

**Meeting of:** Audit & Accounts Committee

**Date:** 24<sup>th</sup> February 2025

**Time:** 6.30pm

**Venue:** Council Chamber, The Business Centre, Futures Park, Bacup, OL13 0BB

The meeting will also be live streamed at the following link:

<https://www.youtube.com/channel/UCrLsMDOP7AYxik5pNP0gTIA/streams>

**Supported by:** Glenda Ashton, Committee and Member Services Officer Tel: 01706 252423

Email: [glendaashton@rossendalebc.gov.uk](mailto:glendaashton@rossendalebc.gov.uk)

ITEM		Lead Member/Contact Officer
<b>A.</b>	<b>BUSINESS MATTERS</b>	
<b>A1.</b>	<b>Apologies for Absence</b>	<p>Glenda Ashton, Committee and Member Services Officer Tel: 01706 252423 Email: <a href="mailto:glendaashton@rossendalebc.gov.uk">glendaashton@rossendalebc.gov.uk</a></p>
<b>A2.</b>	<b>Minutes of the last meeting</b> To approve and sign as a correct record the Minutes of the meeting held on 3 <sup>rd</sup> December 2024	
<b>A3.</b>	<b>Urgent Items of Business</b> To note any items which the Chair has agreed to add to the Agenda on the grounds of urgency.	
<b>A4.</b>	<b>Declarations of Interest</b> <i>Members are advised to contact the Monitoring Officer in advance of the meeting to seek advice on interest issues if necessary.</i> Members are requested to indicate at this stage, any items on the agenda in which they intend to declare an interest. Members are reminded that, in accordance with the Local Government Act 2000 and the Council's Code of Conduct, they must declare the nature of any personal interest and, if the interest is prejudicial, withdraw from the meeting during consideration of the item.	
<b>B.</b>	<b>COMMUNITY ENGAGEMENT</b>	
<b>B1.</b>	<b>Public Question Time</b> Members of the public can register their question by contacting the Committee Officer. Groups with similar questions are advised to appoint and register a spokesperson.  This is an opportunity to ask a question about	<p>Glenda Ashton, Committee and Member Services Officer 01706 252423 <a href="mailto:glendaashton@rossendalebc.gov.uk">glendaashton@rossendalebc.gov.uk</a></p>

The agenda and reports are also available for inspection on the Council's website <https://www.rossendale.gov.uk/>. Other formats are available on request. Tel 01706 217777 or contact Rosendale Borough Council, Futures Park, Bacup, OL13 0BB

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ITEM		Lead Member/Contact Officer
	<p>a matter which the Council may be able to assist with. A time limit of 3 minutes applies for each question and you are only able to address the meeting once.</p> <p>To register for public question time your question must be received no later than 12noon on the day of the meeting by emailing <a href="mailto:democracy@rossendalebc.gov.uk">democracy@rossendalebc.gov.uk</a> Please give your full name, telephone number and include a copy of your question.</p> <p>Please begin by giving your name and state whether you are speaking as an individual member of the public or as a representative of a group. (Question time normally lasts up to 30 minutes).</p>	<p>Please register an agenda related public question by emailing <a href="mailto:democracy@rossendalebc.gov.uk">democracy@rossendalebc.gov.uk</a> no later than 12noon on Monday 24<sup>th</sup> February 2025</p>
<b>C.</b>	<p><b>Chair's Update</b> To receive communications from the Chair</p>	Councillor M Smith
<b>D.</b>	<b>ORDINARY BUSINESS</b>	
<b>D1.</b>	Adoption of Unaudited Statement of Accounts 2023/24 in line with Government back stop arrangements	Chris Warren Director of Resources/s151 Officer <a href="mailto:chriswarren@rossendalebc.gov.uk">chriswarren@rossendalebc.gov.uk</a>
<b>D2.</b>	Corporate Risk Register Update Q3 2024/25	Chris Warren Director of Resources/s151 Officer <a href="mailto:chriswarren@rossendalebc.gov.uk">chriswarren@rossendalebc.gov.uk</a>
<b>D3.</b>	Empty Homes Update 2025	Rob Huntington Chief Executive <a href="mailto:robhuntington@rossendalebc.gov.uk">robhuntington@rossendalebc.gov.uk</a>
<b>D4.</b>	Risk Management Strategy	Chris Warren Director of Resources/s151 Officer <a href="mailto:chriswarren@rossendalebc.gov.uk">chriswarren@rossendalebc.gov.uk</a>
<b>D5.</b>	Internal Audit Plan 2024/25 Progress Report - December 2024 to February 2025	Mark Baskerville Lancashire County Council Auditors <a href="mailto:mark.baskerville@lancashire.gov.uk">mark.baskerville@lancashire.gov.uk</a>
<b>D6.</b>	External Audit – Audit Completion Report 2023/24	Katie Kingston Forvis Mazars Auditors <a href="mailto:katie.kingston@mazars.co.uk">katie.kingston@mazars.co.uk</a>
<b>E.</b>	<p><b>EXCLUSION OF PUBLIC AND PRESS</b> To consider passing the appropriate resolution under Section 100 (A)(4) of the Local Government Act 1972 that the press and public be excluded from the meeting during consideration of the following item of business since it involves the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A of the Act.</p>	
<b>E1.</b>	Standards Complaints update (verbal)	Councillor M Smith
<b>E2.</b>	Whistleblowing update (verbal)	Councillor M Smith

A handwritten signature in black ink, appearing to read 'Rob Huntington', written in a cursive style.

**Rob Huntington**  
**Chief Executive**

**Date Published:** 14<sup>th</sup> February 2025

**MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE**

**DATE OF MEETING: 3<sup>rd</sup> December 2024**

**PRESENT: Councillor M Smith (Chair)  
Councillors Ashworth (sub), Bleakley, Driver (sub), Norton, Payne  
and Woods**

**IN ATTENDANCE: Chris Warren, Director of Resources (s151 Officer), RBC  
Kimberly Haworth, Head of Financial Services, RBC  
Andy Dalecki, LCC Internal Auditors  
Zaheer Abbas, LCC Internal Auditors  
Alastair Newall, Forvis Mazars External Auditors  
Katie Kingston, Forvis Mazars External Auditors  
Glenda Ashton, Committee Officer, RBC**

**ALSO PRESENT: Councillors Neal and Walmsley**

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**1. APOLOGIES FOR ABSENCE**

- 1.1 Apologies were received from Councillors Kenyon, Procter and Mr McManus, Co-opted member.

**2. MINUTES OF THE MEETING HELD ON 25<sup>TH</sup> SEPTEMBER 2024**

**RESOLVED:**

The minutes of the meeting held on 25<sup>th</sup> September 2024 were agreed as a correct record.

**3. URGENT ITEMS OF BUSINESS**

- 3.1 There were no urgent items of business.

**4. DECLARATIONS OF INTEREST**

- 4.1 There were no declarations of interest.

**5. PUBLIC QUESTION TIME**

- 5.1 There were no public questions.

**6. CHAIR'S UPDATE**

- 6.1 The revised Debt Management policy was currently in draft. Work had paused on its finalisation, owing to the statutory accounts and budget preparation work.
- 6.2 In relation to the resource available to deliver regeneration projects effectively, a risk had now been included on the risk register.
- 6.3 A cyber security test email had been circulated to all councillors. Cyber security training will now be rolled out to new and existing councillors by the end of the month.
- 6.4 The Council were to sign off accounts up to 2022/23 in line with the backstop legislation, and building back assurance would be something that Forvis Mazars would advise on, as and when procedures became clear.

## **7. INTERNAL AUDIT PLAN 2024/25 – PROGRESS REPORT SEPTEMBER – NOVEMBER 2024**

7.1 The Committee considered the Internal Audit report which detailed the progress in delivering the 2024/25 audit plan.

7.2 The following clarification was provided:

- The Contract Procedure Rules audit had been completed. The report would be available to the Committee once reviewed by the management team.

### **RESOLVED:**

The Committee considered and noted the Internal Audit report and progress to deliver the 2024/25 audit plan.

## **8. AUDIT COMPLETION REPORTS**

8.1 The Committee considered the Audit Completion Reports year ended March 2019 to March 2023.

8.2 The following comments were made and clarifications provided:

- The auditors and Finance Team were thanked for their hard work and for the good working relationship they had forged.
- A normal audit would usually take 3 months, based on a similar size authority, and there being no unusual circumstances.
- Issues with the completeness of 2019/20 through 2022/23 bank reconciliation was highlighted within this period. Reconciliations at each year end have been retrospectively completed and the full bank reconciliation is a monthly process for the Council and has been since 2023/24.
- There were no significant discrepancies on the cash balances for 2018/19 and retrospective reconciliations provided the s151 officer with assurance there was nothing untoward.
- There was no evidence of fraud and non-compliance with laws and regulations.
- The material discrepancies referred to in the audit recommendations were being determined and investigated by the Council. These related to inconsistencies between comparative figures within years under consideration. The Council has deployed additional resource to ensure that the opening balances for the 2023/24 accounts are robust having taken into account all audit adjustments received to date.
- Once the accounts have been adopted under the backstop provisions, the individual years annual accounts will not be re-stated. Any adjustments necessary will be dealt with, within the earliest available statutory accounts as a prior year adjustment. It was the auditor's view that the discrepancies would be resolved and the correct position known.
- It was confirmed that a disclaimer audit opinion would be made for the 5 sets of unaudited accounts from 2018/19 to 2022/23 and no assurance would be given from the external auditors. The Committee and Council should take assurances from recent and previous discussions. There were significant matters to be addressed but the Committee and Council were taking action to address those issues.
- In spite of the progress made regarding the auditors' issues, the auditor was under a duty to report the matters to Full Council and to the Secretary of State with a report going to next Full Council.
- The auditors did not have the detailed guidance from national stakeholders to report to

Committee how assurance would be rebuilt and how long this would take.

- Issues around the auditing of Council accounts was a national issue. The Government's solution was to impose backstop dates and if audits could not be completed, the auditors would make a disclaimer as is the case here.
- Future accounts are likely to be disclaimed as a result of the same backstop provisions. It is not known at this stage how long it will take to resolve the current national audit issues. The building back assurance process, when it is known, will dictate how long it will take to get back to unqualified audit status.
- In March 2024 the auditors identified that operating and financial agreement arrangements were not in place with Rossendale Leisure Trust (RLT) and a number of recommendations were made. These would be followed up as part of the value for money arrangements work that our auditors would carry out in relation to the statutory audit for 2023/24.
- The auditors could not comment on a difference between the inter organisation balances between RLT and the Council as they were not responsible for auditing the accounts of the trust.
- Transparent reporting and communication was needed from the trust to explain the current position and its future sustainability to residents.

**RESOLVED:**

The Committee noted the Audit Completion Reports year ended March 2019 to March 2023.

**9. ADOPTION OF STATUTORY ACCOUNTS IN LINE WITH BACK STOP ARRANGEMENTS**

9.1 The Committee noted the report and considered the statutory accounts including the Statement of Responsibilities and Annual Governance Statement.

9.2 The following clarifications were provided:

- Following advice from the Monitoring Officer, the Council's Barrister and other financial bodies, the unaudited accounts could be accepted with amended sign off of the statement of responsibilities from the s.151 and a footnote to the Annual Governance Statement.
- The report to Full Council regarding the statutory recommendations of the auditors would be published after this meeting so would be within the deadline for public consultation.

**RESOLVED:**

1. Members noted the contents of the report and accepted the statutory accounts including the Statement of Responsibilities and Annual Governance Statement in their current form as the final published accounts for 2018/19 through to 2022/23 (Appendices 2 to 6)
2. Members agreed to delegate to the Director of Resources and the Monitoring Officer in conjunction with the Chair of the Audit and Accounts Committee, any amendments to the documents to finalise the presentation of the statutory accounts, including the addition of the audit opinion, referencing adjustments and any minor amendments as necessary.

**10. CORPORATE RISK REGISTER UPDATE QUARTER 2 2024/25**

10.1 The committee considered the Council's Corporate Risk Register and the risk consequence, mitigation action and level of risk. It was noted that an additional risk had

been added in relation to the staffing of the Economic Development Team and its capacity to deliver regeneration projects.

10.2 The following clarifications were provided:

- The Council currently had £4m in reserves which would last 4-5 years.
- A level of debt had been agreed with RLT that could not be exceeded. This was monitored and the financial risk controlled.
- RLT had been asked to provide detailed cashflow information. Once received, it would be available for the Overview & Scrutiny Committee to review.
- Subject to approval, Economic Development staff with temporary contracts would be taken on as part of the establishment.
- Output and delivery of regeneration projects would continue to be monitored by the Economic Delivery Board.

**RESOLVED:**

1. The Audit and Accounts Committee noted the Council's Corporate Risk Register as detailed in the report.
2. Members noted the risk consequence, mitigation action and level of risk as detailed in Appendix 1.

**11. EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:**

That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

**12. STANDARDS COMPLAINTS UPDATE (VERBAL)**

12.1 An update was provided in relation to Standards Complaints.

**RESOLVED:**

- That the update was noted.

**13. WHISTLEBLOWING UPDATE (VERBAL)**

13.1 An update was provided in relation to Whistleblowing.

**RESOLVED:**

- That the update was noted.

**The meeting concluded at 7.35pm**

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**Signed (Chair)**

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**Date**

<b>Subject:</b>	Adoption of statutory accounts under backstop arrangements for financial year 2023/24		<b>Status:</b>	For Publication	
<b>Report to:</b>	Audit & Accounts Committee		<b>Date:</b>	24 <sup>th</sup> February 2025	
<b>Report of:</b>	Director of Resources		<b>Lead Member:</b>	Resources	
<b>Key Decision:</b>	<input type="checkbox"/>	Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
<b>Equality Impact Assessment:</b>	Required:	No	Attached:	No	
<b>Biodiversity Impact Assessment:</b>	Required:	No	Attached:	No	
<b>Contact Officer:</b>	Chris Warren		<b>Telephone:</b>	01706 252409	
<b>Email:</b>	ChrisWarren@rossendalebc.gov.uk				

## 1. RECOMMENDATIONS

- 1.1 Members are asked to note the contents of this report and accept the 2023/24 statutory accounts as the final published accounts. The statutory accounts for 2023/24 are at (Appendix 1).
- 1.2 Members are asked to delegate to the Director of Resources and the Monitoring Officer in conjunction with the Chair of the Audit and Accounts committee the ability to amend the documents to finalise the presentation of the statutory accounts to include the addition of the signed audit opinion and any referencing adjustments or minor amendments as necessary.

## 2. EXECUTIVE SUMMARY

- 2.1 The Council adopted its 2018/19 to 2022/23 statutory accounts at the Audit and Accounts Committee of 3<sup>rd</sup> December this was in line with nationally mandated 13<sup>th</sup> December 2024 backstop date.
- 2.2 The current national audit crisis has not abated in the short time since that date and Council is now in a position where it will have to adopt its 2023/24 accounts without a fully completed external audit by 28<sup>th</sup> February 2025.
- 2.3 This will again mean that the Council like the vast majority of other local authorities, will receive a modified audit report.
- 2.4 The issues noted at the 3<sup>rd</sup> December Audit and Accounts committee relating to the key bank reconciliation control and the inconsistencies in the opening balances within the prior years sets of accounts have been resolved and as a result a prior period adjustment has been included within the 2023/24 statutory accounts. The resolution of these issues has not affected the outturn for 2023/24 and has not impacted on the value of usable reserves.

## 3. BACKGROUND

### 3.1 The External Audit Environment

One of the key reasons that external audit assignments are in place is to ensure that the council has complied with the Code of Practice and as a result give a true and fair view of the state of affairs of the organisation.



In the event of non or limited compliance, this must be made clear in the Statements themselves and may result in a qualified, often referred to as a modified audit opinion.

For various resourcing reasons it has been impossible for audit firms to deliver complete audit assurance assignments in a timely manner and the 2023/24 accounts for the Council are not as yet fully audited and due to Backstop Regulations as noted below never will be.

### 3.2 Backstop Regulations

To address the national audit problem backstop regulations for the audit of local government accounts in England were introduced by the Minister of State for Local Government, on July 31, 2024.

The primary reasons for these regulations include:

1. Restoring Transparency and Accountability: The backlog undermined local accountability and governance, making it difficult for the public and other stakeholders to understand how public money was being spent.
2. Clearing the Backlog: The government set statutory backstop dates to ensure that all outstanding audits up to and including the financial year 2022/23 would be completed by December 13, 2024. This measure aims to clear the backlog and enable a focus on more recent accounts.
3. Improving the Audit System: The regulations are part of broader efforts to overhaul the local audit system to ensure it is fit for purpose and capable of delivering high-quality and timely financial reporting.

These steps are supported by guidance from the Comptroller and Auditor General and the Financial Reporting Council, with extensive communication and engagement planned to explain the necessity of these measures.

The backstop regulations for the audit of local government accounts in England set specific deadlines to address the backlog of unaudited accounts and ensure timely financial reporting. Here are the key directives:

1. Statutory Deadlines: Local authorities must publish audited accounts for all financial years up to and including 2022/23 by December 13, 2024. This is intended to clear the existing backlog and allow a focus on more recent accounts.
2. Future Deadlines: For subsequent financial years, specific deadlines have been set:
  - 2024/25: 27 February 2026
  - 2025/26: 31 January 2027
  - 2026/27: 30 November 2027
  - 2027/28: 30 November 2028
3. Modified or Disclaimed Opinions: Auditors may issue modified or disclaimed opinions if they cannot complete all audit work by the backstop dates. These opinions must clearly state the reasons, distinguishing between issues caused by the backstop dates and those indicating significant financial reporting problems.
4. Value for Money (VfM) Reporting: Auditors are required to report on VfM arrangements and can issue statutory recommendations or Public Interest Reports if necessary.

5. Communication and Support: Extensive communication efforts will be made to explain the necessity of these measures and mitigate potential reputational impacts on local bodies.

These regulations aim to restore transparency, accountability, and efficiency in the local audit system.

## 4. DETAILS

### Rossendale context

- 4.1 The backstop provisions require that the Council must adopt its accounts for the 2023/24 financial year by 28<sup>th</sup> February 2025 as nationally mandated by DLUHC (now MHCLG) to help resolve the national audit backlog issue. The accounts will not be complete from an audit perspective and will receive a modified audit opinion in line with the regulations.
- 4.2 The audit opinion will be like many other local authorities which will also be in the same position.
- 4.3 To be clear, RBC along with most other local authorities will retain accounts in history that will have modified audit opinions on them. This is likely to continue for, a yet undefined period going forward. Some of the wording in the backstop regulations and the emerging theme of building back assurance to a point where auditors will be confident to certify whichever councils statutory accounts suggests that it is likely that there will be modified opinions for the Council for at least 2023/24 and 2024/25 with a high probability that the situation will not be resolved at that point. The framework around which auditors will rebuild assurance as part of their audit work is as yet undefined.
- 4.4 The issues noted at the 3<sup>rd</sup> December Audit and Accounts Committee and formally responded to at Full Council on 11<sup>th</sup> December have been addressed as follows:
- 4.5 The inconsistencies as noted have been dealt with via prior period adjustment note and can be seen in the (Page 98 Note 39 of Appendix 1) The adjustment can be seen within the prior year comparative figures and does not affect the outturn for 2023/24, or the balance sheet values at that date.

The most significant adjustments arose within financial years 2018 and 2019 and related to:  
The revaluation of Futures Park a movement of £699k between Other Land and Buildings & the Revaluation Reserve

A movement between asset classes between Assets under Construction and Other Land and Buildings relating for the Valley Centre of £2.2m

The sale of Rossendale Transport Limited in January 2018 which resulted in a movement between the Transitional & Capital receipts reserves of £400k.

The unusable reserve for 2023 and 2024 have been adjusted to reflect a drafting error and now correctly reflect the Revaluation Reserve (£329k) and the Pension Reserve (£22.8m) which were previously incorrectly stated.

- 4.6 None of the above related to cash transactions but were as a result of drafting/classification errors during the period of time where there was insufficient finance resource deployed in the Council. There has been no impact on the usable reserves of the council in the correcting of these drafting errors.

4.7 The bank reconciliation as discussed at the 3<sup>rd</sup> December Audit and Accounts committee has been in place for approximately one year on a month by month basis and some examples of signed off reconciliations are included at appendix 2

## 5. RISK

All the issues raised and the recommendation in this report involve risk considerations as set out below:

- There remains a risk as part of the ongoing building back assurance work that there may be a restatement of opening balances in any year up to the completion of audit backlog.
- There is a risk that ongoing backlog clearance work may negatively impact on the finance team resources available to continue to manage the financial affairs of the organisation. This can be mitigated by bringing in dedicated financial support should the need arise.

## 6. FINANCE

### The Annual Statement of Accounts

6.1 The accounts are a statutory document produced and published by the council every year. The preparation, and the subsequent external audit of the document is a significant undertaking for the finance function and the oversight of these tasks is one of the key undertakings for the Council's Responsible Finance Officer (the "Section 151 Officer").

6.2 The central role of the Statement of Accounts is to enhance the financial accountability of the Council to those external to the Council.

6.3 The Statement of Accounts is also a statutory document. The Local Government Act 2003 (section 21) enables the Secretary of State to issue regulations on the preparation and publication of accounts for local authorities, which is fulfilled by the Accounts and Audit Regulations 2015 (as amended). The requirements are that:

- Every council must prepare a statement of accounts in accordance with the Regulations and proper accounting practices (section 7(1)).
- These statements must include a narrative statement (also known as the narrative report) which comments on the council's financial performance and the economy efficiency and effective in its use of resources over the financial year (section 8).
- The Responsible Financial Officer (the Section 151 Officer) must sign and date the accounts and so confirm that they are satisfied that they provide a true and fair view of the council's finances (Section 9(1)).
- The council must ensure that there is a period of public consultation.
- After the period of public consultation, the Statement of accounts should be considered by Full Council, or a Committee of the Council, for them to discuss and approve the statements. The statements must then be signed and dated to this effect (section 9(2)).
- The Council must publish the annual Statement of Accounts, the narrative statement and the annual governance statement, together with any external audit opinion (reg 10(1)) by a specified date.

### The form of the annual Statement of Accounts

6.4 The Accounts and Audit Regulations Section 7(1) requires that the annual Statement of Accounts be prepared in accordance with proper accounting practices. This is defined as International Financial Reporting Standards (IFRS), as applied to local authorities by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority

(Scotland) Accounts Advisory Committee (LASAAC) in their Code of Practice on Local Authority Accounting in the United Kingdom.

6.5 The situation with respect to modified audit opinions is likely to remain in place for an undefined period of time as the audit sector works with local authorities to build back assurance, current back stop provisions refer to the financial year 2027/28 which is indicative, but not conclusive as to when the national audit backlog will be resolved satisfactorily.

6.6 The report covered by these backstop arrangements will remain on record and will not be amended. This is the case for all local authorities of which there are many as noted above with an audit backlog. Any material adjustments dictated by the work carried out to build back assurance will be actioned via the restatement of prior years' comparative figures in the latest unaudited financial statements. This is normal accounting practice.

## 7. LEGAL

7.1 All legal implications are covered in the body of this report.

## 8. POLICY AND EQUALITIES IMPLICATIONS

8.1 Reported findings have been discussed and agreed, including management responses to the recommendations, with respective Service Managers and Heads of Service prior to reporting.

## 9. REASON FOR DECISION

9.1 To comply with the backstop provisions in place to help address the current backlog of statutory audits in the sector.

Background Papers	
Document	Place of Inspection
Appendix 1 Financial Statements 2023/24	Attached
Appendix 2 Example Bank Reconciliation Sign off	Attached



# Unaudited

## Statement of Accounts 2023/24

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## Introduction

Rosendale Borough Council's Statement of Accounts for 2023/24 provides a comprehensive overview of the financial performance and position of the Council. This document is an essential component of our commitment to transparency and accountability, presenting detailed information on how public funds have been managed and allocated throughout the year.

The 2023/24 financial year has been a period of both challenges and achievements for Rosendale Borough Council. Against a backdrop of ongoing economic pressures, evolving public service demands, and legislative changes, the Council has remained steadfast in its mission to deliver high-quality services to its residents. This Statement of Accounts reflects the Council's resilience and adaptability in managing its resources efficiently and effectively.

This Statement of Accounts for the year ended 31st March 2024 has been prepared and published in accordance with the Code of Practice on Local Authority Accounting 2023/24, issued by the Chartered Institute of Public Finance and Accountancy and the Accounts and Audit Regulations 2015.

The accounting policies adopted by the Council comply with the relevant recommended accounting practices and the latest revisions to these from 1 April 2023. There have been no major changes in the Council's statutory functions during the year.





# Audit Report

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

### Report on the audit of the financial statements

#### Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Rossendale Borough Council ("the Council") for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, 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.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Council to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

#### Responsibilities of the Director of Resources for the financial statements

As explained more fully in the Statement of the Director of Resources Responsibilities, the Director of Resources 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, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Resources is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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

Our responsibility is to conduct an audit of the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this

# Audit Report

judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

### Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in the Council's arrangements for the year ended 31 March 2024.

In March 2024 we identified significant weaknesses in relation to Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness for the 2020/21 year. In our view the significant weaknesses below remain for the year ended 31 March 2024:

<p><b>Financial plans</b> The Council's Medium Term Financial Strategy projects funding gaps which will exhaust the General Fund reserve. This is evidence of a significant weakness in the Council's arrangements for financial sustainability.</p>	<p>The Council should develop sustainable financial plans to ensure services can be provided within available resources.</p>
<p><b>Partnership with Rosendale Leisure Trust</b> During 2020/21 the Council paid for pay and non-pay expenditure incurred by Rosendale Leisure Trust and a significant balance was owed to the Council by the Trust. We have seen no evidence that there is an overarching agreement or contract between the Council and the Trust. This is evidence of a significant weakness in the Council's arrangements for governance and improving economy, efficiency and effectiveness.</p>	<p>The Council should ensure that there is a comprehensive signed agreement in place between the Council and the Trust. Arrangements should be made to recover the debt owed and a detailed impairment review should be carried out.</p>

# Audit Report

## Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Council's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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

## Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

## Use of the audit report

This report is made solely to the members of Rosendale Borough Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council 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 members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

# Audit Report

## Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.

Alastair Newall, Key Audit Partner  
For and on behalf of Forvis Mazars LLP

One St Peter's Square  
Manchester  
M2 3DE

# Audit Report



# Audit Report



# Audit Report



# Narrative Report

## Introduction by the Head of Finance

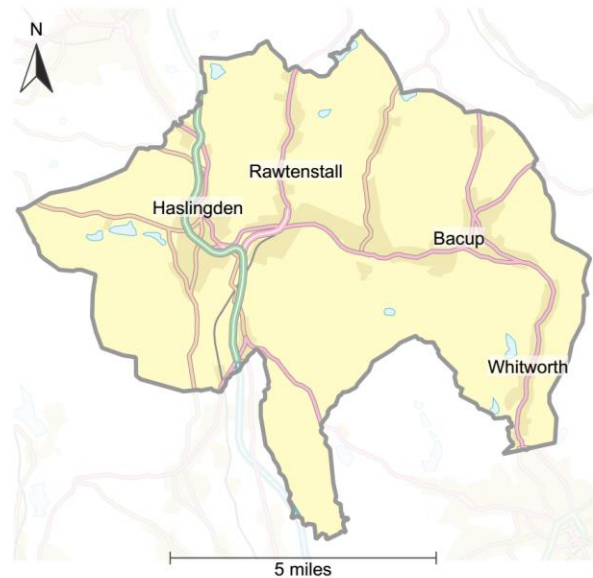
This Statement of Accounts gives an overview of the Council’s finances for 2023/24 with the Narrative Report outlining some of the key initiatives that took place and how these influenced the financial position of the Council. 2023/24 presented new challenges for the Council. As well as dealing with the legacy of the COVID-19 pandemic, there was a downward turn in the national economic position and inflationary pressures affecting both the Council and local residents. The significant increase in inflation, lead to increased general prices for goods, materials and energy costs for the Council.

## Rosendale – geography, economy and our priorities for 2023/24

Rosendale is an authority in East Lancashire that covers 138 square kilometres. During 2023/24 the Borough had 14 electoral wards, this has reduced to 10 from May 2024 following the boundary review.

Rosendale is a proud valley area with a rich industrial heritage, filled with friendly and welcoming communities in a number of vibrant market towns and villages. Rosendale is a distinctive part of East Lancashire with its dramatic scenery, rich heritage and characterful features.

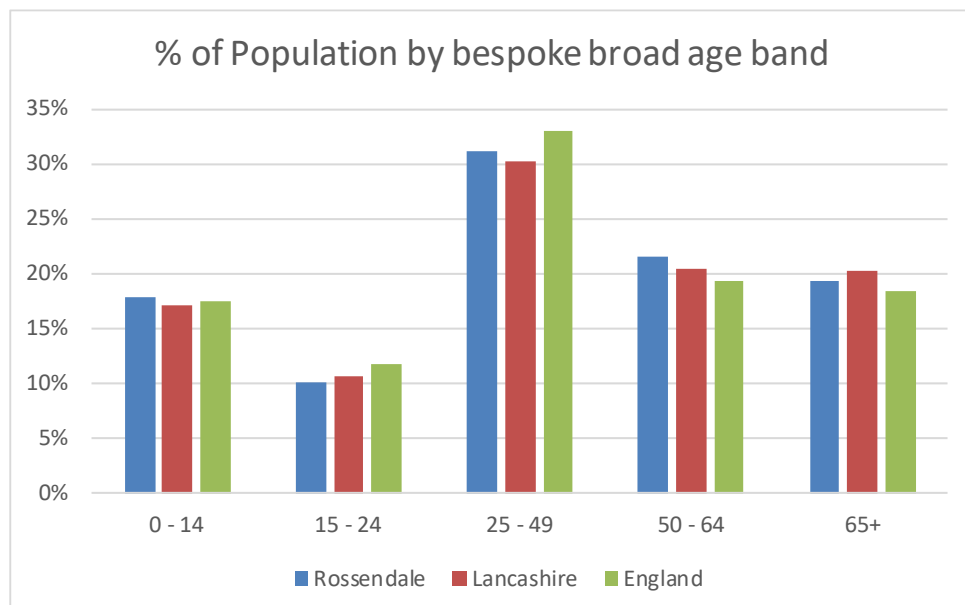
Sitting on the western slopes of the Pennines Rosendale is well connected to Lancashire, Greater Manchester and West Yorkshire.



## Our Vision: Rosendale, a place where people want to live, visit, work and invest

### Our people:

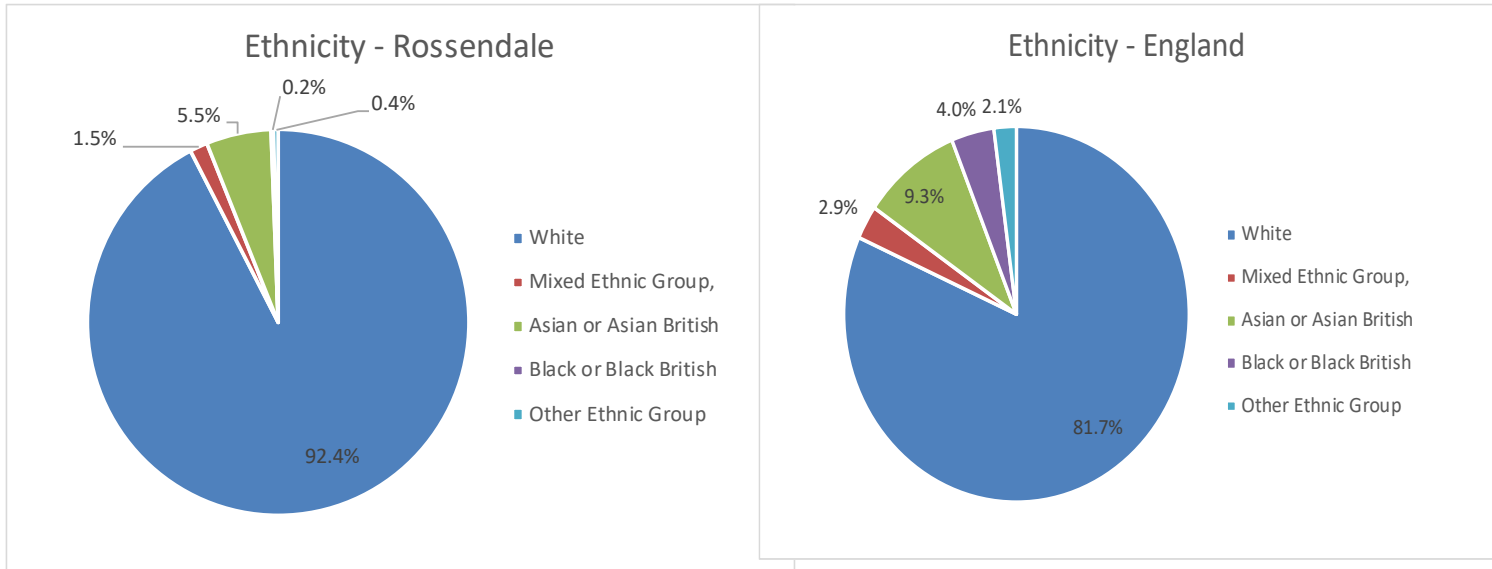
The latest population estimate for the Rosendale area is c71,000. The age demographic make-up of the population compared with Lancashire and England (2021 census) is shown in the table below:-





# Narrative Report

The population of Rossendale is growing and it is estimated that between 2018 and 2043 the population will increase by 12.6%, being the fourth highest increase in the Lancashire area. The ethnic makeup based on the 2021 census is shown in the comparative graphs below.



## Housing:

There are c32,200 dwellings in the borough, 85% of which were owner occupied or private rented. In common with other East Lancashire authorities, Rossendale has a high proportion of its housing stock in the lowest category 'A' council tax band, almost 51% and in 2021 around 3.3% of dwellings were vacant.

A total of 14.6% of Rossendale households were in fuel poverty in 2020 compared to the England average of 13.2%. The main factors that determine this are the energy efficiency status of the property, the cost of energy, and household income. The 2019 national indices of deprivation revealed that Rossendale was the 91<sup>st</sup> most deprived area out of the 317 districts and unitary authorities in England.

## Our businesses:

As in most places, the manufacturing sector has shed jobs over the years whilst the service sector has grown to become a far greater source of employee jobs. However there still continues to be a bias towards a larger proportion of employees in the manufacturing sector in Lancashire and Rossendale, than is the national norm and a lower proportion of jobs in the service sector. Rossendale does, however, maintain a relatively high percentage of private-sector jobs. In 2023 there were 2,540 active enterprises in Rossendale, slightly fewer than in 2022, the reason for this is unrecorded. The most recent local companies to win a Queen's Award for Enterprise, namely Slingco Ltd in Rawtenstall and Orthoplastics Ltd in Bacup.

## Our area:

Though Rossendale is not served by the main railway network it does have excellent road links with the M66 heading south to Greater Manchester and the M62 corridor over the Pennines and the M65 heading west to link up with the M6. The 2011 census figures on commuter flows revealed that only 40.3% of Rossendale residents work within the borough and over 10% of working residents commute between 20 and 30 kilometres, the highest percentage in Lancashire and well above regional and national averages.

# Narrative Report

Lancashire has over 8,000 hectares of common land (1.5% of the nation's total) and Rossendale is one of the three boroughs which account for a significant proportion of this total. Rossendale has 22.6% of its land designated as green belt, safeguarding our countryside and preserving the character of our historic towns. This also contributes to maintaining our air quality, which is better than the county and national averages.

## Priority A: Thriving Local Economy

The nature of the local economy continues to change and we will be playing an active role in creating the right conditions for local businesses to thrive. We will continue to grow the local economy, attracting businesses to our employment sites

### Key Outcomes:

- To support Bacup, Haslingden and Rawtenstall town centres as better places to provide their own unique offers and a destination for local shoppers and visitors
- To have secured new inward investment in the borough creating a sustainable economy, matching local skills provision with future job and career opportunities
- Having a thriving visitor economy which is more widely known with enhanced attractions and a much improved accommodation offer

The Bacup HAZ project completed with a total of 14 properties refurbished

Continuing to progress the Haslingden 2040 NI HE project

UKSPF funded Town Centre Managers delivered several successful town center events

Work commenced on concept designs for the Gyrotory and Rawtenstall & Bacup Markets

## Priority B: High Quality Environment

The high quality of our natural environment is something local people love and take pride in. The council recognises the value of our physical and built environment and the particular importance of our Pennine uplands and villages.

### Key Outcomes:

- A high quality 'clean and green' local environment where people feel proud to live
- Reduce our carbon footprint
- Improve the waste recycling rate across the borough

16,000 trees planted by April 2024, as part of 'Rossendale Forest' project

The £21m LUF funded capital regeneration project commenced.

Operation Trident continued cracking down on fly tipping and other environmental crime, with 7 prosecutions completed.

32 Parks, 38 Play Areas, 8 MUGAS, 3 Skate Parks & 4 Pump Tracks Maintained

# Narrative Report

## Priority C: Healthy and Proud Communities

Having access to a good quality home to either rent or buy plays a fundamental part in our residents' quality of life. We want people to live long lives and take pride in their communities.

c280 new homes completed in 2023/24

### Key Outcomes:

- To have delivered more new homes and a good mix of housing tenures
- Improved the health of residents through access to better leisure facilities and health services
- A more joined up approach to physical and mental well-being which is more rapidly reducing health inequalities
- Residents share a sense of pride in their immediate community and the wider borough

Extended disabled facilities grant support through the introduction of a Home Improvement Agency, in partnership with Homewise and issued 126 disabled facility

Successfully delivered the Household Support Fund 4 assisting 8,621 vulnerable families

'Age of Inspiration' event hosted, with over 90 attendees

## Priority D: Effective and Efficient Council

It is important that we are an effective and efficient council - one with ambition, clear direction, which delivers good quality services and which provides good value for money to our residents.

### Key Outcomes:

- Provide good quality and responsive services embracing new technology
- Be a financially sustainable council with a commercial outlook whilst always considering social value
- Provide sound governance to enable key decisions and major projects to be progressed, in an efficient and professional way
- Have a skilled and happy workforce, where we are able to retain and attract good staff

The new Rosendale Borough Council website went live in October 2023

Migration to new financials, payment and payroll systems completed

231 Planning Applications approved.

c2.5m refuse/recycling household bins emptied

10 Workplace Health & Wellbeing Champions trained

# Narrative Report

## Rosendale folk - the people behind the borough

### Our councillors

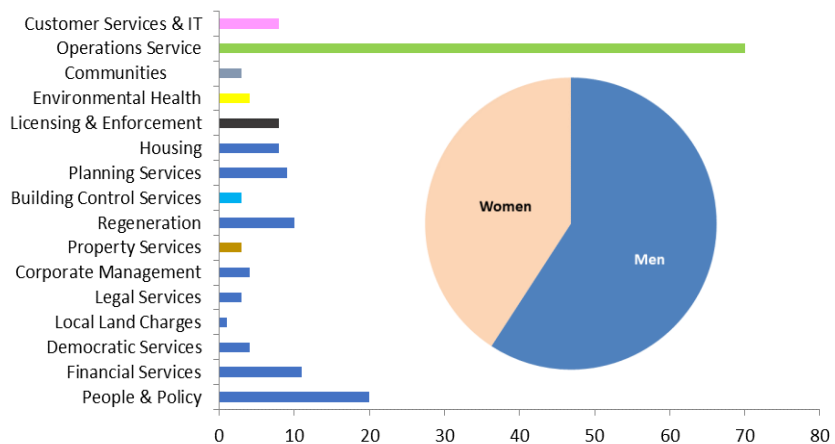
During 2023/24 we had 36 councillors in Rosendale serving 14 wards across the borough. At the end of 2023/24 the political balance was:

- 21 Labour
- 9 Conservative
- 2 Community First
- 2 Independent
- 1 Green
- 1 Vacancy

### Our staff

During 2023/24 the Council employed 169 people across its services, 41% of whom provide front-line services within the Operations Team collecting refuse, maintaining our parks and cemeteries and keeping the roads around the borough clean. Of our 169 employees 59% are women and 43% are over 50.

### Staff employed across services in 2023/24



### The Senior Management Team during 2023/24



**Rob Huntington**  
Chief Executive



**Andrew Taylor**  
Head of  
Operations



**David Smurthwaite**  
Director of  
Economic



**Karen Spencer**  
Chief Finance  
Officer



**Clare Birtwistle**  
Head of Legal



**Clare Law**  
Head of People &  
Policy

# Narrative Report

Our partners, community groups and the volunteers that we work with

**CAPITA** Capita provide our revenues, benefits and customer services.

**Civic Pride** groups support the borough by providing a gardening and litter clearance service, building upon the work done by the Council's workforce.



**Calico Homes** now manage the East Lancashire Empty Homes project.

**Together Housing** manage social housing across the borough



**RTB Partnership Ltd** is an equal partnership development vehicle set up in February 2013 to facilitate a number of development projects across the borough.

**Rosendale Leisure Trust** provides the sports facilities provision in the Borough.



The NHS and **East Lancashire Clinical Commissioning Group** are the health providers for Rossendale. Main hospital services are provided by **East Lancashire Hospitals NHS Trust**. Some other facilities are run by the **Lancashire Care NHS Foundation Trust**.



**Lancashire Constabulary** is the local police force.

**Lancashire Fire and Rescue** provide our fire service.

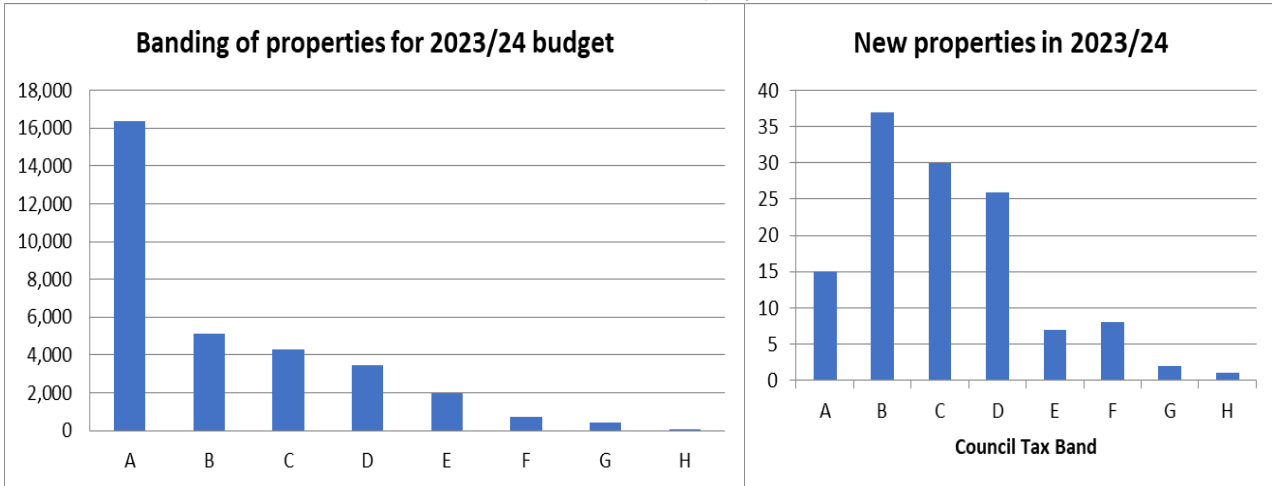
**Lancashire County Council** upper tier responsibilities



# Narrative Report

## Council Tax in Rossendale

Almost 51% of all the domestic properties in Rossendale fall into Band A, the lowest band for Council Tax purposes. Though the Band D is taken nationally as the average for the purposes of collecting Council Tax, only 10.6% of properties in Rossendale fall into this band. The total number of properties when the 2023/24 Council Tax was set was 32,418, up by 126 from 2022/23.

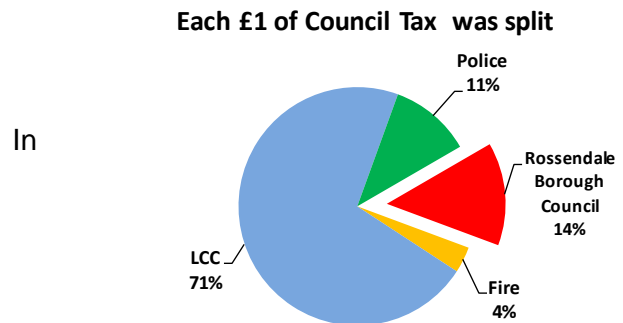


Rosendale Borough Council collects Council Tax on behalf of each of the major preceptors, Lancashire County Council, Lancashire Combined Fire Authority and Lancashire Constabulary. In 2023/24, we also collected a precept for Whitworth Town Council from 3,665 properties.

In 2023/24 Rosendale Borough Council increased its element of the Council Tax by 2.99% which made the 2023/24 charge for a band D property £299.49. The Council retained £6.238m in Council Tax in 2023/24.

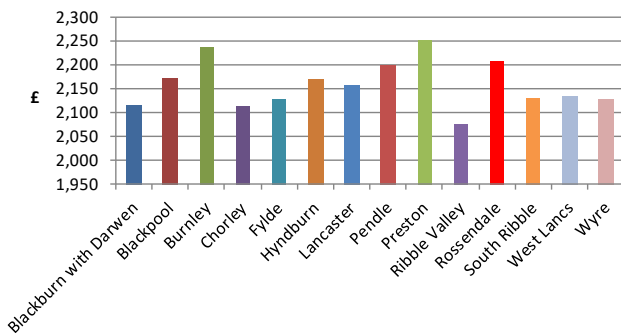
Precepting Body	% Increase	2022/23	2023/24	Increase £	% Share
		Band D £	Band D £		
Rosendale BC	2.99%	290.80	299.49	8.69	13.6%
Lancashire County Council *	1.99%	1,334.53	1,364.66	30.13	61.8%
LCC Adult Social Care *	2.00%	179.76	210.05	30.29	9.5%
Combined Fire Authority	6.47%	77.27	82.27	5.00	3.7%
Police & Crime Commissioner	6.34%	236.45	251.45	15.00	11.4%
<b>Total (Exc! Whitworth)</b>	<b>4.21%</b>	<b>2,118.81</b>	<b>2,207.92</b>	<b>89.11</b>	<b>100.0%</b>
Whitworth Parish Council	1.00%	26.87	27.14		
<b>Total Whitworth Parish</b>	<b>4.17%</b>	<b>2,145.68</b>	<b>2,235.06</b>		

\* Percentage increase is based on the total combined tax level



comparison with our neighbouring authorities across

### Council Tax Band D across Lancashire



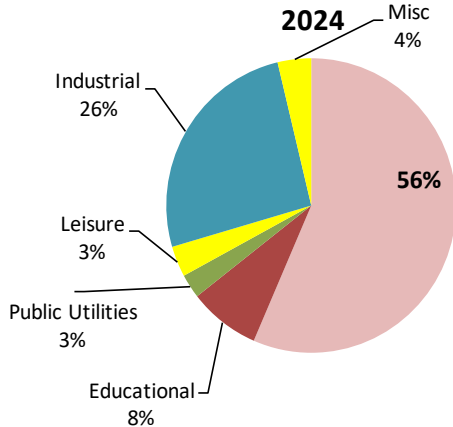
Lancashire, Rossendale has the third highest total Band D charge.

# Narrative Report

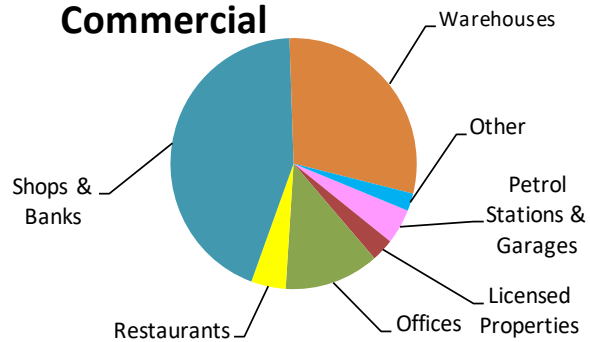
## Business Rates in Rosendale

Business Rates are payable based upon a rateable value set by the national Valuation Office. The total rateable value of business premises in Rosendale at the 31<sup>st</sup> March 2024 was £41,482k, up from £36,253k in March 2023. This is mainly due to the National Business Rates Revaluation implemented in April 2023. Due to the cost of living crisis the Government has continued with the Retail, Hospitality & Leisure rate relief originally introduced to help businesses survive the pandemic. The Council has received s31 grants from Central Government to cover this loss of income. Full details can be found in the Collection Fund statements.

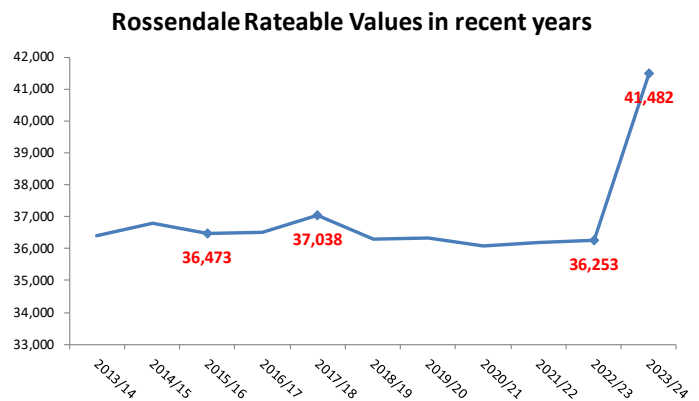
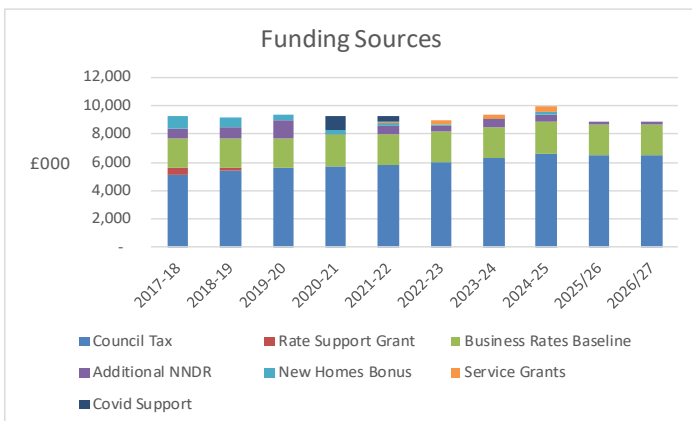
**Rateable Values by Sector as at 31st March**



**Commercial**



Rateable values underwent a national revaluation exercise in 2017 and again in 2023. As can be seen by the adjacent graph, the 2023 revaluation has had a significant impact on rateable values within the Borough, with Industrial and Commercial properties seeing the biggest increases.



## Narrative Report

Since 2010/11 the Council has seen significant reductions in core funding and an increasing reliance on Council Tax income to fund services. The sources of funding available for Council Services can be seen in the table opposite, along with future predictions over the Medium Term Financial Strategy. In 2020/21 and 2021/22 the Council received various Covid grants to support the Council's Covid related activities.



# Narrative Report

## Revenue Outturn

At the time of setting the original budget in February 2023, the medium term financial strategy (MTFS) indicated a balanced budget of £10.256m for 2023/24. The Council reviews its MTFS at regular intervals, and in November 2023, reported to Council that the anticipated 2023/24 outturn was likely to be £10.308m. The Council finances its net budget through Council Tax, General Government Grants and Retained Business Rates income.

With the continued drop in external funding, local taxation has to contribute towards the MTFS challenge and in the 2023/24 budget, members again made the difficult decision to increase the Council Tax by the maximum allowed, 2.99%, resulting in estimated Council Tax income of £6,278k. The retained business rates baseline funding was £2,261k and the Council received £1k in New Homes Bonus. In addition the Council also received one off grants of:-

- Funding Guarantee of £290k.
- Services grant of £85k.
- Revenue Support grant of £85k - Rolled in Local Council Tax Support Admin and Family Annex Grants

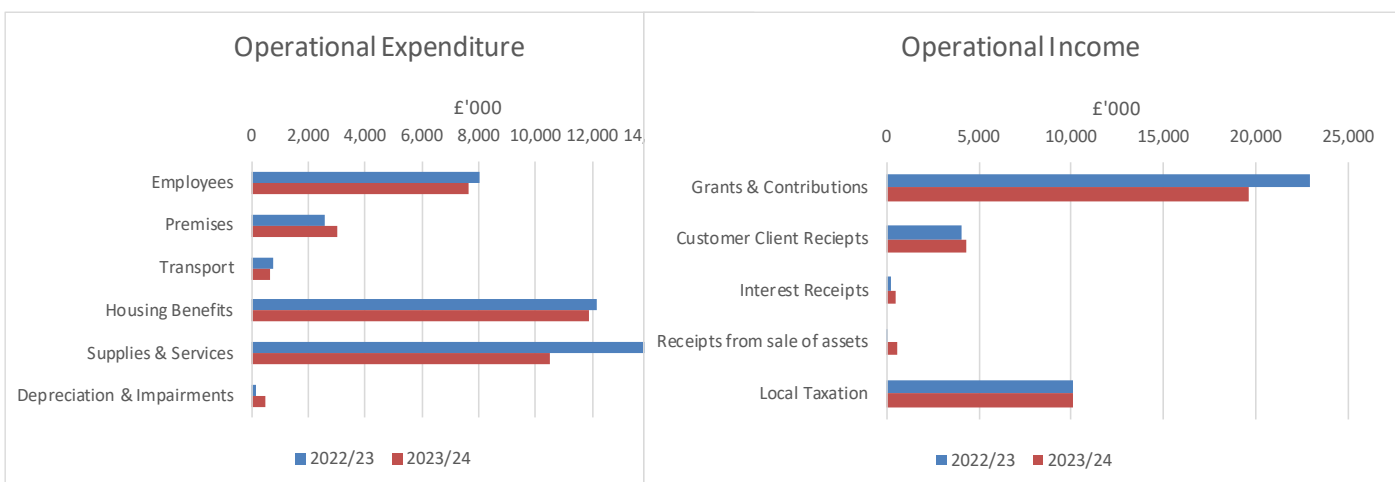
It was also anticipated that the Council would make a pooling gain/NNDR growth of £500k.

Members also approved the use of £756k from the Transitional Reserve to fund the estimated budget gap.

The Council manages and presents in-year financial information in the format of Directorate Budgets. The Directorate outturn position will be reported within the Outturn Report to Cabinet in July 2024. Full details of expenditure, income and budget variances are set out within the report which will be available on the Council's website.

The following table and charts show the General Fund figures before the technical accounting adjustments required by the Code in the CIES. These follow the operational basis shown in the financial monitoring reports presented to members at Cabinet meetings on a quarterly basis.

The graphs below show the year on year comparison between expenditure and income analysed by nature.



# Narrative Report

GENERAL FUND SERVICES	2023/24		Variance (adv)/ fav £000s
	Adjusted Budget £000s	Operational Out-turn £000s	
Communities Directorate			
Customer Services & E Government Operations	1,641	1,302	339
Parks & Cemeteries	2,163	2,240	(77)
Public Protection Unit	741	686	55
Environmental Health	184	176	8
Licensing & Enforcement	150	175	(25)
Communities Team	85	88	(3)
Communities Team	131	115	16
Economic Directorate			
Planning	351	368	(17)
Building Control	17	19	(2)
Regeneration	181	115	66
Property Services	545	756	(211)
Housing	181	143	38
Corporate Management			
Corporate Management	454	364	90
Legal Services	190	172	18
Local Land Charges	(15)	10	(25)
Democratic Services	618	547	71
Financial Services	767	803	(36)
People and Policy	730	703	27
Non-distributed Costs	131	326	(195)
Capital Financing & Interest	742	143	599
Leisure Services	(31)	15	(46)
Empty Homes	300	95	205
<b>Total cost of General Fund Services</b>	<b>10,256</b>	<b>9,361</b>	<b>895</b>
Contrib to/(from) Earmarked Reserves	(756)	1,206	(1,962)
<b>Amount to be met from government grants &amp; local tax payers</b>	<b>9,500</b>	<b>10,567</b>	<b>(1,067)</b>
Precept on the Council Tax Collection Fund	6,278	6,278	-
National Non-Domestic Rates (NNDR)	2,261	3,330	(1,069)
Funding Guarantee	290	290	-
NNDR Pooling gain	500	498	2
Rate Support Grant	85	85	-
New Homes Bonus	1	1	-
Service Grants	85	85	-
<b>Amounts received from government grants &amp; local tax payers</b>	<b>9,500</b>	<b>10,567</b>	<b>(1,067)</b>

This table compares the operational outturn against the budget. As can be seen the final outturn is £895k less than the budget. The main variances relate to increased interest gained on cash balances, due to interest rates throughout the year being significantly higher than when the budget was set in February 2023. With other areas of significance being Revenues & Benefits increased income and a £205k underspend on the Empty Homes revenue budget (the capital element of this project is also showing an underspend of c£295k). Offsetting the favourable variances are adverse variances against the property income budgets and pension costs.

The Council has also seen a significant gain in NNDR income.

The final result being that rather than relying on reserves to balance the budgeted funding gap of £756k, the Council has been able to replenish reserves by £1.206m.

# Narrative Report

## Other financial factors

The Council continues to be the accountable body for the East Lancs Empty Homes Scheme, which has brought back into use almost 200 long-term empty domestic properties across East Lancashire, funded through a combination of Homes and Communities Grant, owner contributions, local housing associations and contributions from the other neighbouring local councils. The properties are managed by management agents with the majority of the properties being managed by Calico homes Ltd, under a self-financing contract. The scheme cost the Council £95k revenue and £204k capital in the 2023/24 financial year.

At the end of 2023/24 there are 27 properties remaining on the scheme. The scheme is due to end in December 2024. Where possible these properties will continue to be let for the remainder of their leases.

## Capital Strategy and the Capital Programme 2023/24 to 2026/27

In February 2023 the Council set an affordable capital budget for 2023/24 of £5,963k including new projects of £1,899k, funded from £2,297k of grants, £3,466k of prudential borrowing, and £200k from capital receipts. The programme included £329k for new vehicles, £100k on maintaining the Council's operational assets and £1,000k on Disabled Facilities Grants (DFGs) for domestic properties across the borough.

This was added to capital slippage at the end of 2022/23 of £6,027k. Giving a revised opening capital programme of £11,990k.

Capital projects added during 2023/24 included £130k Weir Play area funded from a combination of internal borrowing and external funding, and £160k additional DFG's funded by external grant. The Hareholme viaduct project was also increased. This brought the final capital programme for 2023/24 to £12,782k.

More information on the capital costs and funding sources can be found in Note 18.

At the end of 2023/24 slippage of c£7,210k was considered for carrying forward into 2024/25 and reprofiling. The majority of this was disabled facility grants of £2,529k, £1,762k for Haslingden National Lottery Heritage Funded scheme, and £1,247 of Levelling Up funded capital projects.

## The Collection Fund

Billing authorities in England, such as Rossendale, are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and Non-Domestic Rates (Business Rates). The key features relevant to accounting for council tax and business rates in the Core Financial Statements are:

- In its capacity as a billing authority the Council acts as agent; it collects and distributes council tax income on behalf of the major preceptors and itself; under the scheme of Business Rates Retention introduced from 2013/14, business rates are also collected on behalf of Central Government and the major preceptors;
- While the council tax and business rate income credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the General Fund of the billing authority or paid out of the Collection Fund to major preceptors.

## Narrative Report

The council tax and business rate income included in the Comprehensive Income and Expenditure Statement for the year is the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the Collection Fund has been taken to the Collection Fund Adjustment Account and is included as a reconciling item in the Movement in Reserves Statement.

Since the collection of council tax and business rates income is in substance an agency arrangement, cash collected by the billing authority from council tax and business rates debtors belongs proportionately to the billing authority and the major preceptors. There is therefore a debtor/creditor position between the billing authority and each major preceptor which is recognised since the net cash paid to each major preceptor in the year will not be its share of the cash collected from taxpayers.

The surplus on the Collection Fund for Council tax as at 31<sup>st</sup> March 2024 was £162k and will be shared between the Council (billing authority), the County Council, the Police Authority and the Fire Authority in following years. The actual rate of in year collection of Council Tax for 2023/24 was 95.75% (95.95% for 2022/23).

At the 2023/24 year end the collection fund position for NNDR was a deficit of £196k which will be carried forward and recovered in subsequent years' budgets. Rossendale Borough Council's share of this is £123k with the balance due to the Government and major preceptors. The actual in year collection rates for business rates for 2023/24 was 98.60% (98.85% for 2022/23)

This Council signed up to the Lancashire Business Rates Pool which came into effect on the 1<sup>st</sup> April 2016. In a Business Rate Pool, tariffs, top-ups, levies and safety nets can be combined. This can result in a significantly lower levy rate or even a zero levy rate meaning that more or all of the business rate growth can be retained within the pool area instead of being payable to the Government

In 2023/24 the council was a member of the Lancashire Business Rates Pool on a 50% business rates retention basis and this has continued in to 2024/25. In 2023/24 the Council made a pooling gain of £498k.

Further details in relation to the Collection Fund can be found in the Supplementary Statements.

### Treasury Management

Treasury Management is conducted in-house with advice provided by an external organisation, Link Asset Services. Investment performance has struggled to meet the budget target as interest rates on the Council's bank accounts continued to be below bank base rates in previous years. Interest rates however increased during the year and by the end of the year the council was earning over 5% on balances, this was higher than the 3.35% earned in 2022/23. During 2023/24 the level of balances held averaged £12.2m, but the interest rate increases meant that the £525k interest income earned exceeded budget.

Treasury management during the year was conducted within the borrowing limits and investment criteria approved in the Treasury Management Strategy and Treasury Management Practices approved at Full Council in February 2023.

The Council is able to borrow money from PWLB (an agency of HM Treasury), banks and building societies, or from other public bodies. The Council's borrowing need as at 31 March 2024 was met by a combination of long term actual debt of £3.574m and internal cash balances. The use of internal cash balances in lieu of borrowing has continued to be the most cost effective means of funding capital expenditure. These amounts are analysed in the notes to the Balance Sheet. The interest payable in relation to the Council's borrowing totalled £119k in 2023/24. As the value of useable reserves drops over the life of the Council's MTFS, greater consideration will need to be made of the need for additional PWLB borrowing to fund future capital investments.

## Narrative Report

The **Capital Financing Requirement (CFR)**, a key Prudential Indicator, determines the amount that the Council needs to borrow for a capital purpose and is the total of the Council's capital assets less all of the Council's capital reserves. The CFR for the year ending 31 March 2024 was £18.2m.

The **Authorised Limit for External Debt** is a key Prudential Indicator that controls the overall level of borrowing and is a statutory limit set by the Council that must not be breached. The Council's Authorised Limit for external debt for 2023/24 was £22.5m. The Council's actual total long term debt of £3.574m is well below the Authorised Limit.

### Pensions Fund Liabilities

Rosendale BC participates, as an employing authority, in the Lancashire County Pension Fund administered by Lancashire County Council. The scheme is a defined benefit scheme i.e. retirement benefits are determined independent of the scheme investments. A pensions reserve and pensions liability are incorporated within the Council's accounts reflecting the amount by which the Rossendale element of the Lancashire Fund is underfunded/overfunded compared with the assessed payment liability to pensioners.

There are also entries in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement to show the pensions benefits earned in the year. All of these pensions costs entries do not however affect the amount calculated as being due from taxpayers through Council Tax.

The latest triennial valuation was carried out as at 31/03/22 (to take effect 01/04/23) resulting in the overall pensions deficit changing to a surplus. The overall uncapped pensions surplus of the Council as at 31 March 2024 was £15.3m (£11.0m surplus as at 31 March 2023). More information on the assumptions used by the actuaries can be found at Note 32.

### Principal Risk & Uncertainties

The Council has a risk management strategy in place to identify and evaluate risks. All risks are identified, potential impacts are highlighted and controls and mitigations are set in place. The Corporate Management Team (CMT) identified a number of key corporate risks which the Council monitors and reports to Cabinet Members and Audit & Accounts Committee during the year, a selection of the risks have been highlighted below:

Corporate Risks
Sustainability of the Medium Term Financial Strategy
Major disaster affecting the delivery of Council services
Incident resulting in death or serious injury or HSE investigation
Sustainable Workforce
Insufficient data and cyber security
Non-Delivery of Corporate Programmes
Financial sustainability of the Council owned leisure assets

# Narrative Report

Key Future Financial Risks – Along with the corporate risk there are a number of key financial risks identified within the Medium Term Financial Strategy which potentially could have a significant impact on the financial forecast, these are:

Key Financial Risks
Impact on the economy – Cost of living crisis – Inflation and high interest rates
Resources – Inc future Government funding, any change to the Business Rate retention scheme and level of reserves
Bridging the funding gap
Council Tax – Housing Levels not in line with forecast projections
Pay inflation
The Empty Homes Scheme
Rosendale Leisure Trust
Increase in demand for Temporary Accommodation
The major regeneration schemes bring a high level of financial risk

## The Economic Climate and Financial Outlook for the Future

The latest MTFs reported to Budget Council in February 2024 sets out the Council’s spending plans and available capital and revenue resources for the period 2024/25 to 2027/28. The MTFs set out the funds required to deliver the Council’s essential services and the objectives in our priority areas. It also highlighted the key areas/issues facing the Council in the current year and future years. For 2024/25 onwards a major concern is the ongoing cost of living crisis and future levels of Government funding.

The Government has further delayed the implementation of the outcome of the Fair Funding Review and the Business Rate reforms. Until this announcement is made and the local government finance settlement figures are published we have no indication of the level of funding the Council will receive from 2024/25 onwards.

In light of the current risks and uncertainties the Council will aim to continue to maintain a healthy and robust level of reserves. The Council’s strategic budget plan has been to use reserves to fund the gap between income and expenditure over the life of the forecast, whilst looking to identify savings and income generating opportunities. The aim is for the Council to bridge the gap, i.e. the shortfall between how much the Council spends and how much the Council receives in funding and build up reserves to ensure, long term financial sustainability for the Council.

# Narrative Report



## Explanation of the Statement of Accounts

The Statement of Accounts for the year ended 31st March 2024 has been prepared and published in accordance with the Code of Practice on Local Authority Accounting 2023/24 (the Code), issued by the Chartered Institute of Public Finance and Accountancy and the Service Reporting Code of Practice 2023/24 (SeRCOP).

The layout and purpose of each statement is as follows:-

### Introductory Statements

- Narrative Report - provides information about Rosendale, including key issues affecting the Council and its accounts. It also provides a summary of the financial position as at 31 March 2024. It should be fair, balanced and understandable for the users of the financial statements, containing a commentary on the major influences affecting the authority's income and expenditure and cash flow, as well as information on the financial needs and resources of the authority.
- Annual Governance Statement – explains the way the Council ensures responsible stewardship of its assets.
- Statement of Responsibilities - explains the responsibilities of the Council and its Chief Financial Officer in relation to the Council's financial affairs and the Statement of Accounts.

### Core Statements

- Comprehensive Income and Expenditure Statement (CIES) - a summary of the resources generated and consumed by the authority in the year in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Cost of Services

## Narrative Report

section is now presented in the same format as the authority's operational reports. Note 1 presents a reconciliation between the General Fund Summary in the Narrative Report and the CIES figures produced here under statutory accounting practices.

- Movement in Reserves Statement – this statement shows the movement in year on the reserves held by the Council, analysed into 'useable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other reserves. It reverses the statutory accounting adjustments in the CIES to get back to the General Fund Balance Sheet Reserve.
- Balance Sheet - this shows the value of the assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the value of reserves held, split between Useable and Unusable reserves.
- Cash Flow Statement - summarises changes in cash and cash equivalents during the year, and how the Council generates and uses cash through operating, investing and financing activities.

### Notes to the core financial statements

All the notes to the core statements above are now collected in one place. Notes on the policies used in the preparation of the figures in these accounts, including judgements and assumptions, have been moved to the end of the notes area.

### Other Statements

- The Collection Fund – this agency statement reflects the Council's statutory obligation to maintain a separate Collection Fund for its transactions as a billing authority in relation to council tax and non-domestic rates.

**Glossary** - an explanation of some of the key technical terms used in these accounts.



# Annual Governance Statement

## Annual Governance Statement: Year Ended 31<sup>st</sup> March 2024

### 1) Scope of responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. In discharging this overall responsibility, the Council has put in place arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.

This Annual Governance Statement provides an overview of the Council's key governance systems and explains how they are tested and the assurance that can be relied upon to show that those systems are working effectively. The statement comprises an overview of the key elements of its governance framework and what evidence has been received in order to determine the effectiveness of the Council's governance arrangements. In addition the statement contains an update on areas for improvement which were identified last year together with proposed areas for improvement for the coming year.

#### *What is Corporate Governance?*

Corporate governance refers to the processes by which organisations are directed, controlled, led and held to account.

Rosendale Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how Rosendale Borough Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an annual governance statement.

CIPFA's framework for Good Governance in the Public Sector defines the principles against which the Annual Governance Statement reports:



# Annual Governance Statement

## 2) The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Rosendale Borough Council for the year ended 31 March 2024 and up to the date of approval of the annual report and statement of accounts.

## 3) The Governance Framework

Key elements of the systems and processes that comprise the authority's governance include arrangements for:

**Principle A:** *Behave with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law*

The Council has a formal Constitution which is reviewed annually, amended as required and made publicly available on our website at [www.Rosendale.gov.uk](http://www.Rosendale.gov.uk). The Constitution sets out how we operate, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for us to choose.

The Constitution includes the following documents which provide guidance for officers and Councillors on the standards of behaviour expected to ensure integrity:

- Code of Conduct for Members (Councillors)
- Code of Conduct for Employees
- Roles & Functions of all Councillors

The Council's Monitoring Officer maintains the Codes of Conduct up to date and investigates any suspected breaches. Alleged breaches of the Members Code of Conduct are conducted in accordance with an agreed protocol. Councillors sign a formal declaration agreeing to abide by the Code of Conduct. For staff, the Employee Handbook sets out the requirements and standards expected and this forms part of the staff induction process.

The Council also has established a set of core values which are intended to underpin all that we do. These are published as part of our Corporate Plan and include the following ethical values:-

- Pride - We take pride in the way we help our residents and are proud to work for the council
- Passion - We are ambitious for Rosendale, enthusiastic and want to improve resident's lives
- People - We work together, treat everyone with respect and take ownership of problems

Underpinning everything we do is our commitment to equality, diversity, transparency, inclusion, sustainability and value for money.

# Annual Governance Statement

Staff and Councillors are made aware of other policies relevant to this principle of the framework including the Council's Anti-Fraud and Corruption, Bribery and Whistleblowing Policies. These arrangements are reviewed and reported on via the Council's Audit and Accounts Committee, being the Committee charged with oversight of the governance arrangements at the Council. At the heart of these policies is the requirement for all relevant parties to act with integrity.

The Council has operated a Standards regime consistent with the requirements of the Localism Act 2011 during the year. During 2023/24 there has been no requirement to convene the Standards Board.

All Councillors have to register and declare certain pecuniary interests such as employment, land holdings and contracts with the Council. The register of interests is available on our website at [www.rossendale.gov.uk](http://www.rossendale.gov.uk). Councillors must declare such interests at meetings which they attend. There are also procedures laid down for staff and Councillors relating to the receipt of gifts and hospitality.

All Council decisions have to consider legal implications. These are set out in reports to Councillors which are published on the Council's website. The Council's Constitution sets out the responsibility for decision-making. Certain decisions are reserved to full Council with others delegated to the Cabinet or other Committees each acting in accordance with parameters set out in the Constitution.

A number of areas are delegated to officers for the purposes of decision-making; however, limits on the exercise of delegation are laid down in an approved Scheme of Delegation to Officers within the Constitution. The Council's legal team will advise on the legal implications of proposed decisions and where necessary will engage external legal advisors. The Council's Monitoring Officer and Section 151 Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements, and for reporting any such instances to Councillors.

## **Principle B: *Ensure openness and comprehensive stakeholder engagement***

Our Corporate Plan identifies and reiterates our commitment to working with partners, volunteers, and our residents. Performance management against key actions, performance measures and risks represent an essential part of our assurance and accountability process to our residents and our partners.

All decisions of the Council are made in accordance with principles laid down in the Constitution and include the following:-

- a presumption in favour of openness
- explanation of the options considered and the reasons for decisions.

All meetings of the Council, Cabinet and other Committees are open to the public.

Agenda papers and reports together with the Minutes of all meetings are publicly available on the Council's website unless they are exempt from publication.

The Council's guidance on, the role of a Councillor, contains the following which reinforces the importance of openness requiring Councillors to:

- Contribute to the governance of the area and actively encourage community participation and citizen involvement in decision making

The Code of Conduct for Councillors also outlines the following requirements:-

Councillors must:

- Impartially exercise their responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
  
- exercise reasonable care and diligence

## Annual Governance Statement

- ensure that public resources are used prudently in accordance with the Councils requirements and in the public interest.

The Council undertakes consultation on specific topics. The Council also makes use of social media via Facebook, Instagram and Twitter.

The Council is committed to publishing information freely and to develop further our culture of openness and transparency and publishes information in accordance with the Local Government Transparency Code. The Council's Freedom of Information Publication Scheme provides a general guide for the public in terms of what information should routinely be available to them by either accessing our website or upon request.

Partnership working is important and the Council has in place a wide range of arrangements ranging from small scale local groups (e.g. Civic Pride groups) to larger and more formal partnerships (e.g. public/private partnership with Rossendale Leisure Trust and Capita).

**Principles C & D – Defining outcomes in terms of sustainable benefits (economic, social and environmental) and determining the interventions necessary to achieve them.**

The Council's strategic vision for the Borough is set out in our Corporate Plan. Our vision is *To have a thriving economy, built around our changing town centres, creating a quality environment for all and improving the life chances of all those living and working in our borough*. We aim to achieve this by working on our four priority areas:

- Thriving Local Economy
- High Quality Environment
- Healthy and Proud Communities
- Effective and Efficient Council

Underpinning our Corporate Plan are robust business plans for each of our service areas. These detail how we will deliver the strategy, our vision and priorities. They also detail how we will continue to deliver services to our residents and meet our financial challenges.

In December 2021 the Council adopted its Local Plan, this was a major milestone in setting out the spatial policy for the Borough. By adopting the Local Plan the Council is able to bring forward its strategic aims, ensure it has greater control over the development that takes place in the Borough and that it is accompanied by appropriate infrastructure improvements as well as other local facilities and is of a design suitable for Rossendale. It will also assist in addressing the Council's climate change priorities as well as meeting the needs of the Borough's residents. Linked to this the Council has gone on to develop and publish a series of development management policies against which to measure planning applications.

Service areas are required to set, monitor and manage agreed targets for performance. Performance against and achievement of expected outcomes is monitored regularly via the Council's corporate performance management system and reported quarterly to Councillors and the Management Team. Where expected performance is not being achieved intervention measures are considered and implemented where appropriate.

In relation to the buying of goods and services, staff must comply with the Council's Contract Procedure Rules. These set out relevant considerations when reaching decisions on award of contracts and include relevant environmental and sustainability aspects including the achievement of 'social value' in addition to cost.

Decisions on the overall level of resources allocated are taken by the Council following recommendations from the Cabinet. Resources and spending plans are critically reviewed to optimise their use and level of fit with the Council's objectives. Financial planning arrangements are

# Annual Governance Statement

well established and underpinned by a four year forward projection as part of the Council's medium term financial planning arrangements. This includes both capital and revenue budgets.

## *Principle E - Develop the entity's capacity, including the capability of its leadership and the individuals within it*

At the heart of this principle is the Council's commitment to *'Have a skilled and happy workforce, where we are able to retain and attract good staff'*. The aim is to ensure that, as an organisation, we are suitably placed to deliver the priorities identified for Rossendale and its residents. To do this we will employ the right people with the right skills in the right job. We will maintain robust financial processes, standards and systems optimising the technology and resources we have available to us, making us more efficient and effective in our service delivery and becoming digital by default.

In recent years the Council has invested in training programmes to enhance organisational development, develop leadership skills and promote a coaching culture with staff at all levels encouraged to be innovative and challenge the normal way of doing things. All staff take part in annual personal development reviews which include consideration of their individual training and development needs. A range of training methods and resources are applied and feedback is actively encouraged to assess the benefit of investment in training. The Council has developed a Training and Development plan, organisational development strategy and a wellbeing strategy. Training is available for Councillors including induction and topic specific matters in addition to what is available from organisations such as the Local Government Association.

Capacity is enhanced via a range of partnerships and collaborative arrangements, as well as our commissioning and procurement processes through which the Council operates a mixed economy approach to delivering services in the most effective and efficient way. Service delivery models include, in-house, external outsourced (CAPITA Revenues & Benefits Partnership), transfers to external partners (Rossendale Leisure Trust). On a regional and sub-regional basis the Council works closely with the Lancashire Enterprise Partnership and Pennine Lancashire bodies notably in areas such as economic development, regeneration and skills/training. It also works closely with local colleges on training provision.

Leadership roles are well defined at the Council for staff and Councillors, distinguishing for example the role of Council Leader and the officer being the Head of Paid Service (i.e. the Chief Executive). A protocol is included in the Council's Constitution which reflects the principles underlying the respective Codes of Conduct which apply to Members and Employees. The shared object of these codes is to enhance and maintain the integrity of local government and therefore, demands high standards of personal conduct.

The Council is committed to a culture of continuous improvement and has a focus on service delivery and effective performance management. Peer learning is encouraged and in November 2021 the Council undertook a Peer Challenge review led by the Local Government Association to provide an assessment and feedback on,

- Corporate and placed-based prioritisation
- Climate Change
- Governance/Commercialisation.

The Organisational Development Strategy acknowledges the essential role staff play in the Council's ability to deliver effective services; thus wanting to ensure that every employee fulfils their potential and takes advantage of the development opportunities available to them.

Sustaining organisational resilience is increasingly challenging at a time when headcount is reducing in response to ongoing resource constraints. Set against this, the importance of supporting staff health and well-being is acknowledged and a suite of policies and procedures are in place to help staff maintain their own physical and mental well-being. Examples include the family friendly policy and the operation of flexible working for most staff. In addition the Council has invested in an

# Annual Governance Statement

Employee Assistance Programme to provide staff with access to a variety of support and guidance to aid their wellbeing.

## *Principle F - Managing risks and performance through robust internal control and strong public financial management*

The maintenance of systems and processes to identify and manage the key strategic and operational risks is integral to the achievement of the Council's objectives. The Council's **risk management framework** continues to evolve and presently includes the following arrangements:-

- Risk Management Strategy
- arrangements for the Strategic Risk Register comprising corporate risks assigned to designated officers, with appropriate counter-measures and an action plan established for each key risk
- Frequent review of risks in-year with reports to the Council's Management Team, Cabinet and the Audit and Accounts Committee
- the use by Internal Audit of a risk based approach in the preparation and delivery of the internal audit plan
- the requirement for Officers of the Council to consider risk management issues when submitting reports to Committee for consideration by Councillors
- a suite of policies and procedures in relation to Whistleblowing, Anti-Fraud and Corruption, and Anti-Money Laundering
- a suite of Business Continuity Plans are in place, i.e. Rosendale Emergency Plan, Service Area Business Plans and a Business Recovery Plan for critical services
- Councillors and officers have previously been trained in risk management and the Leader of the Council is briefed on the strategic risks faced by the Council. Managers have the responsibility for the effective control of risk, and all service plans have a section on risk management.
- Corporate Governance including risk management, incorporating the key strategic risks for the Council, are the subject of quarterly reports to Cabinet and the Audit and Accounts Committee.
- The Corporate Management Team review the Corporate Risk Register to ensure that risks are being actively monitored and managed and risk scores are included for all identified strategic risks as a means of providing much greater focus on those areas where risk management can be effective. Details of changes are reported to the Audit and Accounts Committee.
- The Chief Executive, as the Council's Head of Paid Service, is responsible for the corporate management of the Council, taking an active role in the corporate governance arrangements, including the organisation of the Council's staff and ensuring that appropriate internal control mechanisms are in place to achieve the Council's objectives in the most economical, efficient and effective way.
- The Head of Legal is appointed the Council's Monitoring Officer. The appointment of a Monitoring Officer is required in accordance with Section 5 of the Local Government and Housing Act 1989. It is the function of the Monitoring Officer to report to Members upon any contravention of any enactment or rule of law or any maladministration by the Authority. The Monitoring Officer also has responsibilities under the Council's Ethical Framework relating to the Members' Code of Conduct and the Standards Regime.
- The Chief Financial Officer is designated as the officer with statutory responsibility for the proper administration of the Council's financial affairs, in accordance with Section 151 of the Local Government Act 1972.
- The three statutory officers referred to above have unfettered access to information and to Councillors on the Council so that they can discharge their responsibilities effectively. The functions of these Officers and their roles are clearly set out in the Council's Constitution. In

# Annual Governance Statement

particular, the role of the Chief Financial Officer at the Council accords with the principles set out in CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

An established **financial management framework** comprising the following:-

- Financial and Contract Procedure Rules as part of the Constitution
- Medium term financial planning using a four-year cycle, updated annually, to align resources to corporate priorities
- Service and financial planning integrated within the corporate performance management cycle
- Annual budget process involving scrutiny, challenge and consultation
- Annual review of the adequacy of the level of financial reserves
- Regular monitoring by management of revenue and capital budgets with reports to Management Team and Cabinet
- Annual reports to Councillors on both the final revenue and capital out-turns compared to the approved budget
- Continuous challenge of the scope for securing efficiencies and service improvements
- Production of an annual Statement of Accounts compliant with the requirements of local authority accounting practice
- Compliance with the requirements established by CIPFA, the public sector accountancy body
- A regular review of the Council's Financial Management arrangements.

A **performance management framework** provides an explicit link between the corporate priorities and personal objectives of staff and their training and development needs. Performance is reported to Councillors and the Management Team on a systematic basis with areas of poor performance investigated proactively. Key features of the Performance Management Framework include:-

- An annual review of the Corporate Plan to ensure that priorities are reviewed, remain relevant and reflect the aims of the Council
- Service Plans produced with explicit goals and associated performance targets in order to ensure that achievement of performance is measurable
- The Council's staff appraisal system – Annual Personal Development Reviews link personal objectives directly to Service Plans
- Regular reports on the performance of key indicators which are presented to Councillors and Officers

Significant projects are controlled by project management techniques and overseen by a Programme Board. The Board meets quarterly and receives updates on project performance and delivery.

An **Information Governance Framework** which sets out the way we handle and process information, in particular, the personal and sensitive data relating to residents, suppliers and employees. Key features of the information governance framework include:-

- A suite of policies and procedures on the Council's Information Security which are available on the Intranet for all staff to review
- Arrangements for document management and retention
- A Data Protection Policy and Procedure with nominated staff responsible for providing advice and guidance on Data Protection matters
- Compliance with the Local Government Transparency Code and provision of Open Data on Council website
- A system for dealing with requests for information submitted to the Council under the Freedom of Information Act 2000 (including a regular review of the Council's Publication Scheme)
- Regular reviews of the Council's Information Governance and Security arrangements by Internal Audit and external assessors.

# Annual Governance Statement

The Internal Audit function operates in accordance with the statements, standards and guidelines published by the Auditing Practices Board, CIPFA (particularly the Public Sector Internal Audit Standards) and the Institute of Internal Auditors. The Internal Audit function examines and evaluates the adequacy of the Council's system of internal control.

The Council has partnered with Lancashire County Council (LCC) for the delivery of the Internal Audit function. LCC provide an independent and objective appraisal function for reviewing the system of internal control. This is in compliance with Regulation 5 of the Accounts and Audit Regulations 2015 that specifically requires a local authority to undertake an adequate and effective system of internal audit. This work is delivered by way of a Strategic Audit Plan developed using a risk-based approach. The Internal Audit plan is agreed and monitored by the Audit and Accounts Committee. The Audit Manager is required to give an opinion on the adequacy of the Council's system of internal control each year and report to the Audit and Accounts Committee. This Committee can make recommendations or highlight any matters requiring attention to the Cabinet and Council.

Lastly, each member of Management Team is required to sign an Assurance Statement in relation to a range of key controls operating in their area of work. This specifically seeks assurance from Senior Managers that, other than those identified during the course of their normal work or by Internal Audit, they are not aware of any weaknesses in the Council's systems of internal control.

## **Principle G - *Implement good practices in transparency, reporting, and audit to deliver effective accountability***

Reports to meetings of Council, Cabinet and other committees are publicly available on our website with the Minutes also published showing what decisions have been taken and the reason(s) why. Other forms of public accountability reporting include the annual Statement of Accounts, the Council's Annual Report and in year financial and performance monitoring reports. Reports from external audit are also published online including their annual report setting out the findings resulting from their audit of the accounts.

The Council reports performance against targets and financial targets on a regular basis. The Internal Audit service complies with the requirements of the Public Sector Internal Audit Standards and has direct access to Councillors and all staff in order to discharge its responsibilities.

The Council publishes information in accordance with the Local Government Transparency Code. The Council's website includes a section on Access to Information, which is about being transparent, sharing our information with the wider community, and giving them the opportunity to use that data to build useful applications.

The Council welcomes peer challenge reviews and inspections from regulatory bodies and will act on any recommendations arising as appropriate.

## **4) How the Council Gains Assurance/Review of Effectiveness**

The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework including the system of internal control. This review of effectiveness is informed by the work of the Council's Management Team who have a responsibility for the development and maintenance of the governance environment, the Audit Manager's Annual Report on Internal Audit also reports from the external auditor and any other review agencies and inspectorates.

The purpose of a review is to identify and evaluate the key controls in place to manage principal risks. It also requires an evaluation of the assurances received, identifies gaps in controls and assurances and should result in an action plan to address significant internal control issues.



# Annual Governance Statement

During 2023/24 work undertaken to maintain and review the effectiveness of the Council's Governance Framework included the following:-

- The Council's Monitoring Officer and the Council in general oversee the operation of the Constitution to ensure its aims and principles are given full effect. The Constitution was most recently reviewed by full Council in November 2023.
- The Council's decision making arrangements operated according to the Constitution, either through the Council, Committees or the Scheme of Delegation. Decisions arising from these arrangements have been published on the Council's website as required. Where decisions were taken under the Exercise of Urgent Business Protocol these were documented as appropriate.
- The arrangements for scrutiny operate via the Overview and Scrutiny Committee as required, allowing for the review of key policy areas and providing opportunities for public involvement in specific matters of business. This committee receives reports from the Task & Finish group. During 2023/24 the committee didn't receive any reports from the Task & Finish group.
- Further scrutiny of Cabinet decisions is also provided by the Council's Call-In procedures. However where possible Overview and Scrutiny Committee are given the opportunity to input into policies and procedures prior to presentation to Cabinet.
- The Council has operated a Standards regime consistent with the requirements of the Localism Act 2011 during the year.
- The Audit and Accounts Committee met throughout the year and received various reports on the progress by External and Internal Audit against their respective work plans. The Internal Audit annual report will be presented to the Committee in July 2024, it is currently anticipated that the Council will receive **Moderate** Assurance overall on the adequacy of design and effectiveness in the operation of the council's framework of governance, risk management and control. The equivalent report was submitted to the Accounts and Audit Committee in July 2023, which received **Moderate** Assurance.
- There have been no formal reports during the year from either the Council's Monitoring Officer or Section 151 Officer on matters of legality or financial related concerns. There were also no objections from local electors in respect of the financial statements and supporting information for the previous financial year.

## 5) Dealing with Last Year's Key Improvement Areas

Last year's Annual Governance Statement highlighted the following areas for improvement. The narrative below sets out the action has been taken to address these issues in the current year:

Area of Concern	Progress Update
<p>Financial Resilience - there are significant financial challenges facing the Council in 2023/24, with very little financial flexibility. Additional potential budget options were presented to full Council in June 2023, however beyond that there is little scope for achieving additional in-year savings.</p> <p>Monitoring of the 2023/24 budget will be undertaken and reported to CMT on a regular basis to determine the corrective</p>	<p>The progress of the savings plan is tightly monitored as part of the Councils embedded financial monitoring process and reported to Cabinet quarterly.</p> <p>Throughout 2023/24 Officers worked with Cabinet to develop further efficiency savings and income growth options to include within the 2024/25 MTFS update, this is an ongoing process and further work is being undertaken to flesh out some of the proposals.</p> <p>Due to the single year financial settlement, uncertainty remains regarding the forward</p>

# Annual Governance Statement

<p>action required to balance the budget and protect the level of general reserves.</p>	<p>estimates of core Government funding within the MTFs, beyond 2024/25. In addition further savings/income growth will be required in future years in order to address the funding gap and achieve a balanced budget.</p> <p>The Empty Homes Scheme which has added to the financial pressures the Council is facing is due to come to an end in 2024/25.</p>
<p>Procurement Compliance – review of the procurement support required will be completed by summer and the revised Contract Procedure Rules will be adopted, this will be followed by procurement training for officers.</p>	<p>A review was undertaken and the Council have engaged with In-tend Ltd to provide procurement support.</p> <p>The revised Contract Procedure Rules were adopted in November 2023. Staff training is due to be carried out during 2024/25.</p>
<p>Statement of Accounts Publication - due to staff turnover there have been delays in producing the annual statement of accounts. A plan is in place to ensure publication of all outstanding draft accounts by the end of September 2023.</p>	<p>The outstanding draft Statement of Accounts were published by the end of January 2024.</p> <p>The finance team are working towards publishing the 2023/24 Statement of Accounts by 31<sup>st</sup> May, the statutory deadline.</p>
<p>Accounts Audit - the Council has a significant backlog of unaudited accounts. The Council will work with Mazars to agree a plan to bring the audits up to date.</p>	<p>The backlog of unaudited accounts is a national issue and the Government have consulted on a backstop solution which will mean all accounts prior to 2023/24 will need to have been audited by the end of September 2024. We are awaiting the detail and will work with the External Auditors to ensure the Council can comply with this directive.</p>
<p>Performance Management including Programme Board will be refreshed – there will be more focus on performance management rather than just performance reporting, to ensure that appropriate action is taken within year to address underperformance.</p>	<p>During 2023/24 the performance management reporting process has been redesigned to be more streamlined and more focused on performance management.</p>
<p>Risk Management – the strategy and the Corporate Risks will be reviewed, with a cross party working group to be set up</p>	<p>The Corporate risks are reviewed and updated quarterly. The revised Risk Management Strategy is currently being</p>

# Annual Governance Statement

including members of the Audit & Accounts Committee and senior officers.	drafted, this will then be reviewed by an Audit & Accounts working group during 2024/25
Policy Framework refresh – ensure all policies are reviewed and updated where necessary.	The policy framework has been updated and the policies that require refreshing have been identified. The policies will be refreshed during 2024/25

## 6) Key Areas for Further Improvement

Building on the improvements in 2023/24 the Council has reviewed the governance arrangements and identified the following areas where it wishes to see improvements in 2024/25:

- Financial Resilience – the Council continues to face significant financial challenges. The February 2024 MTFS included a significant savings requirement in future years, to ensure the minimum level of reserves is maintained. These savings will need to be firmed up during 2024/25.

Monitoring of the 2024/25 budget will be undertaken and reported to CMT on a regular basis to determine the corrective action required to balance the budget and protect the level of general reserves.

- Procurement Compliance – Procurement training needs to be rolled out to relevant staff during 2024/25
- Accounts Audit – once the result of the Backstop Consultation is announced, the Council will work with Mazars to agree the back log of audits are concluded by the statutory backstop date.
- Risk Management – the strategy needs to be reviewed and once adopted staff training will be undertaken.
- Policy refresh – ensure all policies are reviewed and updated where necessary.
- Review the relationship with Rosendale Leisure Trust and ensure there is a comprehensive signed agreement in place to formally document the working relationship.
- Ensure processes are in place for the preparation and review of all monthly reconciliations

## 7) Conclusion

Some of the governance improvements proposed for 2023/24 were delayed as a result of staff turnover, however a number of these are set to be fully implemented and reported to Members imminently. Details of progress are reported above.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for 2024/25 improvements identified and will monitor their progress, implementation and operation as part of our next annual review.

### Signed:

On behalf of Rosendale Borough Council

*Alyson Barnes*

Leader of Council

*Rob Huntington*

Chief Executive

## Statement of Responsibilities

The following responsibilities are placed upon the authority and the Chief Finance Officer in relation to the Council's financial affairs.

### The Authority's 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 Finance.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

### The Chief Finance Officer's Responsibilities

As Chief Finance Officer, I am responsible for the preparation of the authority's Statement of Accounts in accordance with the proper practices as set out in the CIPFA/LASAAC 2023/24 Code of Practice on Local Authority Accounting in Great Britain (referred to as "the Code").

In preparing this Statement of Accounts, I have:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up-to-date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Certificate of Chief Finance Officer

I certify that this Statement of Accounts gives a true and fair view of the financial position of Rosendale Borough Council at 31st March 2024, and its income and expenditure for the year ended 31<sup>st</sup> March 2024, including any known post balance sheet events as at 24<sup>th</sup> February 2025.

Signed : **Chris Warren**  
Director of Resources

Dated 24<sup>th</sup> February 2025

### Approval of Accounts

These unaudited Statement of Accounts for 2023/24 were submitted for public inspection and external audit on the 5<sup>th</sup> June 2024.

Signed : **Councillor M Smith**  
Chair of the Audit and Accounts Committee

Dated 24<sup>th</sup> February 2025

# Core Financial Statements

## Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) shows the cost of providing services in the year in accordance International Financial Reporting Standards, rather than the amount to be funded from Council Tax and other Government grants. The amount funded from Council Tax and Government grants differ from this by a series of adjustments made in accordance with regulations, these adjustments are reversed in the Movement in Reserves Statement.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	2022/23			2023/24			Note
	Gross Expend	Income	Net Expend	Gross Expend	Income	Net Expend	
	£000s	£000s	£000s	£000s	£000s	£000s	
<b>Communities Directorate</b>	25,094	(19,509)	5,585	21,054	(14,918)	6,136	
<b>Economic Development Directorate</b>	9,055	(5,092)	3,963	8,720	(5,849)	2,871	
<b>Corporate Management</b>	3,591	(147)	3,444	2,716	(277)	2,439	
<b>Cost of Services</b>	<b>37,740</b>	<b>(24,748)</b>	<b>12,992</b>	<b>32,490</b>	<b>(21,044)</b>	<b>11,446</b>	
<b>Other Operating Expenditure</b>							
Whitworth Town Council Precept			58			60	
(Gain)/Loss on disposal of fixed assets			(54)			(203)	
Other Income			(453)			(1,446)	
<b>Finance and Investment Income and Expenditure</b>			445			(630)	3
<b>Taxation and Non-Specific Grants</b>			(10,583)			(10,878)	4
<b>(Surplus)/Deficit on Provision of Services</b>			<b>2,405</b>			<b>(1,651)</b>	
<b>(Surplus)/deficit on revaluation of non-current assets</b>			(329)			1,125	
<b>Remeasurement of the net defined pension liability</b>			(22,794)			1,220	32f
<b>Other Comprehensive (Income)/Expenditure</b>			(23,123)			2,345	
<b>Total Comprehensive (Income)/Expenditure</b>			<b>(20,718)</b>			<b>694</b>	

# Core Financial Statements

## Movement in Reserves Statement

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

The Movement in Reserves 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 in the year following those adjustments. The unusable reserves have been restated for 2022/23 to reflect the total comprehensive income/expenditure figure, increasing from £5.2m to £23.1m. This change relates to the Revaluation Reserve £329k and the Pension Reserve £22.8m not being correctly reflected for in the 2023/24 statement of account document.

<b>MOVEMENT IN RESERVES STATEMENT</b>	<b>General Fund Balance</b>	<b>Earmarked Reserves</b>	<b>Capital Receipts Reserve</b>	<b>Govt Grants Unapplied</b>	<b>Total Useable Reserves</b>	<b>Restated Unusable Reserves</b>	<b>Total Authority Reserves</b>
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 31 March 2022</b>	1,000	9,566	2,451	2,222	15,239	5,143	20,382
<b>Movement in Reserves in 2022/23</b>							
<b>Total Comprehensive Income/(Expenditure)</b>	<b>(2,405)</b>	-	-	-	<b>(2,405)</b>	<b>23,123</b>	<b>20,718</b>
Adjustments between accounting basis & funding basis under regulations	323	-	(515)	356	164	(164)	-
<b>Net increase/(decrease) before transfers to Earmarked Reserves</b>	<b>(2,082)</b>	-	<b>(515)</b>	<b>356</b>	<b>(2,241)</b>	<b>22,959</b>	<b>20,718</b>
Transfers to/from Earmarked Reserves	2,082	(2,082)	-	-	-	-	-
<b>Increase/(decrease) in Year</b>	<b>-</b>	<b>(2,082)</b>	<b>(515)</b>	<b>356</b>	<b>(2,241)</b>	<b>22,959</b>	<b>20,718</b>
<b>Balance at 31 March 2023</b>	1,000	7,484	1,936	2,578	12,998	28,102	41,100
<b>Movement in Reserves in 2023/24</b>							
<b>Total Comprehensive Income/(Expenditure)</b>	<b>1,651</b>	-	-	-	<b>1,651</b>	<b>(2,345)</b>	<b>(694)</b>
Adjustments between accounting basis & funding basis under regulations	191	-	572	68	831	(831)	-
<b>Net increase/(decrease) before transfers to Earmarked Reserves</b>	<b>1,842</b>	-	<b>572</b>	<b>68</b>	<b>2,482</b>	<b>(3,176)</b>	<b>(694)</b>
Transfers to/from Earmarked Reserves	(1,843)	1,843	-	-	-	-	-
<b>Increase/(decrease) in Year</b>	<b>(1)</b>	<b>1,843</b>	<b>572</b>	<b>68</b>	<b>2,482</b>	<b>(3,176)</b>	<b>(694)</b>
<b>Balance at 31 March 2024</b>	999	9,327	2,508	2,646	15,480	24,926	40,406

# Core Financial Statements

## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets (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 are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'. Short-term borrowing for March 2023 has been restated to show the principle repayments of the two PWLB loan repayments from £234k to £284k which is made up of £100k and £184k.

<b>BALANCE SHEET</b>	<b>Restated 1st April 2022 £000s</b>	<b>Restated 31st March 2023 £000s</b>	<b>31st March 2024 £000s</b>	<b>Note</b>
Property, Plant & Equipment	34,083	35,118	36,077	14
Heritage Assets	2,401	2,399	2,399	15
Investment Property	525	525	525	16
Intangible Assets	-	59	156	17
Long-term Investments	2	2	2	
Long-term Debtors	272	242	238	20
<b>Long-term Assets</b>	<b>37,283</b>	<b>38,345</b>	<b>39,397</b>	
Short-term Investments	5,820	-	-	
Inventories	55	115	95	
Short Term Debtors	5,719	7,498	6,344	23
Cash and cash equivalents	11,235	6,212	7,709	24
Assets held for sale within one year	584	570	-	25
<b>Current Assets</b>	<b>23,413</b>	<b>14,395</b>	<b>14,148</b>	
Short-term Borrowing	(234)	(284)	(284)	27
Short-term Creditors	(13,248)	(6,293)	(5,578)	26
Grants Received in Advance (Revenue)	(41)	(153)	(30)	29
<b>Current Liabilities</b>	<b>(13,523)</b>	<b>(6,730)</b>	<b>(5,892)</b>	
Long Term Borrowing	(3,908)	(3,574)	(3,290)	27
Provisions	(2,348)	(1,321)	(1,240)	28
Grants Received in Advance (Capital)		(16)	(1,508)	29
Pensions Liability	(20,537)	-	(1,210)	32
<b>Long-term Liabilities</b>	<b>(26,793)</b>	<b>(4,911)</b>	<b>(7,248)</b>	
<b>Net Assets</b>	<b>20,380</b>	<b>41,099</b>	<b>40,405</b>	
<b>Represented by:</b>				
General Fund	1,000	1,000	1,000	
Earmarked Reserves	9,566	7,484	9,326	30a
Capital Receipts Reserve	2,449	1,933	2,506	30b
Capital Grants Unapplied	2,222	2,578	2,645	30c
<b>Usable Reserves</b>	<b>15,237</b>	<b>12,995</b>	<b>15,477</b>	
Revaluation Reserve	14,592	14,665	13,233	31a
Pension Reserve	(21,437)	-	(1,210)	32a
Capital Adjustment Account	12,271	12,184	11,741	31b
Deferred Capital Receipts	1,265	1,265	1,265	31c
Collection Fund Adjustment Account	(1,548)	(10)	(101)	31d
<b>Unusable Reserves</b>	<b>5,143</b>	<b>28,104</b>	<b>24,928</b>	
<b>Total Reserves</b>	<b>20,380</b>	<b>41,099</b>	<b>40,405</b>	

Chris Warren, Director of Resources

5<sup>th</sup> June 2024

# Core Financial Statements

## Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting periods. 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 by the recipients of services provided by the authority.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. The cash outflows here relate to capital spend on assets held by the Council, such as buildings, vehicles and equipment, which will be used to provide services in the future. Cash inflows relate to the sale of assets no longer required by the Council to provide its services, or capital grants and contributions received by the Council.

Cash flows arising from financing activities show the net movements in investments and borrowing during the period in accordance with the Council's treasury management strategy. These can be useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Council.

<b>CASH FLOW STATEMENT</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	
<b>Operating Activities</b>			
Net surplus/(deficit) on the provision of services	(2,405)	1,651	
Adjustment for noncash movements	(8,213)	2,478	
Adjustment for items that are investing and financing activities	1,500	1,491	
<b>Net cash flows from Operating Activities</b>	<b>(9,118)</b>	<b>5,620</b>	
<b>Investing Activities</b>			
Additions to property, plant and equipment & intangible assets	(2,018)	(3,489)	
Proceeds from the sale of property, plant and equipment	85	572	
(Increase)/decrease in Deferred Capital Receipts	-	-	
Increase/(decrease) in long-term debtors	(30)	(4)	
Other income	453	1,446	
Cash inflows - Short-term investments	18,520	153,300	
Cash outflows - Short-term investments	(13,000)	(156,500)	
<b>Net Cash Flows from Investing Activities</b>	<b>4,010</b>	<b>(4,675)</b>	
<b>Financing</b>			
Cash Inflows/(Outflows) - agency operations	-	-	
National non-domestic rates	615	705	
Council Tax	(246)	131	
Cash Inflows - New Borrowing	-	-	
Cash Outflows - Repayments of amounts borrowed	(284)	(284)	
Cash Inflows/(Outflows) - New long-term loans	-	-	
Cash Inflows/(Outflows) - New short-term loans	-	-	
<b>Net Cash Flows from Financing Activities</b>	<b>85</b>	<b>552</b>	
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(5,023)</b>	<b>1,497</b>	
Cash and Cash Equivalents at the beginning of the year	11,235	6,212	
<b>Cash and Cash Equivalents at the end of the year</b>	<b>6,212</b>	<b>7,709</b>	34b



# Core Financial Statements

## Note 1 Accounting Policies

### 1. Accounting Concepts & Principles

This Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the end of the year of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 which required the Accounts to be prepared in accordance with the proper accounting practices. These practices are primarily comprised of the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) supported by International Financial Reporting Standards (IFRS).

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

These accounts have been prepared on a going concern basis, under the assumption that the Council will continue in existence for the foreseeable future.

### 2. Revenue Recognition

Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring goods or a service to the service recipient. Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue.

### 3. Accruals of Income & Expenditure

The financial statements have been prepared on an accruals basis for all transactions and balances. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

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

### 4. Employee Benefits

The code has interpreted IAS 19 *Employee Benefits* and confirmed that local authorities should account for:

- benefits payable during employment,
- termination benefits
- post-employment benefits
- pension fund accounts

*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, paid sick leave, flexi and time off in lieu (TOIL) as well as bonuses and non-monetary benefits (e.g. mobile phones) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

*Employee Accumulated Absence Accrual* - An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the current accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday entitlement occurs.

## Core Financial Statements

**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 and are charged on an accruals basis to the relevant services lines in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

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

**Post-Employment Benefits** - Employees of the Council are eligible to join the Local Government Pension Scheme, administered by Lancashire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council. Retirement benefits are determined independently of scheme investments and the Council must contribute to any deficit where assets are insufficient to meet retirement benefits.

**Pension Fund** - The Local Government Scheme is accounted for as a defined benefits scheme:

- the liabilities of the scheme 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 mortality rates, employee turnover rates, etc. and projections of earnings for current employees. Liabilities are discounted to their value at current prices, using a real discount rate of 4.9% (4.8% 2022/23) determined by reference to market yields at the balance sheet date based on high quality corporate bonds
- the assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value.

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

- 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, i.e. net interest expense for the Council. This is the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement
- re-measurements comprising:
  - the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and,
  - actuarial gains and losses. Due to 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. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the pension fund. This is cash paid to the pension fund in settlement of liabilities.

Statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund, not the amount calculated according to the relevant accounting standards. This means that there are transfers in the Movement in Reserves Statement to remove the notional

## Core Financial Statements

debts and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any amounts payable, but unpaid at the year end.

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

### 5. Interest

Interest paid on external borrowings is accrued in the accounts of the period to which it relates and interest earned on the external investment of surplus funds is credited to the General Fund using the effective interest method as set out in the Code.

### 6. Value Added Tax

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

### 7. Principal and Agent transactions

Where an authority is acting as a principal, transactions shall be included in the authority's financial statements. However, where authorities act as agents transactions shall not be reflected in an authority's financial statements, with the exception in respect of cash collected or expenditure incurred by the agent on behalf of the principal, in which case there is a debtor or creditor position and the net cash position is included in financing activities in the Cash flow Statement. This Council acts as an agent for the collection of council tax and non-domestic rating income.

### 8. Tax Income (National Non-Domestic Rates (NNDR) and Council Tax)

NNDR and Council Tax income included in the Comprehensive Income and Expenditure Statement for the year will be treated as accrued income and will be recognised in the Comprehensive Income and Expenditure Statement within the Taxation and Non-Specific Grant Income line.

As a Billing Authority, the difference between the NNDR and Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and reported in the Movement in Reserves Statement.

NNDR and Council Tax income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council, and the amount of revenue can be measured reliably.

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

### 9. 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. These assets are further classified as follows:

- Operational land and buildings,
- Operational plant, furniture, equipment, and motor vehicles.
- Infrastructural assets which are the fixed utility systems, and
- Community assets.
- Surplus assets – held for future regeneration opportunities

# Core Financial Statements

## 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 Council will receive future economic benefits or service potential associated with the item. This excludes expenditure on routine repairs and maintenance of property, plant or equipment which is charged direct to service revenue accounts.

Capital expenditure is initially added to the value of an asset but if that is not considered to be the case it is classed as impairment.

## Measurement

Non-current assets are valued on the basis recommended by the Chartered Institute of Public Finance & Accountancy (CIPFA) and in accordance with the Valuation Standards 6th Edition issued by The Royal Institute of Chartered Surveyors (RICS). Non-current assets are classified into the groupings required by the Code of Practice on Local Authority Accounting.

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; and,
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

## Revaluation

Revaluations of fixed assets are undertaken by professionally qualified valuers on a five year rolling basis. Any unrealised gains on revaluation are shown in the Comprehensive Income & Expenditure Statement then removed in the Movement in Reserves Statement to the Revaluation Reserve on the Balance Sheet.

Revaluation gains are depreciated in line with the asset to which they relate. Future revaluation losses are matched against any balance in the Revaluation Reserve in the first instance on a strict per-asset basis, with the remaining balance being transferred to the Capital Adjustment Account.

## Impairment

An impairment review is undertaken at the end of each accounting period and material changes to asset valuations are adjusted as they occur. Impairment loss on a re-valued asset is recognised in the Revaluation Reserve to the extent that the impairment does not exceed the balance in the Revaluation Reserve for that asset and thereafter as a cost to the provision of services in the Comprehensive Income & Expenditure Statement.

However, the Code stipulates that impairments do not impact on the council tax, therefore the charge is reversed out through the Movement in Reserves Statement to the Capital Adjustment Account.

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

# Core Financial Statements

## *Depreciation*

Depreciation is provided for on all property, plant and equipment with a finite useful life. Useful life is estimated at the time of acquisition or revaluation. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Infrastructure, community assets and surplus non-operational assets are not depreciated each year but measured at historical cost.

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset
- Infrastructure – straight-line allocation as advised by a suitable qualified officer

Newly acquired assets are depreciated the year following acquisition, although assets in the course of construction are not depreciated until they are brought into use, thereafter an equal charge to revenue is made over the useful life of the assets.

## *Component Accounting*

Where the asset comprises two or more major components with substantially different useful economic lives, each component should be accounted for separately for depreciation purposes and depreciated over its individual useful life. Componentisation elements are considered as assets are professionally revalued within the 5-year rolling programme.

## **10. Heritage Assets**

Heritage Assets are:

- Tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture.
- Intangible heritage assets with cultural, environmental or historical significance, such as recordings of significant historical events

For Rosendale Borough Council Heritage Assets include the Panopticon in Haslingden and the war memorials across the borough as well as civic regalia and exhibits at Whittaker Park Museum.

Where heritage assets are purchased or costs capitalised, these assets are now valued on a historic cost basis. This has occurred in examples such as the creation of the Panopticon. However, for historic assets where it is not possible to obtain a cost value commensurate with the benefit to users of the financial statements, the Council is entitled to use any method it deems appropriate and relevant. For the exhibits at Whittaker Park Museum the latest insurance values have been used as an approximation for the asset value.

Depreciation or amortization is not required on heritage assets which have indefinite lives. However, the carrying amount of such assets is reviewed regularly to ensure that they have not suffered any physical deterioration, which would be treated as an impairment.

# Core Financial Statements

## 11. Investment Properties

investment properties are those that are used solely to earn rentals or for capital appreciation, or both. This Council has one piece of land which meets the definition of an Investment Property.

Investment properties are initially measured at cost. After initial recognition they are measured at fair value. The fair value reflects market conditions at the Balance Sheet date. A gain or loss arising from a change in the fair value of investment property is recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

Investment properties are not depreciated, but are re-valued annually according to market conditions.

An investment property is derecognised on disposal. Gains or losses arising from the disposal are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

Revaluation and disposal gains and losses are reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

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

## 12. Intangible Assets

Intangible Assets are assets that do not have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis (e.g. software licences). They are controlled by the Council as a result of past events and future economic or service benefits flow to the Council from intangible assets. These assets are capitalised at cost and amortised (depreciated) to the relevant revenue service over their economic lives. This amortisation is then reversed out in the Movement in Reserves Statement and a transfer is made to the Capital Adjustment Account. An intangible asset is derecognised on disposal. The gains or losses arising from the disposal are recognised in the Surplus / Deficit on the Provision of Services.

## 13. Surplus Assets and Assets Held for Sale

When it becomes evident that the carrying amount of an asset will be recovered principally through a sale rather than its continued use, it can be reclassified as an asset held for sale. An asset can only be classed as held for sale if it is available for immediate sale in its present condition, the sale must be highly probable, it is being actively marketed and the sale should be expected to be completed within one year of its original classification. When events or circumstances extend the period beyond one year and there is sufficient evidence that the Council remains committed to the sale of the assets they are classified as long term assets held for sale.

Assets held for sale are held at the lower of the carrying amount and the fair value less cost to sell. If this results in a loss in value the loss is posted to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous loss recognised in the Surplus/Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

If these assets no longer meet the classification of 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.

## 14. Leases

**Finance Leases** - 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.

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

## Core Financial Statements

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. There are no finance leases within the Council where the Council acts as either Lessee or Lessor.

### *Operating Leases*

*Lessee* - Rental income paid under operating leases is treated as a revenue transaction and is charged to the relevant service expenditure in the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment.

*Lessor* - Rental Income from operating leases is recognised on a straight line basis over the lease period and is shown in the Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Assets held for use as operating leases are recorded on the Council's Balance Sheet.

### 15. Revenue Expenditure funded from Capital under Statute

Revenue Expenditure Funded from Capital under Statute (REFCUS) is expenditure of a capital nature that does not result in the creation of a non-current asset on the Balance Sheet. These are generally grants and expenditure on assets not owned by the Council.

Expenditure is charged to the Surplus/Deficit on the Provision of Services as the expenditure is incurred. This is reversed out through the Movement in Reserves Statement and a transfer made to the Capital Adjustment Account.

Grants receivable in relation to REFCUS are accounted for as revenue grants in the Comprehensive Income and Expenditure Statement, even if described as capital grants by the giver of the grant. Grant income is posted to the service(s) that the qualifying expenditure is charged to.

### 16. Government Grants and Other Contributions

Government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that the Council will comply with the conditions attached to the payments, and the grants or contributions will be received.

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or taxation and non-specific grant income (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.

# Core Financial Statements

## 17. Capital Receipts

Amounts to be treated as capital receipts are defined by statute and usually arise from disposal of an interest in a fixed asset. Any difference between the receipt value and the carrying value of the asset in the balance sheet at the time of disposal is shown in the Comprehensive Income & Expenditure Statement as a gain or loss on disposal.

However, some statutorily defined capital receipts do not arise from the disposal of an interest in a fixed asset and as such are treated separately in the Comprehensive Income and Expenditure Statement as 'Other Income'.

Capital receipts are not attributable to the General Fund Balance and are therefore transferred to the Useable Capital Receipts Reserve in the Movement in Reserves Statement.

## 18. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits available on demand. Cash equivalents are short-term (three months or less) highly liquid investments 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.

## 19. Short-term Investments

Short-term investments are those with a life of between 3 months and 1 year at the Balance Sheet date and are shown in the Balance Sheet at amortised cost.

## 20. Long-term Investments

Long-term investments are those with a remaining life of more than 1 year at the Balance Sheet date and are shown in the Balance Sheet at fair value.

## 21. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First in First out (FIFO) or Average (AVCO) (for vehicle fuel) costing formulas. Long term contracts are accounted for on the basis of charging the Surplus/ Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

## 22. Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, for which a reliable estimate can be made of the amount of the obligation. Provisions are a charge to the Net Cost of Services in the Comprehensive Income and Expenditure Statement.

## 23. Contingent Liabilities

A contingent liability is either:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control, or
- (b) a present obligation that arises from past events but is not recognised because: (i) it is not probable that a transfer of economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability.

A material contingent liability is not recognised within the accounts as an item of expenditure. It is, however, it is disclosed in a note to the accounts.



# Core Financial Statements

## 24. Contingent Assets

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

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

## 25. Reserves

Reserves are classified as either 'usable' (identified and maintained for specific future purposes and contingencies and include General Fund reserve, Earmarked reserve and Usable Capital Receipts reserve) or 'unusable' (kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council) – these reserves are explained in the relevant policies.

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

## 26. Minimum Revenue Provision (MRP)

In accordance with the requirements of the Local Government and Housing Act 1989, the authority is required to set aside a minimum revenue provision for repayment of debt. Minimum Revenue Provision is a charge to the cost of services in the Comprehensive Income & Expenditure Statement. The Council calculates MRP to match the life of the asset.

## 27. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

### *Financial Liabilities*

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The majority of the Council's financial liabilities held during the year are measured at amortised cost and comprise:

- long-term loans from the Public Works Loan Board;
- trade payables for goods and services received.

### *Financial Assets*

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or another financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications:

## Core Financial Statements

(i) Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows) comprising:

- cash in hand
- bank current and deposit accounts
- fixed term deposits with banks and building societies
- loans to other local authorities
- treasury bills and gilts issued by the UK government
- debtors for goods and services provided

(ii) Fair value through profit and loss (all other financial assets) comprising:

- money market funds
- pooled bond funds

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. Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services. Any changes in the fair value of instruments held at fair value through profit or loss will be recognised in the net cost of services in the CIES and will have a General Fund impact.

(iii) 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 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.

### 28. Fair Value

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

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

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

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

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

## Core Financial Statements

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

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

### 29. Prior Period Adjustments

Prior period adjustments are material adjustments applicable to prior years arising from changes in accounting policies or estimates or from the correction of fundamental errors. The Code requires that the financial statements should disclose, where practicable the nature of the change in policy and the impact of any adjustment on the preceding accounting period where practicable. Where this is not practicable, the fact this is so and the reasons for it should be disclosed.

### 30. Events after the Balance Sheet date

Local authorities are required to account for events, both favourable and unfavourable, which occur between the end of the reporting period and the date when the financial statements are authorised for issue in accordance with IAS 10 *Events after the Reporting Period* and IPSAS 14 *Events after the Reporting Date*. Two types of events can be identified:

- Adjusting Events - where events arising after the balance sheet date provide additional evidence of conditions that existed at the balance sheet date and are of a material nature the amounts should be reflected in the Core Statements.
- Non-adjusting Events – events which arise after the balance sheet date and concern conditions which did not exist at that time should be detailed in Notes to the Core Statements if they are of such materiality that their disclosure is required for the fair presentation of the financial statements, rather than reflected in the Core Statements. b

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

# Core Financial Statements

## Note 2 Expenditure Funding Analysis

2022/23				2023/24					
Net Expenditure Chargeable to the General Fund	transfers (to)/from Earmarked Reserves	Adjustments between the Funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Service Segments	Net Expenditure Chargeable to the General Fund	transfers (to)/from Earmarked Reserves	Adjustments between the Funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s	
4,633	149	803	5,585	Communities Directorate	5,070	22	1,044	6,136	
1,247	86	627	3,963	Economic Development Directorate	1,939	(55)	987	2,871	
4,543	(1,335)	236	3,444	Corporate Management	2,711	(245)	202	2,439	
<b>10,423</b>	<b>(1,100)</b>	<b>1,666</b>	<b>12,992</b>	<b>Net Cost of Services</b>	<b>9,720</b>	<b>(278)</b>	<b>2,233</b>	<b>11,446</b>	
(12,572)	3,367	(1,382)	(10,587)	Other Income & Expenditure	(9,490)	(1,565)	(2,042)	(13,097)	
<b>(2,149)</b>	<b>2,267</b>	<b>284</b>	<b>2,405</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>230</b>	<b>(1,843)</b>	<b>191</b>	<b>(1,651)</b>	
1,000	9,566			Opening General Fund/Earmarked Reserve Balance	1,000	7,484			
0	2,082			(Surplus)/Deficit on General Fund/Earmarked Reserve Balance as at 31 March	0	(1,843)			
<b>1,000</b>	<b>7,484</b>			<b>Closing General Fund/Earmarked Reserve Balance in Year</b>	<b>1,000</b>	<b>9,327</b>			

## Notes to the Expenditure Funding Analysis

### 2a Adjustments between Funding and Accounting Basis

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	
	£000s	£000s	£000s	£000s	£000s	£000s	
Communities Directorate	681	363	-	1,044	-	1,044	
Economic Development Directorate	805	182	-	987	-	987	
Corporate Management	-	202	-	202	-	202	
<b>Net cost of services</b>	<b>1,486</b>	<b>747</b>	<b>-</b>	<b>2,233</b>	<b>-</b>	<b>2,233</b>	
Other income and expenditure from expenditure funding analysis	(1,376)	(757)	91	(2,042)	-	(2,042)	
<b>Difference between General Fund/reserves surplus or deficit and Comprehensive Income and Expenditure</b>	<b>110</b>	<b>(10)</b>	<b>91</b>	<b>191</b>	<b>-</b>	<b>191</b>	

# Core Financial Statements

Comparator information for 2022/23 is shown below:-

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
	£000s	£000s	£000s	£000s	£000s	£000s
Communities Directorate	401	402	-	803	-	803
Economic Development Directorate	501	168	-	669	-	669
Corporate Management	-	236	-	236	-	236
<b>Net cost of services</b>	<b>902</b>	<b>806</b>	<b>-</b>	<b>1,708</b>	<b>-</b>	<b>1,708</b>
Other income and expenditure from expenditure funding analysis	(396)	551	(1,537)	(1,382)	-	(1,382)
<b>Difference between General Fund/reserves surplus or deficit and Comprehensive Income and Expenditure</b>	<b>506</b>	<b>1,357</b>	<b>(1,537)</b>	<b>326</b>	<b>-</b>	<b>326</b>

**1) Adjustments for capital purposes** – this column adds in depreciation and impairment 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 ie 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.

**2) Net change for the removal of pension 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 authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

**3) Other statutory adjustments** between amounts debited/credited to the Comprehensive Income and amounts payable/receivable to be recognised under statute:

- For financing and investment income and expenditure the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- 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 recognized under generally

# Core Financial Statements

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.

## 2b Expenditure and Income Analysed by Nature

Expenditure & Income Analysed by Nature	2022/23	2023/24
<b>Expenditure</b>		
Employee benefits expenses	11,109	7,635
Other service expenses	25,892	24,518
Depreciation, amortisation, impairment	1,347	347
Interest payments	120	119
Precepts and levies	58	60
(Gain)/loss on disposal of assets	(54)	(203)
<b>Total Expenditure</b>	<b>38,472</b>	<b>32,476</b>
<b>Income</b>		
Fees, charges and other service income	(25,297)	(22,490)
Interest and investment income	(277)	(761)
Income from council tax, non-domestic rates, district rate income	(8,450)	(8,308)
Government grants and contributions	(2,043)	(2,570)
<b>Total Income</b>	<b>(36,067)</b>	<b>(34,129)</b>
<b>(Surplus) or deficit on provision of services</b>	<b>2,405</b>	<b>(1,653)</b>

## Note 3 Finance and Investment Income and Expenditure

Financing and Investment Income and Expenditure	2022/23 £000s	2023/24 £000s
Interest Payable on Debt	120	119
Interest and Investment Income	(197)	(498)
Pensions - Interest Cost	2,987	4,077
Pensions - Past Service Cost	-	-
Pensions - Admin Expenses	28	31
Pensions - Interest on Assets	(2,413)	(4,098)
Trading Undertakings	(80)	(262)
	<b>445</b>	<b>(631)</b>

## Note 4 Taxation and Non-Specific Grant Income

Taxation and Non-specific Grant Income	2022/23 £000s	2023/24 £000s
Collection Fund		
Council Tax	(6,043)	(6,298)
Retained Business Rates	(1,803)	(2,455)
Collection Fund (surplus)/deficit		
Council Tax	(81)	(61)
Retained Business Rates	(613)	591
Revenue Support Grant	-	(85)
Non service related Government Grants	(2,043)	(2,570)
	<b>(10,583)</b>	<b>(10,878)</b>

# Core Financial Statements

## Note 5 Trading Operations

The Council operates 3 markets in Haslingden, Bacup and Rawtenstall, which between them ensure that there is at least one market open within the borough every day of the week from Tuesday to Saturday.

The Council has 37 industrial/Retail trading units, promoting economic regeneration across the borough.

Business Offices include a small number of high-tech managed office spaces as well as conference and meeting facilities at the Business Centre, Futures Park, Bacup.

Trading Operations	Net	Gross		Net
	Expend/ (Income)	Expend	Income	Expend/ (Income)
	2022/23	2023/24	2023/24	2023/24
	£000s	£000s	£000s	£000s
Markets	94	121	(27)	94
Industrial Units	(109)	45	(171)	(126)
Business Office Facilities	288	233	(37)	196
Futures Park Units	(353)	23	(449)	(426)
<b>Total Trading Accounts</b>	<b>(80)</b>	<b>422</b>	<b>(684)</b>	<b>(262)</b>

## Note 6 Retained Business Rates

In April 2013 Local Government funding changed with the introduction of a system of locally retained business rates. Rossendale Council now has a direct stake in the business rates collected within the borough and at Full Council in February the Council sets a precept based on 40% of the business rates forecast to be collected within the Borough, from which it pays a tariff to Central Government.

The Lancashire Business Rates Pool, of which Rossendale Borough Council is a member, came into effect on 1<sup>st</sup> April 2016. Under the Pool arrangements, the first 50% of business rates continue to go to Central Government, 9% goes to Lancashire County Council and 1% goes to Lancashire Fire Authority, with Rossendale Borough Council taking the remaining 40%. From that 40% Rossendale continues to pay a Tariff to the Pool. As a result, Rossendale Borough Council retains 90% of any and all surplus or deficit arising from increases in the overall business rates. Added to this, Rossendale Borough Council benefits from 100% of the business rates from renewable energy installations.

Business Rates Income & Expenditure	2022/23	2023/24
	£000s	£000s
Rosendale Borough Council Share of Business Rates Income	(4,517)	(5,705)
Less Tariff Payable to Central Government	2,714	3,482
(Surplus)/Deficit Payment in Year (declared January prior to start of year)	906	479
Movement on Collection Fund (Surplus)/Deficit at Year End	(613)	589
Business Rates Retained on Renewable Energy Schemes	(178)	(231)
10% Retained Levy Payable to Lancashire County Council under pooling	72	55
<b>Overall Net Retained Business Rates Related Income</b>	<b>(1,616)</b>	<b>(1,331)</b>

# Core Financial Statements

## **Note 7 Grant Income**

The Council recognised the following significant grants, contributions and donations during 2023/24: The 2022/23 accounts has been restated within the grant register but the balance hasn't changed. The changes relates to DLUHC Lower Tier Grant, DLUHC Service Grant and other minor



# Core Financial Statements

grants.

Grants and contributions received	Restated '2022/23 £000s	2023/24 £000s
Credited to Cost of Services		
<i>Grants received for Revenue Purposes</i>		
DWP - Housing Benefits - paid to claimants	11,510	11,230
DWP - Housing Benefits - re Council Tenants	417	478
DWP - Discretionary Housing Payments	71	70
DWP - Housing Benefits - administration grant	184	172
DWP - Misc Grants	64	84
DLUHC - Flexible Homeslessness Prevention Grant	160	207
DLUHC - Rough Sleeping Initiative	119	151
DLUHC - New Burdens Grants	151	30
DLUHC - Business Rates Collection Grant	96	97
DLUHC - Domestic Abuse New Burdens	36	33
DLUHC - Energy Schemes	4,427	157
DLUHC - Other Grants		126
DLUHC - Defra Grants	-	139
DLUHC - Lower Tier Grant	100	-
DLUHC Service Grants - Capacity and Capability		86
Home Office Asylum Dispersal Funds	175	245
Business Energy Industrial Strategy (BEIS)	111	-
LCC - Domestic Abuse Grant	81	40
LCC - Housing Support Fund HSF3 (HSF4)	640	640
LCC - Ukraine Funding	279	140
LCC - Afgan Resettlement Programme (ARP)	53	18
LCC - Other Grants	147	-
LCC - Affordable Warmth Grant	32	61
UKSPF - Revenue	296	664
Historic England - Heritage Action Zone	46	24
National Lottery Heritage Fund	162	-
Other minor grants and contributions	545	445
	19,903	15,337
<i>Grants received for Capital Purposes</i>		
LCC Better Care Fund - Disabled Adaptations Grant	1,160	1,265
Lancashire Environmental Fund	47	30
UKSPF - Capital	45	96
DLUHC - Local Authority Housing Fund		553
Historic England - Heritage Action Zone	366	121
Lancashire Enterprise Partnership	21	136
National Lottery Heritage Fund	46	184
S106 Capital Contributions	72	750
FCC Recycling UK		198
Lawn Tennis Association Trust		110
Misc Contributions	241	149
	1,997	3,592
<b>Total in the CIES Cost of Services</b>	<b>21,900</b>	<b>18,929</b>

## Core Financial Statements

<b>Grants note continued..</b>		
Credited to Taxation and Non-Specific Grant Income		
Service Grant	150	88
Funding Guarantee	-	286
Revenue Support Grant	-	85
Lower Tier Services Grant	100	-
DLUHC- New Homes Bonus	132	1
DLUHC - Business Rates - Small Business Reliefs	1,661	2,195
<b>Non-Specific Grants in the CIES</b>	<b>2,043</b>	<b>2,655</b>

### Note 8 Members Allowances

An Independent Remuneration Panel meet at a minimum of every 4 years to review Member's Allowances. This group last met in December 2023, the panel proposed an increase of 4.04% for 2023/24, and that in future member allowance increase by the average % increase awarded to officers. Council members voted to accept the proposed increase in allowances.

<b>Total Cost of Elected Members</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000s</b>	<b>£000s</b>
Basic Allowance	119	124
Special Responsibility Allowance	72	71
Employers National Insurance incurred	3	3
Mileage, subsistence & other reimbursements	9	8
	<b>203</b>	<b>205</b>

<b>Annual amounts payable for elected roles</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£s</b>	<b>£s</b>
<b>Basic Allowance</b>	3,342	3,477
<b>Special Responsibility Allowances</b>		
Leader of Majority or Largest Group	13,368	13,908
Deputy Leader of Majority or Largest Group	10,026	10,431
Leader of Minority or Second Largest Group	6,684	6,954
Cabinet Members	6,684	6,954
All Committee Chairs (4)	3,342	3,477
One off Payment for Chairing Meetings	150	156

# Core Financial Statements

## Note 9 Senior Officers' Remuneration

The table below shows remuneration details for the Chief Executive and the Senior Officers directly responsible to him, along with their respective salary (including fees and allowances), employer's pension contributions and total remuneration during 2023/24, along with prior year comparators which were restated to include local elections as a cost to the council.

Adam Allen, Director of Communities, was acting Chief Executive until April 2023 when Rob Huntington joined the Authority.

Senior Officers			Restated				
			Restated Salary £	Other Allowances & Expenses £	Restated Election Duties £	Restated Pension £	Restated Total £
Chief Executive	Start date 03/04/23 01/04/22 - 02/01/23	2023/24 2022/23	112,374 82,472	531 177	3,023 3,034	16,407 15,049	132,334 100,732
Director of Economic Development	01/04/22 - 02/01/23 01/02/23 - 31/03/23	2023/24 2022/23	80,118 58,446	- 52	302 245	11,697 10,286	92,117 69,029
Director of Communities	End date 28/05/23	2023/24 2022/23	14,201 88,702	- -	299 303	2,003 15,612	16,503 104,616
Chief Finance Officer		2023/24 2022/23	71,535 66,820	132 122	162 158	10,078 11,760	81,907 78,861
Legal Services Manager		2023/24 2022/23	55,659 53,580	- 104	432 722	8,126 9,430	64,217 63,837
HR Manager		2023/24 2022/23	55,659 53,580	46 32	- -	8,126 9,430	63,831 63,042

## Note 10 Other Officers' Remuneration

The number of employees whose remuneration, excluding pension contributions, was £50,000 or more are listed in the table opposite in bands of £5,000.

The Code includes a requirement to disclose the costs of exit packages paid by the Council in bands of £20k. The Council has paid no exit packages, in either 2022/23 or 2023/24.

Officers with remuneration above £50,000 (excl pension)	2022/23 Number	2023/24 Number
£50,000 - £54,999	3	2
£55,000 - £59,999	-	-
£60,000 - £64,999	-	-
£65,000 - £69,999	-	-
£70,000 - £74,999	1	1
£75,000 - £79,999	1	-
£80,000 - £84,999	-	2
£85,000 - £89,999	1	-
£80,000 - £99,999	-	-
£100,000 - £109,999	1	-
£110,000 - £114,999	-	1
	7	6

# Core Financial Statements

## Note 11 Related Parties

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

### 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 a large proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (eg council tax bills, housing benefits).

### Other local authorities and precepting bodies

- payments to the Lancashire County Council Pension Fund.
- precepts in relation to Council Tax and Business Rates are paid to Central Government, Lancashire Police Authority, Lancashire Fire Authority, Lancashire County Council.
- The Lancashire Business Rates Pool.
- precept payable to Whitworth Town Council – see the Narrative Statement and the Comprehensive Income & Expenditure Statement.

### Other key partners

- In June 2004 the bulk of Rosendale's Leisure Facilities transferred to the management of the newly-formed independent Rosendale Leisure Trust.
  - In previous years the Council has given the Trust an operational grant. However, the Council purchased the balance of the Haslingden Gym extension loan in November 2016 at a cost of £1,010k. The Trust now pays a rental charge for using the asset of £60k per annum for its remaining 12 year life. This represents a saving for the Trust which negated the need for any grant funding from 2017/18 onwards. The outstanding balance on this loan at the end of 2023/24 is £685k.
  - Since 2015/16 the Council has made four loans to the Trust
    - 2015/16 a loan of £266k was made for Grip & Go. 2023/24 was the final year with a payment made of £11k
    - 2016/17 a loan of £41k was made for Solar Panels at Marl Pits. As at 31<sup>st</sup> March 2024 the balance owed on this loan was £2.3k.
    - 2016/17 a loan of £24.6k was made for Solar Panels at The Ashcroft. As at 31<sup>st</sup> March 2024 the balanced owed on this loan was £5.5k.
    - 2019/20 an interest bearing loan of £256k was made for gym equipment refresh at the Adrenalin Centre. As at 31<sup>st</sup> March 2024 the balance owed on this loan was £154.7k.

The Council deferred payment on all the above loans for 2020/21 and 2021/22 due to the Covid Pandemic. The loan repayments were re-instated in 2022/23 and remain in place in 2023/24.

## Core Financial Statements

- During 2023/24 the Trust transferred monies at the end of each month to reduce the intercompany balance. The agreement was to pay the salary costs and creditor payments within the month plus £50k to reduce the outstanding debt brought forward from previous years. This was on the understanding that £200k would be retained in the RLT bank account. This has proven difficult during 2023/24 due to increased payroll costs and energy costs. The balance brought forward from 2022/23 was £1,012k. The balance at the end of March 2024 was £1,284k
- The £1,284k debt is included within Council's Sundry Debtors.
- The grip and go loan and the solar panel loans to the Trust are considered soft loans because interest payments have not been charged and are not material in 2023/24.
- To assist the Trust in its efforts to find operational efficiencies, the Council began to provide its professional financial and IT services in April 2013 under a service level agreement. From April 2023 the trust has taken both services back in house and RBC makes a financial contribution of £70 to the trust in respect of these costs.
- In December 2024 the council sold WLC to Whitworth Town Council.
- The RTB Partnership Ltd was incorporated on the 4<sup>th</sup> February 2013, with equal partners being Rossendale Borough Council, Together Housing and Barnfield Construction Ltd. The Partnership is a vehicle to facilitate a variety of development projects across the borough. During 2023/24 no contributions have been made by the council (there were no contributions in 2022/23)

### Members and Chief Officers

The Council's Standing Orders make provision for a register of Members and Officers interests.

Upon review of this register it is considered that any transactions involving Members and Chief Officers with related parties have complied with the above regulations and are not material.

### Note 12 External Audit Costs

The sums due from Rossendale Borough Council to the external auditors for works carried out relating to the year of account 2023/24 were:-

Audit costs	2022/23 £000s	2023/24 £000s
Fees payable in respect of external audit of accounts	37	37
Share of redistribution of surplus funds on national PSAA Account	(2)	(2)
Fees payable for non-audit assurance work	21	21
	<b>56</b>	<b>56</b>

# Core Financial Statements

## Note 13 Adjustments between Accounting Basis and Funding Basis under regulations

This note details the adjustments that are made in the Movement in Reserves Statement 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 table below details the changes in 2023/24 while the financial year 2022/23 can be found on the following page.

Adjustments to the Comprehensive Income and Expenditure Statement in the Movement in Reserves Statement	2023/24			
	General Fund Balance	Capital Receipts Reserve	Govt Grants Unapplied	Unuseable Reserves
	£000s	£000s	£000s	£000s
<b>Capital Adjustment Account adjustments</b>				
Depreciation of Property, Plant & Equipment (PPE)	1,245	-	-	(1,245)
Impairment of Property, Plant & Equipment (PPE)	114	-	-	(114)
Revaluation gain/loss on Property, Plant and Equipment (PPE)	(161)	-	-	161
Deferred Capital Receipts	-	-	-	-
Amortisation of Intangible Assets	13	-	-	(13)
Revenue Expend funded from Capital under Statute (REFCUS)	1,745	-	-	(1,745)
REFCUS for Empty Homes Scheme	204	-	-	(204)
Net book value of assets sold	362	-	-	(362)
Statutory provisions for financing of capital investment (MRP)	(522)	-	-	522
Capital Expend charged to General Fund	-	-	-	-
<b>Capital Receipts Reserve adjustments</b>				
Transfer of cash proceeds of assets sold	(572)	572	-	-
Use of Capital Receipts Reserve to fund capital spend	-	-	-	-
<b>Capital Grants Unapplied Account adjustments</b>				
Capital grants and contributions credited to the CIES	(68)	-	68	-
Application of grants to the Capital Adjustment Account (CAA)	(2,250)	-	-	2,250
<b>Pensions Reserve adjustments</b>				
Employer contributions paid to the Pension Fund	(901)	-	-	901
Net IAS19 charges made for retirement benefits	891	-	-	(891)
<b>Collection Fund Adjustment Account adjustments</b>				
Difference between the Council Tax and Non-Domestic Rates income credited to the CIES and that calculated in accordance with statutory requirements	91	-	-	(91)
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>	<b>191</b>	<b>572</b>	<b>68</b>	<b>(831)</b>

# Core Financial Statements

<b>2022/23</b>				
<b>Adjustments to the Comprehensive Income and Expenditure Statement in the Movement in Reserves Statement</b>	General Fund Balance	Capital Receipts Reserve	Govt Grants Unapplied	Unuseable Reserves
	£000s	£000s	£000s	£000s
<b>Capital Adjustment Account adjustments</b>				
Depreciation of Property, Plant & Equipment (PPE)	1,060	-	-	(1,060)
Impairment of Property, Plant & Equipment (PPE)	75	-	-	(75)
Revaluation gain/loss on Property, Plant and Equipment (PPE)	212	-	-	(212)
Deferred Capital Receipts	-	-	-	-
Amortisation of Intangible Assets	-	-	-	-
Revenue Expend funded from Capital under Statute (REFCUS)	1,142	-	-	(1,142)
REFCUS for Empty Homes Scheme	397	-	-	(397)
Net book value of assets sold	31	-	-	(31)
Statutory provisions for financing of capital investment (MRP)	(413)	-	-	413
Capital Expend charged to General Fund	-	-	-	-
<b>Capital Receipts Reserve adjustments</b>				
Transfer of cash proceeds of assets sold	(85)	85	-	-
Use of Capital Receipts to fund capital spend	-	(600)	-	600
<b>Capital Grants Unapplied Account adjustments</b>				
Capital grants and contributions credited to the CIES	(356)	-	356	-
Application of grants to the Capital Adjustment Account	(1,560)	-	-	1,560
<b>Pensions Reserve adjustments</b>				
Employer contributions to the Pension Fund	(1,030)	-	-	1,030
Net IAS19 charges made for retirement benefits	2,387	-	-	(2,387)
<b>Collection Fund Adjustment Account adjustments</b>				
Difference between the Council Tax and Non-Domestic Rates income credited to the CIES and that calculated in accordance with statutory requirements	(1,537)	-	-	1,537
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>	<b>323</b>	<b>(515)</b>	<b>356</b>	<b>(164)</b>

# Core Financial Statements

## Note 14 Property, Plant and Equipment

### 14a Movements during the year

Movements on property, plant & equipment assets in 2023/24 were as follows:-

<b>Property, Plant &amp; Equipment 2023/24</b>	<b>Land &amp; Buildings £000s</b>	<b>Vehicles, Plant, &amp; Furniture &amp; Equip £000s</b>	<b>Infra- structure Assets £000s</b>	<b>Community Assets £000s</b>	<b>Assets under constr'n £000s</b>	<b>Surplus Assets £000s</b>	<b>Total Assets £000s</b>
<b>Cost or Valuation 1st April 2023</b>	34,397	8,485	385	3,145	6,163	744	53,319
Additions	1,743	870	-	484	227	18	3,342
Donated Assets	-	-	-	-	-	-	-
Revaluation increases/(decreases)							
to Revaluation Reserve	(1,128)	-	2	-	-	-	(1,126)
to Provision of Services	(161)	-	-	-	-	-	(161)
Reclassifications-							
to/from Assets Held for Sale	570	-	-	-	-	-	570
others	-	-	-	-	-	-	-
Derecognition-							
on disposal	-	173	-	-	-	-	173
<b>Cost or Valuation 31<sup>st</sup> March 2024</b>	<b>35,421</b>	<b>9,528</b>	<b>387</b>	<b>3,629</b>	<b>6,390</b>	<b>762</b>	<b>56,117</b>
<b>Accum Depreciation and Impairments 1st April 2023</b>	(11,480)	(5,328)	(244)	(541)	(477)	(131)	(18,201)
Depreciation for the year-							
to Revaluation Reserve	(178)	-	-	(3)	-	-	(181)
to Provision of Services	(311)	(679)	(9)	(52)	(13)	-	(1,064)
Impairment (losses)/reversals							
to Revaluation Reserve	(9)	-	-	(15)	-	-	(24)
to Provision of Services	(10)	(2)	-	(22)	-	-	(34)
Reclassifications	-	-	-	-	-	-	-
Derecognition-							
on disposal	(341)	(194)	-	-	-	-	(535)
<b>Accumulated Depreciation and Impairments 31<sup>st</sup> March 2024</b>	<b>(12,329)</b>	<b>(6,203)</b>	<b>(253)</b>	<b>(633)</b>	<b>(490)</b>	<b>(131)</b>	<b>(20,039)</b>
Net Book Value at 31st March 2024	23,092	3,325	134	2,996	5,900	631	36,078
Net Book Value at 31st March 2023	22,917	3,157	141	2,604	5,686	613	35,118

Depreciation, using the straight line method, has been charged according to the estimated life of the assets involved on the following basis.

- Operational buildings generally have a useful life of 50 years, except where expert opinion has reduced this estimate. The land upon which the buildings reside is not subject to depreciation.
- Vehicles are depreciated over a useful life of 3-7 years depending upon their technical or mechanical nature.
- Equipment such as refuse bins, are depreciated over their individual useful life determined at the point of acquisition.
- All other assets under land, assets under construction, community assets, investment and surplus assets are not depreciated.

Component accounting is applied to all revaluation exercises on the following basis.

- For all property assets, land and buildings are valued separately. Only assets with a combined land and buildings value of £500k and over will be subject to component accounting.



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- Significant components are items (or groups of items) with a value of at least 25% of the total asset value.

### Fair Value Hierarchy – Surplus Assets

- Surplus assets comprise land from which the Council does not provide services. The Council has determined all of its surplus assets are valued at level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly at 31 March 2023 and 2024. There were no transfers between levels during 2022/23 or 2023/24.

Comparator movements in 2022/23 were as follows:

Property, Plant & Equipment <b>2022/23</b>	Land & Buildings £000s	Vehicles, Plant, & Equip £000s	Infra- structure Assets £000s	Community Assets £000s	Assets under constr'n £000s	Surplus Assets £000s	Total Assets £000s
<b>Cost or Valuation 1st April 2022</b>	34,149	7,709	381	2,974	5,642	731	51,586
Additions	281	1,190	4	167	383	13	2,038
Donated Assets	-	-	-	-	-	-	-
Revaluation increases/(decreases) to Revaluation Reserve	319	-	-	10	-	-	329
to Provision of Services	(206)	-	-	(6)	-	-	(212)
Reclassifications- to/from Assets Held for Sale others	(138)	-	-	-	138	-	-
Derecognition- on disposal	(8)	(414)	-	-	-	-	(422)
<b>Cost or Valuation 31<sup>st</sup> March 2023</b>	<b>34,397</b>	<b>8,485</b>	<b>385</b>	<b>3,145</b>	<b>6,163</b>	<b>744</b>	<b>53,319</b>
<b>Accum Depreciation and Impairments 1st April 2022</b>	(10,917)	(5,277)	(235)	(477)	(466)	(131)	(17,503)
Depreciation for the year- to Revaluation Reserve	(227)	-	-	(3)	-	-	(230)
to Provision of Services	(302)	(457)	(9)	(49)	(11)	-	(828)
Impairment (losses)/reversals to Revaluation Reserve	(16)	-	-	(7)	-	-	(23)
to Provision of Services	(18)	-	-	(5)	-	-	(23)
Reclassifications	-	-	-	-	-	-	-
Derecognition- on disposal	-	406	-	-	-	-	406
<b>Accumulated Depreciation and Impairments 31<sup>st</sup> March 2023</b>	<b>(11,480)</b>	<b>(5,328)</b>	<b>(244)</b>	<b>(541)</b>	<b>(477)</b>	<b>(131)</b>	<b>(18,201)</b>
Net Book Value at 31st March 2023	22,917	3,157	141	2,604	5,686	613	35,118
Net Book Value at 31st March 2022	23,232	2,432	146	2,497	5,176	600	34,083

### 14b Revaluation Programme

During 2023/24 the Council's property portfolio was valued by external RICS-qualified officers from Capita Symonds Ltd, PO BOX 212, Faverdale Industrial Estate, Darlington, DL1 9HN, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

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The Council carries out a revaluation programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years.

Assets valued in previous years have not undergone any material changes which would alter their valuations.

Properties regarded by the Council as operational are to be valued on the basis of existing use value or, where this cannot be assessed because there is no market for the subject asset, the depreciated replacement cost. Valuations of vehicles, plant, furniture and equipment are based on depreciated historic cost.

The details below show the history of the revaluation programme and the next planned revaluation exercise for each type of asset held. Under the provisions of the Code assets of a similar type should be revalued together.

Revaluation Programme for assets under Property, Plant & Equipment	Carried at Historic Cost £000s	March 2020 £000s	March 2021 £000s	March 2022 £000s	March 2023 £000s	March 2024 £000s	Total Net Book Value £000s
Land	104	75	6	964	-	1,734	2,883
Administrative Buildings	-	-	-	-	-	1,496	1,496
Depots and Workshops	-	-	-	2	659	-	661
Garages	-	-	195	-	-	-	195
Car Parks	-	1,086	8	-	-	-	1,094
Cemeteries	-	-	-	172	194	-	366
Sports & Leisure Facilities	113	2	-	(7)	74	5,287	5,469
Parks, & Recreation Grounds	92	254	4	118	603	8	1,079
Woodlands & Open Spaces	33	186	158	1,666	38	42	2,123
Industrial Units	-	-	-	307	-	-	307
Domestic Housing	-	106	321	-	121	-	548
Business Offices/Premises	-	898	3,456	2,460	35	-	6,849
Public Conveniences	-	10	-	(3)	136	-	143
Bus Shelters	-	-	339	10	5	2	356
Markets	-	-	-	-	-	-	-
Sheltered Accommodation	-	-	-	73	-	-	73
Plant, Vehicles & Equipment	1,618	-	-	-	-	-	1,618
Other Assets	85	368	79	(449)	-	-	83
Assets under construction	735	-	-	-	-	-	735
<b>Net Book Value 31<sup>st</sup> March 2023</b>	<b>2,780</b>	<b>2,985</b>	<b>4,566</b>	<b>5,313</b>	<b>1,865</b>	<b>8,569</b>	<b>26,078</b>

### Note 15 Heritage Assets

The Heritage Assets held by the Council fall into four categories: Whitaker Museum Collection, War Memorials, Panopticon and Civic Regalia. All these categories have been in the Council's ownership for a number of years and are held for their intrinsic worth as opposed to potential financial gain. As such, they are unlikely to be sold.

The War Memorials and Panopticon are reported at historic cost and the Museum Collection and Civic Regalia are reported at insurance valuation. According to the Code there is no prescribed minimum period between valuations and so the Council does not intend to revalue its Heritage Assets in the near future.

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Heritage Assets	Whitaker Museum Collection	War Memorials	Panopticon	Civic Regalia	Total
	£000s	£000s	£000s	£000s	£000s
<b>Cost or Valuation 1st April 2022</b>	1,507	73	21	800	2,401
Additions	-	-	-	-	-
Revaluation Gains	-	-	-	-	-
Revaluation Losses recognised in the Revaluation Reserve	-	(2)	-	-	(2)
<b>Cost or Valuation 31<sup>st</sup> March 2023</b>	<b>1,507</b>	<b>71</b>	<b>21</b>	<b>800</b>	<b>2,399</b>
Additions	-	-	-	-	-
Revaluation Gains	-	-	-	-	-
Revaluation Losses recognised in the Revaluation Reserve	-	-	-	-	-
<b>Cost or Valuation 31st March 2024</b>	<b>1,507</b>	<b>71</b>	<b>21</b>	<b>800</b>	<b>2,399</b>

### Note 16 Investment Properties

The Council has one piece of land classified as an investment property following the agreement of a long-term lease.

#### Fair Value Hierarchy – Investment Properties.

The Council has determined that this asset should be valued as a level 2 input, therefore, the level of rental income receivable is factored into the calculation to determine the fair value of the asset.

Investment Properties	2022/23 £000s	2023/24 £000s
Fair Value 1st April	525	525
Revaluations	-	-
<b>Cost or Valuation 31st March</b>	<b>525</b>	<b>525</b>
Gains/Losses in Fair Value	-	-
<b>Accum Depreciation and Impairments 31st March</b>	<b>-</b>	<b>-</b>
Fair Value at 31st March	525	525
<b>Rental income within the year</b>	<b>25</b>	<b>25</b>

# Core Financial Statements

## Note 17 Intangible Assets

Intangible Assets	2022/23 £000s	2023/24 £000s
Cost or Valuation 1st April	1050	1,141
Acquisitions	91	34
Assets reclassified to/(from) PPE	-	133
<b>Cost or Valuation 31st March</b>	<b>1,141</b>	<b>1,308</b>
Accum Depreciation 1st April	(1,053)	(1,082)
Impairment losses/(reversals)	-	(56)
Amortisation for the period	(29)	(14)
<b>Accum Depreciation and Impairments 31st March</b>	<b>(1,082)</b>	<b>(1,152)</b>
Net Book Value at 31st March	59	156

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 under Property, Plant and Equipment. At Rosendale Borough Council these intangible assets comprise only purchased licenses as the Council has no internally generated software.

All software is given a finite useful life, based on assessments of the expected benefit to the Council, over which depreciation is calculated on a straight line basis. The default value for the useful life is 5 years and all current assets have been deemed to follow that standard.

## Note 18 Capital Expenditure, Financing and Capitalisation of Borrowing Costs

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

### 18a - Capital Expenditure on Council Assets

The Capital Financing Requirements (CFR) is a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. This capital expenditure is charged to future

years through Minimum Revenue Provision (MRP) as assets are used by the Council. Rosendale Borough Council now splits the CFR into two distinct elements; those costs pertaining to the East Lancs Empty Homes Scheme and other capital expenditure. The movement in the CFR during the year is analysed in the second part of this note. The 2022/23 opening balance was restated from £14.12m to £14.83m for the non-empty homes opening capital finance requirement to reflect the actuals.

## Core Financial Statements

<b>Capital Financing Requirement</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000s</b>	<b>£000s</b>
<b>Opening Capital Financing Requirement</b>	<b>15,018</b>	<b>15,721</b>
<b>Non-Empty Homes Opening Capital Financing Requirement</b>	<b>14,121</b>	<b>14,824</b>
Capital investments		
Property, Plant & Equipment	1,646	3,343
Intangible Assets	91	166
Revenue Expenditure funded from Capital under Statute	1,539	1,745
	<b>3,276</b>	<b>5,254</b>
Sources of Finance		
Capital Receipts	(600)	-
Government Grants and other contributions	(1,560)	(2,921)
Revenue Expenditure funded from Ca; Direct revenue contributions	-	-
Minimum Revenue Provision (MRP)	(413)	(522)
<b>Non Empty Homes Closing Capital Financing Requirement</b>	<b>14,824</b>	<b>16,635</b>
<b>Empty Homes Opening Capital Financing Requirement</b>	<b>897</b>	<b>897</b>
Empty Homes		
Revenue Expenditure funded from Capital under Statute	390	204
Sources of Finance		
Capital Receipts	-	-
Sums set aside from Revenue:- Direct revenue contributions	(390)	(204)
<b>Empty Homes Closing Capital Financing Requirement</b>	<b>897</b>	<b>897</b>
<b>Closing Capital Financing Requirement</b>	<b>15,721</b>	<b>17,532</b>
Explanation of movements in the year -		
Increase in underlying borrowing (net of direct grants and contributions)	1,116	2,333
Repayments (MRP)	(413)	(522)
<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>703</b>	<b>1,811</b>

The capital expenditure shown above is split between Council-owned assets and those owned by third parties. The Council incurs capital expenditure on third party assets through schemes like the Disabled Facilities Grants (DFGs), the Bacup Heritage Action Zone and the East Lancs Empty Homes Scheme. The distinction is an important one because capital expenditure on assets not owned by the Council is permitted by Statute, but is accounted for as revenue expenditure, along with its respective funding. Hence, in the table above there are details of 'Revenue Expenditure funded from Capital under Statute' (REFCUS) and funding from grants and other receipts and contributions, not from MRP.

### 18b – Capital Commitments

As at 31st March 2024, the Council was contractually committed to a total of £539k (£1.625m 2022/23). The individual capital schemes are listed below:-

# Core Financial Statements

31 <sup>st</sup> March 2024	
Contractual commitments	£000s
Henrietta Street Software improvements	98
LEP Growth Deal	51
Bacup Market	182
Rawtenstall Market	58
Rawtenstall Gyrotory	60
Mechanics Hall	32
Varius small projects	58
	<b>539</b>

## Note 19 Leases

### 19a - Authority as Lessee

During 2014/15 the Council became directly responsible for the leases of domestic properties under the East Lancashire Empty Homes Scheme which were to be met from future rental incomes. The Council has contracted with managing agents to manage the properties on its behalf, with the majority of properties being managed by Calico Housing Ltd. The managing agents arrange the contracts with tenants, collect the rent and pay the leases over to the property owners. The lease commitments shown below refer solely to the properties which the Council is in the process of returning to the owners at which point all future lease commitments shown below will be extinguished.

Authority as a Lessee	2022/23 £000s	2023/24 £000s
<b>Lease Payments within the year</b>	<b>211</b>	<b>163</b>
Future minimum lease commitments		
Amounts falling due within 1 year	132	30
Amounts falling due within 2-5 years	36	6
Amounts falling due within 6-10 years	-	-
<b>Total Minimum Lease Payments</b>	<b>168</b>	<b>36</b>

### 19b – Authority as Lessor

The Council leases out land and property under operating leases for services sport and leisure, regeneration and commercial use.

Authority as a Lessor	2022/23 £000s	2023/24 £000s
Not later than one year	483	597
Later than one year and not later than five years	1,690	2,065
Later than five years	5,368	5,253
	<b>7,541</b>	<b>7,915</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

# Core Financial Statements

## Note 20 Long-term Debtors

Long Term Debtors	Rosdale Leisure Trust £000s	Empty Homes Loans £000s	Other loans & mortgages £000s	Total £000s
Debt Outstanding 1st April 2022	30	1,255	10	1,295
Advances	-	-	-	-
Receipts	(1)	(29)	-	(30)
	29	1,226	10	1,265
Expected Credit Loss Impairment	-	(1,023)	-	(1,023)
<b>Balance at 31st March 2023</b>	<b>29</b>	<b>203</b>	<b>10</b>	<b>242</b>
Debt Outstanding 1st April 2023	29	1,226	10	1,265
Advances	-	2	-	2
Receipts	(6)	-	-	(6)
	23	1,228	10	1,261
Expected Credit Loss Impairment	-	(1,023)	-	(1,023)
<b>Balance at 31st March 2024</b>	<b>23</b>	<b>205</b>	<b>10</b>	<b>238</b>

The East Lancs Empty Homes Strategy moved into full operations during 2013-14. Funded by the Homes and Communities Agency (HCA) in the first instance, this programme saw long-term empty properties across East Lancashire brought back into use. Any renovation costs, shown above as advances, are being recouped from property rentals during the life of the lease, shown above as receipts. At the end of these leases these properties revert to their owners.

## Note 21 Nature and extent of risks arising from Financial Instruments

### 21a - Categories of Financial Instruments

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

Financial Assets - Balances at Amortised Cost	2022/23		2023/24	
	Long Term £000	Short term £000	Long Term £000	Short Term £000
<b>Investments</b>	2	1,170	2	5,500
<b>Cash and Cash Equivalents</b>	-	5,042	-	2,209
<b>Debtors</b>	242	3,522	238	2,204
<i>Debtors that are not financial Instruments</i>		3,976		4,140
<i>Total Debtors</i>	242	7,498	238	6,344
<b>Total Financial Assets</b>	<b>244</b>	<b>9,734</b>	<b>240</b>	<b>9,913</b>

## Core Financial Statements

Financial Liabilities - Balances at Amortised Cost	2022/23		2023/24	
	Long Term £000	Short term £000	Long Term £000	Short Term £000
<b>Borrowing</b>	(3,624)	(234)	(3,290)	(284)
<b>Creditors</b>	-	(3,476)	-	(3,498)
<i>Creditors that are not financial Instruments</i>		(2,817)		(2,079)
<i>Total Creditors</i>		(6,293)		(5,577)
<b>Total Financial Liabilities</b>	<b>(3,624)</b>	<b>(3,710)</b>	<b>(3,290)</b>	<b>(3,782)</b>

The Financial Instruments categorised above represent:

### Financial Assets

- Amounts shown under Investments consist of cash held by the Council, bank accounts and short term investments.
- Amounts shown under Long-Term Debtors consist of loans to property owners under the Empty Homes scheme and a loan to Rosendale Leisure Trust.
- Amounts shown under Short-Term Debtors represents net operational (sundry) debtors.

Fair Value Hierarchy of Investments - The investments above were assessed as level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly at 31 March 2023 and 2024.

### Financial Liabilities

- Amounts shown under Long-Term and Shot-Term borrowings are loans with the Public Works Loan Board.
- Amounts shown under Short-Term Creditors are the Council's operational creditors.

### 21b - Financial Instrument Gains/Losses

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

Income & Expenses Gains and Losses	2022/23 £000	2023/24 £000
<b>Financial Liabilities</b>		
Interest Expenses	120	119
<b>Financial Assets</b>		
Interest Income	(195)	(498)
<b>Net (Gain)/Loss charged to Surplus or Deficit on Provision of Services</b>	<b>(75)</b>	<b>(379)</b>



# Core Financial Statements

## 21c - Fair value of assets and liabilities carried at amortised cost

Financial liabilities and assets represented above under Categories of Financial Instruments are carried on the balance sheet at amortised cost. The fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions.

- For loans from the PWLB the fair value was calculated by reference to the premature repayment set of rates in force on 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 respectively.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months the carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced amount.
- The 31<sup>st</sup> of March 2023 figures have been restated to show investments <1 year of £1.17m and cash and cash equivalents have reduced from £6.12m to £5m as shown below.

The fair values are calculated as follows:

	31st March 2023		31st March 2024	
	Carrying amount £000s	Fair Value £000s	Carrying Amount £000s	Fair Value £000s
Borrowings	(3,858)	(3,575)	(3,574)	3,423
Short Term Creditors	(3,476)	(3,476)	(3,498)	(3,498)
<b>Total Financial Liabilities</b>	<b>(7,334)</b>	<b>(7,051)</b>	<b>(7,072)</b>	<b>(75)</b>
Long Term Investments	2	2	2	2
Investments <1 year	1,170	1,170	5,500	5,500
Long Term Debtors	242	242	238	238
Short Term Trade Debtors	3,537	3,537	2,204	2,204
Cash and Cash Equivalents	5,042	5,042	2,209	2,209
<b>Total Financial Assets</b>	<b>9,993</b>	<b>9,993</b>	<b>10,153</b>	<b>10,153</b>

At March 2024 Rosendale Borough Council had two outstanding PWLB Loans. One was taken out in March 2010 for 25 Years at a fixed rate of 4.49%, the other was taken out in August 2019 for £2m over 20 years at a fixed interest rate of 1.34%. The premature repayment rates applicable on 31<sup>st</sup> March 2024 were 3.69% and 3.71% respectively. The figures for fair value above were £2,109k and £1,314k, as supplied by the Council's treasury management advisor, Link Asset Services. For a sensitivity analysis, Link Asset Services have confirmed that similar new loans on the 31<sup>st</sup> March 2024 at the discount rates above would have reduced the fair value of the loan at the end of 2023/24 by £208k to £3,215k.

The Council's Portfolio of treasury management investments does not include any long-term deposits over 365 days. For Investments under 365 days the deposit value is taken as a fair approximation of their value.

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

# Core Financial Statements

## Note 22 Nature and extent of risks arising from Financial Instruments

### Key Risks

The Council's activity exposes it to a variety of financial risks, the key risks are:

- 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;
- Re-financing risks the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- 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 Risks

The Council's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise potential adverse effects on the resources available to fund services. The procedures for risk management are set out through a legal framework set out in the

Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:
  - the Council's overall borrowing;
  - it's maximum and minimum exposures to fixed and variable rates;
  - it's maximum and minimum exposures of the maturity structure of its debt;
  - it's maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the government guidance.

These requirements are known as Prudential Indicators and are required to be reported and approved alongside the Council's annual Council Tax budget setting in February, along with the annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported monthly to Members.

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

### Credit Risk

## Core Financial Statements

Credit risk arises from deposits with banks and financial institutions, and credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria and limits approved by the Council.

The Council maintains strict criteria for investment counterparties and monitors activity against these criteria. As a result of this high credit criteria there has been no experience of defaults. The Council refers to an approved list of organisations for investment purposes, assessed by the rating agencies, consisting of major banks, building societies and other local authorities. Maturity limits apply for each counterparty category and maximum investment limits also exist per counterparty and per sector.

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

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on experience of default assessed by the ratings agencies and the Council's experience of its customer collection levels over the last three financial years, adjusted to reflect current market conditions.

### 22a Credit Risk

Credit Risk	Actual Amount March 2024 £000s	Historical default £000s	Adjusted for market conditions %	Estimated maximum exposure March 2024 £000s	Estimated maximum exposure March 2023 £000s
Cash and Cash Equivalents	2,209	0.00%	0.00%	-	-
Investments - Bank Deposits	5,500	0.00%	0.00%	-	-
Investments - Others	-	0.00%	0.00%	-	-
Long Term Debtors	238	0.00%	0.00%	-	-
Short Term Trade Debtors	2,204	6.60%	7.00%	154	403
<b>Total Financial Assets</b>	<b>10,151</b>			<b>154</b>	<b>403</b>

### 2 Trade Debtors

The Council does not generally allow credit for its trade debtors. The Council reports the level of trade debts outstanding each quarter in the financial monitoring report to Cabinet, which is available on the website. The balance of Trade Debtors at 31<sup>st</sup> March 2024 stood at £4,580k (£4,840k at March 2023). Against this the Council held an Expected Credit Loss Impairment of £1,271k (£1,318k at March 2023), as shown in the table below.

Short Term Trade Debtors by age	31st March 2023 £000s	31st March 2024 £000s
Less than 3 months	2,684	2,469
Three to six months	101	22
Six months to one year	489	610
Over one year	1,566	1,479
Expected Credit Loss Impairment	(1,318)	(2,376)
<b>Total Net Trade Debtors</b>	<b>3,522</b>	<b>2,204</b>

### Liquidity Risk

## Core Financial Statements

The council has ready access to borrowings from the Public Works Loan Board for long term borrowing and the Money Markets to cover any day-to-day cash flow need. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury management and investment strategy reports), as well as through cash flow management procedures required by the Code of Practice. The Council's performance in managing its current cash position is reported each month in the financial monitoring reports available on the website.

### Refinancing and Maturity Risk

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments of greater than one year in duration are the key parameters used to address this risk. The approved treasury and investment strategy addresses the main risks and sets the operational parameters should the Council ever need to borrow funds.

### Market Risk

There are three related risks the Council is aware of: interest rate risk, price risk and foreign exchange risk.

#### *Interest Rate Risk*

The Council has limited exposure to interest rate movements on its borrowings and investments. Borrowings are carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and reflected in the General Fund Balance.

The Council has a number of strategies for managing interest rate risk. The annual Medium Term Financial Strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. The aim of the prudential indicators is to contain the activity of the treasury function within certain limits reducing the risk or likelihood of an adverse movement in certain interest rates or borrowing decisions that could impact negatively on the Council's overall financial position.

Within this Strategy prudential indicators are set which provide maximum and minimum limits for fixed and variable interest rate exposure. The Financial Services staff monitor markets and forecast interest rates within the year to adjust exposure appropriately. The indicators in force during 2023/24, which were approved along with the Council's annual budget in February 2023, are shown below.

Limits in interest rate exposure	2022/23	2023/24
Max principal sums borrowed > 364 days	£20.75m	£20.75m
Borrowing limits on Fixed Interest Rates	100%	100%
Borrowing limits on Variable Interest Rates	0%	0%
Max sums invested > 364 days	£0m	£0m
Max sums invested with single body	£8m/50%	£8m/50%
Max sums invested with any group	£10m	£10m

If all lending interest rates had been 1% higher, with all other variables held constant, the financial effect would only impact on the interest receivable on variable rate investments by an extra £55k at 431<sup>st</sup> March 2024. All other interest payable and receivable is fixed.

# Core Financial Statements

## Price Risk

The Council does not invest in instruments with this type of risk.

## Foreign exchange risk

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

## Note 23 Debtors

The short-term debtors are shown below.

Debtors	31 <sup>st</sup> March 2023 £000s	31 <sup>st</sup> March 2024 £000s
Central Government Bodies	1,496	1,058
Other Local Authorities	1,543	1,317
Other entities and individuals		
Council Tax	145	522
Retained Business Rates	440	(61)
Housing Benefits	-	805
Advance Payments	352	499
Sundry Trade Debtors	4,840	4,580
Credit Loss Impairment	(1,318)	(2,376)
	4,459	3,969
<b>Net Balance at 31st March</b>	<b>7,498</b>	<b>6,344</b>

## Note 24 Short Term Investments and Cash and Cash Equivalents

Short Term Investments and Cash & Cash Equivalents	31 <sup>st</sup> March 2023 £000s	31 <sup>st</sup> March 2024 £000s
Short Term Investments	1,170	5,500
<b>Short-term Investments at 31st March</b>	<b>1,170</b>	<b>5,500</b>
Bank Deposits - Current Accounts	5,041	2,208
Petty Cash Accounts	1	1
<b>Cash and cash equivalents at 31st March</b>	<b>5,042</b>	<b>2,209</b>

31<sup>ST</sup> of March 2023 was restated to include £3m that was included in the suspense account. To allow added flexibility and speed to the response to the current economic climate, particularly in the payment of grant support, a higher level of cash was held in the council's Bank Current Accounts at the end of the financial year.

# Core Financial Statements

## Note 25 Assets Held for Sale

Current Assets held for sale	2022/23 £000s	2023/24 £000s
Balance at 1st April	584	570
Revaluation Gain on Dipsoal	1	-
Revaluation gains/(losses) to the Revaluation Reserve	(15)	-
Amounts written back to tangible fixed assets	-	(570)
<b>Balance at 31st March</b>	<b>570</b>	<b>-</b>

## Note 26 Creditors

The short-term creditors are shown below.

Creditors	31 <sup>st</sup> March 2023 £000s	31 <sup>st</sup> March 2024 £000s
Central Government Bodies	1,937	1,488
Other Local Authorities	110	37
Bodies external to government		
Advance Receipts: Council Tax	108	99
Advance Receipts: Retained Busines Rates	56	73
Advance Receipts: Others	550	357
Accumulated Absences	56	25
Sundry Trade Creditors	3,476	3,498
<b>Balance at 31st March</b>	<b>6,293</b>	<b>5,578</b>

# Core Financial Statements

## Note 27 Borrowing

In March 2010 the Council took out a PWLB loan of £4.6m over a life of 25 years at 4.49% to support the Council's capital spending, including the planned investment resulting from the Leisure Services Review. In August 2019 the Council took out a further loan of £2m over 20 years at 1.34% Repayment of both loans is based on equal instalments of principal.

PWLB Borrowing	31 <sup>st</sup> March 2023 £000s	31 <sup>st</sup> March 2024 £000s
Repayable in less than 12 months	284	284
Repayable between 1 and 2 years	284	284
between 2 and 5 years	852	852
between 5 and 10 years	1,420	1,420
in 10 years or more	1,018	734
<b>Balance at 31st March</b>	<b>3,858</b>	<b>3,574</b>

## Note 28 Provisions

Provisions	31st March 2023 £000s	Movement in Year	31 <sup>st</sup> March 2024 £000s
Business Rate Appeals Provision	877	214	1,091
Strategic Housing Provision	149	-	149
Corporate Services	285	(285)	-
Other Provisions	10	(10)	-
<b>Total Provisions</b>	<b>1,321</b>	<b>(81)</b>	<b>1,240</b>

# Core Financial Statements

## Note 29 Short-Term and Long term Grant Receipts in Advance

This account holds the movements between grants received and those recognised through the CIES when the grant conditions have been met.

In 2017/18 a grant of £3,421k was received in advance from Lancashire County Council towards the construction of the new bus station element of the Spinning Point Phase 1 project. Construction of a new bus station began in January 2019 and the facility was opened in December 2019. The remaining grant was to be used to landscape the surrounding area and this work was completed in year ending March 2024.

During 2023/24 the Council was awarded funding through the UK Shared Prosperity Fund and the ringfenced monies unspent at the year end have been held as grant receipts in advance until such a time that the funds are spent and the conditions met. 2022/23 short-term Grant Receipts in Advance account has been restated from £153k to £168k, this increase in variances relates to additional £15k UKSPF grant – capital received in advance.

Short-term and Long Term Grant Receipts in Advance	Restated 31st March 2023 £000s	31 <sup>st</sup> March 2024 £000s
<b>LCC Grant for Spinning Point Phase 1</b>		
Balance Brought forward	41	168
Grant received/(repaid) in the year	-	-
Amounts recognised into the CIES (conditions met)	(41)	-
<b>UKSPF Grants - Revenue</b>		
Grant received/(repaid) in the year	296	642
Amounts recognised into the CIES (conditions met)	(143)	(760)
<b>Capital Regeneration Programme</b>		
Grant received/(repaid) in the year		1,224
Amounts recognised into the CIES (conditions met)		(553)
<b>On-Street Residential Charge Point Scheme (ORCS)</b>		
Grant received/(repaid) in the year		129
Amounts recognised into the CIES (conditions met)		-
<b>Local Authority Housing Fund</b>		
Grant received/(repaid) in the year		688
Amounts recognised into the CIES (conditions met)		
UKSPF Grant - Capital Received in Advance	15	
	168	1,538
<b>Balance at 31st March</b>	<b>168</b>	<b>1,538</b>



# Core Financial Statements

## Note 30a Usable Reserves

The overall movements in the Council's Usable Reserves can be seen in the Movement in Reserves Statement. Further details on the movements in the individual Earmarked Reserves and Capital Grants Unapplied accounts can be found below, along with greater explanation of the activity on the Usable Capital Receipts Reserve.

### Note 30a - Earmarked Reserves

Employment & Transport Reserve – re future investment in transport and employment opportunities.

Leisure Reserve – This reserve is held to meet any potential leisure expenditure i.e. feasibility studies

Directorate Investment Reserve – This reserve holds unspent budgets future one-off revenue projects.

Directorate Operational Reserve – This reserve holds funds set aside for ongoing or incomplete revenue projects where there is no contractual obligation but member approval has been granted.

Homelessness Reserve – This reserve holds funds for supporting ongoing and future projects to tackle homelessness within Rossendale.

Vehicle Reserve – To support vehicle maintenance costs and the rolling replacement programme.

Transitional Reserve – This reserve is to support the Council in its medium-term financial strategy.

Individual Registration Reserve – Individual electoral registration implementation began in summer 2014 and this reserve was established to hold grant funds received during 2013/14 to be matched against costs as they arose over the subsequent years.

Business Rates Retention Reserve – Following the localisation of non-domestic rates in April 2013, this reserve was established with the additional grant received for Small Business Rate Relief to support any future volatility of this new resource stream. The balance on this reserve will also be required to support the deficit on the Collection Fund Adjustment Account. Under the timings permitted by the Code each year's surplus or deficit will not impact on the CIES until the following year.

Planning Strategy Reserve – This reserve is to cover the costs of public scrutiny associated with reviews of planning strategy in the future.

Tourism Strategy Reserve – Since the Tourism Officer post was disestablished in 2011/12, monies have been set aside to allow the Council to support various events/ activities.

Haslingden Regeneration Reserve – The Council has previously set aside £100k to provide pump-priming funds for the wider regeneration of Haslingden.

Rawtenstall Bus Station Reserve – This reserve holds the commuted sum received from Lancashire County Council to cover future maintenance costs associated with the Rawtenstall Bus Station.

Response and Recovery Reserve – The Council received a number of grants in response to Covid19 to support service delivery and the community through the pandemic.

## Core Financial Statements

Earmarked Reserves	Balance	Income &	Transfers	Utilised from	Balance
	31 <sup>st</sup> March 2023	Transfer to Reserves	between Reserves	Reserves	31 <sup>st</sup> March 2024
	£000s	£000s	£000s	£000s	£000s
Leisure Reserve	30	-	(30)	-	-
Directorate Operational Reserves	1,196	166	(135)	(263)	964
Homelessness	421	-	-	(107)	314
Transitional Reserve	3,063	2,096	73	(367)	4,865
Individual Registration	124	24	-	(55)	93
Business Rates Retention	1,028	-	-	-	1,028
Planning Strategy	65	266	93	(37)	387
Tourism Strategy	28	-	-	-	28
Haslingden Regeneration	34	-	-	-	34
Rawtenstall Bus Station	500	-	-	(14)	486
Response and Recovery	709	-	(1)	(150)	558
Asylum Dispersal Funds	135	151	-	(139)	147
Ukraine Guests	151	43	-	-	194
MMI	-	229	-	-	229
	<b>7,484</b>	<b>2,975</b>	<b>-</b>	<b>(1,132)</b>	<b>9,327</b>

### Note 30b - Capital Receipts Reserve

These are capital receipts (net of asset values) which have not yet been used to finance capital expenditure or repay debt.

Usable Capital Receipts Reserve	2022/23	2023/24
	£000s	£000s
Balance at 1st April	2,447	1,931
Capital receipts in year	84	2,325
Capital receipts used to fund capital expend	(600)	(1,753)
Non Empty Homes sub-total	1,931	2,503
<b>Empty Homes</b>		
Balance at 1st April	2	2
Capital receipts in year	-	-
Capital receipts used to fund capital expend	-	-
Empty Homes sub-total	2	2
<b>Balance at 31st March</b>	<b>1,933</b>	<b>2,505</b>

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## Note 30c - Capital Grants Unapplied Account

Capital grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with.

Capital Grants Unapplied Account	Balance 31 <sup>st</sup> March 2023 £000s	Grants Received £000s	Grants Applied £000s	Balance 31 <sup>st</sup> March 2024 £000s
Disabled Facilities Grants	2,578	1,260	(1,193)	2,645
	2,578	1,260	(1,193)	2,645



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## Note 31 Unusable Reserves

### 31a Revaluation Reserve

The Revaluation Reserve contains unrealised revaluation gains, net of depreciation and disposals on that revaluation amount, on a strict per-asset basis. This Reserve is matched by fixed assets within the Balance Sheet. It does not represent resources available to the authority.

Revaluation Reserve	2022/23 £000s	2023/24 £000s
Balance at 1st April	14,592	14,665
Surplus/(Deficit) on revaluation of assets in the year		
Property, Plant & Equipment	329	(1,125)
Value of assets disposed of in the year	(2)	(102)
Depreciation in the year	(230)	(181)
(Impairments)/Impairment Reversals in the year	(24)	(24)
<b>Balance at 31st March</b>	<b>14,665</b>	<b>13,233</b>

### 31b Capital Adjustment Account

The Capital Adjustment Account provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital controls mechanism.

In the main this account holds the gains on historical revaluations of the assets still held by the Council, depreciated over the life of the assets. It is managed as a total figure, not on a per-asset basis, and does not represent cash resources available to the authority.

Capital Adjustment Account	2022/23 £000s	2023/24 £000s
Balance at 1st April	13,451	13,760
Revenue and Capital Receipts used to finance capital		
Revenue Contributions	-	-
Useable Capital Receipts	600	-
Capital Grants and Contributions	1,560	2,250
Gains/(Losses) on Revaluation of assets		
Property, Plant & Equipment	(212)	161
Write off NBV of disposals (net of Revaluation Reserve)	(29)	(112)
Minimum Revenue Provision for repayment of debt	413	522
Depreciation of Property, Plant and Equipment	(830)	(1,064)
Amortisation of Intangible Assets	-	-
Impairment of Property, Plant & Equipment assets	(51)	(90)
Revenue Expenditure funded from Capital under statute	(1,142)	(1,894)
<b>Non Empty Homes sub-total</b>	<b>13,760</b>	<b>13,533</b>
<b>Empty Homes</b>		
Balance at 1st April	(1,180)	(1,576)
Revenue and Capital Receipts used to finance capital		
Revenue Contributions	-	-
Useable Capital Receipts	-	-
Revenue Expenditure funded from Capital under statute	(396)	(216)
<b>Empty Homes sub-total</b>	<b>(1,576)</b>	<b>(1,792)</b>
<b>Balance at 31st March</b>	<b>12,184</b>	<b>11,741</b>

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## 31c Deferred Capital Receipts Account

The Deferred Capital Receipts holds the value of renovation loans on the East Lancs Empty Homes properties.

Deferred Capital Receipts Account	31 <sup>st</sup> March 2023 £000s	31 <sup>st</sup> March 2024 £000s
<b>East Lancs Empty Homes Scheme Loans</b>		
Balance at 1st April	1,265	1,265
New Deferred Receipts	-	-
Amounts received	-	-
<b>Balance at 31st March</b>	<b>1,265</b>	<b>1,265</b>

## 31d Collection Fund Adjustment Account

The Collection Fund Adjustment Account allows for differences between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund. The balance on the account represents the Council's share of the Collection Fund surplus or deficit. The large balance relating to Business Rates is offset by Section 31 grants received from Central Government.

Rosendale Borough Council - Collection Fund Adjustment Account	2022/23		2023/24	
	Council Tax	Business Rates	Council Tax	Business Rates
	£000	£000	£000	£000
Accumulated Surplus/(Deficit) at 1st April	(18)	(1,531)	2	(12)
Prior year (Surplus)/Deficit transferred to/from revenue	(64)	906	(40)	479
Apportioned Estimated Surplus/(Deficit) for the year	125	(479)	125	22
Apportioned Final Surplus/(Deficit) for the year	(41)	1,092	(65)	(611)
<b>Accumulated Surplus/(Deficit) at 31st March</b>	<b>2</b>	<b>(12)</b>	<b>22</b>	<b>(122)</b>

## Note 32 Local Government Pension Scheme – a defined benefit scheme

The following note explains the terms and conditions of the retirement benefits of the Council officers and other employees. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments that need to be disclosed at the time that the employees earn their future entitlement.

The authority participates in the Local Government Pension Scheme administered by Lancashire County Council – this is a funded scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

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

The latest actuarial valuation of the Fund was carried out as at 31 March 2022, and at that date showed a funding level of 115% (up from 100% at the last valuation - assets of £10.7bn against accrued liabilities of about £9.3bn). The weighted average duration of the liabilities of the fund is 10 years, measured on the IAS19 assumptions. The duration of the liabilities for the individual employers which participate in the scheme can be significantly different from this, reflecting the profile of its employees and former employees.

The Fund targets a pension paid throughout life. The amount of the pension depends on how long employees are active members of the scheme and their salary when they leave the scheme (a "final

## Core Financial Statements

salary” scheme) for service up to 31 March 2014 and a re-valued average salary (a “career average” scheme) for service from 1 April 2014 onwards.

### Impact of McCloud judgement

On 16 July 2020 the Minister for Housing Communities and Local Government (MHCLG) released the consultation on the McCloud remedy for the LGPS in England and Wales. The key feature of the proposed remedy was broadly as expected in that the final salary scheme underpin is to be extended to a wider group of members for service up to 31 March 2022 but there are a small number of areas of detail which will need further consideration.

An allowance for the McCloud remedy is included in the 31 March 2024 figures, and will be included in future calculations on an ongoing basis (unless there are specific reasons or instruction not to do so). The calculations of the additional liabilities and service costs have generally been done in line with the proposed underpin in the consultation. However there are some minor changes to the underpin for all members who were active on or before 31 March 2012 (e.g. it can now apply historically to members leaving service after 1 April 2014), and the calculation will apply retrospectively even in those cases where a member no longer has a benefit entitlement from the Fund. Other than in exceptional circumstances the impact of these minor proposed changes is expected to be nil.

Furthermore when calculating the potential cost of the McCloud Judgement as part of the 2022 actuarial valuations the Funds Actuary (Mercers) have carried out a stand-alone estimate of the cost of the McCloud Judgement. It is estimated that the cost is an increase in past service liabilities at the valuation date of £107m and has been included in the 2022 liability figure.

### 32a – Pension 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 plan is as follows:-

Pension Assets and Liabilities recognised in the Balance Sheet	2022/23 £000s	2023/24 £000s
Present value of the defined benefit obligation	(76,054)	(75,974)
Fair value of plan assets	86,523	91,295
<b>Net Asset/(Liability) arising from defined benefit obligation</b>	<b>10,469</b>	<b>15,321</b>
Asset Ceiling Adjustment	(10,469)	(16,531)
<b>Net Asset/(Liability) after asset ceiling adjustment</b>	<b>-</b>	<b>(1,210)</b>

#### Asset Ceiling

Following the pensions valuation by the Council actuary, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2024, resulting in a pension plan asset for the second time. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council’s actuary calculated the asset ceiling as the net present value of future service costs less the net present value of future contributions.

The Council has therefore limited the pension asset recognised in the balance sheet to the asset ceiling. The adjustment has been recognized within the comprehensive income and expenditure in the CIES.

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## 32b - Present Value of Scheme Liabilities

The following table reconciles the opening and closing values of the scheme liabilities.

Scheme Liabilities	2022/23	2023/24
	£000s	£000s
Scheme Liabilities as at 1 <sup>st</sup> April	108,435	76,054
Current Service Cost	1,785	881
Interest on Pension Liabilities	2,987	3,574
Member Contributions	301	338
Past Service cost/(gain)	-	-
Remeasurement of liabilities	(33,624)	(1,351)
Benefits/transfers paid	(3,830)	(3,522)
<b>Scheme Liabilities as at 31<sup>st</sup> March</b>	<b>76,054</b>	<b>75,974</b>

Of the above liabilities there is an unfunded element, for which the value at 31<sup>st</sup> March 2024 was £1,210k (£1,315k at 31<sup>st</sup> March 2023).

## 32c - Present Value of Scheme Assets

The following table reconciles the opening and closing values of the scheme assets.

### Note 32c - Scheme Assets

Scheme Assets	2022/23	2023/24
	£000s	£000s
Scheme Assets as at 1 <sup>st</sup> April	86,998	86,523
Interest on plan assets	2,413	4,098
Remeasurement of assets	(361)	2,988
Administration expenses	(28)	(31)
Employer contributions	1,030	901
Member contributions	301	338
Benefits/transfers paid	(3,830)	(3,522)
<b>Scheme Assets as at 31<sup>st</sup> March</b>	<b>86,523</b>	<b>91,295</b>

## 32d - Major Categories of Scheme Assets

Scheme Assets	31st March 2023		31 <sup>st</sup> March 2024	
	£000s	%	£000s	%
Equities	101	0.1%	100	0.1%
Bonds	178	0.2%	73	0.1%
Property	1,303	1.5%	1,173	1.3%
Alternatives	84,253	97.4%	88,261	96.7%
Cash & Cash equivalents	688	0.8%	1,688	1.8%
<b>Total Scheme Assets</b>	<b>86,523</b>		<b>91,295</b>	

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## 32e - Scheme Membership

The membership of the scheme was as follows:-

Scheme Membership	31st March	31 <sup>st</sup> March
	2023	2024
Active Members	156	163
Deferred Members	241	238
Pensioners	424	426
Spouses / dependents	110	105

## 32f - Comprehensive Income and Expenditure Account

Authorities recognise the cost of retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required against council tax is based on the cash payable in the year, so that the real cost of retirement benefits is reversed out in the Movement in Reserves Statement and replaced with the cash paid in the year.

The table below shows transactions within the Comprehensive Income and Expenditure Statement and the corresponding adjustments made in the Movement in Reserves Statement.

Reconciliation of the movement in the Pension Fund Reserve	2022/23 £000s	2023/24 £000s
<b>Comprehensive Income and Expenditure Statement</b>		
Net Costs of Services - Current Service Cost	1,785	881
Past Service cost/(gain)	-	-
Financing and Investment Income and Expenditure		
Interest cost	574	(524)
Expected return on assets in the scheme	361	(2,988)
Administration expenses	28	31
<b>Total post-employment benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>2,748</b>	<b>(2,600)</b>
<b>Other Comprehensive Income and Expenditure</b>		
Actuarial (gains)/losses	(33,624)	(1,351)
<b>Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>(30,876)</b>	<b>(3,951)</b>
<b>Movement in Reserves Statement</b>		
Reverse net charges for retirement benefits in accordance with the Code	(2,748)	2,600
<b>Actual charge to the General Fund Balance in the year</b>		
Employer's contributions payable to the scheme	1,030	901

## 32g – Re-measurement impacts in the Other Comprehensive Income & Expenditure Statement

Remeasurement Gains/(Losses)	2022/2023 £000s	2023/24 £000s
Experience gains/(losses)	6,605	698
Gains/(losses) on financial assumptions	(37,709)	(969)
Gains/(losses) on demographic assumptions	(2,520)	(1,080)
Remeasurement of Liabilities gains/(losses)	(33,624)	(1,351)
<b>Net Actuarial gains/(losses) in current year</b>	<b>(33,624)</b>	<b>(1,351)</b>



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## 32h – Actual gains and losses on plan assets

The actual gains measured against experience gains/(losses) in the year can be seen in the following table, along with the relevant percentages of period-end assets and liabilities which these values represent:

Actual Gains/(Losses)	2022/23		2023/24	
	£000s	%	£000s	%
Actual Return on Plan Assets	2,730	3.2%	7,085	7.8%

## 32i - Actuarial Assumptions

The Borough Council fund liabilities and assets have been assessed by Mercer Human Resource Consulting, an independent firm of actuaries. The main assumptions used in their calculations at the beginning and end of the year are shown below, with an effective date of 31<sup>st</sup> March 2024.

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

Assets in the Lancashire Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion with their expected rates of return at the beginning and end of the year:

Actuarial Assumptions	Beginning of Period		End of Period	
	%		%	
<b>Duration information as at the end of the accounting period</b>				
Estimated Macaulay duration of liabilities	15 yrs		15 yrs	
Duration profile used to determine assumptions	Very Mature		Very Mature	
<b>Financial Assumptions</b>				
Rate of CPI inflation	2.70%		2.70%	
Rate of increase in salaries	4.20%		4.20%	
Rate of increase in pensions	2.80%		2.80%	
Discount rate	4.80%		4.90%	
<b>Post retirement mortality assumptions</b>				
Non-retired members	SAPS 3 / SAPS 3 Middle		SAPS 3 / SAPS 3 Middle	
(retiring in the future in normal health)	CMI 21 1.5% / CMI 21 1.5%		CMI 22 1.5% / CMI 22 1.5%	
	119% / 105%		113% / 101%	
Current pensioners	SAPS 3 / SAPS 3 Middle		SAPS 3 / SAPS 3 Middle	
(retired in normal health)	113% M 105% F		108% M 101% F	
<b>Life expectancy</b>				
of a male (female) future pensioner aged 65 in 20 yrs	22.8 (25.6) yrs		22.4 (25.3) yrs	
of a male (female) current pensioner aged 65	21.5 (23.8) yrs		21.1 (23.5) yrs	
<b>Takeup of option to convert annual pension into lump sum at retirement</b>				
	50% take maximum cash, 50% take 3/80ths cash			
<b>Market value of total fund assets</b>				
	£10,712m	£11,097m	£11,376m	
Last actuarial valuation		Start of Period	End of Period	
31st March 2022		30th June 2023	31st January 2024	

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## 32j – Sensitivity Analysis of Actuarial Assumptions

Under IFRS the assumptions made by the actuary must be submitted to a sensitivity analysis. Below are the main assumptions used by the actuary and the effects on the pension fund accounts if those assumptions changed.

Sensitivity analysis based on assumptions as at 31st March 2023	Central Estimates for 2023/24	Sensitivity 1 + 0.1% p.a. discount rate	Sensitivity 2 + 0.1% p.a. inflation	Sensitivity 3 + 0.1% p.a. salary inflation	Sensitivity 4 + 1 yr to member's life expect	Sensitivity 5 change in investment returns	
	£000s	£000s	£000s	£000s	£000s	+1% £000s	-1% £000s
	Liabilities	75,974	71,426	78,356	76,215	77,867	75,974
Assets	(91,295)	(91,295)	(91,295)	(91,295)	(91,295)	(92,197)	(90,393)
Deficit/(Surplus)	(15,321)	(19,869)	(12,939)	(15,080)	(13,428)	(16,223)	(14,419)
Projected current service cost	831	721	891	831	854	831	831
Projected net interest cost	(773)	(1,097)	(653)	(757)	(677)	(817)	(728)
Projected Employer contributions	(901)	(901)	(901)	(901)	(838)	(838)	(838)

## 32k – Budgeting figures used in the Assumptions

Budgets used in assumptions for following year	2022/23 £000s	2023/24 £000s
<b>Projected Pension cost next year</b>		
Estimated Pay	4,614	5,153
Service Cost (% of pay)	16.7%	15.7%
Implied Service Cost including interest	788	831
Net Interest Cost	(523)	38
Administration Expenses	28	31
	<b>293</b>	<b>900</b>
<b>Projected employer contributions next year</b>		
Normal contributions	(674)	(752)
£ for £ recharges	(164)	(149)
	<b>(838)</b>	<b>(901)</b>
<b>Projected deficit/(surplus) for operations next year</b>	(545)	(1)
<b>Projected deficit/(surplus)</b>	(10,469)	(15,321)
<b>Projected deficit/(surplus) at end of next year</b>	<b>(11,014)</b>	<b>(15,322)</b>

### Note 33 Contingent Assets & Liabilities

#### Contingent Assets

There are no known contingent assets.

#### Contingent Liabilities

There are no known contingent liabilities.

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## Note 34 Cash Flow notes

### Note 34a Reconciliation of Revenue Surplus to Net Cash Flow

Reconciliation of I&E Surplus to Net Cash Flow from revenue activities	RBC	
	31st March 2023	31st March 2024
	£000s	£000s
<b>Adjustments for non-cash movements</b>		
Depreciation and Impairments	1,135	1,359
Amortisation of Intangible Assets	-	13
Revaluation losses charged to Revenue	212	(161)
Carrying amount of non-current assets sold	31	362
Pension Fund Adjustment	1,357	(10)
<b>Adjustments between accruals and cash accounting</b>		
(Incr)/Decr in Long Term Debtors	30	4
(Incr)/Decr in Inventories	(60)	20
(Incr)/Decr in Debtors	(1,779)	1,154
Incr/(Decr) in Creditors	(6,955)	(715)
Less cash (Outflows)/Inflows from agency operations	(369)	(836)
Incr/(Decr) in Grant Receipts in Advance	112	1,369
Incr/(Decr) in Provisions	(1,027)	(81)
Incr/(Decr) in Pension Fund Prepayment	(900)	
<b>Adjust net surplus or deficit on the provision of services for non-cash movements</b>	<b>(8,213)</b>	<b>2,478</b>
<b>Adjustments for investing and financing activities</b>		
Additions to PPE & intangible assets	2,038	3,509
Proceeds from the sale of PPE	(85)	(572)
Other income	(453)	(1,446)
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>	<b>1,500</b>	<b>1,491</b>

### Note 34b Net Change in Liquid Resources

Net change in liquid resources	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	Movement
	£000s	£000s	
Cash in Hand	1	1	-
Cash at Bank	6,211	7,708	1,497
<b>Net Book Value at 31st March</b>	<b>6,212</b>	<b>7,709</b>	<b>1,497</b>

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## Note 35 Accounting Standards Issued, but not yet adopted

The Council is required to disclose the impact on an accounting change required by a new accounting standard that has been issued on or before 1 January but not yet adopted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The following standards have also been issued/amended but are not yet adopted:

- IAS1 (amendments in January 2022 and October 2022) – Provides clarifications for classification of liabilities as current or non-current in relation to settlement deferral, lending conditions and settlement by issuing equity instruments. The second amendment relates to information disclosures in instances where there is a right to defer settlement of a liability for at least 12 months which is subject to compliance with covenants.
- IFRS 16 Leases – including 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.
- IAS 12 (amendment issued in May 2023) – This relates to international tax reform.
- IAS7 and IFRS 7 (amendments issued in May 2023) – Requires additional disclosures in relation to supplier finance arrangements.

IFRS 16 Leases will lead to a substantial change in accounting practice for lessees, the current distinction between finance and operating leases will be removed. Instead, lessees are required to recognise assets and liabilities for all leases, with a term of more than 12 months (unless the underlying asset is of low value) i.e. the lessee will recognise a right-of-use asset representing its right to use the leased asset; and a lease liability representing the lessee's obligation to make lease payments for the asset.

CIPFA deferred implementation of IFRS 16 Leases until 1 April 2024.

These changes are not anticipated to have a material impact on the Council's accounts.

## Note 36 Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in preparing this Statement of Accounts are:

- Estimates for depreciation of assets in any one year depend upon the forecast life of the assets. The asset life of buildings is determined by a qualified valuer at each revaluation date and in the case of vehicles, equipment and intangible assets by Council staff.
- Estimates for impairment of assets are performed by a qualified valuer at the end of each year to reflect any abnormal changes in property values between full formal reviews within the 5-year rolling revaluation programme.
- Following the introduction of the Business Rates Retention Scheme in April 2013, Local Authorities are liable for a share of the cost of successful appeals by businesses against their rateable value in 2023/24 and earlier financial years. A provision has been calculated based on information provided by Analyse Local who use the latest Valuation Office Agency (VOA) ratings list of appeals and an analysis of successful appeals to date. The Council's share of the business rate appeals provisions at 31 March 2024 was £1,091k.

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## Note 37 Events after the Balance Sheet date

This DRAFT Statement of Accounts was authorised for release by the Chief Finance Officer on 5th June 2024. Events taking place after this date are not reflected in the financial statement or notes. Where events taking place before this date provided information about conditions existing at 31<sup>st</sup> March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.



## Note 38 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. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31<sup>st</sup> March 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	The Council's fixed assets are valued on the balance sheet in accordance with the statement of asset valuation principles and guidance notes issued by the Royal Institute of Chartered Surveyors (RICS). The Council carries out a rolling programme that ensures all Plant, Property and Equipment required to be measured at fair value is revalued within a five year cycle. All assets reviewed had a valuation date of 1 April 2023. Any material changes after the valuation date have been accounted for.	The Council's property assets that are vulnerable to uncertainty are those valued under Current Value and Fair Value. There is the possibility that these values may change and as an illustration a 1% variation in these valuations could affect the assets values by £354k. The Council will continue to review their current valuation programme and reflect any changes in future valuation reports.

## Core Financial Statements

<p>Pensions Liability</p>	<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, mortality rates and expected returns in pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p> <p>During 2023/24 the Council's actuaries advised that the net liability had decreased due to the re-measurement of assets and liabilities and the fund is now in surplus at £16.5k (at 2022/23 it was a £10.5k surplus).</p>	<p>Sensitivity to the factors contributing to this estimate is shown in Note 32. Small changes have major impacts on the pension liability. A 0.1% per annum increase in the discount rate assumption would result in a decrease in the pension liability of c£4.5m. A one year addition to the members' life expectancy would result in an increase in the pension liability of £1.9m</p>
<p>Business Rates - NNDR</p>	<p>Since the introduction of the Business Rates Retention Scheme effective 1 April 2013, Local Authorities are liable for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list. A provision has been recognised for these liabilities up to and including 31 March 2024. The estimate has been calculated using the Valuation Office (VAO) ratings list of appeals and with support from LG Futures. The costs will be shared between Central Government, Rosendale Borough Council, Lancashire County Council and Lancashire Combined Fire Authority.</p>	<p>The Council's share of the business rate appeals provision is £1,091k, this has increased from £877k in the previous year.</p>

**Note 39 Adjustments to the Notes:** There has been material error in the account of what was reported in the MIRS for 2022/23. The unusable reserves have been restated for 2022/23 to reflect the total comprehensive income/expenditure figure, increasing from £5.2m to £23.1m. This change relates to the Revaluation Reserve £329k and the Pension Reserve £22.8m being which are now correctly reflected in the 2023/24 statement of accounts as shown in the MIRS on page 41.

The balance sheet has been reinstated for 2022/23 opening and closing position. Short-term borrowing for March 2023 has been adjusted to reflect the principal repayments of the two PWLB loan repayments, increasing from £234k to £284k, which is made up of £100k and £184k. Long and short balance sheet has been updated to reflect this update. Note 21 short-term borrowing less than 12 months has been updated to reflect this increase.

The 2022/23 Short-term Grant Receipts in Advance account has been reinstated from £153k to £168k. This increase in variances relates to an additional £15k UKSPF grant – capital received in advance. The table name has been restated showing grants long and short which matches what was reported in the balance sheet. Note 2B This note was restated to show Other Grants and Contributions included in Cost of Services separate from Fees, charges and other service income.

## Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement below shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

COLLECTION FUND	2022/23		2023/24	
	Council Tax £000	Business Rates £000	Council Tax £000	Business Rates £000
<b>Income</b>				
Council Tax	45,199	-	47,177	-
Non Domestic Rates	-	10,583	-	12,618
<b>Apportionment of Previous Year (Surplus)/Deficit</b>				
Central Government	-	1,132	-	599
Rosendale Borough Council	(64)	906	(40)	479
Lancashire County Council	(325)	204	(209)	108
Police & Crime Commissioner for Lancashire	(51)	-	(33)	-
Lancashire Combined Fire Authority	(16)	23	(10)	12
<b>Total Income</b>	<b>44,743</b>	<b>12,848</b>	<b>46,885</b>	<b>13,816</b>
<b>Expenditure</b>				
Precepts paid out				
Central Government	-	5,646	-	7,132
Lancashire County Council	31,164	1,016	32,798	1,284
Rosendale Borough Council	5,985	4,517	6,238	5,705
Lancashire Police Authority	4,866	-	5,237	-
Lancashire Fire Authority	1,590	113	1,713	142
Whitworth Town Council	58	-	60	-
<b>Charges to the Collection Fund</b>				
Write off of uncollectable amounts	253	29	469	156
Increase/(Decrease) in Bad/Doubtful Debts impairment allowance	683	(137)	220	(146)
Increase/(Decrease) in Provision for Appeals	-	(1,989)	-	535
Interest	-	-	-	1
Cost of Collection Allowance	-	96	-	97
NNDR Transitional Protection Payments	-	(418)	-	(1,663)
Renewable energy	-	178	-	231
<b>Total Expenditure</b>	<b>44,599</b>	<b>9,051</b>	<b>46,735</b>	<b>13,474</b>
<b>Surplus/(Deficit) for the Year</b>	<b>144</b>	<b>3,797</b>	<b>150</b>	<b>342</b>
<b>Surplus/(Deficit) Brought Forward</b>	<b>(132)</b>	<b>(4,335)</b>	<b>12</b>	<b>(538)</b>
<b>Surplus/(Deficit) Carried Forward</b>	<b>12</b>	<b>(538)</b>	<b>162</b>	<b>(196)</b>
<i>Allocated to</i>				
Central Government	-	(200)	-	(29)
Lancashire County Council	12	(72)	118	(41)
Rosendale Borough Council	-	(259)	22	(123)
Lancashire Police Authority	-	-	16	-
Lancashire Fire Authority	-	(7)	6	(3)
	<b>12</b>	<b>(538)</b>	<b>162</b>	<b>(196)</b>

# Collection Fund

## Collection Fund Note 1 Council Tax Base

Council Tax derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands (A-H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base i.e. the equivalent number of Band D dwellings.

The basic amount of Council Tax for a Band D property rose in 2023/24 from £2,118.81 to £2,207.92 following increases by all preceptors.

The council tax base has been calculated as follows:-

Band	Ratio to Band D	Total No. Properties	Total equiv No. after Discounts & Exemptions	2023/24 Band D Equivalent	2022/23 Band D Equivalent
Special	5/9		42.3	23.5	24.2
A	6/9	16,348.0	11,570.0	7,713.3	7,605.3
B	7/9	5,107.0	4,210.3	3,274.7	3,250.7
C	8/9	4,322.0	3,827.2	3,402.0	3,360.4
D	1	3,441.0	3,195.0	3,195.0	3,149.9
E	11/9	2,002.0	1,878.0	2,295.4	2,273.2
F	13/9	703.0	667.6	964.3	958.1
G	15/9	455.0	423.4	705.7	695.2
H	2	40.0	27.0	54.0	54.5
				<b>21,627.8</b>	<b>21,371.5</b>
Less adjustments for anticipated changes to the base and losses on collection				(802.8)	(791.5)
<b>Band D equivalent number of properties</b>				<b>20,825.0</b>	<b>20,580.0</b>

## Collection Fund Note 2 Provision for Rating Appeals

Provision for Rating Appeals	2022/23		2023/24	
	Council Tax £000s	Business Rates £000s	Council Tax £000s	Business Rates £000s
Balance as 1st April	-	4,182	-	2,193
Provision made in year	-	150	-	884
Provision utilised in year	-	(2,139)	-	(350)
<b>Balance at 31st March</b>	<b>-</b>	<b>2,193</b>	<b>-</b>	<b>2,727</b>
<b>Balance at 31st March - Rosendale only</b>	<b>-</b>	<b>877</b>	<b>-</b>	<b>1,091</b>

## Collection Fund Note 3 Provision for Bad Debts

Bad Debts Provision	2022/23		2023/24	
	Council Tax £000s	Business Rates £000s	Council Tax £000s	Business Rates £000s
Balance as 1st April	5,469	1,563	6,152	1,428
Write-offs during year for previous years	(253)	(29)	(469)	(155)
Contribution to provisions during year	936	(106)	689	9
Net increase/(decrease) in provision	683	(135)	220	(146)
<b>Balance at 31st March</b>	<b>6,152</b>	<b>1,428</b>	<b>6,372</b>	<b>1,282</b>
<b>Balance at 31st March - Rosendale only</b>	<b>836</b>	<b>570</b>	<b>859</b>	<b>513</b>



# Collection Fund

## Collection Fund Note 4 Arrears

Arrears	2022/23		2023/24	
	Council Tax £000s	Business Rates £000s	Council Tax £000s	Business Rates £000s
Balance as 1st April	7,100	1,577	8,774	1,519
Change in year	1,674	(58)	155	(153)
<b>Balance at 31st March</b>	<b>8,774</b>	<b>1,519</b>	<b>8,929</b>	<b>1,366</b>
<b>Balance at 31st March - Rosendale only</b>	<b>1,193</b>	<b>608</b>	<b>1,204</b>	<b>546</b>

## Collection Fund Note 5 RBC's Shares

RBC's Shares	Reinstated 2022/23		2023/24	
	Council Tax £000s	Business Rates £000s	Council Tax £000s	Business Rates £000s
<b>Within Debtors</b>				
Arrears	1,193	608	1,204	546
Less Provision for Bad Debts	(836)	570	(859)	513
	357	1,178	345	1,059
<b>Within Creditors</b>				
Advance Receipts	(110)	(94)	(60)	(263)
<b>Within Provisions</b>				
Provisions for Rating Appeals	-	877	-	1,091

## Collection Fund Note 6 National Non-Domestic Rates (NNDR)

Under the current Business Rate model Rosendale Borough Council retain 40% of the business rates collected locally.

Non-domestic rates are organized on a national basis. Central Government specifies an amount, for 2023/24 this is 51.2p in the pound, or 49.9p for small businesses (51.2p or 49.9p in 2022/23) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying the rateable value of their property by that amount. The rateable value for business premises in Rosendale increased to £41,482k by March 2024, up from £36,253k in March 2023, this is mainly due to the national revaluation which was implemented in April 2023.

Since 2016/17 Rosendale Borough Council is entitled to keep 100% of the business rates from renewable energy installations. In 2023/24 renewable energy element of the business rates scheme was £231k, compared to £178k in 2022/23.

The net business rates collected within Rosendale (after provision for bad debts and appeals) were £12,072k compared with £12,680k in 2022/23. This reduction is mainly due to the transitional protection ratepayers have received to alleviate the impact of the 2023 revaluation. This usually tapers out over the period of the new rating list. The Council will be compensated by Government for the transitional protection awarded.

# Collection Fund

## Collection Fund Note 7 Lancashire Business Rates Pool

Since 1<sup>st</sup> April 2016 Rosendale Borough Council has been a member of the Lancashire Business Rates Pool.

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

The Lancashire Business Rates Pool, includes most but not all of the local authorities in Lancashire.

The business rates income allocations in 2023/24 are shown in the table below:

Lancashire Business Rates Pool - Income Allocations for 2022/23 and 2023/24	
District Authorities	40%
Lancashire County Council	9%
Lancashire Combined Fire Authority	1%
	50%
Central Government	50%
<b>Total</b>	<b>100%</b>

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

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

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

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

# Collection Fund

## Collection Fund Note 8

## Council Tax for all Precepting Bodies 2023/24

Precepting Bodies	2022/23	Change	2023/24							
	Band D		Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£		£	£	£	£	£	£	£	£
Rosendale	290.80	2.99%	199.66	232.94	266.21	299.49	366.04	432.60	499.15	598.00
LCC	1,334.53	1.99%	909.77	1,061.40	1,213.03	1,364.66	1,667.92	1,971.18	2,274.43	2,729.00
LCC - Adult Social Ca	179.76	2.00%	140.03	163.37	186.71	210.05	256.73	303.41	350.08	420.00
Fire	77.27	6.47%	54.85	63.99	73.13	82.27	100.55	118.83	137.12	164.00
Police	236.45	6.34%	167.63	195.57	223.51	251.45	307.33	363.21	419.08	502.00
<b>Total (excl parish)</b>	<b>2,118.81</b>	<b>4.21%</b>	<b>1,471.94</b>	<b>1,717.27</b>	<b>1,962.59</b>	<b>2,207.92</b>	<b>2,698.57</b>	<b>3,189.23</b>	<b>3,679.86</b>	<b>4,415.00</b>
Whitworth Parish	26.87	1.00%	18.09	21.11	24.12	27.14	33.17	39.20	45.23	54.00
<b>Total (incl parish)</b>	<b>2,145.68</b>	<b>4.17%</b>	<b>1,490.03</b>	<b>1,738.38</b>	<b>1,986.71</b>	<b>2,235.06</b>	<b>2,731.74</b>	<b>3,228.43</b>	<b>3,725.09</b>	<b>4,470.00</b>

# Glossary

**Accounting Policies** - The rules and practices adopted that determine how transactions and other events are reflected in financial statements

**Accruals** - The concept is that income is recorded when it is earned rather than when it is received and expenses are recorded when goods or services are received rather than when the payment is made.

**Agency Services** - Services provided by the Council, as an agent on behalf of the responsible body, where the principal reimburses the Council for the cost of the work carried out.

**Auditor's Opinion** - The opinion required by statute from the Council's external auditors, indicating whether the statement of accounts presents a true and fair view of the financial position of the authority.

**Budget** - A statement of the Council's spending plans for revenue and capital expenditure over a specified period of time.

**Business Rates** - From the 1<sup>st</sup> April 2013 non-domestic rates, or Business Rates, were localised. In the past all business rates were collected locally but then paid over to central government and each authority was paid a share of the national pool based upon their population and circumstances.

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

**Capital expenditure** - Spending on the acquisition or maintenance of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. Expenditure that does not fall within the definition must be charged to a revenue account.

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

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

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

**Capital Receipts** - Proceeds from the sale of fixed assets, such as land or buildings, or the repayment of capital grants or advances.



# Glossary

**Chartered Institute of Public Finance and Accountancy (CIPFA)** - CIPFA is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public sector. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy, namely local government.

**Code of Practice on Local Authority Accounting (the Code)** - The Code incorporates guidance in line with International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS). It sets out the proper accounting practice to be adopted for the statement of accounts to ensure they give a 'true and fair' view of the financial position, financial performance and cash flows of the Council.

**Collection Fund** - The Collection Fund is a separate statutory fund which Billing Authorities have to maintain. It shows the transactions in relation to collection from taxpayers of National Non-Domestic Rates and the Council Tax, and illustrates the way in which these have been distributed to Precepting Authorities and the General Fund.

**Collection Fund Adjustment Account** - Holds that portion of the Collection Fund cumulative balance attributable solely to Rosendale Borough Council.

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

**Department for Levelling Up, Housing and Communities (DLUHC)** - The Department for Levelling Up, Housing and Communities, formerly the Ministry for Housing, Communities and Local Government, is the Government department responsible for housing, communities, local government in England and the levelling up policy

**Creditor** - An amount owed by the Council for goods received, or services rendered to it within the accounting period, but for which payment has not been made.

**Debtor** - An amount of income due to the Council within the accounting period but not received at the balance sheet date.

**Deferred Capital Receipts** - Capital receipts to be received by instalments over agreed periods of time.

**Depreciation** - The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

**DWP** - The Department of Work and Pensions funds the Housing and Council Tax Benefits payable to borough residents and also funds the administration of those benefits.

**Earmarked Reserves** – The Council holds a number of reserves earmarked to be used to meet specific, known or predicted future expenditure.

**Events after the Balance Sheet Date** - These are events, favourable or adverse, that occur between the Balance Sheet date and the date when the Statement of Accounts are authorised for issue.

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

# Glossary

**Fair Value** – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Financial instruments** - Financial instruments are cash, evidence of an ownership interest in an entity, or a contractual right to receive, or deliver, cash or another financial instrument. Financial instruments can refer to both receivables (including debtors and other investments) and payables (including creditors and other liabilities or borrowings).

**General Fund** - This is the main revenue account of the Council covering day to day spending on services other than the provision of housing. Credited to the fund are charges made by the Council, specific Government and other grants and receipts from the Collection Fund.

**Governance Framework** - Authorities have a responsibility to ensure that their 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. The governance framework comprises the systems and processes, and culture and values by which the Council is directed and controlled and its activities through which it accounts to and engages with and leads the community. The principles of this framework were laid down by the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government.

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

**Heritage Assets** - These assets are held due to their historical, artistic, scientific, technological, geophysical or environmental qualities. They are intended to be preserved in trust for future generations, which are held and maintained for its contribution to knowledge and culture.

**Impairment** - A measure of abnormal consumption of the economic benefit of an asset over and above the normal annual depreciation.

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

**Intangible Assets** - Intangible assets are non-financial assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights, such as software. Intangible assets are capitalised at cost and depreciated to the revenue account over their useful economic life.

**Internal Borrowing** - Whilst capital resources cannot be used to fund revenue works, revenue reserves can be used to support the costs of capital projects, either permanently, or temporarily. Temporary revenue funding is known as Internal Borrowing and these funds are repaid over the life of the asset in a process called the Minimum Revenue Provision (MRP). When the Council has the revenue reserves to do this it is usually a cheaper option than external borrowing.

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

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

# Glossary

**Loans outstanding** - The total amounts borrowed from external lenders for capital and temporary revenue purposes but not repaid at the balance sheet date.

**Materiality** - Materiality is a concept within auditing and accounting relating to the importance of an amount, transaction, or discrepancy. Information is material if its omission or misstatement could influence the economic decision of users taken on the basis of the financial statements and depends on the size of the item or the particular circumstances of its omission or misstatement.

**Minimum Revenue Provision (MRP)** - MRP is the minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

**National non-domestic rates (NNDR)** – NNDR is a tax levied on business properties and sometimes known as Business Rates. This tax is set nationally by the Government. Sums based on rateable values are collected by billing authorities and shared between major preceptors.

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

**Net Debt** - The authority's borrowings less cash and liquid resources. Where cash and liquid resources exceed borrowings, reference is made to net funds rather than net debt.

**Operational assets** - Assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

**Precept** - The levy made by precepting authorities on billing authorities, requiring the latter to collect income from Council Tax payers on their behalf, for example Lancashire County Council is a precepting authority which requires Rosendale Borough Council to collect an amount from each householder within the borough.

**Prior Period Adjustment** - Prior period adjustments are material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

**Provision** - An amount set aside in the accounts for liabilities which are likely or certain to be incurred but the exact amount and dates are not currently known.

**Public Works Loan Board (PWLB)** - An arm of Central Government which is the major provider of loans to finance long term funding requirements for Local Authorities

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

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



## Glossary

**Reserve** - Amounts set aside in one year's accounts which can be spent in later years. Reserves are often earmarked for specific purposes, including the financing of future capital expenditure, replacement or renewals and the funding of future defined Council initiatives.

**Revenue Expenditure** - Spending on day-to-day items including employees' pay, premises costs and supplies and services.

**Revenue Expenditure Funded from Capital under Statute (REFCUS)** - Expenditure that does not result in creation of a non-current asset, but can be classified as capital for funding purposes. Such expenditure is charged to the Comprehensive Income and Expenditure Statement and an adjustment made in the Movement in Reserves Statement to enable the expenditure to be funded from capital resources rather than impact on the Council Tax. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.

### Abbreviations used within the Statement of Accounts

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

**CPI** Consumer Price Index

**DWP** Department for Work and Pensions

**FRS** Financial Reporting Standard

**GAAP** Generally Accepted Accounting Principles

**DLUHC** Department for Levelling Up Housing and Communities

**IAS** International Accounting Standards

**IFRIC** International Financial Reporting Interpretations Committee

**IFRS** International Financial Reporting Standards **IPSAS** International Public Sector Accounting Standards

**LASAAC** Local Authority Accounts Advisory Committee

**LGPS** Local Government Pension Scheme **NDR** Non-Domestic Rates

**PSAA** Public Sector Audit Appointments

**PWLB** Public Works Loan Board

**RSG** Revenue Support Grant

**SeRCOP** Service Reporting Code of Practice

**SSAP** Statements of Standard Accounting Practice

**TMPs** Treasury Management Practices



# Examples of Bank Reconciliation Sign Off

## October 24

		2023/24 carried forward	Difference	
Payment Adjs from Non-Chq Rec	Non cheque items (not/over scheduled)	194,626.34	9,050.00	203,676.34
	Unpresented Cheques	350.00	250.00	100.00
	Cancelled cheques not scheduled	-	-	-
	RLT Payments (outstanding/overpaid)	-	-	-
	CLAW Payments (outstanding/overpaid)	-	-	-
Payment Adjs from Payroll Rec	Payroll payments not scheduled	0.00	-	0.00
Income Adjs from Bank Credits Rec	Bank Credits not receipted (Individual Debits in Bank)	88,951.93	-	88,951.93
	Bank Tapes not journalled into GL, but receipted	-	-	-
	DD Aug 23 - Over collection	1,242.17	-	1,242.17
	Lloyds interest receipted above but not transferred yet	-	-	-
	Handiesbank interest receipted above but not transferred yet	-	-	-
	SIBA Interest included in resources below but not receipted yet	25,239.49	-	25,239.49
	OS Debits/Credits	12,193.31	9,300.00	21,493.31
Income Adjs from Cash Banked Rec	Cash received not yet banked (Credit/Debit payments)	94,560.88	-	94,560.88
	Returned Cheques not actioned	874.30	0.00	874.30
Income Adjs from Allpay Rec	AllPay not receipted	28.19	-	28.19
	C & D Difference /Debtors above	6,731.72	-	6,731.72
	AllPay Credit not banked	38,718.14	-	38,718.14
	Transfer From/ (To) - Short Term Investments - AE030101	-	-	-
		196,453.47	0.00	196,453.47
				2,403,542.67
CASH AT BANKS	NatWest 25503391			10,000.00
	Transf (to)/from Short-term Investments			1,000,000.00
	NatWest SIBA 60034545			1,393,542.67
				2,403,542.67
	Current Imbalance			895.22
	Non Chq Items bfwd			895.22
	Allpay Items bfwd			0.00
Signed by	<i>S Cooper</i>	Date	29/10/24	

## November 24

		2023/24 carried forward	Difference	
Payment Adjs from Non-Chq Rec	Non cheque items (not/over scheduled)	194,626.34	9,050.00	203,676.34
	Unpresented Cheques	350.00	250.00	100.00
	Cancelled cheques not scheduled	-	-	-
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	NatWest SIBA 60034545			1,393,542.67
				2,403,542.67
	Current Imbalance			895.22
	Non Chq Items bfwd			895.22
	Allpay Items bfwd			0.00
Signed by	<i>S Cooper</i>	Date	10/11/25	

## December 24

		2023/24 carried forward	Difference	
Payment Adjs from Non-Chq Rec	Non cheque items (not/over scheduled)	194,626.34	9,050.00	203,676.34
	Unpresented Cheques	350.00	250.00	100.00
	Cancelled cheques not scheduled	-	-	-
	RLT Payments (outstanding/overpaid)	-	-	-
	CLAW Payments (outstanding/overpaid)	-	-	-
Payment Adjs from Payroll Rec	Payroll payments not scheduled	0.00	-	0.00
Income Adjs from Bank Credits Rec	Bank Credits not receipted (Individual Debits in Bank)	88,951.93	-	88,951.93
	Bank Tapes not journalled into GL, but receipted	-	-	-
	DD Aug 23 - Over collection	1,242.17	-	1,242.17
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	Non Chq Items bfwd			895.22
	Allpay Items bfwd			0.00
Signed by	<i>S Cooper</i>	Date	24/11/25	

<b>Subject:</b>	Corporate Risk Register Update Quarter 3 2024/25 (October, November, December)	<b>Status:</b>	For Publication
<b>Report to:</b>	Audit and Accounts Committee	<b>Date:</b>	24 <sup>th</sup> February 2024
<b>Report of:</b>	Head of Finance	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	Attached:	No
<b>Biodiversity Impact Assessment:</b>	Required: No	Attached:	No
<b>Contact Officer:</b>	Kimberly Haworth	<b>Telephone:</b>	01706 212467
<b>Email:</b>	kimberlyhaworth@rossendalebc.gov.uk		

## 1. RECOMMENDATIONS

- 1.1 That the Audit and Accounts Committee note the Council's Corporate Risk Register as detailed in this report.
- 1.2 That members note the risk consequence, mitigation action and level of risk as detailed in Appendix 1.

## 2. EXECUTIVE SUMMARY

- 2.1
  - The Quarter 3 (Q3) Corporate Risks Register Update is reporting for months October, November, and December 2024.
  - The report includes updates for the Council's 10 Corporate Risks.
  - Overall, the Council's performance is strong but the financial pressures for the Rossendale Leisure Trust and the Council are creating cost pressures which the Council must continue to robustly monitor closely as the financial year progresses.
  - The report concluded 2 Corporate Risks rated as 'red' on the RAG status.

## 3. BACKGROUND

- 3.1 The Council details its approach to managing risk in its Risk Management Strategy. This was updated in March 2016.
- 3.2 The strategy details the Council's risk monitoring and reporting framework. The Council has identified 10 Corporate Risks and these are monitored via the quarterly performance management reporting schedule using a RAG rating dashboard to report the risk status. These are reported to both the Overview and Scrutiny Committee and Cabinet.
- 3.3 If a potential issue was identified during the periodic monitoring of the risk, the responsible officer would be required to identify the risk and note the actions needed to mitigate the level of risk.

## 4. DETAILS

- 4.1 The Council has reviewed and continues to monitor the Corporate Risk Register.
- 4.2 The Council's Corporate Risks are categorised at the end of Q3 as follows:

	Quarter 3 2024/25
Low	2
Medium	6
High	2

4.3	Corporate Risk 1	Likelihood	Impact	Overall	Status
	Stability of the Medium Term Financial Strategy	B	1	B2	RED

The Council is in the process of finalising its budget to more effectively deploy expenditure and align resources to meet organisation need for the 2025/26 budget and the 3 following years. It also continues to monitor the likelihood of positive commercial activity and progress these as necessary ensuring the impacts are reflected prudently and noted within the Medium-Term Financial Strategy updates. This is particularly the case toward years 3 and 4 of the draft strategy which is subject to approval at Full Council on 5th March 2025. There is also further commercial income due to become available by the end of the decade which is just beyond the current forecasting horizon.

Uncertainty around the national funding picture remains, however as part of the Governments Local Government Finance Policy Statement published in December 2024 there is promise of a multi-year settlement, with more directed funding towards authorities with lower ability to drive growth from their tax base. Given this uncertainty and the work that needs to be done to secure commercial income, the risk will remain at its current evaluated level.

4.4	Corporate Risk 9	Likelihood	Impact	Overall	Status
	Financial Sustainability of Council Owned Leisure Assets	A	2	A2	RED

We have engaged with the management of Rossendale Leisure Trust (RLT) and have obtained further segmented detail from RLT's Q2 performance and have requested more forward-looking information from Q3 onwards and at the time of publication the Q3 figures are not available. The Q2 performance demonstrated a slight surplus, although the activity needs to remain under review to ensure there is a clear route to a sustainable business model with provision to pay down the existing debt out of operating cash flows.

The Council is in the process of setting up a meeting between members and RLT Board to clarify the requirements of the Council. From this, the RLT will need to provide a revised corporate strategy and multiyear business plan/Medium Term Financial Strategy to demonstrate how the Council's aims can be achieved. This will need to be in accordance with desired leisure/health outcomes. Until this is developed and deployed the risk will remain as currently evaluated.

## 5. RISK

5.1 The Council's Corporate Risk Register continues to be monitored by the Corporate Management Team on a regular basis.

## 6. FINANCE

6.1 Financial implications and risks arising are identified within this report.

## 7. LEGAL

7.1 There are no immediate legal considerations attached to the recommendations within this report.

**8. POLICY AND EQUALITIES IMPLICATIONS**

8.1 Effective risk management is very important to the council, and the council is committed to improving on an on-going basis how it manages and mitigates risk. A very important part of this process is robust and transparent scrutiny and taking timely, corrective action to improve risk management.

**9. REASON FOR DECISION**

9.1 The Corporate Risk Register is dynamic. The updates to the risks demonstrate active mitigation of the existing risks. The Committee will want to explore the implications of each corporate risk in the appendices.

<b>Background Papers</b>	
Q3 Corporate Risk Register	Appendix 1

# The Council's Risk Matrix

<b>Likelihood</b>	<b>A</b>					
	<b>B</b>					
	<b>C</b>					
	<b>D</b>					
	<b>E</b>					
	<b>F</b>					
		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
	<b>Impact</b>					

**Likelihood**

How likely is it that the risk may occur (rated A-F, A being the most likely)

**Impact**

How serious might the consequences of the impact be (rated 1-5, 1 being the highest consequence). Therefore, a risk rated A1 is the highest risk rating and a risk of F5 is the lowest risk rating.

Risk RAG (Red, Amber and Green) rating status indicators	
Risk Status	Status description
<b>GREEN</b>	The likelihood and impact of the risk is low
<b>AMBER</b>	The likelihood and impact of the risk is medium
<b>RED</b>	The likelihood and impact of the risk is high

**Description**

The Council’s latest Medium Term Financial Strategy update indicates an underlying funding gap of c£600k per annum from 2023/24 onwards. The Council must take appropriate action in order to balance its annual expenditure against its available annual income and other revenue resources. The Council has a legal obligation to publish an annual balanced budget; this means its budget expenditure must equal its available income and any available reserves. Council reserves are limited and equate to only circa 3 years given the anticipated funding gap. Therefore, additional income must be identified or annual costs reduced in future years. The current cost of living crisis may also add to the pressure on the Medium Term Financial Strategy through pay award, utility costs, contract inflation and Council Tax/NNDR collection rates.

**Risk Consequence**

If the Council is not able to prepare a balanced budget there would be legal ramifications, but would ultimately impact on the level of services the Council is able to deliver to Rossendale residents and would result in major reputational damage.

<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>B</b>	<b>2</b>	<b>B2</b>	<b>RED</b>

**Mitigation**

The Medium Term Financial Strategy does not indicate a significant narrowing of the gap in the next four years. New income generating opportunities will need to be identified to generate additional revenue, along with improved efficiency and effectiveness of service delivery. Departments across the council will need to be challenged to become more effective.

<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>C</b>	<b>2</b>	<b>C2</b>	<b>AMBER</b>

**Q3 Update**

The Council is in the process of finalising its budget in collaboration with budget holders to more effectively deploy expenditure and align resources to meet business need for the 2025/26 budget and the 3 following years. It also continues to monitor the likelihood of positive commercial activity and progress these as necessary ensuring the impacts are reflected prudently and noted within the Medium-Term Financial Strategy updates. This is particularly the case toward years 3 and 4 of the draft strategy which is subject to approval at Full Council on 5th March 2025. There is also further commercial income due to become available by the end of the decade which is just beyond the current forecasting horizon.

Uncertainty around the national funding picture remains, however as part of the Governments Local Government Finance Policy Statement published in December 2024 there is promise of a multi-year settlement, with more directed funding towards authorities with lower ability to drive growth from their tax base. Given this uncertainty and the work that needs to be done to secure commercial income, the risk will remain at its current evaluated level.

<b>Q3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>B</b>	<b>2</b>	<b>B2</b>	<b>RED</b>

**Description**  
 The Council has statutory duties under the Civil Contingencies Act (2004) and to carry out emergency planning and business continuity management activities to minimise the impact of a civil emergency or business interruption on people living, working and visiting the borough.

**Risk Consequence**  
 Failure to have robust contingency plans in place could result in the failure to deliver Council services, such as, the collection of residential and trade waste, burial services and payment of suppliers and benefits.

<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	1	C1	AMBER

**Mitigation**  
 A robust Council Emergency and Business Continuity Plan is in place. Service continuity plans are updated and tested regularly through a quarterly Emergency Planning meeting. The plans are embedded with the Corporate Management Team as critical working documents to support the continued delivery of essential council services. All managers have a copy of the overall plan and their service plan and keep them under review. The Council is a member of Lancashire County Council Local Resilience Forum. Officers attend meetings and undertake regular training exercises. The council plans are available on the Resilience Direct website. Mutual aid agreements are in place with all Local Authorities across Lancashire.

<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	2	C2	AMBER

**Q3 Update**  
 The Emergency Plan, Flood Plan and other emergency plans are maintained and are available to the internal Emergency Planning Team to aid any emergency response required. The Emergency Planning Team meets quarterly to stay appraised of current issues relating to response and business continuity, the last meeting being in October 2024. Internal communications are assisted by a WhatsApp group, which enables effective communication of key messages to the internal Emergency Planning team and arrangement of emergency communication with the public.  
 Officers take part in the monthly testing of the Emergency Radio Area Link Network and the ATHOC automatic alerting system, to enable effective response and communications in the event of an emergency. Officers continue to attend relevant Lancashire Resilience Forum meetings and flood prevention meetings to ensure that the Council’s emergency planning activities are co-ordinated with the rest of Lancashire.

<b>Q3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	1	C1	AMBER

**Risk 3 – Incident resulting in Death or Serious Injury or HSE Investigation**

**Responsible Officer - Clare Law**

**Description**

Under the Health and Safety at Work Act (1974), the Council has a duty of care towards the health, safety and wellbeing of its employees and others who may be affected by our work. In the event of a RIDDOR reportable accident, there is a risk of a Health and Safety Executive investigation and potential for a civil claim for damages.

**Risk Consequence**

Failure to comply with current legislation and demonstrate compliance may result in harm to staff and others, financial loss and enforcement action.

**Initial risk assessment RAG status (without mitigation)**

Likelihood	Impact	Overall Risk	Status
D	2	D2	AMBER

**Mitigation**

The Council has health and safety policies and procedures including a Health and Safety Incident Reporting Procedure in place along with a safe working culture. Actions need to be completed to address and implement a consistent approach across the Council in order to secure compliance.

**Risk assessment RAG status (after mitigation)**

Likelihood	Impact	Overall Risk	Status
E	2	E2	GREEN

**Q3 Update**

Work has continued to implement the Health and Safety action plan. An annual review to assess progress will be undertaken during Q4. There is still a delay on implementing risk management systems throughout the organisation, which will be undertaken when the revised Risk Management Strategy is agreed. A draft Wellbeing Strategy has been developed and work will continue to progress this to implementation.

A consultation on the Drugs and Alcohol policy was undertaken during Q3. The updated policy will aim to increase safety and promote staff health.

The annual target for incident reporting was achieved during Q3 and incidents are investigated, appropriate action is taken and any learning shared with relevant staff. Officers continue to support health and safety in work activities and construction projects and regularly liaise with the pan-Lancashire Safety Officers Group to ensure sharing of knowledge and information.

**Q3 risk assessment RAG status (current)**

Likelihood	Impact	Overall Risk	Status
D	2	D2	AMBER



**Risk 4 – Changes to Government policy on the delivery of the Council’s services**

Responsible Officer - Rob Huntington

**Description**

Like all local authorities the Council is a statutory body that is subject to changes being consulted upon and or implemented by central government that might affect how we operate and serve our residents/businesses.

**Risk Consequence**

The risk that the Council fails to react and be prepared for any changes being proposed or implemented by central government.

**Initial risk assessment RAG status (without mitigation)**

Likelihood	Impact	Overall Risk	Status
E	2	E2	GREEN

**Mitigation**

The Council is a member of the Local Government Association and District Councils Network who keep us informed of government policy and consultations and lobby on behalf of councils to mitigate the impact of any change. The Council is also signed up to receive daily emails from Local Government Information Unit who provide daily government news and other Local Government Information Unit policy briefings. The Chief Executive and Leader of the Council meets regularly with our two MPs. The Council’s Corporate Management Team monitor and assess government’s position on funding to be distributed to local authorities and other Government announcements that impact funding.

**Risk assessment RAG status (after mitigation)**

Likelihood	Impact	Overall Risk	Status
E	2	E2	GREEN

**Q3 Update**

The Council is a member of both the Local Government Association and District Councils Network. The Policy and Performance Officer receives regular policy bulletins and updates in relation to legislation and government departments and completes a weekly horizon scanning exercise which is shared to the Senior Leadership Team and cascaded to officers where relevant.

‘Horizon Scanning and Policy’ is an agenda item on the Corporate Management Team’s weekly meeting to promote ongoing discussions in relation to recent announcements, funding opportunities and other relevant information from government departments, to determine if any action required is required. Staff attend various webinars and meetings in relation to their service area and the Chief Executive regularly attends the North West Chief Executive, and Lancashire Chief Executive meetings, both having representation from the Local Government Association.

**Q3 risk assessment RAG status (current)**

Likelihood	Impact	Overall Risk	Status
E	2	E2	GREEN

**Risk 5 – Sustainable Workforce**

**Responsible Officer - Clare Law**

**Description**

There is a requirement to have a sustainable workforce to deliver the Council services to residents and customers.

**Risk Consequence**

Failure to have a fully resourced, trained staff could result in the failure to deliver statutory and non-statutory service in a safe and professional manner to residents and customers.

**Initial risk assessment RAG status (without mitigation)**

Likelihood	Impact	Overall Risk	Status
D	3	D3	AMBER

**Mitigation**

The Council has robust HR policies and procedures, an agreed Authorised Establishment, performance management framework and Service Area Business Continuity Plans in place to mitigate any staffing challenges such as loss of staff due to the impact of an epidemic or pandemic. HR will work with managers to develop workforce succession planning. The Council provides an attractive benefit package including final pension scheme, flexible working, generous annual leave, a purchase leave scheme, free onsite parking, family friendly policies, discounted gym memberships and a cycle scheme to attract and retain staff.

**Risk assessment RAG status (after mitigation)**

Likelihood	Impact	Overall Risk	Status
E	3	E3	GREEN

**Q3 Update**

During Q3, there has been a reduction in the number of employee leavers; two employees retired, one employee resigned for a shorter commute, two employees voluntarily resigned and one employee resigns following sickness absence. No patterns or concerns have been highlighted through the exit interview process. Recruitment to ‘hard to recruit’ posts including Mechanics, Planners, Environmental Health, and Finance Officers continues to be challenging.

The level of sickness absence has slightly increased during Q3, however, has reduced when compared to the Q3 2023-24 performance (10.38 days per FTE). Four employees were absent due to long term sickness during Q3, equating to 2.39 days per FTE. Three long term absences were as a result of stress/anxiety and depression and one due to a long-term other musculo-skeletal condition. Absences are being managed under the Council’s Absence Management Policy. Two employees have now returned to work and one employee has resigned.

The main reason for short term sickness absence (1.35 days per FTE) is infections, colds, and flu. Flu jabs have been offered to all staff to mitigate further absences during the colder months.

**Q3 risk assessment RAG status (current)**

Likelihood	Impact	Overall Risk	Status
B	4	B4	AMBER

**Risk 6 – Insufficient data and cyber security**

**Responsible Officer - Andrew Buckle**

**Description**

Cyber security presents one of the most challenging areas for both the public and private sectors. With the proliferation and severity of attacks constantly increasing this represents a major threat.

**Risk Consequence**

Cyber-attack resulting in a complete loss of all systems coupled with malware being spread across the entire network. Data breach resulting in information loss causing reputational damage and resulting in a financial penalty due to non-compliance with statutory requirements such as General Data Protection Regulation, Payment Card Industry Data Security.

**Initial risk assessment RAG status (without mitigation)**

Likelihood	Impact	Overall Risk	Status
C	1	C1	AMBER

**Mitigation**

To protect against a data breach the Council, host all council data in Tier 3 Data Centres located in different geographical regions and are backed up daily. The Council’s Data Centres hold the following accreditations: ISO27001:2013 and the Payment Card Industry Data Security. The Council adopts a Risk Insight approach to determine the threat Landscape and more importantly its evolution. The Council has received notification of meeting the Public Services Network which means the Councils’ infrastructure met all the security requirements to allow connection to the Public Services Network. A cyber security training is to be provided for all staff.

**Risk assessment RAG status (after mitigation)**

Likelihood	Impact	Overall Risk	Status
D	1	D1	AMBER

**Q3 Update**

Nationally, there has been a number of targeted cyber-attacks against high-risk individuals, attempting to gain access to their accounts and devices. This resulting in the theft and publication of sensitive information, which can also cause reputational damage.

As part of the Council’s security approach and continual development a number of activities have been delivered to test and monitor our approach. An email phishing exercise has been conducted on all Councillors and work has commenced in preparation for the Public Services Network security audit.

A Memorandum of Understanding has been submitted to the Department for Working Pensions following the review of all data sources and legal gateways. Encryption costs have been obtained to meet the prescribed requirement.

**Q3 risk assessment RAG status (current)**

Likelihood	Impact	Overall Risk	Status
D	1	D1	AMBER

**Risk 7 – Poor communications and public relations**

Responsible Officer - Clare Law

**Description**

Good communication and public relations is essential to inform, maintain and develop relationships with residents, customers and partners to provide effective and efficient Council services.

**Risk Consequence**

Failure to communicate and respond to issues as they develop and inadequately or inappropriately communicating could lead to a major loss of reputation for the Council on a local, regional and national level. A loss of reputation can damage staff morale, trust between the Council and residents and impair the relationship between the Council and its partners meaning projects and services delivery is damaged.

**Initial risk assessment RAG status (without mitigation)**

Likelihood	Impact	Overall Risk	Status
B	1	B1	RED

**Mitigation**

Communication methods are in place to support face to face, mail or electronic communications with a developed website and social media channels to provide 24/7 communication service. The Council has an experienced public relation and communications function to support officers to deal with communications in a timely manner and promote the work of the Council.

**Risk assessment RAG status (after mitigation)**

Likelihood	Impact	Overall Risk	Status
D	1	D1	AMBER

**Q3 Update**

In partnership with Viva PR, the Council continues to deliver communications via the Council’s website, social media platforms, and media releases. During Q3, 18 positive press releases were issued to help promote the Council externally.

‘Communications’ is a standing agenda item on the Corporate Management Team’s weekly meeting to discuss any risks and/or controversial topics that may impact the Council’s reputation. During Q3, there has been an increase in negative engagement on the Council’s social media platforms relating to the re-development of markets and improvements to the gyratory and waste transfer station.

The Council successfully managed a peaceful protest in response to the proposed improvements to the Henrietta Street Waste Transfer Station. A FAQ document was published on the Council’s website to mitigate any misinformation and to promote transparency in the Council’s plans. The Council will continue to work in partnership with Lancashire County Council to provide regular updates on the Rawtenstall Gyratory works to ensure residents remain informed about the projects’ progress and any potential delays and/or disruptions.

**Q3 risk assessment RAG status (current)**

Likelihood	Impact	Overall Risk	Status
C	4	C4	AMBER

**Risk 8 – Non – Delivery of Corporate Programmes**

**Responsible Officer - Rob Huntington**

**Description**

The Council has agreed the 6 corporate programmes for 2023/24 to support the delivery of Corporate Plan.

**Risk Consequence**

Failure to deliver the corporate programmes would have a detrimental impact on the delivery of the Council’s Valley Plan 2021-25, Our Place, Our Plan, and result in a reputational risk to the Council’s commitment to the residents. The failure to deliver the corporate programmes could potentially have a negative impact on the council’s revenue budgets (by failure to deliver income generating projects) and delivery of the medium term financial strategy, and the associated economic and social benefits may not be realised.

<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	2	C2	AMBER

**Mitigation**

Each corporate project has a Project Sponsor (member of the Corporate Management Team), a Project Manager and Finance Officer. Each corporate programme will have a robust project plan and live risk register. The Programme Sponsor will be responsible for the strategic overview of the corporate programme, and the Programme Manager will be responsible for the day-to-day management of the corporate programme. The Council’s Programme Board meets quarterly to review the progress of the corporate programmes. The Programme Sponsor will be responsible for highlighting any concerns to the Corporate Management Team throughout the life of the corporate programme.

<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	E	2	E2	GREEN

**Q3 Update**

A revised programme to support the delivery of the Valley Plan 2021-25 (Our Place, Our Plan) has been embedded. The Programme Board now reports on the Council’s six overarching programmes, individual projects are monitored at an operational level. The Corporate Management Team, Programme Sponsors and the Policy and Performance Officer attend Programme Board on a quarterly basis. Programme Managers are invited by exception if required by the Programme Sponsor.

The previous meeting was held on 25<sup>th</sup> November 2024. The ‘Town Centre Regeneration’ programme was reported in the 'red' RAG status due to budget and timescale risks. These risks were monitored regularly, with any issues are reported to the weekly Corporate Management Team meeting.

<b>Q3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	E	2	E2	GREEN

**Description**

National lockdowns due to Covid-19 resulted in Council owned leisure facilities closing for extended periods. During closure no income was received and outside of lockdown periods, income was significantly reduced. The cost of living crisis will have a significant negative impact on utility and salary costs for the Trust. This has impacted the financial sustainability of the Trust.

**Risk Consequence**

If the Council owned leisure assets are to be sustained in the longer term, the operators of the facilities have little recourse to additional funding to survive other than through the Council. This financial impact was managed in 2021/22 through additional government grants and Council support, however the real impact is likely to be felt in 2022/23, 2023/24 and continues in 2024/25.

<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	A	2	A2	RED

**Mitigation**

A report on the impact of all facilities has been produced by KKP and recommendations to minimise impact have been implemented. Senior Council officers are attending the Trust Board to ensure we work together to minimise costs and an intensive monitoring process is in place. Funding through a Covid-19 specific Sport England Fund has been received though this is limited in its amount and did not cover retrospective losses. Constant monitoring of future business plans and work in partnership to maximise income and reduce costs continues.

<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	A	2	A2	RED

**Q3 Update**

We have engaged with the management of Rossendale Leisure Trust (RLT) and have obtained further segmented detail from RLT’s Q2 performance and have requested more forward-looking information from Q3 onwards, at the time of publication the Q3 figures are not yet available. The Q2 performance demonstrated a slight surplus, although the activity needs to remain under review to ensure there is a clear route to a sustainable business model with provision to pay down the existing debt out of operating cash flows.

The Council is in the process of setting up a meeting between members and RLT Board to clarify the requirements of the Council. From this, the RLT will need to provide a revised corporate strategy and multiyear business plan/Medium Term Financial Strategy to demonstrate how the Council’s aims can be achieved. This will need to be in accordance with desired leisure/health outcomes. Until this is developed and deployed the risk will remain as currently evaluated.

<b>Q3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	A	2	A2	RED

**Description**

There is an over reliance on short-term contracted staff to support the Council’s Economic Development provision and project delivery.

**Risk Consequence**

Failure to have sufficient resources to effectively manage the Council’s ongoing projects and capital programme. This leading to late or non-delivery of projects, cost overruns and/or inappropriate spend against external funder conditions. As well as resulting in poor outcomes for the borough and non-delivery of Council priorities.

<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	B	2	B2	RED

**Mitigation**

The Council has a single source collaborative plan review document which will be updated and actioned on a monthly basis. A permanent resource requirement is being assessed for the Economic Development team and will feed into the budget setting process for 2025-26. On the assumption that this is accepted, recruitment of permanent, qualified staff will support delivery.

<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	E	4	E4	GREEN

**Q3 Update**

During Q3, staff were consulted on a proposed structure for the Economic Development Team. This will continue throughout Q4.

<b>Q3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	3	C3	AMBER

<b>Subject:</b>	Empty Homes Scheme Update	<b>Status:</b>	For Publication
<b>Report to:</b>	Audit & Accounts Committee	<b>Date:</b>	24 February 2025
<b>Report of:</b>	Head of Financial Services	<b>Lead Member:</b>	Leader of the Council
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	Yes/No	Attached: Yes/No
<b>Biodiversity Impact Assessment:</b>	Required:	Yes/No	Attached: Yes/No
<b>Contact Officer:</b>	Rob Huntington	<b>Telephone:</b>	01706 252409
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## 1. RECOMMENDATION

1.1 That Committee notes the update on the Empty Homes Scheme and actions taken.

## 2. EXECUTIVE SUMMARY

- Rossendale Borough Council was responsible for administering the Pennine Lancashire Empty Homes Scheme on behalf of itself and other local authorities across East Lancashire.
- Leases on the properties were signed for up to 10 years, with most leases due for termination in December 2024.
- As at February 2025, all 474 properties remaining on the scheme have been returned to their owners.
- Benefits of the scheme have included the Council developing good working relationships with private landlords, housing teams in other local authorities and local housing associations, essential when tackling the current housing crisis.
- In addition, hundreds of families have had a place they could call home for several years, some for the full 10 years of the scheme.
- The scheme was successful in housing families who may otherwise have been homeless due to their personal circumstances as it eliminated many of the barriers often in place in the private rental market and the social housing market.
- The final cost of the scheme was £10.562m consisting of £6.580m revenue and £3.982m capital costs.

## 3. BACKGROUND

3.1 On 14 November 2012 the Council entered into a consortium agreement with the Homes & Communities Agency (HCA), to deliver a housing purchase and repair scheme. The aim of the scheme was to bring empty properties back into use across East Lancashire. It was agreed with the HCA that the Council would act as an accountable body for five East Lancashire councils: Rossendale, Pendle, Burnley, Blackburn and Hyndburn.

3.2 For all other background information on the scheme please refer to the reports referenced at the end of this report.

## 4. THE LAST YEAR

4.1 During the last year, managing the scheme has continued to be complex, challenging and rewarding. As properties became empty, negotiations to return these properties to the owners by mutual consent were carried out. Between November 2023 and January 2025, 58 properties exited the scheme.



- 4.2 Ensuring properties met the Decent Homes Standard to let (or to repair damage caused by current tenants) continued to be a key focus in the scheme and on occasion, significant end-of-lease repairs were encountered to bring the properties up to this required standard. The overall cost of repair and refurbishment illustrated the scale of repair works that continued throughout the life of the scheme.
- 4.3 As more leases came to an end, in some cases the ‘vacant possession clause’ in the lease on some occasions proved problematic where sitting tenants remained. To address this issue, and following specialist legal advice, each property was individually assessed to determine the best course of action. The first principle was always to negotiate with owners to accept sitting tenants at lease end, however they did not always agree. As a result, officers worked closely with neighbouring authorities and with owners to reach mutual agreements. This was important as until local authorities granted a tenant ‘Band 1’ status, tenants were incredibly unlikely to be offered any alternative social accommodation.
- 4.4 The Council would like to thank and acknowledge Calico and other management agents for their continued role. Their efforts over the term of the scheme are greatly appreciated.
- 4.5 Cabinet has received quarterly updates on the progress of the scheme. Regular project team meetings took place and the Chief Executive is the Project Sponsor (formerly the Chief Finance Officer) to oversee the project.

## 5. SCHEME OUTCOMES

- 5.1 It is considered important at the scheme end to highlight the impact it has had on tenants across East Lancashire. The scheme was successful in housing families who may otherwise have been homeless due to their personal circumstances as it eliminated many of the barriers often in place in the private rental market and the social housing market. Some examples are outlined below.

*‘Family A were placed in temporary accommodation provided by the Empty Homes Team, as requested by Housing Options, outside of Rossendale. Despite the family facing significant challenges related to anti-social behaviour, their placement in this property ultimately led to a successful resolution. Through effective negotiation with the landlord, an agreement was reached for the family to remain as sitting tenants. This positive outcome not only reduced the cost of temporary accommodation for the Council but also enabled the family to secure an assured shorthold tenancy. As a result, they have successfully settled into the community and still remain in the property.’*

*‘Tenants B and C were long-term tenants in the Empty Homes Scheme, originally housed by AAW, and had resided in their property for nearly 10 years. Unfortunately, negotiations with the property owner to retain them as sitting tenants were unsuccessful due to previous issues related to anti-social behaviour. In response, the Empty Homes Team collaborated with local authorities and registered housing providers to support the tenants in securing long-term social housing. Through these efforts, both tenants have successfully relocated to appropriate properties. They are now receiving ongoing support from their social housing provider, particularly in areas such as tenancy management and budgeting, to help them maintain stability and integrate into their new homes.’*

*‘Families C and D, both Afghan refugees, were placed in properties through the ARAP scheme by the Housing Options Team. These homes were their first tenancies in the UK. Family C was housed in a property in Blackburn, where successful negotiations with the landlord allowed them to remain as sitting tenants. Family D, however, could not stay in their initial property after the lease expired. The Empty Homes Team located an alternative solution and identified*

*a property on the same street as Family C, also owned by the same landlord. This property, a former empty home that was returned to the landlord at the lease's end, was now being rented privately. Through further negotiation, the landlord agreed to house Family D. Both families now live on the same street and they have settled into an area that aligns with their cultural needs.'*

*'Family E struggled to secure suitable housing. The lack of large properties available through B With Us, coupled with their inability to secure private rental housing due to not having a guarantor, added to their difficulties. Through close collaboration with the local authority and the support of their MP, the Empty Homes Team worked to assist the family in finding long-term housing in a location convenient for the children's schools. The family has recently moved into a new property that meets their needs.'*

- 5.2 The final cost of the Empty Homes Scheme is £10,562m. Of this £6.580m was revenue and the balance related to capital spend on the renovation of the properties. Included in this amount is a provision of circa £1m for loans made to property owners that are recoverable by way of land charges. The Council will recover these amounts reducing the overall cost of the scheme.
- 5.3 The aim of the Empty Homes Scheme was to bring neglected and sub-standard housing back into use and support the housing challenges that existed across East Lancashire. In this regard the scheme has been successful and significant numbers of housing stock has been made available for social housing for the duration of their leases. As there is a nationwide shortage of social housing, this has been of significant benefit to East Lancashire. For comparison, the annual cost of housing a family in one room temporary accommodation in 2024 was approximately £20,000 net of Housing Benefit. In some local authority areas, 49p in every council pound is being spent on temporary accommodation due to a lack of suitable accommodation. Despite the significant cost to Rossendale Borough Council of the Empty Homes scheme, East Lancashire has benefitted from the additional social housing stock available and the scheme has had a significant impact on the wellbeing of hundreds of families and individuals.

## **6. THE FORTHCOMING YEAR**

- 6.1 The Council continues to keep the scheme under close scrutiny. It reports to the Council's Programme Board, so robust monitoring has taken place, particularly in relation to the financial progress of the project. Regular updates are provided for the Cabinet and this is the sixth update provided for the Audit & Accounts Committee. Any future issues will be appropriately communicated.

## **7. RISK**

- 7.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- Disrepair claims – despite the best efforts of Officers, it is possible that future claims in relation to repairs and other property related costs could be made. The Empty Homes team will deal with these if and when they arise.
- 7.2 The scheme risk register will continue to be reviewed periodically.

## **8. FINANCE**

- 8.1 All financial considerations are contained within the body of the report. Any future financial impact will be considered as and when it arises.

## 9. LEGAL

9.1 The legal implications are covered in the body of the report. Officers will continue to closely monitor the scheme and instigate and defend proceedings as necessary.

## 10. CONCLUSIONS

10.1 Since the Council became directly responsible for the management of the scheme in 2014/15, the number of properties in the scheme has reduced from 374 to nil. 474 empty properties have also been brought back into use across East Lancashire. All properties have been returned with a positive outcome, either the tenant has been able to remain in the property and secure a lease directly with the owner / landlord, or, where this has not been possible, the Empty Homes team has worked collaboratively with Housing Options teams both internally and at neighbouring districts to ensure that suitable alternative accommodation has been provided.

Background Papers	
Document	Place of Inspection
Management response to the Lancashire County Council Internal Audit report: "Bringing Empty Homes into Use"  (inc the LCC Internal Audit report)  Council, 9 December 2015	<a href="https://www.rossendale.gov.uk/meetings/meeting/874/council">https://www.rossendale.gov.uk/meetings/meeting/874/council</a>
Empty Homes project  Audit & Accounts Committee, 28 July 2020	<a href="https://www.rossendale.gov.uk/meetings/meeting/1208/audit_and_accounts_committee">https://www.rossendale.gov.uk/meetings/meeting/1208/audit_and_accounts_committee</a>
Empty Homes project  Audit & Accounts Committee, 28 July 2021	<a href="https://www.rossendale.gov.uk/meetings/meeting/1270/audit_and_accounts_committee">https://www.rossendale.gov.uk/meetings/meeting/1270/audit_and_accounts_committee</a>
Empty Homes project  Audit & Accounts Committee, 28 September 2022	<a href="#">Agendas, reports and minutes   Rossendale Borough Council</a>

<b>Subject:</b>	Risk Management Strategy Update	<b>Status:</b>	For Publication
<b>Report to:</b>	Audit and Accounts Committee	<b>Date:</b>	24 <sup>th</sup> February 2025
<b>Report of:</b>	Director of Resources – s151 Officer	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	Attached: No	No
<b>Biodiversity Impact Assessment:</b>	Required: No	Attached: No	No
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## 1. RECOMMENDATIONS

- 1.1 The purpose of the report is to seek Member approval of the updated Risk Management Strategy and propose the adoption of the strategy by cabinet.
- 1.2 Members are asked to delegate to the Director of Resources in conjunction with the Chair of the Audit and Accounts committee the ability to amend the documents to finalise the presentation and any minor amendments as necessary.

## 2. EXECUTIVE SUMMARY

- 2.1 The updated Risk Management Policy is attached at Appendix A. The Risk Management Policy was last updated in 2016. The Policy has been updated by the Director for Resources mainly to reflect changes made to risk management practice since the last policy update.
- 2.2 The Council is committed to identifying and managing risks effecting the organisation. The Council recognises that it is not always possible to completely eliminate a risk and that a level of risk may always exist. However, it is the Council's responsibility to effectively manage risks with a structured and focussed approach by approval of this Risk Management Policy.

## 3. BACKGROUND

- 3.1 The updated Risk Management Strategy is attached at Appendix A being the final revised document.
- 3.2 Updates can be summarised as follows:
  - The responsibilities of Members, the Corporate Management Team and Service Managers have been clarified.
  - Officers will now use a 5X5 risk management scoring matrix to assess risk and this is introduced within the strategy document.
  - The strategy includes a defined description of the Council's risk appetite denoted at appendix 2 to the strategy
  - There are also descriptors for the likelihood and impact of risk to allow risk owners, heads of service and directors a consistent framework to assess the level of risk, these are also included at appendix 2.
  - At appendix 4 to the policy is a template incorporating all of the above to capture and report risk in the first instance
  - At appendix 3 to the policy is a diagrammatic view of the process indicating the nature of the continuous risk management review and reporting to be delivered by the officer group.

3.3 The approach to risk management and our policies are subject to regular review from our Internal Audit service. The most recent audit assignment is in the process of finalisation. We are expecting to receive moderate assurance with 2 medium priority recommendations. Moderate assurance means that the framework of control is adequately designed and or effectively operated overall but some action is required to enhance aspects of it and /or ensure that it is effectively operated throughout. The recommendations will be dealt with via this strategy and its roll out into the organisation.

#### **4. RISK**

4.1 Not adopting an appropriate strategy will hamper the Council and its officers who will not have a clear methodology to assess and manage risk. The Council needs to continue to progress the active management of risk and the embedding of continuous risk management practices.

#### **5. FINANCE**

5.1 There are no immediate Financial Implications arising from the strategy

#### **6. LEGAL**

6.1 The Constitution provides that the Audit and Accounts Committee will monitor the effective development and operation of the risk management framework and processes across the Council. This review demonstrates the Council's compliance with the statutory requirement under the Accounts & Audit Regulations 2015.

#### **7. POLICY AND EQUALITIES IMPLICATIONS**

7.1 All policy implications are included within the body of the report. This policy will be applied in a fair and equitable manner.

#### **8. REASON FOR DECISION**

8.1 Strong Risk Management is a key pillar of appropriate Corporate Governance and follows CIPFA/IFAC International Framework: Good Governance in the Public Sector having a robust and up to date strategy is a feature in embedding risk management with a well-managed organisation.



# Risk Management Strategy

**2025**

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Responsible Service	Finance	Version/Status	DRAFT
Responsible Author	Director of Resources	Date Agreed/Agreed At	
Date last Amended	February 2025	Due for Review	

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# Risk Management Strategy

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## 1. Introduction

- 1.1 The purpose of this Risk Management Strategy is to outline the Council's approach to identify, assess, manage, and monitor risks.
- 1.2 Effective risk management is a continuous process that will ensure the Council can effectively and efficiently deliver its services and reflect uncertainties in the planning and delivery of the Council's overall vision and priorities.
- 1.3 This approach will ensure the Council is able to maximise its opportunities and minimise the impacts of risks, thereby improving its overall ability to deliver core service and economic development objectives, including all capital programmes, improving the outcomes for all stakeholders within the Borough.
- 1.4 This strategy defines the Council's approach to strategic and operational risk management, and provides the risk management framework to ensure risks are managed and mitigated effectively.
- 1.5 Risk management within the scope of this strategy adopts a planned and systematic approach to the identification, evaluation and control of the Council's risks.
- 1.6 This strategy outlines a robust risk management process to monitor the potential cost and disruption including reputational damage caused when facing an undesired event and/or circumstances, and defines the Council's roles and responsibilities to promote a risk aware culture.
- 1.7 Refer to **Appendix 1** for the Council's Risk Management Policy Statement.

## 2. Aims of this Strategy

- 2.1 The Council recognises that some risks will always exist and will never be completely eliminated.
- 2.2 The Council holds responsibility over the effective management and focused approach to control and mitigate the identified risks.
- 2.3 The aims of this Risk Management Strategy are to:
  - Further develop risk management and raise its profile across the Council;
  - Ensure appropriate risk taking, in line with the Council's risk appetite, is encouraged, particularly in response to arising opportunities;
  - Integrate risk management processes into the Council's culture;
  - Identify the ownership and management of risks as part of all decision-making, including the annual business planning, business continuity and resilience, and improvement process;
  - Manage risks in accordance with best practice;
  - Anticipate and respond to changing social, environmental, and legislative requirements;



- Minimise the risk of injury, damage, and loss to staff, residents, and assets;
- Ensure the Council's reputation is protected.

### 3. Risk

3.1 Embedding risk management across the Council will ensure there is a robust and consistent process to enable the Council to make the most of its opportunities and make appropriate decisions based on accurate, relevant, timely and complete information.

3.2 Risks exist throughout the authority and will be managed at the appropriate level, be that service or corporate:

#### 3.3 **Corporate Risk**

Where the impact and/or likelihood of the risk occurring could be high and effect the Council's ability to achieve its defined corporate objectives and priorities. Corporate risks usually impact more than one service area. Corporate Risks will be shared and monitored as part of the work of the Audit and Accounts Committee.

#### 3.4 **Service Level Risk**

Where the impact could affect the achievements of individual service areas. Significant service level risks should be raised and added to the Corporate Risk Register as appropriate.

#### 3.5 **Assessment of Risk**

Risks assessed as Red are to be managed at Corporate Level with Amber and Green risks being monitored and managed at Service Level. For the assessment criteria of any risk see [Appendix 2](#)

#### 3.6 **Risk Appetite**

It is proposed that the Council adopts an **Open** risk appetite across all activities. This is defined and measured by the impact and likelihood surrounding the defined risk. Refer to [Appendix 2](#) for the definition of risk appetite.

## 4. Roles and Responsibilities

#### 4.1 **Members**

Elected members hold responsibility for the oversight of the Council's governance to ensure the delivery of services to the local community.

Members must clearly understand the Council's Corporate Risks and must be made aware of how these risks are being managed. This will be a function of the Audit and Accounts Committee which meets four times a year. The committee will be presented with the Corporate Risk Register for appropriate review and challenge.

#### 4.2 **Corporate Management Team (CMT)**

CMT are responsible for the continuous reinforcement of risk management by managing behaviours and the Council's risk management culture. A robust approach to risk management will support the Council's Performance Management Framework and sharing of best practice between departments.

4.3 CMT are responsible for the monitoring and mitigation of Corporate Risks. This will form part of the annual Business Planning, Business Continuity and Resilience Process.

CMT will receive, scrutinise and confirm the ongoing maintenance of all service risk registers as part of this process.

4.4 CMT will review proposals from Service Managers for the inclusion of risks which are thought to be corporate, these will be presented at the first available CMT and as necessary added to the Corporate Risk Register.

4.5 **Service Managers**

Service Managers must be aware of, and understand, their role in relation to the Council’s risk management process. They should understand how to mitigate risks as far as possible in order to achieve service area objectives, and should evaluate and accept an appropriate level of risk in order to pursue an opportunity.

4.6 All risks should be incorporated into the annual business planning, business continuity and resilience process to promote ownership and management. Service Managers are responsible for escalating service level risks to the CMT where appropriate.

## 5. Risk Management

5.1 Risks are identified through a ‘top down’ (corporate) and a ‘bottom up’ (service area) risk assessment process to ensure Council-wide analysis.

5.2 The identified risks will be prioritised within service areas and escalated as appropriate through to the Corporate Risk Register. Risks and their mitigation will form part of the annual Business Planning, Business Continuity and Resilience Process.

5.3 **Service Area Business Plans**

Service Area Business Plans will be developed and monitored on an annual basis, during the summer as a lead in to the budget process. These plans are the foundation to ensure that the Council delivers its overall priorities. Risk management will be essential in establishing policy, developing business plans and enhancing operational delivery by ensuring that known risks are effectively monitored and mitigated.

5.4 **Project Management and Decision Making**

The Council’s risk management methodology will be adopted for programmes and projects, and used to strengthen the decision-making processes. The Council has developed its own project management methodology based on PRINCE2, in which risk management is integral.

## 6. Risk Management Process

6.1 The Council has adopted the following four-step risk management process.



## 6.2 Risk Identification

Risk identification is crucial to risk management, failure to do so will result in the risk not being managed.

6.3 Risks should be identified when relating to the Council's Valley Plan, Service Area Business Plans/Operations, Development Projects and Personal Objectives. Risks should be identified as soon as they become apparent and added to the relevant risk register. Key times to consider additional risks are at the inception of new projects when the organisation implements systems or procedural change or changes in service delivery.

6.4 Services will engage with stakeholders to identify potential risks as necessary and use historical data and trend analysis to foresee future risks. Refer to **Appendix 4** for the Council's Risk Assessment Form and **Appendix 5** for the Council's Health and Safety Risk Assessment Form.

6.5 Risks throughout the organisation will be reviewed on a monthly basis, as part of the monthly team meeting or for corporate risks when raised by Service Managers to the first available CMT. Upon adoption as a corporate risk CMT will monitor performance on a quarterly basis as part performance management reporting. Risks should be assessed, monitored and mitigated until they are removed.

## 6.6 Risk Analysis/Evaluation

Potential risks will be systematically analysed by assessing by the following;

- Likelihood of a risk event occurring;
- Potential impact of the consequences should such an event occur;
- Resource and other implications;
- Priority of the risk for action in relation to the Council's risk tolerance and appetite.
- Sensitivity of the assumptions in the risk analysis. i.e. would the assessment change with small changes in the factors that drive the risk.

6.7 Once the threats and opportunities have been identified, their potential 'initial risk' is evaluated with reference to the risk matrix. The risk is then re-evaluated considering the effect of mitigations that are in place and active. The result is the determination of the 'revised risk'.

## 6.8 Risk Control

Risk control will be carried out by:

- Developing action plans to mitigate high and medium risks.
- Implementing control measures to reduce the likelihood and impact of risks.
- Assigning responsibility for risk management actions to appropriate staff.

6.9 The risk owner, who will be the Head of Service for service level risks or for corporate risks the Director in who's area of responsibility the risk resides as agreed at CMT, is responsible for influencing and taking necessary action in order to manage the risk.

6.10 Appropriate contingency arrangements will be developed for an identified risk. The actions required and their impact will be monitored through the relevant service or corporate risk register that is updated on a monthly (service) / quarterly (corporate) basis. The risk register will be shared with CMT and the Audit and Accounts Committee to allow suitable scrutiny and challenge.

### 6.11 Risk Monitoring and Review

Risks monitoring and review by the risk owner will ensure the implementation of the agreed controlling action is effective. Refer to **Appendix 3** for the Council’s continuous Council risk capture and reporting process flow.

6.12 Continuous risk monitoring will ensure risks evolve/change in response to changes in the operating environment, business conditions, operational changes etc. Where an incident occurs, a post-incident review must be undertaken to review the causes/impact and identify lessons learnt.

6.13 Risk monitoring will be carried out by:

- The risk owners, maintenance of service and corporate risk registers to document identified risks and their management.
- The regular review and update of the risk register.

## 7. Risk Analysis

7.1 A risk matrix is a key tool used to analyse the probability and impact of a risk.

7.2 The Council uses a 5x5 risk matrix, scores are determined by multiplying the ‘likelihood’ score with the ‘impact’ score. This approach has been adopted to encourage a decision to be made about whether a probability or impact is high or low, rather than medium. Refer to **Appendix 2** for the definitions of risk ‘likelihood’ and ‘impact’.

7.3 ‘Initial’ and ‘revised’ score should be identified to effectively review and monitor the effectiveness of the controls in place:

- Initial Score – The level of risk faces before internal controls/mitigating actions have been applied.
- Revised Score – The level of risk after any internal controls/mitigating actions have been applied/taken into account.

### 7.4 Risk Matrix

<b>Likelihood</b>	Almost certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Remote	1	1	2	3	4	5
			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Catastrophic
			<b>Impact</b>				

7.5 Priority will focus on the high risks rated as ‘red’. These risks will require immediate action plans to mitigate.

- 7.6 Medium risks rated as ‘amber’ will require action plans and/or to be closely monitored as appropriate.
- 7.7 Low risks rated as ‘green’ will need to be continually monitored to ensure the controls are managed by the risk owner. A decision may be required to remove the low risk from the Corporate Risk Register – this will be assessed by CMT as part of the annual Business Planning, Business Continuity and Resilience Process.
- 7.8 Emerging red risks either new or heightened existing are to be taken by the risk owner to the next available CMT for review and acceptance if appropriate. If accepted as a red corporate risk, added to the corporate risk register with designated responsible owner.

## **8. Monitoring Risk Management and Analysis**

- 8.1 Risk Management monitoring includes regular reporting on financial and risk implications to Members (via the Audit and Accounts Committee). Performance monitoring will be used to identify areas where the mitigation measures are either over or under performing and to deal with emerging issues and/or change. Cabinet Members will be included within decision making processes of the risks identified by CMT in respect of potential projects.
- 8.2 The Council’s Risk Management framework will be reviewed at least annually by the Director of Resources (S151 Officer). An annual review of the overall process will allow Members to review the Council’s risk management effectiveness.

## **9. Audit and Assurance**

- 9.1 Risk management is aligned with and supported by Internal Audit whose approach to developing the annual plan is risk based. Internal audit’s role is to challenge established processes, risk identification and evaluation, and to provide assurance to officers and Members on the effectiveness of controls.
- 9.2 The Internal Audit Service will be responsible for undertaking an annual assessment of the Council’s risk management and internal control mechanisms as part of the thematic review of corporate governance arrangements within the Council.

## Appendix 1

### Rossendale Borough Council – Risk Management Policy Statement

The Council is committed to identifying and managing risks effecting the organisation. The Council recognises that it is not always possible to completely eliminate a risk and that a level of risk may always exist. However, it is the Council's responsibility to effectively manage risks with a structured and focussed approach by approval of this Risk Management Policy.

By doing this it aims to:

- Better achieve corporate objectives and priorities;
- Manage resources effectively;
- Improve the quality of business decisions;
- Anticipate and respond to change (e.g.political, social, environmental, legislative, technical and their associated risks) in a proactive and systematic way;
- Prevent loss or injury to staff, councillors, members of the public and other visitors;
- Provide greater protection of assets and guard against impropriety or poor value for money;
- Enhance corporate governance;
- Reduce complaints against the Council;
- Protect the reputation of the Council and enhance community confidence;
- Reduce the cost of insurance, incidence of claim and improve the Council's ability to defend claims.

To achieve these aims the Council will:

- Raise awareness of the need for effective risk management, by all those connected with service delivery, through advice and training; and provide opportunities for shared learning;
- Maintain risk management systems and processes which reflect best practice;
- Determine the Councils appetite or tolerance to risk;
- Allocate resources to identified priority areas;
- Establish clear roles, responsibilities and reporting lines for risk management;
- Incorporate risk management into the business planning process and embed risk management within the culture of the organisation;
- Incorporate risk management into reviews of services;
- Incorporate risk management into all substantive service developments and projects;
- Monitor risk management arrangements on an on-going basis and take appropriate measures.

## Appendix 2

### Definitions of Risk Appetite, Likelihood, and Impact

#### Appetite

The Council and Corporate Management Team are responsible for setting the risk appetite of the Authority – i.e. the level of risk that is deemed to be acceptable. The level of acceptable risk can vary across different categories of risk.

The Council’s appetite for risk will be reviewed at least every three years as part of the review and update of the Risk Management Strategy. However, should circumstances dictate, it will be reviewed on an ad-hoc basis as necessary.

The risk appetite will be defined and measured by its approach to impact and likelihood surrounding each risk as described further below.

Classification	Description
<b>Averse</b>	Avoidance of risk and uncertainty is a key organisational objective.
<b>Minimalist</b>	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
<b>Cautious</b>	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
<b>Open</b>	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).
<b>Hungry</b>	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

It is proposed that the Council adopts an “Open” appetite across the majority of the Council’s activities.

#### Risk Model

<b>Likelihood</b>	Almost certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Remote	1	1	2	3	4	5
			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Catastrophic
			<b>Impact</b>				

## Likelihood

Classification	Description	Level
<b>Almost certain</b>	Expected to occur in most circumstances or more than an 80% chance of occurrence.	5
<b>Likely</b>	Potential of occurring several times in 3 years or has occurred recently. Between 55% and 80% chance of occurrence.	4
<b>Moderate</b>	Could occur more than once in 3 years. Could be difficult to control due to external influence. History of occurrence or near miss. Less than a 55% chance of occurrence.	3
<b>Unlikely</b>	Unlikely, but may occur over a 3 year period. Less than 15% chance of occurrence.	2
<b>Remote</b>	Has not occurred. May occur in exceptional circumstances. Less than 5% chance of occurrence.	1

## Impact

Classification	Description	Level
<b>Insignificant</b>	<ul style="list-style-type: none"> <li>• Insignificant disruption of internal business – no loss of customer service</li> <li>• Insignificant disruption to business of key partner but no loss of service delivery</li> <li>• No injury or minor injury (not requiring first aid)/health effect</li> <li>• No health and safety implications</li> <li>• No reputation damage.</li> <li>• No or insignificant environmental damage</li> <li>• No or insignificant impact on staffing or the organisational structure</li> <li>• No regulatory or legislative impact</li> <li>• No social impact</li> <li>• No significant impact on Corporate Priorities (e.g. delay up to 3 months)</li> <li>• Low financial or contractual loss &lt;£50,000 (either immediate or cumulative over the medium term)</li> <li>• Any other relevant considerations</li> </ul>	1
<b>Minor</b>	<ul style="list-style-type: none"> <li>• Some disruption on internal business only – no loss of customer service</li> <li>• Minor disruption to business of key partner but no loss of service delivery</li> <li>• Minor injury (requiring first aid)/health effect or verbal abuse</li> <li>• Minor health and safety implications</li> <li>• Minimal reputation damage (minimal coverage in local press)</li> <li>• Minor damage to local environment</li> <li>• Minor impact on staffing or the organisational structure</li> <li>• Minor regulatory or legislative impact</li> <li>• Minor social impact</li> <li>• Minor disruption to Corporate Priorities (e.g. delay up to 6 months)</li> <li>• Medium financial / contractual loss &gt;=£50,000 but &lt;£100,000, (either immediate or cumulative over the medium term)</li> <li>• Any other relevant considerations</li> </ul>	2
<b>Moderate</b>	<ul style="list-style-type: none"> <li>• Noticeable disruption to the Council – would affect customers (loss of service for no more than 48 hours)</li> <li>• Noticeable disruption to key business partner resulting in loss of service delivery of no more than 48 hours</li> <li>• Violence or threat of serious injury (medical treatment required).</li> <li>• Moderate injury (requiring medical assessment/treatment)/health effect or physical assault/threat of violence</li> <li>• Moderate health and safety implications – breaches/externally reportable incidents• Moderate reputational damage</li> <li>• Coverage in local media and/or extensive front page coverage in local press or Local TV</li> <li>• Moderate damage to local environment</li> <li>• Moderate impact on staffing or the organisational structure</li> <li>• Moderate regulatory or legislative impact</li> <li>• Moderate social impact</li> <li>• Moderate disruption to Corporate Priorities (e.g. delay up to 12 months)</li> <li>• High financial / contractual loss &gt;=£100,000 but &lt;£250,000 (either</li> </ul>	3



	immediate or cumulative over the medium term)	
<b>Major</b>	<ul style="list-style-type: none"> <li>• Major disruption to the Council – serious damage to authority's ability to service customers (loss of service between 2 and 7 days).</li> <li>• Major disruption to key business partner resulting in a loss of service delivery lasting between 2 and 7 days.</li> <li>• Major reputational damage</li> <li>• Coverage in national broadsheet press and/or low-level national TV reporting.</li> <li>• Serious, multiple or disabling injuries/health effect(s)</li> <li>• Health and Safety breaches potentially leading to enforcement notices</li> <li>• Major damage to local environment.</li> <li>• Major impact on staffing or the organisational structure</li> <li>• Major regulatory or legislative impact</li> <li>• Major social impact</li> <li>• Major disruption to Corporate Priorities (e.g. delay up to 18 months)</li> <li>• Major financial / contractual loss &gt;=£250,000 but &lt;£1,000,000 (either immediate or cumulative over the medium term)</li> <li>• Council is unable to deliver some of its corporate priorities</li> <li>• Any other relevant considerations</li> </ul>	4
<b>Catastrophic</b>	<ul style="list-style-type: none"> <li>•The Council unlikely to survive or loss of service delivery for more than 7 days.</li> <li>• Business failure of key partner or loss of service delivery of over 7 days.</li> <li>•Loss of life</li> <li>• Health and Safety breaches potentially leading to prosecution</li> <li>• Significant reputational damage</li> <li>• Extensive coverage in national press and broadsheet editorial and/or national TV item.</li> <li>• Significant local, national or international environment damage.</li> <li>• Catastrophic impact on staffing or the organisational structure</li> <li>• Catastrophic regulatory or legislative impact</li> <li>• Catastrophic social impact</li> <li>• Significant disruption to Corporate Priorities (e.g. delay &gt; 24 months)</li> <li>• Huge financial / contractual loss &gt;=£1,000,000 (either immediate or cumulative over the medium term).</li> <li>• The Council is unable to deliver all or the majority of its Corporate Priorities</li> <li>• Any other relevant considerations</li> </ul>	5

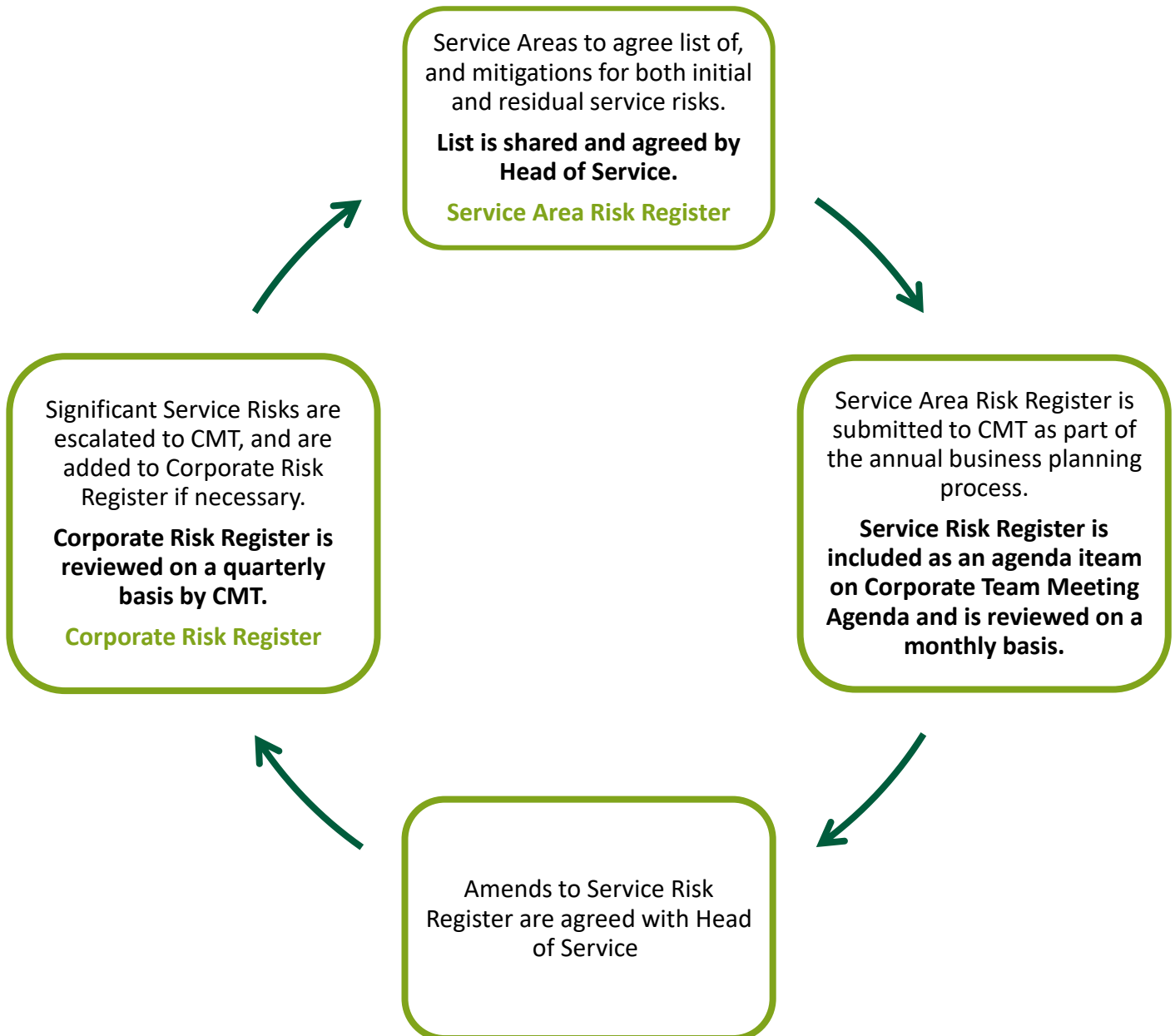
## Acton Required

Risk Level	Action / Control Required
<b>RED</b>	<p>Catastrophic / major impact with likely to almost certain likelihood, requiring immediate control measures by Council.</p> <p>This level of risk is outside the Council's tolerance limits and therefore requires immediate action to mitigate or eliminate the risk. These risks should be reported to CMT on assessment and actively monitored at a corporate level.</p>
<b>AMBER</b>	<p>Major / moderate impact with unlikely to almost certain likelihood requiring appropriate proactive management and control measures.</p> <p>This level of risk represents the Council's maximum tolerance limits and requires active monitoring and mitigation or avoidance actions in process. These risks should be reported to CMT on assessment and then monitored at Service Level until the risk is either fully mitigated or the risk level escalates.</p>
<b>GREEN</b>	<p>Moderate / minor impact with highly remote to almost certain likelihood requiring appropriate management and control measures.</p> <p>This level of risk is below the Council's tolerance limits and requires periodic regular monitoring to ensure the level of risk does not escalate.</p>

## Appendix 3

### Continuous Council Risk Capture and Reporting Process Flow

Service Area Risk Register and Corporate Risk Register are saved [here](#).



## Appendix 4

### Risk Assessment Form

REF ID NO.	ASSESSED BY	DATE ASSESSED

Risk Type <i>(select one)</i>					
Financial	Legal/Contract	Reputation	Project Delivery	Operational	Health and Safety
Other	<i>(please state)</i>				
Risk Description <i>(Describe the risk including; identifying the risk, potential impacts on people, systems, or processes, etc.)</i>					
Source of Risk <i>(Explain what might lead to the risk occurring)</i>					
Person(s) Impacted <i>(select all that apply)</i>					
	Residents				
	Employees				
	Contractors				
	Wider Public				
	Other <i>(please state)</i>				
Risk Impact <i>(select one)</i>					
Insignificant	Minor	Moderate	Major	Catastrophic	
Risk Likelihood <i>(select one)</i>					
Almost Certain	Likely	Moderate	Unlikely	Remote	

<b>Likelihood</b>	Almost certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Remote	1	1	2	3	4	5
			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Catastrophic
			<b>Impact</b>				

<b>Risk Severity Level</b> <i>(select corresponding severity level from matrix above based upon impact and likelihood levels)</i>		
Low	Medium	High
<b>Current Control Measures</b> <i>(Describe current risk mitigations to prevent/control risk likelihood and/or impact)</i>		
<b>Further Action Needed</b>	Yes/No	

<b>Actions to Implement</b> <i>(if applicable)</i>			
Action	Responsible Officer	Due Date	Status

<b>Date Reviewed</b>	<b>Approved By</b>	<b>Signature</b>
<b>Comments</b>		

## Appendix 5

### Health and Safety Risk Assessment Form

SERVICE	SECTION/TEAM	RED ID NO.

Task/Job/Area		
Location		
Persons involved		
Date of assessment	Last reviewed	Next review date
PPE to be worn at all times		
PPE to be worn during some tasks		

#### Likelihood

Classification	Description	Level
<b>Almost certain</b>	Expected to occur in most circumstances or more than an 80% chance of occurrence.	5
<b>Likely</b>	Potential of occurring several times in 3 years or has occurred recently. Between 55% and 80% chance of occurrence.	4
<b>Moderate</b>	Could occur more than once in 3 years. Could be difficult to control due to external influence. History of occurrence or near miss. Less than a 55% chance of occurrence.	3
<b>Unlikely</b>	Unlikely, but may occur over a 3 year period. Less than 15% chance of occurrence.	2
<b>Remote</b>	Has not occurred. May occur in exceptional circumstances. Less than 5% chance of occurrence.	1

#### Impact

Classification	Description	Level
<b>Insignificant</b>	<ul style="list-style-type: none"> <li>No injury or minor injury (not requiring first aid)</li> <li>No health and safety implications</li> </ul>	1
<b>Minor</b>	<ul style="list-style-type: none"> <li>Minor injury (requiring first aid) or verbal abuse</li> <li>Minor health and safety implications</li> </ul>	2
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Moderate injury (requiring medical assessment/treatment) or physical assault/threat of violence</li> <li>Moderate health and safety implications – breaches/externally reportable incidents</li> </ul>	3
<b>Major</b>	<ul style="list-style-type: none"> <li>Serious, multiple or disabling injuries</li> <li>Health and Safety breaches potentially leading to enforcement notices</li> </ul>	4
<b>Catastrophic</b>	<ul style="list-style-type: none"> <li>Loss of life</li> <li>Health and Safety breaches potentially leading to prosecution</li> </ul>	5

## Risk Model

<b>Likelihood</b>	Almost certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Remote	1	1	2	3	4	5
			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Catastrophic
			<b>Impact</b>				

## Acton Required

Risk Level	Action / Control Required
<b>RED</b>	Catastrophic / major impact with likely to almost certain likelihood, requiring immediate control measures by Council. This level of risk is outside the Council's tolerance limits and therefore requires immediate action to mitigate or eliminate the risk. These risks should be reported to CMT on assessment and actively monitored at a corporate level.
<b>AMBER</b>	Major / moderate impact with unlikely to almost certain likelihood requiring appropriate proactive management and control measures. This level of risk represents the Council's maximum tolerance limits and requires active monitoring and mitigation or avoidance actions in process. These risks should be reported to CMT on assessment and then monitored at Service Level until the risk is either fully mitigated or the risk level escalates.
<b>GREEN</b>	Moderate / minor impact with highly remote to almost certain likelihood requiring appropriate management and control measures. This level of risk is below the Council's tolerance limits and requires periodic regular monitoring to ensure the level of risk does not escalate.

Hazard/Task	Risk/ Consequence	Person(s) Impacted	Control Measure	Risk Level	Actions	Actioned By

Head of Service		Signature		Date	
Manager/Supervisor		Signature		Date	

<b>Subject:</b>	Internal Audit Plan 2024/25 Progress Report - December 2024 to February 2025	<b>Status:</b>	For Publication
<b>Report to:</b>	Audit & Accounts Committee	<b>Date:</b>	24/02/2025
<b>Report of:</b>	Head of Internal Audit (Internal Audit Service)	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	Attached:	No
<b>Biodiversity Impact Assessment:</b>	Required: No	Attached:	No
<b>Contact Officer:</b>	Mark Baskerville Audit Manager	<b>Telephone:</b>	01772 538615
<b>Email:</b>	<a href="mailto:mark.baskerville@lancashire.gov.uk">mark.baskerville@lancashire.gov.uk</a>		

## 1. RECOMMENDATION

- 1.1 The Committee are asked to consider the Internal Audit report on progress to deliver the 2024/25 audit plan.

## 2. EXECUTIVE SUMMARY

- To support the Audit and Accounts Committee in fulfilling its responsibility to monitor performance against the internal audit plan.
- To consider a summary of internal audit activity and the level of assurance it gives over the Council's governance, risk management and internal control arrangements.

## 3. BACKGROUND

- 3.1 In the context of fulfilling its responsibility to monitor the adequacy and effectiveness of the internal audit service, and to review internal audit reports, the Committee is asked to consider the assurance provided by the Internal Audit Service.

## 4. DETAILS

- 4.1 This paper reports progress with the delivery of each audit on the 2024/25 annual audit plan

## 5. RISK

- 5.1 All the issues raised and the recommendation in this report involve risk considerations as set out below: adequacy of Council management of risks in respect of the areas subject to audit.

## 6. FINANCE

- 6.1 Any financial implications are commented upon in the report.

## 7. LEGAL

- 7.1 Any legal implications are commented upon in the report.

## 8. POLICY AND EQUALITIES IMPLICATIONS

- 8.1 Reported findings have been discussed and agreed, including management responses to the recommendations, with respective Service Managers and Heads of Service prior to reporting.

## 9. REASON FOR DECISION

- 9.1 To support the Audit and Accounts Committee in fulfilling its responsibility to monitor Internal Audit performance.

No background papers.



## **Appendix A**

**Rossendale Borough Council**

**Internal Audit Service**

**Progress Report - Delivery of the 2024/25 Audit Plan**

**December to February 2025**



## 1 Introduction

### Purpose of this report

- 1.1 This report supports Audit and Accounts Committee's responsibility under its terms of reference to consider performance reports from Internal Audit on progress with delivery of the 2024/25 audit plan agreed at the March 2024 Committee meeting.

## 2 Summary of progress against the 2024/25 audit plan

- 2.1 The table below reports progress with delivery of the 17 audits on the 2024/25 audit plan. We have completed seven audits, are actively progressing eight and have yet to start the audit of subject access and freedom of information requests. We cancelled an audit of the Waste Improvement Plan as the plan no longer exists in its previous form. We issued final reports for audits of the systems administered by Capita - housing benefits, council tax and business rates – giving substantial assurance for all three. Our council tax audit also confirmed implementation of management actions agreed to update the Debt Management Policy and to report performance data to members.
- 2.2 The IT audit of cyber security being carried out by Salford City Council's Technical Audit Service is still at the planning stage and, given the risks involved, action should be taken to ensure this is progressed quickly.
- 2.3 We provided limited assurance over compliance with the council's Contract Procedure Rules, highlighting significant inconsistencies in their application, and agreed actions with managers to improve compliance. These include keeping the Contracts Register up to date, making policy and guidance more accessible and supporting it with training, and ensuring procurement follows the tendering process. An additional Procurement Officer post is being financed to support improvement.
- 2.4 We gave moderate assurance in our audit of risk management arrangements. The Risk Management Strategy was last updated in 2016, was reviewed in 2024 and is due to be submitted to this committee meeting. Key audit findings include the need for a more consistent approach to identifying and scoring service-level risks, and the revised Strategy should support this. We have agreed management actions to improve risk management in services by including, for example, operational risks in risk registers and ensuring there is regular review of progress to mitigate risks.
- 2.5 We would usually report the emergent annual internal audit plan 2025/26 to the March Committee meeting, but as this meeting was brought forward we are not yet ready to do so. However, we can report that we have made good progress in developing the plan with the Senior Leadership Team and will report the proposed plan to the July Committee.
- 2.6 We have included extracts from the finalised audit reports in Annex 1 to this report.

Control Area	Audit Progress	Assurance
<b>Governance and democratic oversight</b>		
Contract procedure rules (2023/24)	Completed	Limited
Procurement Act 2023 (Advice)	Completed	N/A
Subject Access and Freedom of Information	Not started	
<b>Business effectiveness</b>		
Risk Management	Completed	Moderate
IT Audit – Cyber Security	Progressing	
<b>Service delivery</b>		
Public Protection Unit	Progressing	

Waste, Cleansing and Recycling Improvement	Cancelled	
<b>Service support</b>		
Expense claims	Progressing	
Recruitment	Progressing	
<b>Business processes</b>		
Payroll	Completed	Substantial
Council tax	Completed	Substantial
Business rates/ NNDR	Completed	Substantial
Housing benefits	Completed	Substantial
Accounts payable	Progressing	
Accounts receivable	Progressing	
General ledger and budget setting	Progressing	
Income collection/ banking	Progressing	

Stage of audit process	Number of audits
Not started	1
Progressing/ planning	8
Draft report	0
Completed - Final Report <i>or</i> no report necessary	7
Deferred/ cancelled	1
Total number of audits	17

### 3 Update on the National Fraud Initiative (NFI)


- 3.1 As we reported to the November 2024 Committee, we are still unable to report NFI statistics in this period due to ongoing issues with the reliability of some Council Tax Reduction Scheme data reports provided by the DwP. We will provide an updated report once these issues have been resolved.

### 4 Use of this report

- 4.1 This report has been prepared solely for the use of Rossendale Borough Council and it would therefore not be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and we expect the external auditors to determine for themselves the extent to which they choose to utilise our work.

## Extracts from Final Internal Audit reports

### Risk Management

Overall assurance rating	Audit findings requiring action			
	<b>Extreme</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
<b>Moderate</b>	0	0	2	0

*See Appendix A for Rating Definitions*

The Risk Management Strategy, last updated in March 2016, was reviewed in 2024 and is currently undergoing approval, for submission to the February 2025 Audit and Accounts Committee. The Strategy outlines the risk management process, including risk identification, analysis, control, and monitoring. Corporate and service risk registers are compiled annually, with monitoring of the corporate risk register by senior management and committee members. The Strategy also defines the roles and responsibilities of officers and members and is accessible on the council website and within the council policies framework. Key senior managers received project and risk management training, whilst mandatory risk management training for Audit and Accounts Committee members is provided annually, with the most recent session held in June 2024.

The Corporate Risk Register lists ten key risks, such as financial sustainability and data security, and is reviewed quarterly. Each corporate risk is assigned a risk owner and reported to senior management and members. Heads of service consult with service managers to develop business plans, which include key targets, actions, and associated risks. Service business plans, including service risk registers, are produced annually, though there is no consistent assessment of impact and likelihood or appointed risk owner. A standardised process and forms have been developed and incorporated into the revised Strategy for implementation in 2025-26. Our review confirmed that mitigation plans for service risks are in place and being implemented.

The Corporate Risk Register is reported quarterly to the Audit and Accounts Committee and Overview and Scrutiny Committee, with discussions and clarifications of risks evidenced in meeting minutes. Service-level risks escalated to the Corporate Risk Register are overseen by senior management and members. However, service-related risks are rarely revisited, and a more consistent approach is needed for identifying and scoring risks. Different services adopt varied approaches to managing business plan risks, with some lacking recorded updates and amendments to risk registers. A mechanism for the formal monitoring of service-level risks is set out in the revised Strategy.

Agreed actions from the audit	Priority
To improve risk management effectiveness and accountability Service risk registers should be enhanced to include operational risks, a comprehensive risk description, consistent scoring for risk impact and likelihood, and designated risk owners.	●
Implement a formal and consistent process for reviewing service risk registers, either through regular meetings with service managers or as a standing agenda item in operational board meetings. Ensure that updates and changes to service risk registers are recorded on the register to provide an audit trail for changes.	●

**2.1 Background**

This audit has been undertaken in accordance with the 2024/25 Internal Audit Plan as approved by the Audit & Accounts Committee. The audit covers the period April 2023 to March 2024 and has been conducted in conformance with the Public Sector Internal Audit Standards.

**2.2 Context**



The council's approach to risk management and the framework for monitoring and reporting risks is set out in the Risk Management Strategy which is currently under review. In accordance with the Strategy, service level risks are identified as part of the annual business planning process and recorded in respective service area business plans. The most significant risks are escalated and recorded in the Corporate Risk Register and monitored in quarterly performance reporting to the Overview and Scrutiny Committee and the Audit and Accounts Committee.

**2.3 Scope of Audit**

In this audit we reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Policy and accountability;
- Operational compliance; and
- Monitoring and reporting.

# Contract Procedure Rules

Overall assurance rating	Audit findings requiring action			
 <p><b>Limited</b></p> <p><i>See Appendix A for Rating Definitions</i></p>	<p><b>Extreme</b></p> <p>0</p>	<p><b>High</b></p> <p>1</p>	<p><b>Medium</b></p> <p>4</p>	<p><b>Low</b></p> <p>0</p>
<p>Overall, we can give limited assurance that Contract Procedure Rules (the Rules) are being complied with. The revised the Rules were approved by Full Council in November 2023 following review and update by an external consultancy, however these are not easily accessible and were not formally disseminated to staff. Our review of 16 procurement exercises revealed significant inconsistencies in applying the Rules, undermining the council's ability to demonstrate best value and transparency. Records for two procurement exercises were inaccessible whilst five suppliers were procured without a tendering exercise, formal advertising, or proper approval, representing a significant failure to comply with the Rules. The council's devolved procurement service places operational procurement responsibility on Procuring Officers across various service areas, which has proven difficult to maintain due to capacity issues. Implementing a centralized procurement service or appointing an officer to oversee procurement activities would support compliance and improve efficiency, and Senior Management have now approved the recruitment of a Procurement Officer.</p> <p>Where a procurement exercise had been completed and records were available, we confirmed that project planning is carried out to produce sufficiently detailed specifications and invitations to tender to enable suitable contracts to be procured, and these were formally advertised, or an appropriate number of quotations were obtained from recognised suppliers. Tender documentation or quotations had been obtained in accordance with the rules and decisions to award contracts properly authorised. Some procurement exercises did not require formal tendering as a decision was taken to procure through a framework agreement, however, two tendering exercises lacked the required declarations of pecuniary interests, and one only had a collusion certificate.</p> <p>The Contracts Register, maintained by the Finance department, includes details of all contracts over £5k as per the Local Government Transparency Code 2015. However, some columns were incomplete, and the register is not regularly updated despite a requirement to update quarterly. Regular reporting and sharing of procurement reports would improve transparency and ensure proper documentation.</p>				
<p><b>Agreed actions from the audit</b></p>				<p><b>Priority</b></p>
<p>Management should ensure the updated Contract Procedure Rules are accessible on the Intranet under the policies section and distributed to all relevant council officers.</p>				

Training sessions should be conducted to ensure all officers are fully aware of the Rules and of the need to comply with them. This training should cover the engagement with Finance, the use of the Contracts Finder e-portal, and the correct recording of contracts on the contracts register.	●
Procurement exercises should follow the tendering process as outlined in the Rules and a procurement specialist should be recruited to support officers and ensure compliance with the rules.	●
Procurement activity reports highlighting spend against each supplier split by service should be generated and shared with relevant officers on a regular basis.	●
The council should implement a structured process to ensure that the Contracts Register is regularly updated. This should include sending formal reminders to officers quarterly to update the register. Additionally, consideration should be given to adding drop-down menus for certain Register fields, such as contract status, classification and route to market to facilitate consistent completion.	●

## 2.1 Background

This audit has been undertaken in accordance with the 2024/25 Internal Audit Plan as approved by the Audit & Accounts Committee. The audit covers the period April 2023 to March 2024 and has been conducted in conformance with the Public Sector Internal Audit Standards.

## 2.2 Context

The current Contract Procedure Rules were agreed in November 2023. The council commissioned an external procurement specialist to undertake a review of the Rules for effectiveness and adherence to modern procurement practices. This resulted in changes to the definition of what constitutes a significant decision and internal thresholds. General delegations were amended for consistency and clarity. A significant expenditure was previously considered to be one which exceeds £15k and requires the completion of a Scheme of Delegation, and this limit was increased to £25k which also reflects the value of contracts that the council is required to advertise through the Government portal, Contracts Finder. The external consultants also worked with officers on the completion of the Contract Register, and to provide general advice and guidance on higher level procurements.

## 2.2 Financial information

Total revenue spend during 2023/24 was £11.7m whilst capital spend was £4.7m.

## 2.3 Scope of Audit

In this audit we reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Governance and accountability;
- Operational compliance; and
- Monitoring and reporting.

# Council Tax

### Overall assurance rating



**Substantial**

*See Appendix A for Rating Definitions*

### Audit findings requiring action

Extreme	High	Medium	Low
0	0	0	0

Overall, we were satisfied that the control framework to administer council tax operates effectively. The precepts and bandings for taxable properties inputted on the system matched to those published on the council website, additionally the Valuation Office Agency (VOA) reports were reconciled to the Northgate property database promptly and accurately. Discounts and exemptions reviewed were all assessed correctly with supporting evidence retained on the system and those claims that required an inspection had one undertaken.

A revised debt management policy has been drafted and the Service Assurance Team Leader is revising some aspects, including feedback from Members on the format, but confirmed that the substance will remain the same. On completion the policy will be submitted to Members for formal approval. Accounts that defaulted on payments were subject to recovery action and compliant with the current Debt Management Policy. The debt recovery process is making a positive impact overall, this was evidenced by a decrease in aged debt across all financial years since 2000, and when excluding the (2023) new debt and comparing the debt to the same period last year, there is a significant reduction of over £1.5m. Write-offs created and processed during the 2023-24 financial year were compliant with the Policy and approved appropriately based on their value, including approval by Cabinet prior to write-offs exceeding £5k. Refunds were appropriate and the accounts were in credit at the time of refund, additionally they were processed and approved by two different officers.

Council and Capita staff and management meet quarterly to discuss, monitor and performance targets. The Capita Service Performance Report is considered at Quarterly Operational Board Meetings, the collection rate for Council Tax is reported quarterly to Overview & Scrutiny Committee and monthly liaison meetings take place between RBC and Capita to review service delivery. The 2023/24 corporate performance management report records council tax collection rate performance as 95.8% against a target of 96.1%, and the performance trend as Amber. However, the Service Assurance Team Leader considered that the increased target for 2023/24 had been ambitious and that no action was necessary to address the shortfall. In view of this, and the relatively small percentile variance, we have not raised a recommendation to address this.

In our 2023/24 audit of council tax, we agreed management actions on the need to update the debt management policy and reporting of aged debt. The first will be implemented on approval of the revised policy and the second has been implemented.



## 2.1 Background

This audit has been undertaken in accordance with the 2024/25 Internal Audit Plan as approved by the Audit & Accounts Committee. The audit covers the period March 2023 to April 2024 and has been conducted in conformance with the Public Sector Internal Audit Standards.

## 2.2 Context

Council Tax administration and recovery is outsourced to Capita PLC. The council's Service Assurance (SA) team monitor contract performance against a service level agreement. The systems referred to in this report are Northgate, for managing property database and recovery action, and the Info@Work electronic document management system (EDMS) for storing supporting evidence.

## 2.3 Financial Information

As at end of March 24 the total net Liability for Council Tax was £47.5m.

## 2.4 Scope of Audit

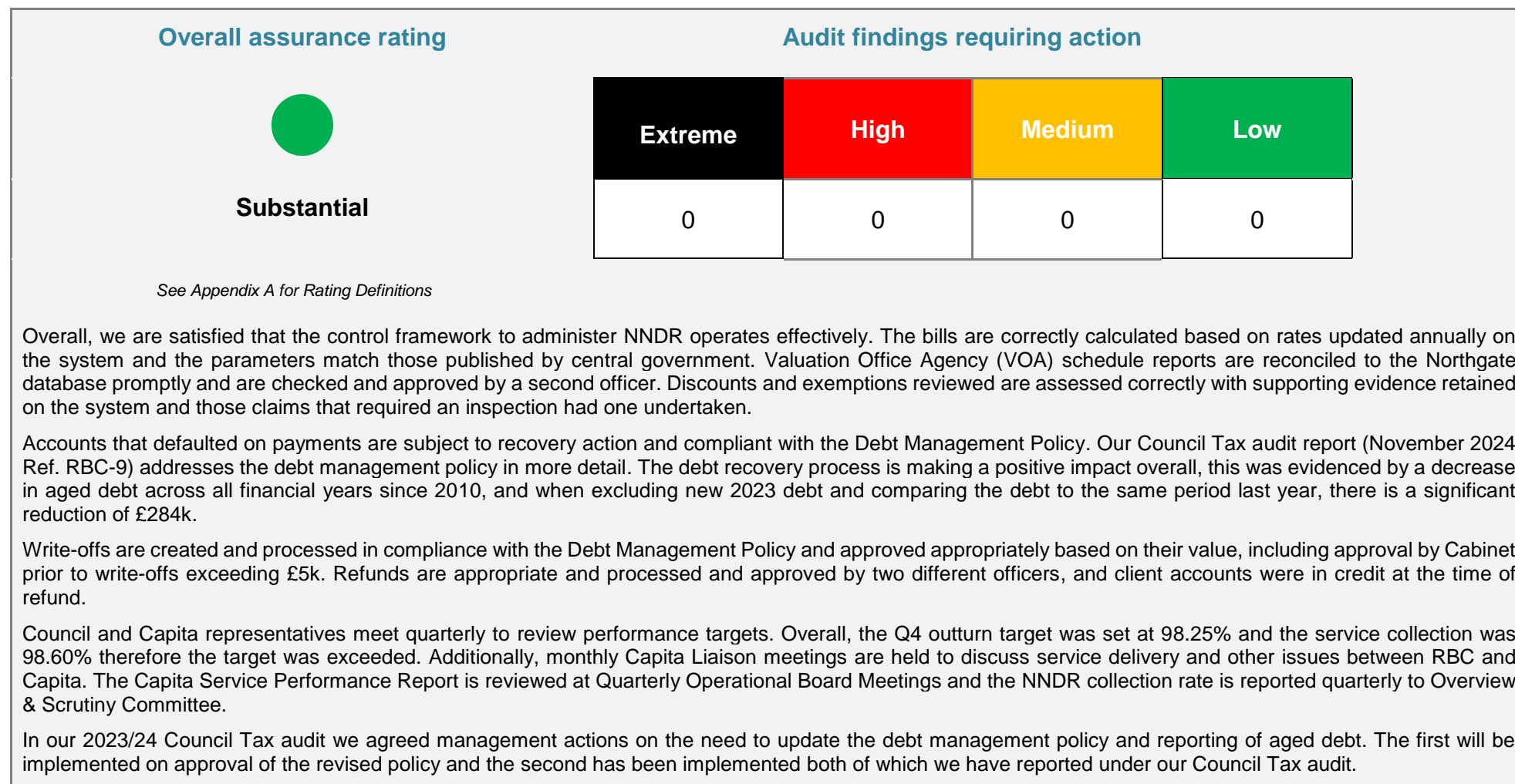
We audited the adequacy and effectiveness of controls and processes to mitigate the key risks relating to the following areas:

- The council tax database is not accurately maintained resulting in failure to raise invoices or incorrect invoice values;
- Discounts and exemptions are incorrectly awarded resulting in a loss of income for the council;
- Refunds are made when there is no credit on the account resulting in a loss of funds;
- Outstanding amounts are not recovered promptly or written off inappropriately.

## 2.5 Follow up of 2023-24 audit.

Action reference and description	Status
<b>Action 4.1</b> - The Debt Management Policy (2008) should be reviewed and revised to ensure it is up to date, to correct any inaccuracies and to ensure policy reflects relationship between the council and the service provider Capita. The revised policy should be submitted to Members for consideration and approval.	<b>Implemented.</b> The debt policy has been reviewed and updated, however, due to some last-minute feedback the policy is being amended to separate the write off and debt management sections; the substance of the policy will remain the same. Therefore, although it has been drafted and the service has adopted it the revised policy requires formal approval by members.
<b>Action 4.2</b> - The quarterly performance target for collection rate should be accurately reported to members for both the Council Tax and National Non-domestic Rate. The quarterly performance report making process should be reviewed and improved to reduce the risk of reoccurrence.	<b>Implemented.</b> The collection rates for Council tax were accurately reported quarterly to members on the Overview & Scrutiny committee as part of the overall performance reports.

## National Non-Domestic Rates (NNDR)



## **2.1 Background**

This audit has been undertaken in accordance with the 2024/25 Internal Audit Plan as approved by the Audit, Risk & Governance Committee. The audit covers the period April 2023 to March 2024 and has been conducted in conformance with the Public Sector Internal Audit Standards.

## **2.2 Context**

The council outsource the NNDR service to Capita PLC. The council's service assurance (SA) team monitor contract performance through key performance indicators which are reported to members quarterly. The systems referred to in this report are Northgate, for managing accounts, properties and recovery action, and the Info@Work electronic document management system (EDMS) for retaining supporting evidence.

## **2.3 Financial Information**

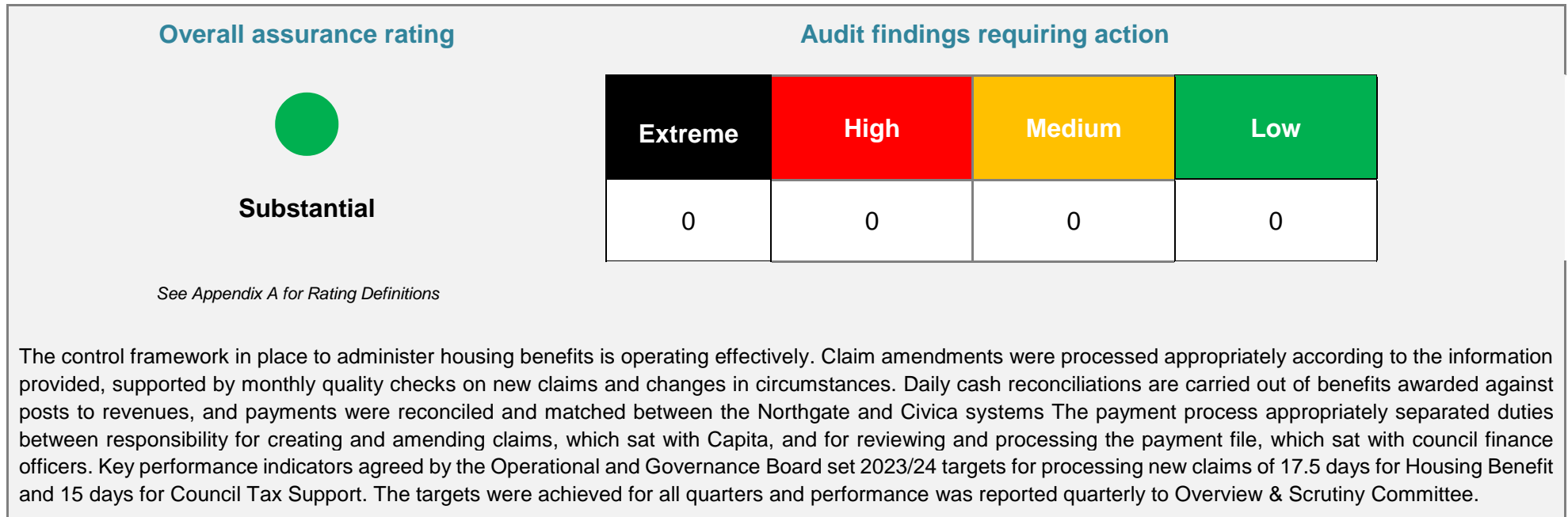
As at end of March 24 the total net Liability for NNDR was £13m.

## **2.4 Scope of Audit**

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- The NNDR database is not accurately maintained resulting in failure to raise invoices or incorrect invoice values;
- Bill reductions are incorrectly awarded resulting in fraud and a loss of income for the council;
- Refunds are incorrectly made resulting in a loss of income;
- Outstanding amounts are not recovered promptly or written off inappropriately.

# Housing Benefits



## 2.1 Background

This audit has been undertaken in accordance with the 2024/25 Internal Audit Plan as approved by the Audit & Accounts Committee. The audit covers the period April 2023 to March 2024 and has been conducted in conformance with the Public Sector Internal Audit Standards.

## 2.2 Context

The council outsources the housing benefit and council tax support claims service to Capita PLC, with a new contract awarded in 2019. The council's Service Assurance team monitor performance against this contract through key performance indicators and thematic exercises, and report quarterly to Members for oversight. The systems in use are Northgate, for inputting and managing housing benefit and council tax support claims, and Info@Work, an electronic document management system (EDMS) for storing supporting evidence.

## 2.3 Financial Information

There were 331 housing benefit and 1052 council tax support new claims during the period April 2023 to March 2024, with a total case load of 5074 claims and an average monthly payment of £925k.

## 2.4 Previous audit

An internal audit of housing benefit and council tax support was last carried out in October 2023. This resulted in a substantial assurance opinion being issued with no proposed actions.

## 2.5 Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes set up by management to mitigate the key risks relating to the following areas:

- Failure to maintain an accurate housing benefit and council tax support database, potentially resulting in fraudulent payments;
- Benefits claims are not processed promptly resulting in poor value for money and reputational loss for the council;
- Incorrect or fraudulent claims are accepted, including voids and claims on multiple properties, resulting in financial loss;
- Failure to identify changes in circumstances could result in overpayments and/or fraudulent payments.

### Scope, responsibilities and assurance

#### Approach

- 1 The Internal Audit Service operates in accordance with Public Sector Internal Audit Standards, 2017. The scope of internal audit work encompasses all the council's operations, resources and services including where they are provided by other organisations on its behalf.

#### Responsibilities of management and internal auditors

- 2 It is management's responsibility to maintain systems of risk management, internal control and governance. Internal audit is an element of the internal control framework assisting management in the effective discharge of its responsibilities and functions by examining and evaluating controls. Internal auditors cannot therefore be held responsible for internal control failures.
- 3 We have planned our work so that we have a reasonable expectation of detecting significant control weaknesses. We have reported all such weaknesses to management as they have become known to us, without undue delay, and have worked with management to develop proposals for remedial action.
- 4 Internal audit procedures alone do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.
- 5 Internal audit's role includes assessing the adequacy of the risk management processes, key internal control systems and corporate governance arrangements put in place by management and performing testing to ensure those controls were operating effectively for the period under review.

#### Basis of our assessment

- 6 My opinion on the adequacy of control arrangements is based upon the result of internal audit work undertaken and completed during the period in accordance with the plan approved by the Audit and Accounts Committee. Sufficient, reliable and relevant evidence has been obtained to support the recommendations made.

#### Limitations to the scope of our work

- 7 Other than as set out in the audit plan for the year there have been no limitations to the scope of the audit work.

#### Limitations on the assurance that internal audit can provide

- 8 There are inherent limitations as to what can be achieved by internal control and consequently limitations to the conclusions that can be drawn from our work as internal auditors. These limitations include the possibility of faulty judgement in decision making, of breakdowns because of human error, of control activities being circumvented by the collusion of two or more people and of management overriding controls. Further, there is no certainty that internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks which may arise in the future.

- 9 Decisions made in designing internal controls inevitably involve the acceptance of some degree of risk. As the outcome of the operation of internal controls cannot be predicted with absolute assurance any assessment of internal control is judgmental.

**Access to this report and responsibility to third parties**

- 10 This report has been prepared solely for Rossendale Borough Council. It forms part of a continuing dialogue between the Internal Audit Service, the chief executive, Audit and Accounts Committee and management of the council. It is not therefore intended to include every matter that came to our attention during each internal audit assignment.
- 11 This report may be made available to other parties, such as the external auditors. However, no responsibility is accepted to any third party who may receive this report for any reliance that may be placed on it and, in particular, the external auditors must determine the reliance placed on the work of the Internal Audit Service.

### Audit assurance and residual risks

Note that our assurance may address the adequacy of the control framework's design, the effectiveness of the controls in operation, or both. The wording below addresses all these options and we will refer in our reports to the assurance applicable to the scope of the work we have undertaken.

- **Substantial assurance:** the framework of control is adequately designed and/ or effectively operated.
- **Moderate assurance:** the framework of control is adequately designed and/ or effectively operated overall, but some action is required to enhance aspects of it and/ or ensure that it is effectively operated throughout.
- **Limited assurance:** there are some significant weaknesses in the design and/ or operation of the framework of control that put the achievement of its objectives at risk.
- **No assurance:** there are some fundamental weaknesses in the design and/ or operation of the framework of control that could result in failure to achieve its objectives.

### Classification of residual risks requiring management action

All actions agreed with management are stated in terms of the residual risk they are designed to mitigate.

- **Extreme residual risk:** critical and urgent in that failure to address the risk could lead to one or more of the following: catastrophic loss of the county council's services, loss of life, significant environmental damage or significant financial loss, with related national press coverage and substantial damage to the council's reputation. *Remedial action must be taken immediately*
- **High residual risk:** critical in that failure to address the issue or progress the work would lead to one or more of the following: failure to achieve organisational objectives, significant disruption to the council's business or to users of its services, significant financial loss, inefficient use of resources, failure to comply with law or regulations, or damage to the council's reputation. *Remedial action must be taken urgently.*
- **Medium residual risk:** failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. *Prompt specific action should be taken.*
- **Low residual risk:** matters that individually have no major impact on achieving the service's objectives, but where combined with others could give cause for concern. *Specific remedial action is desirable.*





# Audit Completion Report

## Rossendale Borough Council – year ended 31 March 2024

February 2025

Audit and Accounts Committee  
Rossendale Borough Council  
Future Park  
Bacup

Forvis Mazars  
One St Peter's Square  
Manchester  
M2 3DE

24 February 2025

Dear Committee Members,

### **Audit Completion Report – Year ended 31 March 2024**

We are pleased to present our Audit Completion Report for the year ended 31 March 2024. The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you in September 2024.

As a result of the legislative backstop arrangements introduced by the amendments to the Accounts and Audit Regulations 2015, we are unable to complete the audit in advance of the backstop date of 28 February 2025. We previously disclaimed our opinion on the 2022/23 financial statements and explained to the committee at its meeting held in December 2024 that it would also be necessary to disclaim our 2023/24 audit opinion as there is insufficient time to rebuild assurance prior to 28 February 2025. We provide more information on the legislative backstop arrangements and its implications for the audit and our audit report, in section 01.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods. We will report further details to you on rebuilding processes in the coming months. In line with the guidance issued by the National Audit Office, as endorsed by the Financial Reporting Council, we hope to return to a standard audit cycle where we are able to obtain sufficient, appropriate evidence in order to issue an unmodified audit opinion in as short a period as practicable.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07909 986 776.

Yours faithfully

Alastair Newall

**Forvis Mazars LLP**

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- 01** Executive summary
- 02** Audit approach
- 03** Significant findings
- 04** Value for Money arrangements

## Appendices

- A** Draft management representation letter
- B** Draft audit report
- C** Confirmation of our independence

01

Executive Summary

# Executive summary

## The scope of our audit and implications of the backstop arrangements

### Our audit of the financial statements

The detailed scope of our work as your appointed auditor for 2023/24 is set out in the National Audit Office's (NAO) Code of Audit Practice ('the Code'). Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 ("the 2014 Act") and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) ("auditing standards") and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you in September 2024. The government has introduced measures intended to resolve the local government financial reporting backlog. Amendments to the Accounts and Audit Regulations require the Council to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. In accordance with the Code, we are required to provide our audit report in sufficient time to enable the Council to meet these responsibilities, whether the audit is completed or not.

Auditing standards require auditors to consider whether they have obtained sufficient appropriate assurance that the financial statements present a true and fair view and have been prepared, in all material respects, in line with the Code of Practice on Local Authority Accounting. Where the auditor determines they have been unable to obtain sufficient appropriate assurance, they must consider the implications of this on their audit report.

As a result of the backstop arrangements, we have determined that there is insufficient time to complete our audit procedures so as to obtain sufficient appropriate evidence, and, in our view, the effects of the resulting lack of assurance is both pervasive and material to the financial statements as a whole. As a result, we intend to issue a disclaimer of opinion on the Council's financial statements.

When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements.

### Internal control recommendations and misstatements

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. Section 3 sets out any internal control recommendations we have made and any misstatements identified in the draft financial statements and how these have been addressed by management.

### Value for Money arrangements

The amendments to the Accounts and Audit Regulations do not affect our responsibilities in relation to the Council's Value for Money arrangements. We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 4 of this report.

### Whole of Government Accounts

As a result of the backstop arrangements and our intention to issue a disclaimer of opinion on the Council's financial statements, we anticipate reporting to the NAO that we are unable to complete the mandatory audit procedures specified in their Group Audit Instructions.

### Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts.

# 02

Audit Approach

# Audit Approach

## Changes since we issued our Audit Strategy Memorandum

Section 1 of this report explains the implications of the backstop arrangements introduced by the recent amendments to the Accounts and Audit Regulations and confirms that we intend to issue a disclaimer of opinion on the Council financial statements. As a result, we have not completed our planned procedures to respond to the significant and enhanced risks which we previously reported to you.

## Materiality

We are required to determine materiality and report this to you, irrespective of whether we are disclaiming our opinion.

Our provisional materiality at the planning stage of the audit was set at £747k using a benchmark of 2% of gross revenue expenditure at the surplus/deficit on provision of services level.

There have been no changes to the materiality levels we communicated in the Audit Strategy Memorandum.

## Summary of Risks

There have been no changes to the risks identified which we communicated in our Audit Strategy Memorandum, issued on September 2024.

Whilst we planned our audit to address the risks of material misstatement we identified at the planning stage, we will not have completed our work in advance of the backstop date and as such do not provide any assurance over individual areas of the financial statements or the financial statements as a whole, nor do we provide assurance over any of the risks we identified at the planning stage of the audit, which are summarised below.

## Significant risks

Significant risks identified:

- Valuation of Land and Buildings
- Valuation of Investment Properties
- Management override of controls
- Defined benefit pension asset/liability valuation

## Enhanced risks / areas of significant management judgement

Enhanced risks identified:

- Expected credit loss of financial assets

Although we are unable to provide any assurance over the areas of risks we have identified, where matters have come to our attention during the course of the audit that we consider to be important to bring to your attention, we have included these in section 3 of this report.

# 03

Significant findings



# Significant findings

## Background and modification of the audit opinion

As we outlined earlier in this report, as a result of the backstop arrangements, we have not been able to complete sufficient audit procedures to enable us to provide an unmodified opinion on the Council's financial statements. As we have determined that the pervasive effects, or potential pervasive effects on the financial statements of the lack of sufficient appropriate assurance are both pervasive and material, we will be issuing a disclaimer of opinion. This means we are expressing no opinion on the financial statements.

Our audit report will explain the basis of our disclaimer of opinion being the introduction of the backstop arrangements which require the Council to publish its audited 2023/24 financial statements by 28 February 2025.

Members will note that the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

## Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 audit. The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We confirm we received no questions or objections from electors.

We issued two statutory recommendations in November 2024 relating to the 2019/20 financial year. In line with the statutory requirements the Council considered these at its meeting on 11 December 2024.

During our 2023/24 audit the Council completed the bank reconciliation, and we reviewed the reconciliation for March 2024. From our review we are satisfied the Council has properly completed the year end reconciliation.

The Council has also reviewed the discrepancies identified within the previous financial statements. Our review of the amended 2023/24 financial statements provides assurance these discrepancies have been addressed in the 2023/24 financial statements.

## Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- Delays in the production of draft accounts supported by appropriate working papers
- Implications of the backstop arrangements

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Council's compliance with laws and regulations. We have not undertaken any further work in these areas and do not provide any assurance that the financial statements are free from material error .

## Significant difficulties during the audit

During the course of this 'backstopped' audit we did not encounter any significant difficulties and we have had the full co-operation of management.

# Our observations on internal control

As part of our planning procedures, we obtained an understanding of the Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and to determine the nature, timing and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of the Council's internal controls, we are required to evaluate any deficiencies in internal control that come to our attention, even though we intend to issue a disclaimer of opinion.

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit, as originally planned before the backstop arrangements came into force, was to express an opinion on the financial statements. The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified through the audit procedures we were able to complete before the backstop date. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

## Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency are of sufficient importance to merit the attention of the Audit and Accounts Committee

We have not identified any significant deficiencies in the Council's internal controls as at the date of this report.

## Other observations on internal control

We also report to you, our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We do not have any other internal control observations to bring to your attention as at the date of this report.

Whether internal control observations merit attention by the Audit and Accounts Committee and/or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

# Summary of amendments to the financial statements

The Council's S151 Officer, Chief Finance Officer, authorised the Council's draft financial statements for issue on 5 June 2024.

Although we intend to issue a disclaimer of opinion, we still report any amendments which management have made to the draft financial statements, identified either through the audit procedures that we have undertaken, or separately by management.

This information is provided to the Audit and Accounts Committee for information and to support it to discharge its responsibilities. It is important for members to note that, given we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments that have been made to the draft financial statements which are summarised in this section.

## Amendments to the financial statements

Management has processed the amendments set out below which exceed the trivial threshold for adjustment of £22k.

### 2023/24

- Note 18 - Capital Financing Requirement – Adjustments have been made to the opening position as at April 2023 to align with the closing position within the 2022/23 accounts.
- Note 21 - Financial Instruments – Adjustment made to the long term borrowing figures of £50k correcting errors within the draft 2023/24 accounts.
- Note 21 - Interest Income – Adjustment made to interest income received of £28k correcting errors within the draft 2023/24 accounts.

### Comparative data for 2022/23

- Movement in Reserves Statement – Adjustment made from £5.2m to £23.1m correcting errors within the 2022/23 accounts.
- Balance Sheet – Adjustment made to short term borrowing from £234k to £284k correcting errors within the 2022/23 accounts.
- Note 2 - Expenditure Funding Analysis – Adjustment made from £397k to £1.9m correcting errors within the 2022/23 accounts.
- Note 2 - Adjustment between funding and accounting basis – Adjustments have been made to the note of £530k correcting errors within the 2022/23 accounts.
- Note 7 - Grant Income – Adjustment made to note from £19.9m to £19.7m correcting errors within the 2022/23 accounts.
- Note 18 - Capital Financing Requirements – Adjustments have been made to the opening position as at April 2022 to align with the closing position within the 2021/22 accounts.
- Collection Fund – Adjustment of £31k has been made to the business rates income and expenditure correcting errors within the 2022/23 accounts.

The corrections impacting on the prior year comparators included material adjustments. Consequently the Council has included required disclosures for a prior period adjustment including the balance sheet at 1 April 2022 alongside the comparator for 2022/23.

## Unadjusted misstatements

When we issue a disclaimer of opinion as a result of the backstop arrangements, auditing standards require us to consider whether we are aware of any matter that would have otherwise required a modification to our opinion. Such matters may include, for example, material misstatements that have been identified which have not been amended by management in the final financial statements. We confirm that no such matters have come to our attention.

Value for Money arrangements

# Value for Money arrangements

## Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

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

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report by the 28<sup>th</sup> February 2025.

## Status of our work

We have completed our work in respect of Council's arrangements for the year ended 31 March 2024. In the previous year we reported four significant weaknesses. Our work in 2023/24 has confirmed that the Council has addressed the recommendations for two of these weaknesses and we consider they are no longer significant weaknesses in arrangements. There are two prior year significant weaknesses where work is ongoing to address the recommendations, and these will be reported as continuing significant weaknesses in 2023/24. We provide further details on the identified significant weaknesses and our recommendations on the following pages in this section.

Our audit report will confirm that we have matters to report in respect of significant weaknesses.

# Value for Money

## Follow up of previously-reported significant weaknesses in arrangements

As part of our 2022/23 audit, we reported four significant weaknesses to the Council. As part of our work in 2023/24, we followed up the progress made by the Council against the recommendations made, and determined whether the significant weakness remained during the year.

Significant weakness in arrangements	Financial Sustainability	Governance	Improving the 3Es	Work Undertaken and Conclusions Reached
<p><b>Financial Sustainability</b> The Council's budgets for 2020/21, 2021/22 and 2022/23 all relied upon the use of reserves to bridge funding gaps. In addition, the Council's outturn position for each of these years were overspent. The Medium Term Financial Strategy (presented to Council in February 2023) projected funding gaps in 2024/25, 2025/26 and 2026/27 of £857k, £1,514k and £1,564k. The growing deficit is forecast to exhaust the Council's General Fund reserve by 2025/26, which is evidence of an unsustainable reliance on reserves and a lack of action to address the underlying reasons for persistent overspending.</p> <p>In our view the failure to address the underlying deficit is evidence of a significant weakness in the Council's arrangements for financial sustainability (how the Council plans to bridge its funding gaps and identify achievable savings) in 2020/21, 2021/22 and 2022/23.</p>	●			<p>Within our work we have:</p> <ul style="list-style-type: none"> <li>reviewed the Council's financial budget and monitoring reporting;</li> <li>reviewed the Council's final outturn position;</li> <li>considered savings targets set at the beginning of the year and understood any overspends; and</li> <li>reviewed at the medium-term financial strategy of the Council.</li> </ul> <p><b>Conclusions</b> The Council has made good progress against this recommendation in 2023/24. There was an underspend of the budget by £900k and the savings target was met, this allowed a positive contribution to reserves of £1m. However, a number of the in-year variances are one-off and non-recurring. The Council recognises the challenges they face with regards to financial sustainability and continues to address the challenges in its budget setting for the next financial year.</p> <p>We consider this weakness has not been fully addressed and still exists for 2023/24</p>
<p><b>Weaknesses in Financial Reporting</b> Since the 2018/19 financial year, the Council has not produced and published draft accounts according to the statutory reporting timetable. Specifically, the 2020/21 and 2021/22 accounts were both published in late 2023 and the 2022/23 accounts were published in early 2024. The Council has had an annual financial statements closedown plan in place, this has not been followed in 2020/21, 2021/22 and 2022/23.</p> <p>The Council's finance team has historically been under-resourced and the Chief Financial Officer has had to personally deliver operational duties involved in the production of the accounts. Within 2022/23, the Council recruited additional finance staff to address the under-resourcing but many new team members have limited local authority experience.</p>		●		<p>Within our work we have:</p> <ul style="list-style-type: none"> <li>assessed the capacity and resourcing of the finance team; and</li> <li>considered the publication of the financial statements against the required deadlines.</li> </ul> <p><b>Conclusions</b> The staffing levels within the finance function have increased and remained stable within 2023/24 compared to previous years. The 2023/24 financial statements were published on 5 June 2024, five days after the statutory deadline. This is a significant improvement in the Council's publishing in previous years and reflects the resourced closedown plan put in place by the finance team during the year to meet its financial reporting responsibilities.</p> <p>We consider this significant weakness does not exist in 2023/24.</p>

# Value for Money

## Follow up of previously-reported significant weaknesses in arrangements

Significant weakness in arrangements	Financial Sustainability	Governance	Improving the 3Es	Work Undertaken and Conclusions Reached
<p><b>2</b></p> <p><b>Weaknesses in Financial Reporting continued</b> As part of our ongoing audit of the 2018/19 financial statements, we have highlighted a number of shortfalls in the quality of the financial statements submitted for audit and we identified a series of deficiencies with underlying working papers and records. There is no evidence that in the subsequent period that any improvement has been made. In our view this is evidence of a significant weakness in the Council's arrangements for governance (how the Council ensures effective systems and processes are in place to support its statutory financial reporting requirements), in 2020/21, 2021/22 and 2022/23.</p>		●		
<p><b>3</b></p> <p><b>Partnership with Rossendale Leisure Trust</b> Rossendale Leisure Trust (the Trust) manages a number of the Council's leisure facilities and has done since 2004. During the period 2020/21, 2021/22 and 2022/23, the Council paid for pay and non-pay expenditure incurred by the Trust.</p> <p>During and following the COVID-19 pandemic the Council gave revenue financial support to the Trust including lease payment holidays and grant allocations, this has resulted in a significant balance currently being owed to the Council by the Trust. We have seen no evidence of a repayment plan to repay the debt and the Council has not accounted for any impairment of the balance.</p> <p>Officers have confirmed there is no formal overarching agreement or contract between the Council and the Trust. For a partnership of this size and nature we would expect to see a comprehensive, signed agreement in place that aims to protect the Council's interests. This deficiency in arrangements for the provision of leisure services is evidence of significant weaknesses in the Council's arrangements for governance (how the body ensures it makes properly informed decisions, supported by appropriate evidence) and for improving economy, efficiency and effectiveness (how the Council ensures that commissioned services realise the expected benefits), in 2020/21, 2021/22 and 2022/23.</p>		●	●	<p>Within our work we have:</p> <ul style="list-style-type: none"> <li>considered progress on the Council obtaining a signed agreement with Rossendale Leisure Trust;</li> <li>reviewed debt recovery progress and any impairment assessments; and</li> <li>understood the current and ongoing relationship that the Council had with the Leisure Trust.</li> </ul> <p><b>Conclusions</b> The Council is working with the Trust to identify areas of support and is establishing a strategic review to assess the terms of the current arrangement. An operational agreement is expected to follow the conclusion of this review.</p> <p>There has been an increase in the balance owed to the Council. No impairment of this balance has been accounted for, following the Trust forecasting a small surplus.</p> <p>We consider this weakness has not been addressed and still exists for 2023/24</p>

# Value for Money

## Follow up of previously-reported significant weaknesses in arrangements

Significant weakness in arrangements	Financial Sustainability	Governance	Improving the 3Es	Work Undertaken and Conclusions Reached
<p><b>4</b></p> <p><b>Key financial controls</b> As part of our ongoing work with the Council, we have noted that the most recent bank reconciliation completed by the Council officers we have observed was as at March 2023. This bank reconciliation, which we have not yet subjected to audit, included a significant unidentified amount.</p> <p>Bank reconciliations are a fundamental basis for the effective operation of financial controls and should be a regular test of the integrity of the Council's general ledger. The lack of completed bank reconciliations is a deficiency in these expected controls. This deficiency, exposes the Council to significant risk in relation to the proper operation of controls and assurance over its general ledger position. Although not material in the context of the accounts audit, this deficiency is significant and in our view is evidence of a significant weakness in governance arrangements (how the Council ensures effective processes and systems are in place to ensure budgetary and communicate relevant, accurate and timely management information) in 2022/23.</p>		●		<p>Within our work we have:</p> <ul style="list-style-type: none"> <li>• reviewed and tested the year end bank reconciliation;</li> <li>• investigated any large or unusual reconciling items; and</li> <li>• understood the key business process of bank and cash, including the bank reconciliations.</li> </ul> <p><b>Conclusions</b> The Council have made good progress in establishing a bank reconciliation within 2023/24. We have reviewed the March 2024 bank reconciliation and agreed the balance to bank statements. We have reviewed the reconciliation for unusual transaction, of which there were none, and tested a reconciling item. We have discussed the monthly process with management and have assessed that there are appropriate controls in place.</p> <p>We consider this significant weakness does not exist in 2023/24.</p>



# Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

# Appendix A: Draft management representation letter

## TO BE PROVIDED ON CLIENT LETTERHEAD

Forvis Mazars LLP  
One St Peter's Square  
Manchester  
M2 3DE

Dear Alastair,

### **Rossendale Borough Council - Audit for Year Ended 31 March 2024**

This representation letter is provided in connection with your audit of the financial statements of Rossendale Borough Council the 'Council' for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), and applicable law. I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

#### **My responsibility for the financial statements and accounting information**

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code and applicable law.

#### **My responsibility to provide and disclose relevant information**

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as s151 officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

#### **Accounting records**

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and committee meetings, have been made available to you.

# Appendix A: Draft management representation letter

## Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council's financial position, financial performance and cash flows.

## Accounting estimates, including those measured at current and/or fair value

I confirm that the methods, significant assumptions and the data used by the Council in making the accounting estimates, including those measured at current and/or fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

## Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code and applicable law.

## Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

## Fraud and error

I acknowledge my responsibility as s151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:

# Appendix A: Draft management representation letter

- management and those charged with governance;
- employees who have significant roles in internal control; and
- others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

## **Related party transactions**

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code and applicable law.

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

## **Impairment review**

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

## **Charges on assets**

All the Council's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

## **Future commitments**

The Council has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

## **Service Concession Arrangements**

I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Council's service concession arrangements that you have not been made aware of.

## **Subsequent events**

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

## **Impacts of Russian Forces entering Ukraine**

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note to the financial statements fairly reflects that assessment.

# Appendix A: Draft management representation letter

## **Covid-19**

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note to the financial statements fairly reflects that assessment.

## **Brexit**

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the disclosure in the Annual Report fairly reflects that assessment.

## **Going concern**

To the best of my knowledge there is nothing to indicate that the Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

## **Annual Governance Statement**

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

## **Narrative Report**

The disclosures within the Narrative Report fairly reflect my understanding of the Council's financial and operating performance over the period covered by the financial statements.

## **Unadjusted misstatements**

We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

## **Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)**

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Chris Warren  
s151 officer  
Date

# Appendix B: Draft audit report

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

### Report on the audit of the financial statements

#### Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Rossendale Borough Council ("the Council") for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, 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.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Council to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

#### Responsibilities of the Director of Resources for the financial statements

As explained more fully in the Statement of the Director of Resources Responsibilities, the Director of Resources 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, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Resources is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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

Our responsibility is to conduct an audit of the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

# Appendix B: Draft audit report

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

### Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in the Council's arrangements for the year ended 31 March 2024.

In March 2024 we identified significant weaknesses in relation to Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness for the 2020/21 year. In our view the significant weaknesses below remain for the year ended 31 March 2024:

Significant weakness in arrangements – issued in a previous year	Recommendation
<b>Financial plans</b> The Council's Medium Term Financial Strategy projects funding gaps which will exhaust the General Fund reserve. This is evidence of a significant weakness in the Council's arrangements for financial sustainability.	The Council should develop sustainable financial plans to ensure services can be provided within available resources.
<b>Partnership with Rossendale Leisure Trust</b> During 2020/21 the Council paid for pay and non-pay expenditure incurred by Rossendale Leisure Trust and a significant balance was owed to the Council by the Trust. We have seen no evidence that there is an overarching agreement or contract between the Council and the Trust. This is evidence of a significant weakness in the Council's arrangements for governance and improving economy, efficiency and effectiveness.	The Council should ensure that there is a comprehensive signed agreement in place between the Council and the Trust. Arrangements should be made to recover the debt owed and a detailed impairment review should be carried out.

### Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Council's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

# Appendix B: Draft audit report

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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

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

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

## **Use of the audit report**

This report is made solely to the members of Rossendale Borough Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council 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 members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.

Alastair Newall, Key Audit Partner  
For and on behalf of Forvis Mazars LLP  
One St Peter’s Square  
Manchester  
M2 3DE



## Appendix C: Confirmation of our independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

# Contact

## Forvis Mazars

### Alastair Newall

Director

Tel: +44 (0)161 238 9243

Alastair.Newall@mazars.co.uk

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