'000
	Property, Plant and Equipment:		
58,729	Land and Buildings	14	58,922
3,059	Vehicles, Plant and Equipment	14	2,497
3,950	Community Assets	14	4,368
1,001	Surplus Assets	14	750
3,708	Assets under Construction	14	7,942
1,241	Heritage Assets	15	1,266
588	Intangible Assets	16	434
72,276	Long-term Assets		76,179
26,209	Short-term Investments	17	18,248
15,471	Cash and Cash Equivalents	17, 20	17,984
99	Inventories		72
6,828	Short-term Debtors	18	9,380
250	Assets held for Sale (less than one year)	21	750
48,857	Current Assets		46,434
(240)	Short-term Borrowing	17	(3,286)
(14,484)	Short-term Creditors	22	(11,679)
(893)	Short-term Provisions	23	(1,316)
(15,617)	Current Liabilities		(16,281)
(34,194)	Long-term Borrowing	17	(31,158)
(11,817)	Other Long-term Liabilities	35	(8,449)
(14,285)	Capital Grants Receipts in Advance	41	(10,868)
(60,296)	Long-term Liabilities		(50,475)
45,220	Net Assets/(Liabilities)		55,857
24,164	Usable Reserves	9, 13	27,634
21,056	Unusable Reserves	9, 25	28,223
45,220	Total Reserves		55,857

These financial statements replace the unaudited financial statements certified by
Helen Ogram, Head of Resources and S151 Officer, on 31st May 2024

Wyre Forest District Council – Statement of Accounts 2023-24

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.

2022-23	Notes	2023-24
£'000		£'000
(96) Net surplus/(deficit) on the provision of services		5,490
1,617 Adjust net (surplus)/deficit for non-cash movements:	26	8,160
(4,667) Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities:	26	(7,805)
(3,146) Net cash flows from operating activities		5,845
(159) Net cash flows from investing activities	27	(1,341)
(225) Net cash flows from financing activities	28	(1,991)
(3,530) Net increase/(decrease) in cash or cash equivalents		2,513
19,001 Cash and cash equivalents at the beginning of the reporting period	20	15,471
15,471 Cash and cash equivalents at the end of the reporting period	20	17,984

Wyre Forest District Council – Statement of Accounts 2023-24

Notes to the Accounts

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Wyre Forest District Council – Statement of Accounts 2023-24

Notes to the Accounts

Note 1: Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2023-24 financial year and its position at 31st March 2024. 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, under Section 21 of the 2003 Act, primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (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 – Statement of Accounts 2023-24
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.

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 – Statement of Accounts 2023-24

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 with effect from 2023-24; Mercer Limited being the previous Actuary).

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 4.85% based on the indicative rate of return on high quality corporate bond.

Wyre Forest District Council – Statement of Accounts 2023-24

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.

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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 – Statement of Accounts 2023-24

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 – Statement of Accounts 2023-24

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.

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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. The Council has interests in companies, but no material business was transacted in 2023-24 as detailed in Note 38.

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.

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Notes to the Accounts

This Council hosts the shared service agreements with Redditch Borough Council and Bromsgrove District Council for North Worcestershire Economic Development and Regeneration, North Worcestershire Water Management and North Worcestershire Civil Contingencies and Resilience.

The Council 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

Leases are classified as either finance or operating leases based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or lessee. Whether the lease is a finance lease, or an operating lease depends on the substance of the transaction rather than the contract. 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. Land and building elements of a lease are considered separately for the purpose of lease classification. The Council has not identified any finance leases in 2023-24.

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

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

Operating Leases

The Authority as Lessee

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

The Authority as Lessor

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. 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 even if this does not match the pattern of payments (e.g. 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.

The Council has not identified any material operating leases in 2023-24.

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Notes to the Accounts

From 1st April 2024 the Council will adopt the IFRS16 leasing standard, that will remove the distinction between finance and operating leases, with all leases being considered finance in nature. To support this transition, the 2023-24 accounts will include a disclosure which assesses the impact on the accounts as at the balance sheet date had the standard been adopted.

The following policy will be applied upon the introduction of IFRS16:

Finance Leases

The Authority as Lessee

Property, Plant and Equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at its current value at the time of inception (or the present value of the minimum lease payments if lower). The asset recognised is matched by a deferred liability for the obligation to pay the lessor. Lease payments are apportioned between a charge for the acquisition of the interest in the property, plant or equipment which is applied to write down the deferred liability and a finance charge which is recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement. These property, plant and equipment recognised are subject to depreciation. The MRP on these assets equates to the amount of the lease payment that is applied to write down the deferred liability. The deferred liabilities are classified as either short or long-term in line with the lease repayments.

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.

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Notes to the Accounts

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)

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.

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Notes to the Accounts

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
- 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.

Wyre Forest District Council – Statement of Accounts 2023-24

Notes to the Accounts

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.

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.

Wyre Forest District Council – Statement of Accounts 2023-24

Notes to the Accounts

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.

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.

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Notes 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.

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.

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Notes to the Accounts

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 Department for Levelling Up, Housing & Communities (DLUHC) 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 2023-24 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 1st 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).

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

- 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.
- 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.

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Notes to the Accounts

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.

1.28 Business Improvement District

A business improvement district (BID) scheme for Kidderminster commenced with effect from 1st 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.

Wyre Forest District Council – Statement of Accounts 2023-24
Notes to the Accounts

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 2023-24 Code.

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

Accounting changes that are introduced by the 2024-25 Code are:

- IFRS 16 Leases - CIPFA/LASAAC has deferred the implementation of IFRS 16 Leases in the public sector until the 2024-25 financial year, with an effective date of 1st April 2024. This will require lessees to recognise assets subject to leases as right-of-use assets on their balance sheet, along with corresponding lease liabilities (there are exceptions for low-value and short-term leases). The impact to the Council's net asset position in the balance sheet is expected to be nil as an increase in lease assets will be offset by an increase in the lease liability.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments are as follows:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period,
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement,
 - clarify how lending conditions affect classification,
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add additional measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer the settlement of a liability for at least 12 months is subject to compliance with covenants.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to assess how supplier finance arrangements affect an entity's liabilities and cash flows, understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

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

Wyre Forest District Council – Statement of Accounts 2023-24

Notes to the 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 2023-24 gross collectable business rates before prior year adjustments, standard reliefs and Retail, Hospitality and Leisure reliefs were £40.33m. 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. Appeals outstanding from the 2010 list have now been finalised and the list closed. Many appeals from the 2017 list have now either been settled or withdrawn during 2023-24. The total appeals provision at 31st March 2024 stands at £3.081m; our local share being £1.232m.

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.

Wyre Forest District Council – Statement of Accounts 2023-24
Notes to the Accounts

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 31st March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<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. The fair funding review, revisions to business rates retention and the need to balance the budget in each year of the current approved MTFS by a transfer from reserves makes it less certain that the Council will be able to sustain its current spending, bringing into doubt the useful lives assigned to assets.</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 31st March 2024 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 £42,948 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>
Pensions Liability	<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. During 2023-24 the net pension liability for WRS had decreased to a surplus position. In line with the Code of Practice an Asset Ceiling calculation was requested from the Actuary. This resulted in the creation of a Pension Asset of £236k to be held on the Balance Sheet.</p> <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 £3,351k 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 31st March 2022.</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 assumption would result in a decrease in the pension liability of £1.6m.</p>

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Notes to the Accounts

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.

During 2023-24 the Council received a further £9.342m towards the Future High Streets Fund capital scheme. At 31st March 2024 the unspent balance was held as Capital Grants Receipts in Advance (see Note 41).

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.

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	-	-	-
Net Cost of Services	12,591	(2,183)	10,408	10,577	20,985
Other Income and Expenditure	(13,235)	(1,468)	(14,703)	(11,772)	(26,475)
(Surplus)/Deficit	(644)	(3,651)	(4,295)	(1,195)	(5,490)

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Notes to the Accounts

Comparative information for 2022-23

2022-23	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	2,356	(12)	2,344	199	2,543
Community and Environmental Services	4,392	(1,167)	3,225	1,503	4,728
Strategic Growth	1,788	(221)	1,567	(17)	1,550
Economic Development and Regeneration	172	(602)	(430)	2,970	2,540
Resources	3,117	(1,470)	1,647	(599)	1,048
Revenues, Benefits and Customer Services	994	(71)	923	233	1,156
Capital Account	(567)	567	-	-	-
Net Cost of Services	12,252	(2,976)	9,276	4,289	13,565
Other Income and Expenditure	(6,364)	(567)	(6,931)	(6,538)	(13,469)
(Surplus)/Deficit	5,888	(3,543)	2,345	(2,249)	96

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.

Movement in General Fund Balance	2022-23 £'000	2023-24 £'000
Opening General Fund Balance as at 1 st April	(20,707)	(18,362)
(Surplus)/Deficit on General Fund Balance in Year	2,345	(4,295)
Closing General Fund Balance as at 31st March	(18,362)	(22,657)

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:

2023-24	Exclude Transfers to/from Reserves	Exclude Depreciation to arrive at Funding Basis	Exclude Debt Financing and MRP Reported to Management under Net Cost of Services	Adjustments to arrive at the Net Expenditure chargeable to General Fund (see Note 6)
	£'000	£'000	£'000	£'000
Chief Executive and Solicitor to the Council	-	-	-	-
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 Account	-	-	1,468	1,468
Net Cost of Services	(1,487)	(2,164)	1,468	(2,183)
Other Income and Expenditure	-	-	(1,468)	(1,468)
(Surplus)/Deficit	(1,487)	(2,164)	-	(3,651)

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Notes to the Accounts

Comparative information for 2022-23

2022-23	Exclude Transfers to/from Reserves	Exclude Depreciation to arrive at Funding Basis	Exclude Debt Financing and MRP Reported to Management under Net Cost of Services	Adjustments to arrive at the Net Expenditure chargeable to General Fund (see Note 6)
	£'000	£'000	£'000	£'000
Chief Executive and Solicitor to the Council	(12)	-	-	(12)
Community and Environmental Services	(172)	(995)	-	(1,167)
Strategic Growth	(221)	-	-	(221)
Economic Development and Regeneration	11	(613)	-	(602)
Resources	(1,105)	(365)	-	(1,470)
Revenues, Benefits and Customer Services	(69)	(2)	-	(71)
Capital Account	-	-	567	567
Net Cost of Services	(1,568)	(1,975)	567	(2,976)
Other Income and Expenditure	-	-	(567)	(567)
(Surplus)/Deficit	(1,568)	(1,975)	-	(3,543)

Adjustments to arrive at the Comprehensive Income and Expenditure Statement:

Adjustments between Funding and Accounting Basis 2023-24

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 (non statutory) Adjustments	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive and Solicitor to the Council	-	(30)	-	(30)	7	(23)
Community & Environmental Services	1,889	(48)	-	1,841	35	1,876
Strategic Growth	194	(33)	-	161	0	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)
Net Cost of Services	11,517	(978)	-	10,539	38	10,577
Other income and expenditure from the Expenditure and Funding Analysis	(12,304)	399	1,499	(10,406)	(1,366)	(11,772)
Difference between General Fund Surplus/Deficit and Comprehensive Income and Expenditure Statement Surplus/Deficit	(787)	(579)	1,499	133	(1,328)	(1,195)

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Notes to the Accounts

Comparative information for 2022-23

Adjustments between Funding and Accounting Basis 2022-23

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 (non statutory) Adjustments	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive and Solicitor to the Council	1	209	-	210	(11)	199
Community & Environmental Services	986	560	-	1,546	(43)	1,503
Strategic Growth	(354)	349	-	(5)	(12)	(17)
Economic Development and Regeneration	2,898	74	-	2,972	(2)	2,970
Resources	365	(950)	-	(585)	(14)	(599)
Revenues, Benefits and Customer Services	2	238	-	240	(7)	233
Net Cost of Services	3,898	480	-	4,378	(89)	4,289
Other income and expenditure from the Expenditure and Funding Analysis	(1,923)	1,633	(4,946)	(5,236)	(1,302)	(6,538)
Difference between General Fund Surplus/Deficit and Comprehensive Income and Expenditure Statement Surplus/Deficit	1,975	2,113	(4,946)	(858)	(1,391)	(2,249)

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.

Wyre Forest District Council – Statement of Accounts 2023-24

Notes to the Accounts

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.

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.

Wyre Forest District Council – Statement of Accounts 2023-24
Notes to the Accounts

Note 8: Expenditure and Income analysed by nature

	2022-23	2023-24
	£'000	£'000
Expenditure		
Employee Benefits Expenses	13,923	13,179
Other Service Expenses	33,189	36,062
Support Services	65	(12)
Depreciation and Revaluation Adjustments	4,252	11,359
Interest Payments	987	1,030
Pensions	4,448	5,166
Precepts	1,586	1,759
Net Loss on Disposal of Fixed Assets	2	79
Total Expenditure	58,452	68,622
Income		
Fees, Charges and Other Service Income	(15,125)	(16,164)
Interest and Investment Income	(1,081)	(2,794)
Council Tax and NNDR	(13,880)	(13,811)
Pensions*	(2,815)	(4,767)
Government Grants and Contributions	(25,455)	(36,576)
Total Income	(58,356)	(74,112)
(Surplus)/Deficit on the Provision of Services	96	(5,490)

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

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.

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Notes to the Accounts

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.

2023-24	Usable Reserves			Movement in Unusable Reserves £'000
	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
<u>Adjustments involving the Capital Adjustment Account</u>				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
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)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment	(1,366)			1,366
Revenue contribution to finance capital	(189)			189
<u>Adjustments involving the Capital Receipts Reserve</u>				
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
<u>Adjustments involving the Pensions Reserve</u>				
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
<u>Adjustments involving the Collection Fund Adjustment Account</u>				
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)
<u>Adjustment involving the Accumulated Absences Account</u>				
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)
Total Adjustments	(1,195)	(804)	(21)	2,020

Wyre Forest District Council – Statement of Accounts 2023-24
Notes to the Accounts

2022-23 Comparative Figures	Usable Reserves			Movement in Unusable Reserves £'000
	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
<u>Adjustments involving the Capital Adjustment Account</u>				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets	4,251			(4,251)
Capital grants and contributions applied	(4,341)		380	3,961
Revenue expenditure funded from capital under statute	2,060			(2,060)
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	416			(416)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment	(1,302)			1,302
<u>Adjustments involving the Capital Receipts Reserve</u>				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(413)	429		(16)
Use of the Capital Receipts Reserve to finance new capital expenditure		(62)		62
<u>Adjustments involving the Pensions Reserve</u>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	5,107			(5,107)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,994)			2,994
<u>Adjustments involving the Collection Fund Adjustment Account</u>				
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	(4,943)			4,943
<u>Adjustment involving the Accumulated Absences Account</u>				
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	(90)			90
Total Adjustments	(2,249)	367	380	1,502

Note 10: Other Operating Expenditure

	2022-23 £'000	2023-24 £'000
Parish/Town Council Precepts	1,586	1,759
(Gains)/Losses on the disposal of non-current assets	2	79
Total	1,588	1,838

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Note 11: Financing and Investment Income and Expenditure

	2022-23 £'000	2023-24 £'000
Interest payable and similar charges	987	1,030
Net interest on the net defined benefit liability/(asset)*	1,633	399
Interest receivable and similar income	(1,081)	(2,794)
Total	1,539	(1,365)

* 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

	2022-23 £'000	2023-24 £'000
Council Tax income	(9,422)	(9,800)
Business Rates income and expenditure	(4,434)	(4,011)
New Homes Bonus	(464)	(240)
Revenue Support Grant	-	(151)
NNDR Levy Redistribution	(24)	(24)
Other non-service related grants	(2,252)	(12,722)
Total	(16,596)	(26,948)

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 2023-24.

Earmarked Reserve	Balance at 1st April 2023 £'000	Receipts in year £'000	Payments in year £'000	Transfers between reserves £'000	Total movements in year £'000	Balance at 31st March 2024 £'000
Business Rates Risk Reserve	1,400	-	-	(1,400)	(1,400)	-
General Risks	2,599	410	(47)	(935)	(572)	2,027
Capital Financing	1,115	-	-	-	-	1,115
Innovation Fund	1,178	250	(64)	-	186	1,364
Levelling Up Fund	442	550	(48)	-	502	944
Future High Streets Fund – DRF for Capital Financing	-	360	-	2,595	2,955	2,955
Future High Streets Fund	369	205	-	(313)	(108)	261
State of the Area Projects	246	170	(26)	-	144	390
Pension Fund Contribution	300	350	-	-	350	650
Property Risk Reserve	193	173	(154)	-	19	212
District Local Development Framework	-	66	(4)	129	191	191
Building Control Chargeable Account	128	-	-	(128)	(128)	-
External Funding	2,370	584	(643)	-	(59)	2,311
Other Miscellaneous Reserves (below £150,000)	1,108	497	(225)	52	324	1,432
Sub Total	11,448	3,615	(1,211)	-	2,404	13,852
Business Rates Pool – Re-distribution Timing Reserve	1,796	-	-	-	-	1,796
Collection Fund (timing differences)	-	1,333	-	-	1,333	1,333
Total Earmarked Reserves	13,244	4,948	(1,211)	-	3,737	16,981

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Note 14: Property Plant and Equipment (PPE)

Movements on Balances

Movements in 2023-24:

	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at April 1st 2023	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)
Gross Book Value at 31st March 2024	58,922	8,376	4,368	750	7,942	80,358
Accumulated Depreciation at April 1st 2023	-	(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
At 31st March 2024	-	(5,879)	-	-	-	(5,879)
Net Book Value at 31st March 2024	58,922	2,497	4,368	750	7,942	74,479

The major Assets Under Construction at 31st March 2024 were:

- the Future High Streets Fund regeneration programme in Kidderminster that consists of the Creative Hub and the Urban Park. These major capital schemes are under way following the Government Grant of £20.51m awarded in December 2020. The schemes are anticipated to reach completion by March 2025.
- Brinton Park Heritage Lottery Fund development. This capital scheme is under way. Procurement of the main construction contract commenced mid May 2024, in close liaison with the Heritage Lottery Fund.
- Castle Road Temporary Accommodation Scheme. The scheme is under way; anticipated to reach completion by spring 2025.

The £5.01m reduction in the valuation of Assets Under Construction reflects the future estimated value of the Creative Hub once the construction works are complete and the asset becomes operational.

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Comparative Movements in 2022-23:

	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at April 1st 2022	62,802	7,773	4,080	2,180	1,757	78,592
Additions And Enhancements	11	965	(24)	-	1,951	2,903
Revaluation Movements Recognised In The Revaluation Reserve	(2,830)	-	(82)	(56)	-	(2,968)
Revaluation Movements Recognised In The Surplus/Deficit On The Provision Of Services	(538)	-	14	(1,463)	-	(1,987)
Disposals	(376)	(407)	(38)	-	-	(821)
Reclassifications	(340)	-	-	340	-	-
Gross Book Value at 31st March 2023	58,729	8,331	3,950	1,001	3,708	75,719
Accumulated Depreciation at April 1st 2022	(9)	(4,913)	-	-	-	(4,922)
Depreciation Charge	(1,104)	(732)	(1)	-	-	(1,837)
Reversal of Depreciation On Revaluation Taken To The Revaluation Reserve	995	-	1	-	-	996
Reversal of Depreciation On Revaluation Taken To The Surplus/Deficit On The Provision Of Services	100	-	-	-	-	100
Disposals	18	373	-	-	-	391
At 31st March 2023	-	(5,272)	-	-	-	(5,272)
Net Book Value at 31st March 2023	58,729	3,059	3,950	1,001	3,708	70,447

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:

Asset Category	Life
Offices, Leisure & Recreation and Museum	1-63
Depot & Workshops	18-38
Vehicles, Plant & Machinery, Equipment & Lighting	1-10
ICT Systems	1-5

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

Asset Description	2022-23	2023-24
Land, Properties and Vehicles:		
Assets Under Construction	6	7
Car Parks	20	20
Cemetery Sites	2	2
Civic & Administrative Buildings	2	2
Leisure Centres (leasehold interest in Bewdley Leisure Centre)	2	2
Museums	1	1
Nature Reserves	4	4
Other Land & Buildings	34	34
Sports & Social Clubs	2	2
Sports Fields & Parks	13	13
Trading Estates & Enterprise Centres	7	7
Vehicles	73	79

The major items of capital expenditure in 2023-24 were:

Scheme	£'000
Future High Streets Fund, Kidderminster	8,544
Levelling Up Fund	4,044
Disabled Facilities/Housing Grants	2,907
Castle Road Development	697
Evergreen Investment Fund	395
Vehicle & Equipment Replacement Programme	381
UK Shared Prosperity Fund Grants	168
ICT Strategy	54
Other Capital Schemes (below £50k)	75
Total Capital Expenditure	17,265

The Council's Capital Programme was financed as follows:

Type of Financing	£'000
Grants	15,592
Application of Capital Receipts	1,049
Prudential Borrowing	435
Direct Revenue Funding	189
Total Financing	17,265

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At 31st March 2024 the following major capital contracts had been entered into, with the following sums remaining to be paid.

Description	£'000
Future High Streets Fund	5,073
Castle Road Temporary Accommodation Scheme	3,531
Disabled Facilities Grants/Housing Assistance Grants	395
Wyre Forest House – Construction Contract (including Retentions)*	211
Vehicle & Equipment Renewals	159
Levelling Up Fund Scheme	97
ICT Strategy	20
Brinton Park HLF Scheme Consultancy	21

*The contract for the construction of Wyre Forest House was awarded to Thomas Vale Construction Limited early in 2011-12. The building became operational and was occupied in September 2012. The above relates to the remaining contractual commitments including retentions.

Revaluations

Due to volatile market conditions post Covid, 100% 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):

Description	Land and Buildings £'000	Community Assets £'000	Surplus Assets £'000	Assets Held for Sale £'000	Total £'000
Valued in: 2023-24	58,922	4,368	750	750	64,790
Total	58,922	4,368	750	750	64,790

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Note 15: Heritage Assets

Reconciliation of the carrying value of heritage assets held by the Council, 2023-24.

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

Comparative information for 2022-23:

	Art Collection £'000	Richard Eve Memorial and Museum Exhibits £'000	Total Heritage Assets £'000
Cost or Valuation at April 1st 2022	647	536	1,183
Net Revaluation Increases/(Decreases)	-	58	58
Net Book Value at 31st March 2023	647	594	1,241

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 31st March 2023.

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.

	2022-23 £'000	2023-24 £'000
Balance at Start of Year:		
Gross Carrying Amounts	1,794	2,115
Accumulated Amortisation	(1,388)	(1,527)
Net Carrying Amount at Start of Year	406	588
Purchases	320	26
Amortisation for period	(138)	(180)
Net Carrying Amount at End of Year	588	434
Comprising:		
Gross Carrying Amount	2,115	2,141
Accumulated Amortisation	(1,527)	(1,707)
Net Carrying Amount at End of Year	588	434

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

Categories of Financial Instruments

	Non-Current		Current	
	31st March 2023 £'000	31st March 2024 £'000	31st March 2023 £'000	31st March 2024 £'000
Financial Assets				
Investments				
Fair Value through profit and loss				
Amortised Cost – Investments (Principal)			26,000	18,000
Amortised Cost – Investments (Accrued Interest)			209	248
Amortised Cost - Cash and cash equivalents			15,461	17,919
Amortised Cost - Cash and cash equivalents (Accrued Interest)			10	65
Total Investments	0	0	41,680	36,232
Amortised cost - Debtors			1,066	1,306
Total Financial Assets	0	0	42,746	37,538
Financial liabilities				
Amortised cost - Borrowing	(34,194)	(31,158)	(240)	(3,286)
Amortised Cost - Creditors			(1,734)	(2,700)
Total Financial Liabilities	(34,194)	(31,158)	(1,974)	(5,986)

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:

	31st March	
	2023 £'000	2024 £'000
Interest income	1,081	2,794
Interest expense	(987)	(1,030)
Total	94	1,764

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).

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The fair values of Financial Assets are as follows:

	31st March 2023		31st March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	15,471	15,471	17,984	17,984
Add back: Overdraft/(Cash at Bank)	(321)	(321)	(538)	(538)
Short-term Deposits	26,209	26,209	18,248	18,248
Total Temporary Investments	41,359	41,359	35,694	35,694

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

As at 31st March 2024 the Council held no financial assets for which Level 1 valuations will apply and £35.694m financial assets for which Level 2 valuations will apply. All the financial assets are valued at amortised cost.

As at 31st March 2024 the Council held £34.194m 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 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:

	31st March 2023		31st March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Market Debt	2,030	1,970	2,030	2,030
PWLB Loan – Maturity	32,164	24,093	32,164	22,804
Total Borrowing	34,194	26,063	34,194	24,834

The fair value of PWLB loans of £22.804m 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.

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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 £25.559m at 31st March 2024. 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 Link Group. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies and a number of relevant overlays as detailed below:

- 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

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The Council has determined that there is no significant credit risk to financial instruments since initial recognition. The historic risk of default at 31st March 2024 was 0.012% (0.012% at 31st March 2023), as provided by Link Group, therefore no adjustment has been made to the carrying value of the investments.

The Authority'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 or £5m if higher (with specific approval by the Head of Resources). 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 31st March 2024 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 31st March 2024. These are analysed by age as shown in the table below:

Age of Debt	31 st March	
	2023 £'000	2024 £'000
Less than three months	1,340	1,329
Three to six months	99	134
Six months to one year	107	214
More than one year	430	470
Total	1,976	2,147

The Council has an impairment allowance of £706k in place to mitigate against this risk (£626k in 2022-23).

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.

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.

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The maturity analysis of financial assets is as follows:

	31st March	
	2023 £'000	2024 £'000
Less than one year	41,359	35,694
Total	41,359	35,694

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:

	31st March	
	2023 £'000	2024 £'000
Less than one year	240	3,286
Between one and two years	3,036	-
Between two and five years	2,006	4,017
Between five and ten years	6,041	5,037
Between ten and fifteen years	4,030	4,029
Between fifteen and twenty years	3,022	2,016
Between twenty and twenty-five years	-	-
Over twenty-five years	16,059	16,059
Total	34,434	34,444

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);

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- 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 31st March 2024, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest receivable on variable rate investments	552

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.

Note 18: Debtors

Short Term Debtors	31st March	
	2023 £'000	2024 £'000
Trade Receivables	1,066	1,306
Prepayments	498	581
Local Taxation including Major Precepting Authorities	4,823	6,077
Other Receivable Amounts	441	1,416
Total Net Debtors at Year End	6,828	9,380

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Note 19: Debtors for Local Taxation

Debtors for Local Taxation (Memorandum – gross debtors)	31st March	
	2023 £'000	2024 £'000
Council Tax:		
Current year	2,141	2,148
More than one year	3,962	4,259
NNDR:		
Current year	927	1,298
More than one year	992	1,295
Total Gross Debtors for Local Taxation	8,022	9,000

Note 20: Cash and Cash Equivalents

Cash and Cash Equivalents comprises:

Cash and Cash Equivalents	2022-23 £'000	2023-24 £'000
Cash held by the Authority	3	4
Bank current accounts	318	534
Short-term deposits with banks/building societies	15,150	17,446
Total Balance at Year End	15,471	17,984

Note 21: Assets Held for Sale

Assets Held for Sale	2022-23 £'000	2023-24 £'000
Balance at Start of Year	250	250
Balance at Year End	250	750

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

Creditors	31st March	
	2023 £'000	2024 £'000
Government Departments	6,708	4,091
Local Authorities	2,148	1,688
Sundry Creditors	1,658	2,646
Council Taxpayers (overpayments/receipts in advance)	148	158
Business Rates (overpayments/receipts in advance)	589	532
Receipts in Advance	3,111	2,438
Contractors and Other Deposits	122	126
Total Balance at Year End	14,484	11,679

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Creditors – Summary	31st March	
	2023 £'000	2024 £'000
Trade payables	1,734	2,700
Other payables	12,750	8,979
Total Balance at Year End	14,484	11,679

Note 23: Provisions

Description of Provision	1st April 2023 £'000	Provided in Year £'000	Payments in Year £'000	31st March 2024 £'000
Business Rates Appeals	761	1,232	(761)	1,232
Other Miscellaneous	132	-	(48)	84
Total	893	1,232	(809)	1,316

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

	31st March	
	2023 £'000	2024 £'000
Revaluation Reserve	18,747	20,571
Capital Adjustment Account	12,578	16,088
Pensions Reserve	(11,817)	(8,449)
Collection Fund Adjustment Account	1,738	240
Accumulated Absences Account	(190)	(227)
Total Unusable Reserves	21,056	28,223

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.

Revaluation Reserve	2023 £'000	2024 £'000
Balance at 1st April	20,755	18,747
Revaluation Gains	2,851	4,142
Revaluation reductions written off against prior balances	(4,374)	(1,784)
(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets	(1,523)	2,358
Excess Current Value Depreciation over Historic Cost Depreciation	(244)	(266)
Balances written out following disposal	(241)	(268)
Balance at 31st March	18,747	20,571

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 1st April 2007, the date that the revaluation reserve was created to hold such gains.

Capital Adjustment Account	2023 £'000	2024 £'000
Balance at 1st April	13,511	12,578
Capital Receipts Applied	62	1,048
Depreciation	(1,975)	(2,164)
Revaluation Adjustments	(2,276)	(9,195)
Direct Revenue Financing	-	189
Appropriation of Minimum Revenue Provision	1,302	1,366
Revenue Expenditure Funded From Capital Under Statute	(2,060)	(3,536)
Disposal of Non-Current Assets	(431)	(324)
Capital Grants	3,961	15,592
Revaluation Reserve	484	534
Balance at 31st March	12,578	16,088

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.

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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. The WRS pension reserve has moved from a deficit to a surplus position. Under International Accounting Standard (IAS 19) the Council must disclose the lower of the actuarial valuation or Asset Ceiling calculation. The Asset Ceiling Calculation resulted in a lower valuation and is included within the accounts for 2023-24.

Pensions Reserve	2022-23 £'000	2023-24 £'000
Balance at 1st April	(59,795)	(11,817)
Adjustment to Opening Balance*	6	33
	(59,789)	(11,784)
Remeasurements of the net defined benefit (liability and asset)	50,086	6,376
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	(5,108)	(2,118)
Employer's pension contributions and direct payments to pensioners payable in the year	2,994	2,664
Asset Ceiling Adjustment		(3,587)
Balance at 31st March	(11,817)	(8,449)

* Audit adjustment of £33k relating to 2022-23.

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.

Collection Fund Adjustment Account	2022-23 £'000	2023-24 £'000
Balance at 1st April	(3,205)	1,738
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	4,943	(1,498)
Balance at 31st March	1,738	240

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Accumulated Absences Account

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

Accumulated Absences Account	2022-23 £'000	2023-24 £'000
Balance at 1st April	(280)	(190)
Reversal of Opening Balance	280	190
Amounts accrued at the end of the current year	(190)	(227)
Balance at 31st March	(190)	(227)

Note 26: Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

Cash Flow Statement – Operating Activities	2022-23 £'000	2023-24 £'000
Interest received	(881)	(2,755)
Interest paid	842	870
Net cash flows from operating activities	(39)	(1,885)

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

Cash Flow Statement – Operating Activities	2022-23 £'000	2023-24 £'000
Depreciation	1,975	2,164
Downward re-valuations	2,276	9,195
Increase/(decrease) in creditors	(6,790)	(804)
(Increase)/decrease in debtors	(313)	(2,590)
(Increase)/decrease in inventories	56	27
Movement in pension liability	4,451	(579)
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	431	324
Other non-cash items charged to the net surplus or deficit on the provision of services	(469)	423
Total	1,617	8,160

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

Cash Flow Statement – Operating Activities	2022-23 £'000	2023-24 £'000
Proceeds from short-term and long-term investments	102	8,010
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(407)	(240)
Any other items for which the cash effects are investing or financing cash flows	(4,362)	(15,575)
Total	(4,667)	(7,805)

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Note 27: Cash Flow Statement – Investment Activities

Cash Flow Statement – Investment Activities	2022-23 £'000	2023-24 £'000
Purchase of property, plant and equipment, investment property and intangible assets	(3,223)	(13,729)
Purchase of short-term and long-term investments	(12,102)	(10)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	407	240
Other receipts from investing activities	14,759	12,158
Net cash flows from investing activities	(159)	(1,341)

Note 28: Cash Flow Statement – Financing Activities

Cash Flow Statement – Financing Activities	2022-23 £'000	2023-24 £'000
Cash receipts of short and long-term borrowing	2,000	10
Repayments of short and long-term borrowing	(2,100)	-
Other payments for financing activities	(125)	(2,001)
Net cash flows from financing activities	(225)	(1,991)

Note 29: Members' Allowances and Expenses

Members' allowances and expenses paid during the year were £247,471 (£227,323 in 2022-23). 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)	2023-24	128,035	761	128,796	24,967	153,763
	2022-23	120,760	458	121,218	21,978	143,196
Solicitor to the Council (Monitoring Officer)	2023-24	48,857	-	48,857	9,527	58,384
	2022-23	46,586	-	46,586	7,949	54,535
Head of Community and Environment	2023-24	70,557	59	70,616	13,759	84,375
	2022-23	66,548	395	66,943	12,112	79,055
Head of North Worcestershire Economic Development and Regeneration	2023-24	77,044	-	77,044	15,024	92,068
	2022-23	72,750	-	72,750	13,241	85,991
Head of Strategic Growth	2023-24	70,557	68	70,625	13,759	84,384
	2022-23	66,548	-	66,548	12,112	78,660
Head of Resources and S151 Officer	2023-24	74,583	-	74,583	14,544	89,127
	2022-23	70,107	-	70,107	12,760	82,867
Head of Revenues, Benefits and Customer Services	2023-24	70,693	20	70,713	13,785	84,498
	2022-23	59,194	-	59,194	10,773	69,967

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The Head of North Worcestershire Economic Development and Regeneration provides services for both the Council, Bromsgrove District Council and Redditch Borough Council. He is employed by the Council and 85% of his salary is funded by the Shared Service. Redditch and Bromsgrove Councils meet 46% of the costs of the shared service.

This shared service has been highly successful over a decade, securing £45m for regeneration projects for the district since 2020, but at the end of June 2024 it is being disbanded so the councils can concentrate on their own projects.

*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:

Total Remuneration (excluding employer's contributions)	2022-23	2023-24
£50,000 - £54,999	4	5
£55,000 - £59,999	-	3

One officer employed by the Council is 50% funded through the Shared Service with Bromsgrove District Council and Redditch Borough Council.

In addition to the above salaries, the Elections Returning Officer (Chief Executive) received £2,861 remuneration (includes pension contributions), for his role in the District and Parish council elections in May 2023. The figure includes mileage allowance.

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:

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band		(e) Total cost of exit packages in each band (excluding WRS)	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23 £	2023-24 £
£0 - £20,000	1	2	-	-	1	2	3,920	11,340
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £300,000	-	-	-	-	-	-	-	-
Total	1	2	-	-	1	2	3,920	11,340

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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:

Fees payable to the Council's External Auditors	2022-23 £'000	2023-24 £'000
Fees payable relating to external audit services carried out by the appointed auditor for the year 2022-23	45	-
Fees payable relating to external audit services carried out by the appointed auditor for the year 2023-24	-	145
PSAA approved audit fee variation for 2022-23	24	-
Total	69	145

Note 32: Grant Income

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

Grant Income	2022-23 £'000	2023-24 £'000
Credited to Taxation and Non-Specific Grant Income		
New Homes Bonus	464	240
Revenue Support Grant	-	151
Funding Guarantee	-	425
Lower Tier Services Grant	130	-
Services Grant	196	115
NNDR Levy Redistribution	24	24
Repayment of Covid 19 Grant to DLUHC	-	(11)
S31 Business Rates Relief Grant	3,105	3,305
Subtotal	3,919	4,249
WFDC Council Tax Income	9,422	9,800
Business Rates Retention	1,329	706
Capital Grants Applied	1,926	12,193
Total Credited to Taxation and Non-Specific Grant Income	16,596	26,948
Credited to Services		
Housing Benefit Subsidy	19,671	19,898
Housing Benefit Admin	404	260
Covid Support Grants	50	-
Other Grants:		
Chief Executive & Solicitor to the Council	27	67
Community and Environmental Services	602	200
Economic Development & Regeneration	583	893
Resources	103	8
Revenues, Benefits & Customer Services	757	629
Strategic Growth	2,955	3,971
Total Grant Income Credited to Services	25,152	25,926

Grant income credited to services in the above table includes government grants & contributions totalling £23.438m (these are included in Government Grants & Contributions in Note 8).

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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 31st March 2024 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 2023-24 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 2023-24 to:

- District Councils' Network
- Age UK, Bromsgrove, Redditch and Wyre Forest
- Wolverley & Cookley Parish Council
- Stourport Forward
- Elizabeth Mills Day Centre
- Rock Parish Council

Major transactions over £10k for 2023-24 where Councillors or Officers were also members of outside bodies are shown in the table below:

Organisation	Total Income £'000	Total Expenditure £'000	Income due at 31/03/2024 £'000	Expenditure due at 31/03/2024 £'000
Other Public Bodies				
Worcestershire County Council	3,213	751	0	150
Kidderminster Town Council	190	105	-	-
Stourport Town Council	18	28	-	-
Bewdley Town Council	8	7	-	-
Other Bodies				
Wyre Forest Citizens Advice Bureau	-	247	-	11
Stourport Sports Club	13	15	-	-
Local Government Association	-	13	-	-
Wyre Forest Nightstop & Mediation	-	21	-	3
West Mercia PCC	30	35	-	2

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Officers

The Community and Strategic Projects Manager and the Community and Environment Strategic Manager were board Members of Stourport Sports Club Limited during 2023-24.

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 2023-24.

Services Hosted by WFDC

Service	Council	Value of Service in 2023-24 £'000	Payment due from WFDC at 31/03/2024 £'000	Receipt due to WFDC at 31/03/2024 £'000
North Worcestershire Economic Development and Regeneration	Redditch Borough Council	304	-	42
	Bromsgrove District Council	222	-	18
North Worcestershire Water Management	Redditch Borough Council	74	-	22
	Bromsgrove District Council	63	-	19
North Worcestershire Civil Contingencies and Resilience	Redditch Borough Council	3	-	1
	Bromsgrove District Council	3	-	1

Services Hosted by Other Councils

Service	Host Council	Value of Service in 2023-24 £'000	Payment due from WFDC at 31/03/2024 £'000	Receipt due to WFDC at 31/03/2024 £'000
Worcestershire Regulatory Services	Bromsgrove District Council	560	14	-
North Worcestershire Building Control	Bromsgrove District Council	167	-	-
Payroll	Redditch Borough Council	60	60	-
Car Park Administration Service	Wychavon District Council	70	-	-

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

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Note 34: Capital Expenditure and Capital Financing

Capital Expenditure and Capital Financing	2022-23 £'000	2023-24 £'000
Opening Capital Financing Requirement	41,236	41,194
Operational Assets	1,272	4,123
Non-operational Assets	1,951	9,606
Revenue Expenditure Funded from Capital Under Statute	2,060	3,536
Capital Receipts	(62)	(1,048)
Government Grants and other Contributions	(3,961)	(15,592)
Sums Set Aside from Revenue	(1,302)	(1,555)
Closing Capital Financing Requirement	41,194	40,264
Explanation of movements in the year:		
Increase in underlying requirement to borrow (unsupported by Government financial assistance)	(42)	(930)
Increase in Capital Financing Requirement	(42)	(930)

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.

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 £440k 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.

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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 15.08% (15.11% in 2022-23) and this is reflected in the note below:

	WFDC		Share of WRS	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Comprehensive Income and Expenditure Statement				
Cost of Services				
Service cost comprising:				
Current Service Cost*	3,288	1,621	152	65
Administration expenses	32	-	2	-
Financing and Investment Income and Expenditure				
Net interest expense	1,581	435	52	(3)
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	4,901	2,056	206	62
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement				
Remeasurement of the net defined liability comprising:				
Return on plan assets (excluding the amount included in net interest expense)	2,473	(5,519)	156	(68)
Actuarial (gains) and losses arising on changes in actuary assumptions	(50,537)	(679)	(2,178)	(109)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(43,163)	(4,142)	(1,816)	(115)
Movement in Reserves Statement				
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	1,988	(525)	125	(21)
Actual amount charged against the General Fund Balance for pensions in the year				
Employers’ contributions payable to scheme	2,483	2,141	81	83
Discretionary retirement benefits payable to pensioners	430	440	-	-

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

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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	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Present value of defined benefit obligation	107,435	108,798	4,159	4,202
Fair value of plan assets	(95,636)	(103,755)	(4,141)	(4,383)
IFRIC14(Asset Ceiling) Adjustment	-	3,351	-	236
Net liability arising from defined benefit obligation	11,799	8,394	18	55

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 £3,351k is recognised on the balance sheet.

Following the pensions valuation for WRS by the actuary, Hymans Robertson LLP, the host authority, Bromsgrove District Council, has determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31st March 2024 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.

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

	WFDC		Share of WRS	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Opening fair value of scheme assets	97,292	95,636	4,192	4,141
Adjustment to opening balance for WRS*	-	-	(11)	(8)
2022-23 Interest adjustment**		33		
	97,292	95,669	4,181	4,133
Interest Income	2,698	4,536	117	198
Remeasurement gain/(loss)				
- return on plan assets, excluding amount included in net interest expense	(2,473)	5,519	(156)	68
Administration expenses	(32)	-	(2)	-
Contributions from employer	2,913	2,581	81	83
Contributions from employees into scheme	507	584	26	26
Benefits Paid	(5,269)	(5,134)	(106)	(125)
Asset Ceiling adjustment	-	(3,351)	-	(236)
Closing fair value of scheme assets	95,636	100,404	4,141	4,147

*Recalculation of the share of WRS liability from 15.11% in 2022-23 to 15.08% in 2023-24.

**Audit adjustment to interest on plan assets relating to 2022-23.

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

	WFDC		Share of WRS	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Opening balance at 1 st April	155,167	107,435	6,112	4,159
Adjustment to opening balance for WRS**	-	-	(17)	(8)
	155,167	107,435	6,095	4,151
Current Service cost*	3,288	1,621	152	65
Interest cost	4,279	4,971	170	195
Contributions from scheme participants	507	584	26	26
Remeasurement (gains) and losses-				
Actuarial (gains)/losses arising from:				
experience (gain)/losses	8,670	1,146	397	32
changes in financial assumptions	(56,715)	51	(2,478)	(77)
demographic assumptions	(2,492)	(1,876)	(97)	(65)
Past Service Cost/Curtailments	-	-	-	-
Benefits paid	(5,269)	(5,134)	(106)	(125)
Closing balance at 31st March	107,435	108,798	4,159	4,202

**Recalculation of the share of WRS liability from 15.11% in 2022-23 to 15.08% in 2023-24

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Local Government Pension Scheme assets comprised:

Fair value of scheme assets	WFDC		Share of WRS	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Cash and Cash Equivalent	1,411	1,709	61	75
Investment Funds and Unity Trusts:				
Equities	69,109	68,475	1,619	1,795
Bonds	2,469	6,120	1,551	1,046
Commodities	2,101	-	-	-
Infrastructure	12,360	17,446	496	609
Other	-	1,885	85	579
Sub-total Investment Funds and Unity Trust	86,039	95,635	3,751	4,029
Property:				
UK	7,534	5,707	302	187
Overseas	685	2,413	28	92
Sub-total Property	8,219	8,120	330	279
Total Assets	95,669	103,755	4,142	4,383

Note: the total assets listed above have not been reduced for the impact of the asset ceiling, therefore the total is different to that in Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets.

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 1st April 2023.

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The significant assumptions used by the actuary have been:

	WFDC		WRS	
	2022-23	2023-24	2022-23	2023-24
Long term expected rate of return on assets in the scheme				
Life Expectancy:				
Longevity at 65 of current pensioners				
Male	22.0yrs	21.3yrs	22.0yrs	21.3yrs
Female	24.2yrs	23.6yrs	24.2yrs	23.6yrs
Longevity at 65 of future pensioners				
Male	23.3yrs	22.6yrs	23.3yrs	22.6yrs
Female	26.1yrs	25.5yrs	26.1yrs	25.5yrs
Financial assumptions				
Rate of Inflation (CPI)	2.70%	2.80%	2.70%	2.75%
Rate of increase in salaries	4.20%	4.30%	4.20%	4.25%
Rate of increase in pensions	2.80%	2.80%	2.80%	2.75%
Discount Rate on liabilities	4.80%	4.80%	4.80%	4.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all 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 2023-24			
	WFDC		Share of WRS	
	£'000	%	£'000	%
1 year increase in longevity	4,352	4%	168	4%
0.1% increase in the pension Increase rate (CPI)	1,447	1%	66	2%
0.1% increase in salary increase rate	118	0%	15	0%
0.1% decrease in real discount rate	1,539	1%	79	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 31st March 2022, to give a fully funded position by 31st March 2035. Funding levels are monitored on an annual basis.

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Notes to the Accounts

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 31st 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, 2023-24 (15 years 2022-23). For Worcestershire Regulatory Services the weighted average duration is 18 years (18 years 2022-23).

Note 36: Contingent Liabilities

The account with the Wyre Forest House construction contractor continues to remain outstanding because of a number of unresolved issues. The potential exists for a contractor's claim against the Council for prolongation of the contract time scale, so a contingent liability exists in relation to this major capital project.

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). The Bewdley Heritage Trust was registered with the Charity Commission on 25th April 2022, but has subsequently been wound up after the Trustees decided not to progress a transfer of Bewdley museum to the trust.

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 2023-24.

Note 39: Events after the Balance Sheet Reporting Period

The Head of Resources and S151 Officer confirms that there were the following non-adjusting Post Balance Sheet Events (PBSE) identified at 31st May 2024, the date that the pre-audit Statement of Accounts 2023-24 was approved:

The Council was notified on 26th May 2023 that PSP wished to dissolve PSP Wyre Forest LLP. The Partnership documentation sets out a process for dissolution. As previously reported, this process takes up to 12 months to complete. The application to strike off the register was submitted on 17th April 2024.

Wyre Forest District Council – Statement of Accounts 2023-24
Notes to the Accounts

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 31st March 2024 compared to prior years are as follows:

Comparison of Balance of Reserves	General Reserves including £1.76m Working Balance (£1.65m Working Balance at 31/03/2023)	Earmarked Reserves Note 13	Total General Fund Balance Note 6
	£'000	£'000	£'000
Balance at 31st March 2024 carried forward	5,676	16,981	22,657
Balance at 31st March 2023 carried forward	5,118	13,244	18,362

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.

Note 41: Capital Grants Receipts In Advance

The Council holds the following capital grants receipts in advance at 31st March:

Capital Grants Receipts in Advance	2022-23 £'000	2023-24 £'000
Levelling Up Fund	7,708	3,734
Future High Streets Fund	6,208	7,006
Castle Road Development (S106)	39	-
Housing Fund Grant	212	-
UK Shared Prosperity Fund	108	120
Other	8	8
Balance at 31st March	14,285	10,868

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 31st 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.

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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.

2022-23 Business Rates £'000	2022-23 Council Tax £'000	2022-23 Total £'000		2023-24 Business Rates £'000	2023-24 Council Tax £'000	2023-24 Total £'000
Income						
-	(69,196)	(69,196)	Council Tax Receivable	-	(72,454)	(72,454)
(24,793)	-	(24,793)	Business Rates Receivable	(27,103)	-	(27,103)
(1,504)	-	(1,504)	Appeals settled against Provision	(1,902)	-	(1,902)
(26,297)	(69,196)	(95,493)	Total Income	(29,005)	(72,454)	(101,459)
Expenditure						
Precepts, Demands and Shares:						
6,652	-	6,652	Central Government	14,195	-	14,195
1,198	47,845	49,043	Worcestershire County Council	2,555	50,917	53,472
133	3,062	3,195	Hereford and Worcester Fire Authority	284	3,279	3,563
-	8,555	8,555	Office of the Police and Crime Commissioner for West Mercia	-	9,191	9,191
5,322	7,858	13,180	Wyre Forest District Council	11,355	8,205	19,560
-	1,586	1,586	Parish/Town Councils	-	1,759	1,759
Charges to the Collection Fund:						
441	454	895	Write Offs and Increase in Allowance for Impairment	733	319	1,052
-	-	-	Increase/(Decrease) in Provision for Appeals	3,081	-	3,081
131	-	131	Cost of Collection Allowance	132	-	132
6	-	6	Disregarded Amounts	4	-	4
13,883	69,360	83,243	Total Expenditure	32,339	73,670	106,009
(12,414)	164	(12,250)	(Surplus)/Deficit for the Year	3,334	1,216	4,550
7,883	379	8,262	(Surplus)/Deficit b/f as at 1st April	(4,531)	543	(3,988)
(4,531)	543	(3,988)	(Surplus)/Deficit c/f as at 31st March	(1,197)	1,759	562
Allocation of (Surplus)/Deficit:						
(2,266)	-	(2,266)	Central Government	(598)	-	(598)
(408)	379	(29)	Worcestershire County Council	(108)	1,222	1,114
(45)	25	(20)	Hereford and Worcester Fire Authority	(12)	78	66
-	65	65	Office of the Police and Crime Commissioner for West Mercia	-	220	220
(1,812)	74	(1,738)	Wyre Forest District Council	(479)	239	(240)
(4,531)	543	(3,988)		(1,197)	1,759	562

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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 newly formed Herefordshire and Worcestershire Business Rates Pool (HWBRP) for 2023-24 (previously a member of the Worcestershire Business Rates Pool (WBRP) that ceased on 31st March 2023). 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 2023-24 were estimated before the start of the financial year as £12.884m to Central Government (£11.928m in 2022-23), £2.319m to WCC (£2.147m in 2022-23), £0.258m to H&WFA (£0.239m in 2022-23) and £10.308m to WFDC (£9.543m in 2022-23). These sums have been paid in 2023-24 and charged to the collection fund in year. WFDC draft share of the Pool retained levy for 2023-24 was £120k, 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.

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The Non-Domestic rateable value of the Council's area at 31st March 2024 was £73,798,656 (31st March 2023 - £74,509,670), based upon the 2017 rating list and £80,811,396 (31st March 2023 - £80,983,978), based upon the 2023 rating list. The standard national multiplier for 2023-24 was 51.2p (51.2p in 2022-23) and 49.9p for qualifying Small Businesses (49.9p in 2022-23).

The net income from business rate payers collected in 2023-24 was £29.005m; an increase on the sum collected in 2022-23 (£26.297m). 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 DLUHC.

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), £2,060.89 for 2023-24 (£1,965.18 in 2022-23) 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 £258,465 (£381,493 in 2022-23).

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 2023-24 was 34,738 (34,220 in 2022-23).

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	11,726	4,614.23	7,111.77	6/9	4,741.18
Band B	11,770	2,670.84	9,099.16	7/9	7,077.13
Band C	11,712	1,689.91	10,022.09	8/9	8,908.52
Band D	6,367	557.53	5,809.47	1	5,809.47
Band E	3,511	201.17	3,309.83	11/9	4,045.35
Band F	1,772	105.32	1,666.68	13/9	2,407.42
Band G	1,263	51.22	1,211.78	15/9	2,019.64
Band H	131	2.06	128.94	2	257.88
Total	48,252	9,892.28	38,359.72		35,266.59
Less Allowance for Non-Collection					528.59
District Tax Base					34,738.00

Income from Council Tax in 2023-24 was £72.454m (£69.196m in 2022-23).

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Note 4: Collection Fund Surpluses and Deficits

The Council Tax deficit of £1.759m at 31st March 2024 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 £1.197m at 31st March 2024 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 2023-24, excluding surplus/deficits, are as follows:

	Council Tax £'000	NNDR £'000
Worcestershire County Council	50,918	2,319
Office of the Police and Crime Commissioner for West Mercia	9,188	-
Hereford and Worcester Fire Authority	3,279	258
Wyre Forest District Council	9,965	10,308
<i>of which Town & Parish Council Tax demands</i>	<i>1,759</i>	<i>-</i>
Central Government	-	12,884

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.

2022-23			2023-24	
Council Tax £'000	NNDR £'000		Council Tax £'000	NNDR £'000
898	987	Allowance for Impairment as at 1 st April	974	1,113
(378)	(289)	Past Years Write Offs	(258)	(133)
454	415	Increase in Year	319	638
974	1,113	Allowance for Impairment as at 31 st March	1,035	1,618

The Wyre Forest District Council share is as follows:

2022-23			2023-24	
Council Tax £'000	NNDR £'000		Council Tax £'000	NNDR £'000
134	445	Wyre Forest District Council Share of Allowance for Impairment as at 31 st March	141	647

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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 31st March 2024.

	2022-23 £'000	2023-24 £'000
Provision for Appeals as at 1 st April	3,406	1,902
Appeals settled/withdrawn in year	(1,504)	(1,902)
Increase/(Reduction) in Provision	-	3,081
Provision for Appeals as at 31 st March	1,902	3,081

The Wyre Forest District Council share is as follows:

	2022-23 £'000	2023-24 £'000
Wyre Forest District Council Share of Appeals as at 31 st March	761	1,232

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.

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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 – Statement of Accounts 2023-24

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.

Wyre Forest District Council – Statement of Accounts 2023-24

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.

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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 1st 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 – Statement of Accounts 2023-24

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 – Statement of Accounts 2023-24

List of commonly used Acronyms

Acronym	Description/Definition
AGS	Annual Governance Statement – this provides an overview of the Governance arrangements within the Council, along with any potential weaknesses.
BID	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.
CFR	Capital Financing Requirement – measures the authority's underlying need to borrow, or finance by other long-term liabilities, its capital expenditure.
CIES	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.
CIPFA	Chartered Institute of Public Finance and Accountancy – the institute that sets the accounting rules and guidance for Local Government.
CLT	Corporate Leadership Team of Wyre Forest District Council.
DLUHC	Department for Levelling Up, Housing and Communities - central government department which has the responsibility for Local Government. This replaced the Ministry of Housing, Communities and Local Government.
DMO	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.
DRC	Depreciated Replacement Cost – valuation method used within the Statement of Accounts relating to the Replacement Cost less any accrued depreciation.
DWP	Department for Works and Pensions – largest central government department which amongst its responsibilities are Benefits payments.
FHSF	Future High Streets Fund – central government funding to renew and reshape town centres and high streets to drive growth and future sustainability.
FTE	Full-time equivalent – relates to employee numbers.
GDPR	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.
HMRC	His Majesty's Revenue and Customs – central government organisation responsible for the administration and collection of national taxes including VAT.
HWBRP	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 st March 2024 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 new Pool replaced the previous Worcestershire Business Rates Pool with effect from 1 st April 2023.
IASB	International Accounting Standards Board – governing body of expertise on accounting standards.
IFAC	International Federation of Accountants – the global organisation for the accountancy profession.
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards – international framework to ensure common approach to the production of Statement of Accounts across the world.

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Acronym	Description/Definition
LASAAC	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.
LATC	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.
LEP	Local Enterprise Partnership - partnerships of businesses, local authorities and universities that support private sector growth and job creation.
LGA	Local Government Association – the body that represents Local Government nationally, this body has a key lobbying role with central government.
LLP	Limited Liability Partnership.
LUF	Levelling up Fund – the governments major regeneration initiative for providing grants to support capital investment projects across Great Britain.
MCC	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.
MIRS	Movement in Reserves Statement – represents the changes in the Council's financial resources.
MRP	Minimum Revenue Provision – this represents the minimum which authorities must repay on their debts each year.
NDR or NNDR	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.
PBSE	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.
PPE	Property Plant and Equipment – IFRS terminology for fixed assets.
PWLB	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.
s151	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.
SOLACE	Society of Local Authority Chief Executives – professional organisation for Chief Executives and Senior Managers within Local Government.
VFM	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.