Statement of Accounts Subject to Audit 2023/24

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Narrative Report by the Borough Treasurer

Introduction

The purpose of this Narrative Report is to provide information on the authority, its main objectives and strategies and the principal risks that it faces, as well as giving a commentary on how the authority has used its resources to achieve its desired outcomes in 2023/24.

The Council seeks to make best possible use of resources available with regard to economy, efficiency and effectiveness. This responsibility is shared by Members and officers of the Council, along with the Borough Treasurer's specific role in ensuring the adequacy of resources and proper financial administration.

Since 2011 the Council has had to make cuts of circa £220m, due to a combination of increased demands upon its services, cost pressures and funding cuts. The Council's one-year budget strategy covering 2024/25 has identified further cuts of £8.5m. Whilst the 100% business rates pilot has given us the opportunity to maximise the benefits of growth in our business rates within the borough, we still suffer from the impact of the already announced cuts in central government funding. Clearly this has impacted on the way the Council delivers its services, and on the number of staff that we employ. Since 2011 we have seen a reduction in staffing numbers of around 1,700 posts.

Each February the Council votes on the budget and sets the Council Tax for the forthcoming year. For 2023/24 Councils were permitted to increase the general council tax levy by 2.99% and the Adult Social Care precept was permitted to increase by up to 2%. Council approved setting the Adult Social Care precept increase at 2%, which went some way towards alleviating the pressures in that service and also approved setting the general levy increase at 1.99%.

A balanced revenue budget is achieved by ensuring any pressures in year are met from reserves. Our capital spend was £75m, and later in this narrative, examples of some of our major schemes are given. Council Revenue reserves have increased by £22m while Capital reserves decreased by £1m. The Council's usable reserves are held for capital schemes, to protect against key areas of risk and to fund existing commitments. We also hold £10m of general balances as our overall contingency. Ultimately, we have around £51m which is available departmentally to be re-allocated during future financial years to support our priorities and financial strategy and continue to deal with significant demand pressures, thus supporting our future financial resilience.

The report is split into the following sections;

- Section One – the Council including Departmental commentary
- Section Two – Leadership and Governance
- Section Three – A summary of the Council's financial performance in 2023/24 including how money is spent and where it comes from
- Section Four – Future plans

This is all set against a background of continuing cuts requirements, in order to produce a balanced budget each year.

Section One – Overview and Directorate reviews

Bolton Council and the borough

Bolton is one of the country's largest towns, with a strong and diverse identity and a rich history. The borough is striving to take the best legacy of its past and be competitive in a fast-changing world, with huge ambitions for the future. Our town has a population of almost 296,000 people, comprising 22% in the 0-15 age range; 10% 15-24; 51% 25-64 and 17% aged 65 and above. Our population is also richly diverse, with over one-fifth of our residents being from a Black, Asian or Minority ethnic community. The Council and its partners have a longstanding commitment to celebrating this diversity and promoting good relations between our diverse communities.

According to estimates, between 2021 and 2026 the number of Older Teens, individuals in Secondary School and Older Working and over 75 group (Older Retirement) are expected to increase.

Using mid 2022 Index of Multiple Deprivation population estimates, 26% of the Bolton population live in an area that is among the 10% most deprived nationally, while 45% of the population live in an area that is among the 20% most deprived nationally. 4% of the Bolton population live in an area that is among the 10% least deprived nationally, while 12% live in an area that is among the 20% least deprived nationally.

Bolton Council is composed of 60 councillors who meet to decide the Council's overall vision, policies and set the revenue budget and capital programme each year and our constitution sets out the rules and procedures by which we operate. Our 2024/25 net budget required to deliver over 700 services is £303m (excluding Dedicated Schools Grant funded services), with the vast majority of funding coming from council tax and business rates. We continue to see an increase in demand for services and greater costs, particularly across children's and adults' social care.

Bolton's Vision

Bolton's Vision 2030 Strategy states that '*Bolton will be a vibrant place, built on strong cohesive communities, successful businesses, and healthy residents. It will be a welcoming place where people choose to study, work and put down roots*'. We continue to work towards achieving our 'Active, Connected & Prosperous' priorities set out within our Corporate Plan 22-24.

Our refreshed 'Made in Bolton' Corporate Plan (2022-24) sets out what the Council will be doing over the next two years with the money that we have. This Plan will enable us to continually monitor finances and liabilities, identify opportunities, and improve our internal systems and structures, along with placing us in a strong position to contribute to regional priorities with our partners in the GMCA and nationally.

During 2023/24, we continue to work towards our vision for a stable council that is financially sound, delivers its statutory responsibilities and builds on what our borough does best.

Current performance shows that of the 49 key performance indicators (KPIs), 16 are rated a ‘Green’ (above target), 30 are rated Amber (on target) and only 3 are rated ‘Red’ (below target).

It has to be acknowledged that the past 12 months have been a challenge. Our staff, ward members, partners and residents continue to be a vital part of our change strategy, as the Council adapts to many internal and external factors. Our approach around building financial resilience has put us in strong financial position. Our Medium Term Financial Plan is expected to be sufficient to accommodate the Council's financial risks and maintain the Council's overall financial health. Our existing plans for regeneration, job creation and increased income opportunities give us a head start on economic recovery and our vision remains for Bolton to be an inspiring place in which to grow up, work, live and visit.

Directorate 2023/24 Headlines

Adults Services Directorate

Since the Covid 19 pandemic, there has been an upward trend of increases in the volume in demand for older people support packages in the community, especially homecare following hospital discharges. Inflationary pressures on care providers are affecting local care market fees and charges.

Services are experiencing a continued presentation of people with greater levels of need and complexity, this is thought to be partly attributable to the impact of delayed health care, isolation, increased ailments/infections because of the pandemic. In addition, those experiencing mental ill health have increased acuity and complex lifestyles resulting in a rise in acute out of area placements and demand on community mental health services.

The Directorate has seen significant challenges with unprecedented homelessness demand due to the cost-of-living crisis, significant and increasing pressures of asylum and refugee’s, long standing challenges of poor-quality housing stock, and the increasing complex needs of customers.

The health and social care integration programme continues to be implemented through Bolton’s Locality Plan with the development of six neighbourhood models and co-location of multi-agency teams across the borough.

Following the introduction of the new Serious Violence Duty in 2023, the Bolton Community Safety Partnership launched the Bolton Violence Prevention Strategy (2024-27) which draws on the findings and recommendations of the Strategic Needs Assessment 2023 broadening our understanding of the current picture of violence across our communities.

The three main priorities set out within the strategy details a new multi-organisation, evidence-based approach to reducing serious violent crime, particularly focusing on places and spaces, youth violence and gender-based violence.

Children’s Services Directorate

The Directorate continues to progress its joint and integrated approach to ensuring the safety and wellbeing of children and providing essential support to families, carers and providers, through the Bolton Children and Young People’s Plan. Despite the financial challenges, the Directorate has achieved significant sustained success with it being rated “good” overall by Ofsted inspectors in October 2023.

Good progress continues to be made in areas such as early help, domestic abuse, permanence planning and transitions for disabled children. During 2023/24, the demand for Education, Health, and Care Plans (EHCPs) has significantly increased and has required additional staffing investment to ensure statutory deadlines are met.

In addition, there is continued demand pressure on young people placements particularly for children with complex emotional health needs. Bolton Local Authority Children's Homes have been judged to be good or outstanding, ensuring holistic care to all supported children and young people.

Various initiatives are underway in order to stem demand and provide sustainable social care provisions going forward. The Care Leavers Board has gone from strength to strength with a committed membership and deliverables for care leavers. A shop for upcycled goods for care leavers has been set up, the aim being this will eventually be an opportunity for a young person to run the shop and gather work experience.

Inclusive Education and Learning improvements have continued throughout the year, resulting in encouraging education attainment progress. The percentage of pupils who met the expected reading, writing and maths standard has increased, placing the borough above national and regional averages. The UKSPF NEET (Not in Education, Employment or Training) grant funded project 'Next Generation Bolton' (15-18 years up to 21 years care experienced and 24 years SEN) started in November 2023, which aims to mitigate the effect of Covid-19 and support barriers to learning focusing on soft outcomes and progression into education, employment or training.

The directorate continues to support the Climate Change Strategy by demonstrating a clear commitment to reducing the Council's carbon footprint across the Bolton estate, through solar installation discussions with schools.

Corporate Resources Directorate

The directorate has seen significant changes during this year, with some services being transferred into the directorate, in order to strengthen business support services. Several service reviews have taken place, resulting in the restructure of many teams and roles. Commercial development activity relating to marketing and place shaping was a key area of focus this year to provide a robust sponsorship and advertising structure for the Council, as well as to maximise income generation opportunities and improve financial resilience.

The major events programme continues to grow, promoting Bolton's cultures, heritage and future growth potential, accumulating in the Bolton Food and Drink Festival winning the 'Most Loved Live Event' award at the 2023 I Love Manchester awards ceremony. New enhanced business planning processes have been developed and rolled out across all directorates, including standardise templates for risk and business continuity management and the scrutiny of all performance indicators at newly formed directorate performance boards.

Improvements have been made within financial, internal audit, HR, procurement, organisational development and legal processes, ensuring staff and managers are fully supported to deliver daily functions to customers. Milestones within Bolton's Equality Strategy continue to be achieved with the refreshed equality impact assessment framework and the introduction of a new formal system for cataloguing equalities data to help take a holistic view of how service developments are impacting protected groups across the borough.

Bolton's Household Support Fund has distributed nearly £6m to those significantly affected by the cost-of-living crisis, through comprehensive packages of support, including providing vouchers for families with children in receipt/eligible for free school meals, carers, foster carers and care leavers and investment in Local Welfare

Provision, Bolton's Care & Repair Service, Bolton Money Skills Service and the Winter Contingency Fund.

The continued investment in Bolton’s Cultural Strategy this year has resulted in Bolton has been named Greater Manchester’s Town of Culture 2024 with an award of £50,000 that will support a year-long programme of new events. In addition, the recently renovated Bolton Central Library was opened to the public, alongside a new café, seating area and free community space for programmed activity.

The directorate continues to support the Council’s Digital Strategy, promoting greater use of online tools and technologies for the benefit of both customers and staff and value for money, including major improvement work on the uninterruptible power supply around the civic centre, new integrated online forms for missed bins, waste audit and assisted bin collections and the new Amazon integration with Oracle.

Delivery of the long-term Strategic Asset Management Plan continues with current improvement projects underway worth over £44m and a strategic maintenance programme amounting to over £15m, ensuring best use of nearly 2,000 Council owned assets.

Place Directorate

Road safety has been a focus for Highways supporting GMP in Operation Classify, a campaign targeting high risk routes enforcement as part of the GMCA’s Vision Zero Road Safety Strategy, delivering £2.45m of road safety interventions.

Public realm improvements have been successfully completed, including the creation of Elizabeth Park, footway and greenspace improvements in Westhoughton Town Centre and the development of several active travel schemes across the borough. The long-term regeneration of town / district centres continues with significant improvements being made at Bolton Market, the Central Library, The Wellsprings Hub and Farnworth Green / Precinct.

As part of the Climate Change Strategy, £11m funding has been received to create a heat network across Bolton Town Centre, which will provide low carbon heat to over thirty major sites. Environmental awareness days and campaigns continue to be delivered and the Bolton’s Fund has awarded grants to climate change projects including the Bolton Lads and Girls Club’s Green Champions Initiative and the Cycle2Health project. Cleaner and greener activity continues to grow, including the successful application and implementation of UKSPF funding to support and promote volunteer activities across Bolton, the successful re-procurement of nineteen energy efficient recycling collection vehicles and the in-housing of the weed spraying service, ensuring continuing good performance of service delivery.

The award-winning School Meals Service has also introduced new plant-based menus, promoting sustainability, environmental care, and animal welfare. Regulatory compliance and action continue to be a priority for the directorate, targeted action to combat the sale of harmful products on the black-market and, working in partnership with HM Probation Service, a successful pilot of a new fast response service where a team of supervised offenders serving community sentences help clean up damage caused by vandalism & anti-social behaviour within 48 hours of it occurring.

Public Health Directorate

The directorate continues to support the health and wellbeing of people and communities across Bolton despite significant challenges that are subject to the rising cost-of-living, the increase in financial pressures among our range of partners (including the NHS) and the challenging national ambitions which require us to increase activity across a range of initiatives that span the life course.

During 23/24 we successfully secured a continuation of existing and additional grants to enhance our Public Health areas of responsibility, for example Sport England, Bikeability, SMMTRG / IPS / RSDATG / MMR and GM Live Well. This has enabled us to increase service capacity and continuously develop offers of support to ensure health improvement and health protection across our local population, whilst also considering ways to encourage behaviour change among our people and communities.

An asset-based approach has been adopted and promoted, which focusses on empowering communities to identify their own health and social care needs and to use existing skills, knowledge and resources to improve their own health and wellbeing.

As part of Bolton's Active Lives Strategy, multi-partner collaborations have continued to be developed to promote physical activity for all residents, which has involved co-creating initiatives that resonate with the diverse interests and needs of the target demographics, fostering a sense of ownership and inclusivity. Public Health have this last year commissioned several new service contracts to deliver improved health outcomes across the Borough aligned to statutory and mandated requirements, for example Smoking Cessation, Sexual Health and Weight Management whilst considering better value for money within tight budgetary constraints.

Support to reduce health inequalities is being delivered through all of our commissioned Public Health services. Public Health has supported the development of the borough-wide Anti-Poverty Strategy, alongside key partners, building on evidence to enhance the process including the resident engagement and consultation which is underway. The Joint Strategic Needs Assessment (JSNA) continues to be developed and underpins the work of BRAIN (Bolton Research And Intelligence Network), with core content contained in the web pages regularly added to and reviewed.

This year the JSNA has been particularly helpful in shaping the developments of the Bolton health and care system, providing definitive datasets and helping the Bolton system to draw together population insights. We have significantly grown our understanding around the mental health and wellbeing of our local population and mental health and wellbeing training has been made available for anyone living, volunteering or working in Bolton, with the aim of promoting positive wellbeing conversations in a range of settings.

The multi-agency Local Outbreak Management Plan was approved in 2023, which sets out operational arrangements for responding to outbreaks of human infectious diseases. Additional training has been carried out across over 30 organisations to enhance community awareness and to promote infection prevention.

We have worked with our key partners in the NHS, UKSA and the VCSE on initiatives that have been used to enhance programs of delivery including promotion and delivery of childhood screening / immunisations, children's oral health advice, flu immunisation and E-bug learning / training (a national health education programme aimed at promoting positive infection control and behaviour change amongst children and young people).

Section Two – Leadership and Governance

Political Leadership

The Labour group is currently the largest political group and through agreement with the Minority Opposition Groups in 2023/24 leads the council. Councillor Nicholas Peel (Labour) is the Council Leader with Councillor Akhtar Zaman (Labour), Deputy Leader.

The Borough is divided into 20 wards, each of which elects three Councillors. Each Councillor is elected for up to four years. The makeup of the Council as at 31st March 2024 was;

Political group	Councillors
Labour	28
Conservative	15
Liberal Democrats	7
Horwich and Blackrod First Independents	5
Farnworth and Kearsley First	3
Independents	1
Vacant (resignation 14th March)	1
Total	**60**

The Council - the 60 councillors:

- decide the constitution
- agree policy framework
- agree the budget
- appoint the Leader for a term determined by the Council

The Leader:

- determines the size of the cabinet and appoints members of the cabinet
- determines the arrangements for delegation of the cabinet functions.
- also appoints a member of the cabinet as a deputy leader who will act in the leader's absence

The Cabinet:

- is made up of the Leader of the Council, the Deputy Leader, seven Executive Cabinet Member portfolio holders & the Chief Whip. Its main role is to:
    - implement the policies agreed by the Council
    - give political leadership
    - propose policy framework to the Council
    - propose the budget to the Council
    - make recommendations to the Council on broad policy issues

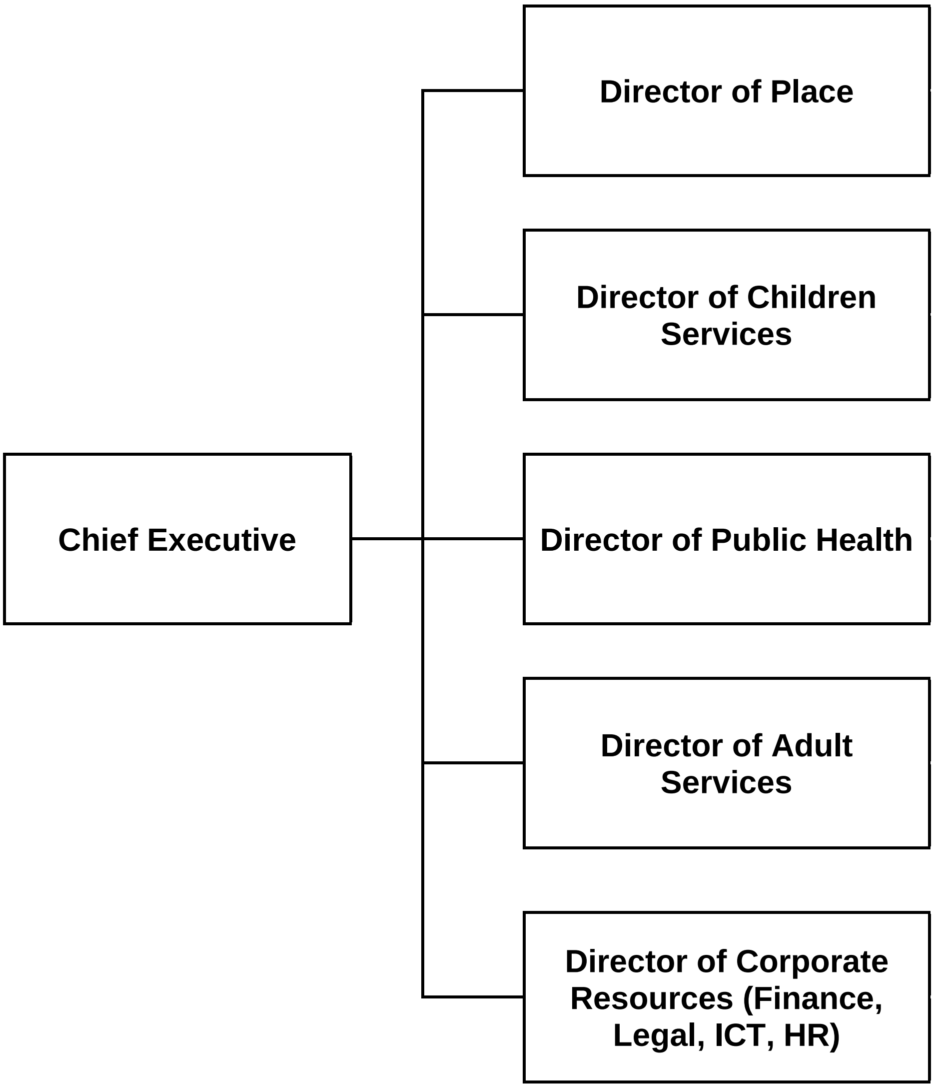
Executive Cabinet Members – the leader and the other executive cabinet members:

- work within an overall policy framework set by the Council
- have individual responsibility for key areas of work known as portfolios
- are accountable for their decisions which they take either as individuals or as the collective cabinet

For further details see https://www.bolton.gov.uk/cabinet-committees/cabinet-committee-meetings/1

Management Leadership

The top-level management structure as at March 2024 is shown below, with Directors of Place, Children Services, Public Health, Adult Services and Corporate Resources supporting the Chief Executive:



More details of the Council's management structure can be found on our website here: https://www.bolton.gov.uk/downloads/file/4548/organisation-chart

Section Three - Overall Financial Summary

The Council seeks to make best possible use of resources available with regard to economy, efficiency and effectiveness. This responsibility is shared by Members and officers of the Council along with a specific role in ensuring the adequacy of resources and proper financial administration.

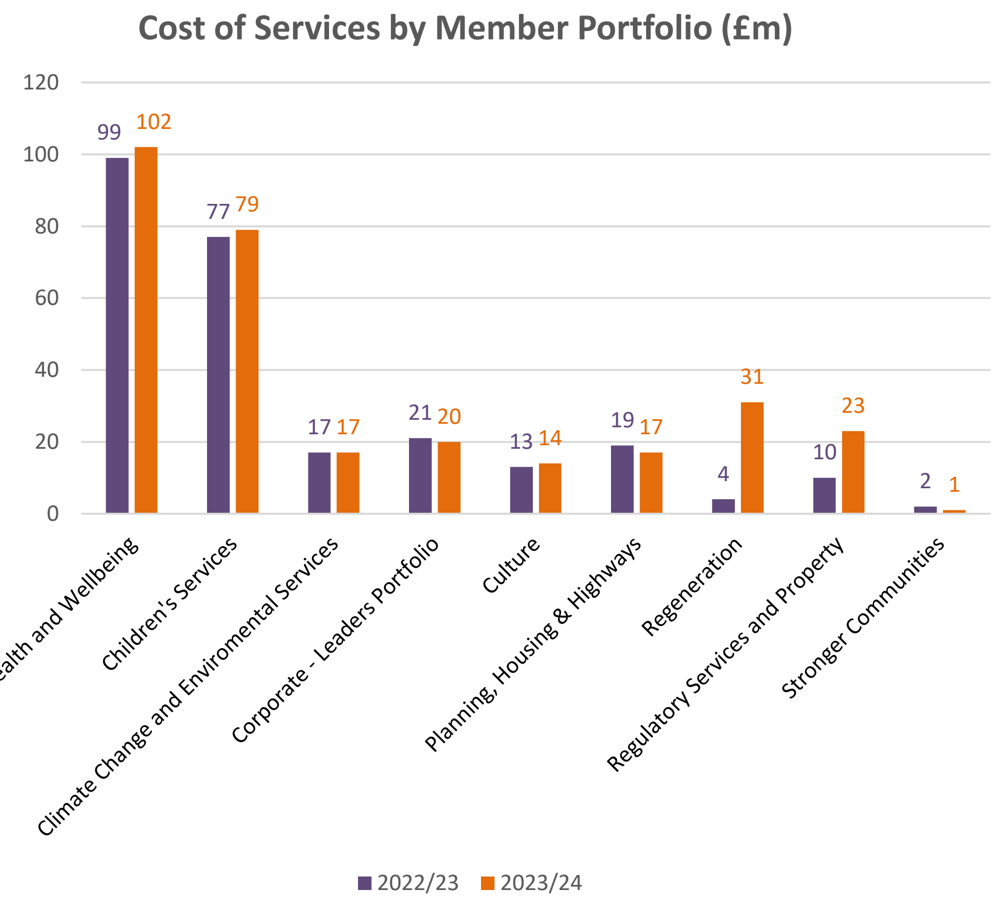
Since 2011 the Council has faced significant reductions in the grants it has received from Central Government, particularly in 2011 when a number of specific grants were lost but the equivalent amount was not transferred into Revenue Support Grant.

- This has resulted in cuts having to be made which by the end of 2023/24 will amount to circa £220m. The one-year budget strategy covering 2024/25 included a cuts target of £8.5m.

With regard to revenue budgets, the Council's directorates balance their budgets by making contributions to or from reserves as appropriate.

Since 2016/17 a new analysis identifies what the cost of each service is before reserve transfers and how these balance to the overall funds available, based upon how services (portfolios) report to Executive Members.

Portfolios can change year-on-year, therefore only 2022/23 and 2023/24 (restated to match any changes) are shown in the Expenditure Funding analysis below.

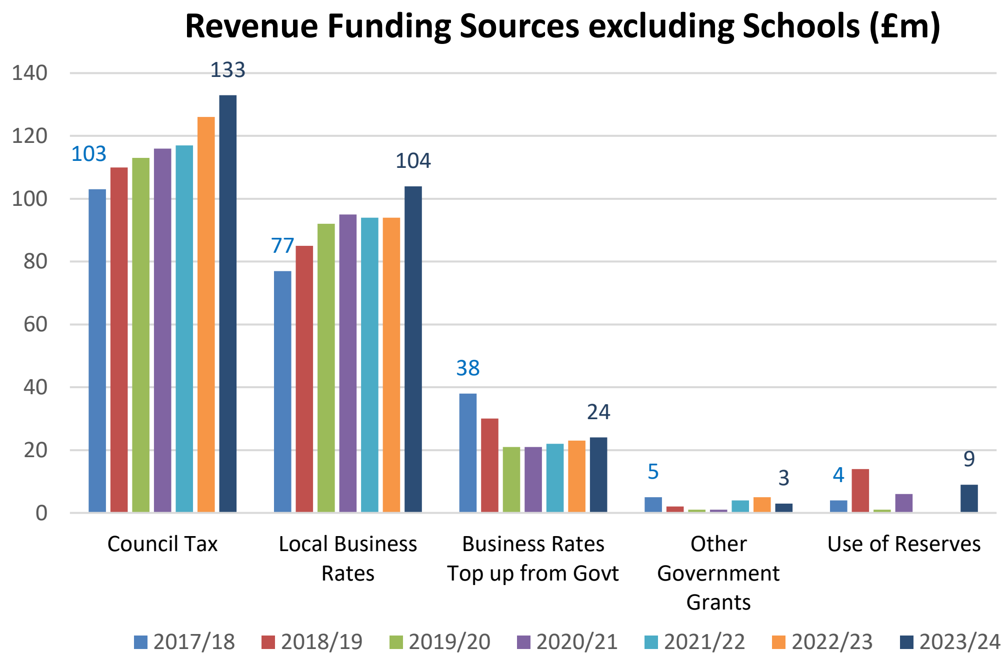


Cost of Services by Member Portfolio in £million	2022/23	2023/24
Adults, Health and Wellbeing	99	102
Children's Services	77	79
Climate Change and Environmental Services	17	17
Corporate - Leaders Portfolio	21	20
Culture	13	14
Planning, Housing & Highways	19	17
Regeneration	4	31
Regulatory Services and Property	10	23
Stronger Communities	2	1

The money to fund the budget above comes from either local taxpayers' in the form of Council tax or business rates or from various government grants.

Local Business Rates increased in 2017/18 as part of the move to 100% retention which was offset by reduction in Revenue Support Grant.

There is an increasing reliance year on year on receipts from Council Tax to fund council services.



Revenue Funding Sources (Excluding Schools) in £million	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Council Tax	103	110	113	116	117	126	133
Local Business Rates	77	85	92	95	94	94	104
Business Rates Top up from Govt	38	30	21	21	22	23	24
Other Government Grants	5	2	1	1	4	5	3
Use of Reserves	4	14	1	6	0	0	9

Capital

The Council spent £75m on capital activities in 2023/24. Major capital schemes included the following:

Capital Scheme	£m	Description
Towns Fund	15.7	Towns Fund grant spend predominantly on Public Realm in Bolton Town Centre (Outside the Octagon). Also Bolton Market, Wellsprings and Bolton Library & Museum
FHSF Farnworth	9.5	Redevelopment of Market Precinct, Leisure centre expansion
Rivington Chase HIF	7.2	Housing Infrastructure Fund
Town Centre Strategy	5.9	Largely acquisition and demolition costs
Bolton College of Medical Sciences	5.2	Levelling Up Fund – Building of new Bolton College of Medical Sciences
Building Maintenance Plan	4.4	Ongoing maintenance for schools
Disabled Facilities Grants	4.3	Helping people stay independent longer through adaptations and modifications to their homes by reducing care and support needs.
Primary Secondary & Special Schools Expansion Programme	4.2	Expansion of schools to meet addition pupil places needed.

Capital Scheme (continued)	£m	Description
Investments in Districts	3.1	Little Lever, Horwich, Westhoughton & Farnworth District Centres to develop areas within each district as endorsed at the individual district's Town Centre Steering group. Farnworth includes some grant funding
CRSTS - KRN Maintenance	2.5	City Region Sustainable Transport Settlements funding for the key roads network
Highways LTP	2.4	Funding for essential maintenance to renew, repair and extend the life of roads
Highways investment	2.0	Additional investment in highways repairs
Schools Schemes	1.5	Various capital schemes funded directly by schools and not centrally held funding
Mayor's Challenge Fund schemes	1.0	

Reserves & Balances

Council usable reserves at the end of March 2024 were £263m, this represents an increase in Revenue reserves of £22m and a decrease in Capital reserves of £1m since March 2023.

Within the above total we hold £10m of general balances as our overall contingency. Ultimately, we have around £51m which is available to be re-allocated during future financial years to support our priorities and financial strategy and continue to deal with significant demand pressures. Reserves are split into 3 types:

- Capital Reserves – Can only be used for capital projects. The Council had £85m (£86m in 2022/23) of capital reserves at the end of 2023/24 (this includes revenue reserves held specifically to contribute to capital schemes).
- General Fund Balances and Revenue Reserves

- General Fund Balances - The Council is required to keep a level of general reserves to fund unexpected demands and exceptional cost increases. Council approved that as a minimum Balances should be maintained at £10m but, if possible, should be at a higher level. During 2023/24 General Fund balances remained static at £10.66m.
- Revenue Reserves – Unlike capital reserves, revenue reserves can be used for either capital or revenue projects. Of the total amount held at the end of the financial year, £124m (£94m in 2022/23) related to reserves held by departments and corporately for the following reasons:
  - Legal/statutory requirements
  - To fund existing commitments
  - To cover key areas of future spend
  - To cover key areas of risk
  - Service contingencies
- Of this £124m, £51m is held departmentally to be re-allocated during future financial years to support our priorities and financial strategy and continue to deal with significant demand pressures.
- All other revenue reserves are held on behalf of clients, schools and to provide insurance cover.

Group Balance sheet

Classification	As at 31/3/2023 £m	As at 31/3/2024 £m
Property Plant & Equipment	653	617
Other Long Term Assets	340	205
Current Assets	230	269
Current Liabilities	(93)	(128)
Long Term Liabilities	(193)	(221)
Net Assets	**937**	**742**
Represented by;		
Usable Reserves	249	271
Unusable Reserves	688	471
Total Reserves	**937**	**742**

Section Four – Future Plans & Associated Risks

The Council is facing continued significant cost pressures arising from increased unit costs for services particularly in Children's Services. Current world events continue to create inflationary pressures for goods and services beyond the forecasts initially provided by the Bank of England. The council continues to monitor these react accordingly.

At its Budget Council meeting in February 2024 the use of £9m of reserves to balance the budget plus cuts of £8.5m were approved for the financial year 2024/25. These cuts need to be found from an even smaller base and will mean by the end of 2024/25 the Council will have found cuts of around £220m since 2011. A full programme of work had been established to deliver the cuts target over the period.

Fair Funding Review (FFR)

As part of the 2016/17 finance settlement, it was announced there would be a Fair Funding Review of authorities' funding needs, initially to be implemented in 2019/20. Due to the 2017 general election, in September 2017 it was announced that such a review would initially be implemented in 2020.

The FFR has been delayed once more and will not happen until 2025/26 at the earliest. The section below provides some narrative as to what FFR will achieve and how it will be implemented.

Per the MHCLG terms of reference the FFR will:

- Set new baseline funding allocations for authorities
- Look at an assessment of needs and resources of authorities

Any financial planning is underpinned by the following key principles:

- Prudent assessment of future resources and unfunded cost pressures
- Maximisation of income generated across all areas of the Council and prompt collection of all amounts owed to the Council / minimisation of bad debts
- Prudent assessment of provisions required to mitigate potential future liabilities
- Risk-assessed level of reserves and balances held corporately to mitigate potential financial liabilities / commitments
- Maximisation of capital receipts from asset disposals to fund capital investment in line with our priorities.
- Maximisation of external grant funding that meets our priorities
- Prudent use of the Council's borrowing powers to undertake capital investment that is not funded by capital receipts, grants or contributions from third parties
- Promotion of 'invest to save' opportunities via detailed assessment of business cases
- Full integration of revenue and capital financial decision-making processes, to ensure the revenue implications of capital projects are accurately reflected in the medium-term financial plan and the annual budget
- Production of detailed implementation plans for all cuts proposals
- Sign-off of all revenue budgets by the relevant senior manager before the start of the financial year
- Regular monitoring of budgets and robust management action to address any unplanned variances that arise

Business Rates

As part of the Trailblazer devolution agreement between the government and Greater Manchester Combined Authority, each of the GM local authorities will continue to retain 100% of Business Rates locally for the next 10 years. In addition there are to be 3 designated Growth Zones and 2 new Investment Zones to be identified in the region that will operate for 25 years with 100% local retention and be outside the next Business Rates re-set, scheduled for 2025/26. The locations for these zones are to be agreed locally and represent a significant opportunity to boost the economy of Bolton, although of course there is no guarantee that the selected zones will be in Bolton.

The Business Rates re-set in 2025/26 is expected to take the form of a partial re-set rather than a full re-set. What this means is that any business rates growth above what the Council is expected to achieve over and above its baseline may either be fully taken or partially taken off the Council. The government's rationale is that the overall business rates growth since the previous re-set in 2013 will be circa £2bn (if it's a full re-set), which it can then re-distribute to Councils.

Business rates pooling was introduced as part of the business rates retention scheme in April 2013. Under the pooling arrangement if the Pool in aggregate is a top up pool it can retain any levy on growth from tariff authority members that would have otherwise been payable to central government. However, when councils collect insufficient business rates according to a pre-determined formula they are deemed to enter "safety net". Funding for this comes either from central government, or from the Pool. Given the inherent risks and uncertainty created by the pandemic the Pool was dissolved meaning safety net assistance would no longer come from the Pool. After review the authorities in the pooling arrangement determined that there was no material benefit to the participating individual authorities, therefore effective 1st April 2023 the pooling arrangement has been dissolved.

Capital Programme

Due to budget constraints the Council's general capital programme has been severely restricted over the last few years. The Town Centre Strategy has resulted in an additional £100m resources for this programme. More recently the awarding of regeneration funds has seen increased capital activity in the town centre and districts, notably Farnworth. This aside, new capital programme initiatives are primarily being funded from capital receipts, for example from the sale of land or departmental capital grants.

Treasury Activity

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The Council currently has £158m of long-term debt. Cash investments (which are for a period of less than 1 year) vary from month to month and were £178m at the end of 2023/24.

Accounting for Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022 Statutory Override Accounting for Infrastructure Assets] the 2023/24 statement of accounts does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation [30M England] of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Future Risks

Continual need to achieve further cuts

Local authorities that can only be discontinued under statutory prescription shall prepare their financial statements on a going concern basis of accounting; that is, the financial statements shall be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. The cuts programme for 2023/24 required cuts of £4.3m with any unachieved cuts to be balanced from reserves. As the Council’s budget base reduces this makes it more difficult to find extra cuts, the one year budget approved by Council in February 2024 included a 2024/25 cuts target of £8.5m. Further cuts requirements from 2025/26 onwards are anticipated to be required to balance budgets, given the continued increase in social care pressures.

The recently announced election is not expected to provide any financial comfort for Local Government irrespective of which political party is in control of central government finances.

Global Economy

External factors including volatility in the Eurozone, the impacts on trade resulting form the war in Ukraine, events in the Middle East and oil prices may impact upon the Chancellor being able to balance his own budget with a potential impact of further cuts on Local government.

Demand Led Budgets

Even with the creation of the LATC the continuing increase in the elderly population will continue to put more pressure on Children’s and Adult Services’ budgets. The Council raised a levy of 2.00% on its Council Tax payers in 2023/24 for Adult Social Care and a further 2.00% in 2024/25.

Legislation / Funding changes

Since 2013 business rates collected by the Council have been distributed 50% to Central Government, 1% to Fire with 49% retained by the Council. As part of the 2023/24 finance settlement Bolton, along with the other GM authorities was given continued approval to be part of a 100% pilot scheme meaning that Councils retain 100% of their business rates with 1% passed to the Fire Authority.

Subsequently, as part of the Greater Manchester Trailblazer agreement announced in the Spring Budget 2024, 100% business rates retention continues for the Financial Years 2024-25 to 2033-34 inclusive.

An explanation of which statements follow, their purpose and relationship between them.

The remainder of this document is the Council's Statement of Accounts for the year ending 31 March 2024 and has been prepared in accordance with the 2023/24 Code of Practice on Local Authority Accounting (The Code) and International Financial Reporting Standards (IFRS). Changing requirements over the years have led to the increasing complexity and detail required in the accounts.

The Movement in Reserves Statement (MIRS)

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

The Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. From 2016/17 onwards, this has been amended to be consistent with the Council's internally reporting format.

The Balance Sheet

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

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The Code requires that the Council's accounts are set out with the 4 core financial statements grouped together. Supplementary statements and Group accounts are also produced where applicable including;

Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from annual resources (government grants, rents, council tax and business rates). The Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement

The Collection Fund Revenue Account.

This reports on the collection of local taxes (Council tax and national non-domestic rates) and their distribution to the Council, Greater Manchester Police and Greater Manchester Fire and Rescue authorities.

Group Accounts

These have been prepared in respect of the Council's ownership of Bolton Cares Ltd and PSP Facilitating Ltd

Annual Governance Statement.

This statement explains the system of controls operating within the Council to secure sound financial control and good governance. It is not a requirement to include this within the Financial Statement, but it is considered beneficial to include this here.

The accounts are supported by the Statement of Accounting Policies and a glossary of financial terms that are contained within the Statement.

Acknowledgements

Finally, I would like to thank all the finance staff across the Council who helped contribute to this Statement and continue to work professionally under ever increasing competing demands.

Tony Glennon
Borough Treasurer
11 June 2024

Comprehensive Income and Expenditure Statement

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

2022/23					2023/24		
£000s	£000s	£000s			£000s	£000s	£000s
Expenditure	Income	Net	Description	Note	Expenditure	Income	Net
116,176	(95,516)	20,660	Corporate - Leaders Portfolio		118,050	(98,657)	19,393
14,185	(990)	13,195	Culture		15,718	(1,452)	14,266
38,189	(19,014)	19,175	Planning, Housing & Highways		35,470	(18,124)	17,346
23,556	(13,433)	10,123	Regulatory Services and Property		38,020	(14,888)	23,132
3,452	(1,227)	2,225	Stronger Communities		2,800	(1,415)	1,385
344,410	(268,458)	75,952	Children's Services		364,650	(285,986)	78,664
27,516	(10,727)	16,789	Climate Change and Environmental Services		27,328	(10,540)	16,788
173,965	(74,809)	99,156	Adults, Health and Wellbeing		188,736	(86,724)	102,012
24,813	(20,456)	4,357	Regeneration		48,214	(16,928)	31,286
5,978	(10,370)	(4,392)	Financial Services		(2,176)	(7,558)	(9,734)
772,240	**(515,000)**	**257,240**	**Cost of Services**		**836,810**	**(542,272)**	**294,538**
			Other operating expenditure				
		13,864	(Gains)/losses on disposal of non-current assets				12,536
		38,184	Levies				35,678
		430	Parish Precepts				452
		52,478	**Total Operating Expenditure**				**48,666**

2022/23					2022/23		
£000s	£000s	£000s	Description		£000s	£000s	£000s
Expenditure	Income	Net		Note	Expenditure	Income	Net
		5,812	Financing & investment income and expenditure	33			(18,743)
		(308,971)	Taxation & non-specific grant income	34			(320,874)
		6,559	**Deficit/(surplus) for year**				**3,587**
		(51,656)	(Surplus)/deficit on revaluation of Property, Plant & Equipment				(1,100)
		(985)	(Surplus)/deficit on Financial Instruments held at Fair Value through Other Comprehensive Income				(26,345)
		(528,022)	Remeasurements of the net defined benefit liability / asset	41			220,005
		(580,663)	**Other comprehensive Income**				**192,560**
		(574,104)	**Total Comprehensive Income and Expenditure**				**196,147**

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed between "usable reserves" (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. 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 chargeable to council tax for the year. The net increase/decrease line shows the statutory General Fund balance movements in the year following these adjustments.

Summary MIRS	**General Fund Balance**	**General Fund Balance – Collection Fund Reserve**	**Earmarked General Fund Reserves**	**Capital Receipts Reserve**	**Capital Grants Unapplied**	**Total Usable Reserves**	**Total Unusable Reserves**	**Total Council reserves**
Description	**£000s**	**£000's**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance 1 April 2022	**10,660**	**9,873**	**145,007**	**13,010**	**39,959**	**218,509**	**137,577**	**356,086**
Total Comprehensive Income and Expenditure	3,314	(9,873)	0	0	0	(6,559)	580,663	574,104
Adjustments from income & expenditure charge under the accounting basis to the funding basis (Note 10)	(150)	0	0	5,972	23,855	29,677	(29,677)	0
Increase or (Decrease) in 2022/23	3,164	(9,873)	0	5,972	23,855	23,118	550,986	574,104
Transfers to/from earmarked reserves (Note 9)	(3,164)	0	3,164	0	0	0	0	0
Balance at 31 March 2023 carried forward	**10,660**	**0**	**148,171**	**18,982**	**63,814**	**241,627**	**688,563**	**930,190**
Description	**£000s**	**£000's**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance 1 April 2023	**10,660**	**0**	**148,171**	**18,982**	**63,814**	**241,627**	**688,563**	**930,190**
Total Comprehensive Income and Expenditure	(3,587)	0	0	0	0	(3,587)	(192,560)	(196,147)
Adjustments from income & expenditure charge under the accounting basis to the funding basis (Note 10)	26,633	0	0	5,007	(6,836)	24,804	(24,804)	0
Increase or (Decrease) in 2023/24	23,046	0	0	5,007	(6,836)	21,217	(217,364)	(196,147)
Transfers to/from earmarked reserves (Note 9)	(23,046)	0	23,046	0	0	0	0	0
Balance at 31 March 2024 carried forward	**10,660**	**0**	**171,217**	**23,989**	**56,978**	**262,844**	**471,199**	**734,043**

Balance Sheet

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

31 March 2023 £000s	Classification	Note	31 March 2024 £000s
	Property, Plant & Equipment		
476,998	- Other land and buildings	**11**	440,648
3,646	- Vehicles, plant, furniture & equipment	**11**	3,169
151,791	- Infrastructure	**11**	159,125
10,353	- Community assets	**11**	13,231
9,325	- Assets under construction	**11**	0
665	- Surplus assets	**11**	651
652,778			**616,824**
66,791	Heritage assets	**12**	66,791
45,268	Investment property	**13**	45,438
15	Intangible assets	**14**	95
24,920	Long Term Investments	**15**	51,266
164,762	Net Pensions Asset		0
35,362	Long Term Debtors	**15**	40,902
989,896	**Long Term Assets**		**821,316**
121,398	Short Term Investments	**15**	144,751
955	Inventories	**17**	980
55,230	Short Term Debtors	**18**	66,787
3,727	Prepayments		2,630
42,880	Cash and Cash Equivalents	**20**	48,469
224,190	**Current Assets**		**263,617**
(11,665)	Short Term Borrowing	**15**	(31,676)
(74,894)	Short Term Creditors	**21**	(73,475)
(6,226)	Provisions for current liabilities	**22**	(4,189)
(8,304)	Revenue Grants in Advance	**35**	(16,754)
(101,089)	**Current Liabilities**		**(126,094)**

31 March 2023 £000s	Classification	Note	31 March 2024 £000s
(20,056)	Provisions for long term liabilities	**22**	(12,691)
(158,537)	Long Term Borrowing	**15**	(158,519)
(4,214)	Other Long Term Liabilities	**15**	(3,592)
0	Net Pensions Liability	**41**	(44,779)
0	Capital Grants in advance	**35**	(5,215)
(182,807)	**Long Term Liabilities**		**(224,796)**
930,190	**Net Assets**		**734,043**
	Represented by:		
	Usable Reserves		
10,660	- General Fund Balance	**9**	10,660
13,559	- Earmarked Statutory Reserves	**9**	16,642
134,612	- Earmarked Policy Reserves	**9**	154,575
18,982	- Capital Receipts Reserve		23,989
63,814	- Capital Grants Unapplied Account		56,978
241,627			**262,844**
	Unusable Reserves	**9**	
296,173	- Revaluation reserve		288,575
9,073	- Financial Instruments Revaluation Reserve		35,418
(11,514)	- Financial Instruments Adjustment Account		(11,211)
164,762	- Pensions Reserve		(44,779)
3,274	- Deferred capital receipts		1,069
242,674	- Capital Adjustment Account		212,176
(18,186)	- Dedicated Schools Grant Adjustment Account		(18,186)
8,214	- Collection Fund Adjustment Account		13,727
(5,907)	- Short-term Accumulating Compensated Absences Account		(5,590)
688,563			**471,199**
930,190	**Total Reserves**		**734,043**

Cash Flow Statement

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

31 March 2023 £000s	Description	Note	31 March 2024 £000s
6,559	Net (surplus) or deficit on the provision of services		3,587
(61,041)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	23	(58,690)
58,967	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	24	40,979
4,485	**Net cash flows from Operating Activities**	**25**	**(14,124)**
10,457	Investing Activities	26	27,920
10,579	Financing Activities	27	(19,385)
25,521	**Net (increase) or decrease in cash and cash equivalents**		**(5,589)**
68,401	Cash and cash equivalents at the beginning of the reporting period		42,880
(25,521)	(Decrease) or Increase in cash as above		5,589
42,880	**Cash and cash equivalents at the end of the reporting period**	**20**	**48,469**

Notes to the Core Financial Statements

Contents

1. Accounting Policies

General Principles

The Statement of Accounts summarises the authority's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets.

The Statement of Accounts has been prepared on a 'going concern' basis, as the government has not indicated an intention that the services provided by the Council will no longer be provided.

Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature within 1 working day of the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

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

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

Changes in accounting policies are only made when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

Where a change in accounting policy is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances for the current year and comparative amounts for the prior period as if the new policy had always been applied.

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

Charges to Revenue for Non-Current Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

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

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

Council Tax and Non-domestic Rates

The Council, as a billing authority acts as an agent, collecting Council Tax and national non-domestic rates (NNDR) on behalf of the major preceptors and, as principals, collecting Council Tax and NNDR for ourselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of Council Tax and NNDR. Under the legislative framework for the Collection Fund, billing authorities and major preceptors share proportionately the risks and rewards that the amount of Council Tax and NNDR collected could be less or more than predicted.

Accounting for Council Tax and Non-domestic Rates

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

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

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES). The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Employee Benefits

a) Benefits Payable During Employment

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

b) Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer’s employment before the normal retirement date or an officer’s decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the CIES 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 (MIRS), 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.

c) Retirement Benefits

Employees of the Council are members of three separate pension schemes:

- The Teachers’ Pension Scheme, administered by Capita Teachers’ Pensions on behalf of the Department for Education (DFE).
- The National Health Service Pensions Scheme.
- The Greater Manchester Pensions Scheme, administered by Tameside Council.

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

However, the arrangements for the teachers’ and the NHS schemes mean that liabilities for these benefits cannot be identified to the Council. The schemes are therefore accounted for as if they were defined contributions schemes and no liability for future payments of benefits is recognised in the Balance Sheet and the service revenue account is charged with the employer’s contributions payable to the teachers’ and NHS pensions in the year. The Children’s services line in the Comprehensive Income and Expenditure Statement (CIES) is charged with the employer’s contributions payable to Teachers’ Pensions in the year. The Adult Services and Public Health line in the Comprehensive Income and Expenditure Statement (CIES) is charged with the employer’s contributions payable to the NHS Pensions scheme in the year.

d) The Local Government Pension Scheme

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

The liabilities of the Greater Manchester pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit 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 projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discounted rate based on a corporate bond yield curve constructed on the constituents of the iBoxx AA corporate bond index.

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

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

The change in the net pension's liability is analysed into seven components:

Service cost comprising:

- current service cost – the increase in liabilities as result of years of service earned this year – allocated in the CIES to the revenue accounts of services for which the employees worked
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES
- interest cost – the expected change in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the CIES

Remeasurements comprising:

- return on assets – return on plan assets and interest income recognised on scheme assets at the same rate as used to discount liabilities – credited to the Financing and Investment Income and Expenditure line in the CIES
- gains/losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the CIES
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
- contributions paid to the Greater Manchester pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

e) **Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) 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.

Events After the Reporting Period

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

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

The Statement of Accounts was authorised for issue on 11th June 2024 by the Borough Treasurer (Section 151 Officer). Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Fair Value Measurement

The authority's accounting policy for fair value measurement of financial assets is set out elsewhere in the accounting policies.

The authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings 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 authority 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 authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

Financial Instruments

a) **Financial Liabilities**

Financial liabilities are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For the Council's borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus any accrued interest), and interest charged to the Comprehensive Income and Expenditure Statement (CIES) is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement (MIRS).

b) **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. In line with the standards for IFRS9, there are three main classes of financial assets measured at:

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

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

c) **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently carried at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the

Balance Sheet is the outstanding principal receivable (plus any accrued interest) and interest credited to CIES is the amount receivable for the year in the loan agreement.

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

d) Financial Assets Measured at Fair Value through Profit and Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority 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 arise in the Surplus or Deficit on the Provision of Services.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

An equity instrument that has been classed as FVPL can be designated as FVOCI if it is not held for trading (e.g. a strategic investment). Once this designation has been made it cannot be reversed. This designation would mean that any gains and losses would be held in the Financial Instruments Revaluation Reserve.

e) Fair Value through Other Comprehensive Income (FVOCI)

Financial Assets measured at FVOCI relates to financial instruments where the business model is achieved both through collecting contractual cash flows and selling financial assets.

Changes in the fair value of these assets are charged to Other Comprehensive Income and Expenditure. Cumulative gains and losses are charged to the surplus / deficit on provision of services when they are disposed of.

Under capital accounting regulations where these assets were treated as capital expenditure the gain or loss are reversed to an unusable reserve – the Capital Adjustment Account.

f) Expected Credit Loss Model

The Council will recognise a loss allowance for expected credit losses, if applicable, on assets where cash flows are solely principal and interest - i.e. financial instruments measured at amortised cost or held at FVOCI (unless they have been designated as such). This does not apply where the counterparty is central government or another local authority.

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

For debtors, no impairment allowance is calculated for central government body debts, otherwise impairment is calculated in a two stage process; significant debtors are reviewed individually on their specific circumstances otherwise the following approach is used:

Debtor Status	Impairment allowance as % of outstanding balance
Current (not overdue)	0.50%
1-30 days overdue	1.50%
31-60 days overdue	3.50%
61-90 days overdue	7.50%
Overdue more than 90 days	15%
Overdue from previous year	33%
Overdue from previous year +1	67%
Older debtors	100%

Government Grants and Contributions

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement (CIES) until conditions attached to the grant or contribution have been satisfied.

Conditions are stipulations that specify the grant or contributions are required to be consumed / used by the recipient as specified or must be returned to the grant making entity / contributing entity.

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

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the Movement in Reserves Statement (MIRS).

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.

Heritage Assets

All the Council's Heritage Assets are tangible in nature. There are no intangible Heritage Assets.

Heritage Assets comprise items held by the Library and Museum Service, including Civic regalia, furniture, commemorative items and silver tableware, plus two historic buildings. These assets are intended to be held in trust for future generations because of their cultural, environmental or historical associations. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The Council's collections of Heritage Assets are accounted for as follows:

a) **Heritage Assets – General**

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example, where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

In the event of sales, the proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see elsewhere in Accounting Policies).

With regard to everything else an annual request is made to the Museums and Galleries officers to ensure there has been no significant changes to the collection which would affect the underlying valuation. If there were so, the collections would be independently valued.

b) **Historic Buildings**

The Council owns two historic buildings, Smithills Hall and Hall i' th' Wood. Smithills Hall was purchased by the Council in the 1930s and Hall i' th' Wood was presented as a gift in 1902.

These are held on the balance sheet at depreciated replacement cost. These assets are also deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

c) **Library & Museums collections**

The collections include Egyptology, Ethnography, industrial history, business archives, archaeology, botany, geology, local history, costume, textiles, decorative art, entomology, zoology and rare books.

These items are reported in the Balance Sheet on valuations held for insurance purposes. The ten most significant items have been valued individually, and a single collections based valuation covers all other items. The insurance valuations are reviewed regularly, and when the policies are being renewed. The valuation of individual items may also be reviewed when loans are made to external organisations. The collections are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

The collection is relatively static. Acquisitions (mainly donations) are made at a rate of around 100 items per year, with a smaller number of disposals. Significant purchases would be recognised at cost, and donations recognised at a valuation determined by an appropriately qualified member of staff, however, recently these items have not been material in value, and have been assessed as being covered by the valuation of the collection as a whole. Significant disposals are recognised as a capital receipt and written out of the balance sheet at their carrying value. In practice, most disposals have been small in nature and are regarded as not affecting the value of the collection as a whole.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected to bring benefits to the Council for more than one financial year.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only re-valued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the CIES.

Intangible assets are tested for impairment whenever there is an indication that an asset might be impaired – any losses recognised are posted to the relevant service line(s) in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the CIES.

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

Interests in Companies and Other Entities

The Council has a material interest in 2 external entities that have the nature of subsidiaries, associates or joint ventures and therefore group accounts have been prepared.

Inclusion in the Council’s group is dependent upon the extent of the Council’s interest and power to influence an entity. The determining factor for assessing the extent of interest or power to influence is either through ownership of an entity, a shareholding in an entity or representation on an entity’s board of directors.

An assessment of all the Council’s interests has been carried out during the year, in accordance with the Code of Practice, to determine the relationships that exist and whether they should be included in the Council’s group accounts.

In the Council’s own single-entity accounts the Council’s interest in those entities are recorded as financial assets at cost less any impairment. Any gains or losses are recognised in the CIES.

Inventories and long-term contracts

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

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

Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use.

Properties are not depreciated but are re-valued on a maximum 4-yearly cycle. However, for investment properties the top 50 by value are valued annually as they account for 80% of the overall investment property portfolio by value. The Council’s interest in the airport land is also valued annually. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the MIRS and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

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.

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.

a) **The Council as Lessee**

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the CIES).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the MIRS for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased property, plant or equipment.

b) **The Council as Lessor**

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the CIES disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the MIRS. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the MIRS. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council tax, as the cost of property, plant and equipment is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the MIRS.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES.

Minimum Revenue Provision

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2003/3146) took effect from 31st March 2008. They require the basis on which the Minimum Revenue Provision (MRP) is calculated for future years to be approved by Council. This is the amount Councils are required to set aside for debt repayment each year.

General Fund Borrowing that was previously supported through the RSG system will be provided for in equal annual instalments over a 50 year period commencing 1st April 2015. For non-Housing schemes financed from unsupported borrowing, from 1st

April 2008 MRP will be made for repayment equal to the estimated depreciation charge on those assets calculated on an equal instalment basis, calculated in accordance with normal accounting practice. For Finance Leases and the PFI scheme the capital element of the lease or unitary payment will be taken to be the MRP.

In instances where the Council incurs borrowing in order to lend funds to a third party, in accordance with the revised guidelines issued by the Secretary of State, MRP is required to be provided over the useful life of the asset created. In certain instances, and after undertaking comprehensive due diligence, if the Borough Treasurer is satisfied that any agreed repayment date will be met, the guidance will be reviewed and, if appropriate, no MRP will be set-aside. Annually the Council will undertake a financial assessment of the third parties' ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.

Overheads and Support Services

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

Property, Plant and Equipment

Assets that have physical substance and are held for use in the provision of services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year (i.e. on a continuing basis) are classified as Property, Plant and Equipment.

a) **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 it yields benefits to the Council, that the cost can be measured reliably and the services that it provides are for more than one financial year. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged to revenue as it is incurred. The Council has a £12,000 de minimis limit for the recognition of Capital Expenditure.

b) **Measurement**

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using the following measurement bases:

- community assets and assets under construction – depreciated historical cost
- school buildings – because of their specialist nature, are measured at depreciated replacement cost using a modern equivalent asset basis*
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- dwellings, other land and buildings, vehicles, plant and equipment are held at current value determined as follows:
    - non-specialised operational properties – existing use value
    - specialised operational properties – depreciated replacement cost.

*a modern equivalent asset valuation is not a valuation of the actual bricks and mortar but a hypothetical site which is able to deliver the same level of services. The valuation is of the service potential of a site rather than the actual site.

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

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

c) **Revaluations**

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every four years. Properties categorised as Retail are re-valued annually. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service revenue account.

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

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

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

Various freehold and leasehold properties owned by Bolton Council were valued as at 1 December 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuations were prepared in accordance with the requirements of the RICS Valuation – Global Standards, effective January 2023, the International Valuation Standards and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuation of the operational properties was in accordance with Current Value as defined in the CIPFA Code. Specialised properties were valued using a Depreciated Replacement Cost (DRC) method because of the specialised nature of the asset means that there are no market transactions of this type of asset, except as part of the business or entity. Investment properties were valued to ‘fair value’ where ‘fair value’ is equivalent to ‘Market Value’.

The Council’s interest in land held by the 10 district Councils around the Airport is based on a value obtained by Manchester City Council.

d) **Impairment**

The values of each category of assets and of material individual assets that are not being depreciated are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

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

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

e) **Depreciation**

Depreciation is provided for on all assets with a determinable finite life (except for investment properties), by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use on a straight-line basis. Where there is specific information on an asset, that data is used to determine its life, up to a maximum of 50 years.

Otherwise depreciation is calculated on the following bases;

- Buildings – 40 years
- Vehicles, plant, furniture and equipment – 5 years
- Intangible Assets – 5 years or life of licence.

Depreciation is calculated on asset values at 1 April, i.e. depreciation is charged on expenditure or revaluations in the year. Only land held on a lease will be subject to depreciation. The length of the lease will determine the period over which depreciation is charged. The same would apply for leasehold buildings.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

f) **Disposals and Non-current Assets Held for Sale**

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

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

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

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

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

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

g) **Componentisation**

The Code requires that each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When an item of Property, Plant and Equipment valued at greater than £1,000,000 is either acquired or re-valued and the asset has major components whose cost is greater than £200,000, the components are depreciated separately over the relevant life of the component.

Highways infrastructure assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

a) **Recognition of Highways infrastructure assets**

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

b) **Measurement of Highways infrastructure assets**

Highways infrastructure assets are generally measured at depreciated historical cost.

However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Annual depreciation is the depreciation amount allocated each year. Useful lives of the various parts of the highways network are assessed using industry standards where applicable as follows.

c) Depreciation of Highways infrastructure assets

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Where there is specific information on an asset, that data is used to determine its life. Otherwise depreciation is calculated on the following bases:

- Carriageways - 25 years
- Footways and cycle tracks - 25 years
- Structures (bridges, tunnels and underpasses) - 100 years
- Street lighting – 40 years
- Street furniture - Bus shelters 25 years and other assets 40 years
- Traffic management systems - 25 years

For reference the UK Roads Leadership Group Asset Management Board endorses the following as reasonable estimates for this purpose and recommend their use by local authorities:

Part of the highways network	**Useful life range**
Carriageways	20 to 30 years
Footways and cycle tracks	20 to 30 years
Structures (bridges, tunnels and underpasses)	80 to 120 years
Street lighting	30 to 50 years
Street furniture	Bus shelters 20 to 30 years and other assets 30 to 50 years
Traffic management systems	15 to 25 years

These lives indicate the time over which the depreciable amount of an asset should reasonably be spread.

d) Disposals and derecognition of Highways infrastructure assets

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the ‘Other operating expenditure’ line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals are not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

The authority has determined in accordance with Regulation [30M England] of the Local Authorities (Capital Finance and Accounting) (England /Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Private Finance Initiative (PFI)

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment . Non-current assets recognised on the Balance Sheet will be re-valued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

The amounts payable to the PFI operator each year is analysed into three elements:

- fair value of the services received during the year – debited to the relevant service in the CIES
- finance cost – an interest charge of 5.1% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)

Provisions, Contingent Assets and Contingent Liabilities

a) 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 and a reliable estimate can be made of the amount of the obligation, but where the timing of the transfer is uncertain.

Provisions are charged to the appropriate service revenue account in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

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

b) **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.

c) **Contingent Liabilities**

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

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. They are also used as part of the Council's devolved budget management process to carry forward budget over or under-spend to future years. Reserves are created by appropriating amounts in the MIRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the MIRS so that there is no net charge against Council tax for the expenditure.

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

Revenue Expenditure Funded from Capital under Statute

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

Schools

Within its boundary, the Council has the following schools:

Type of School	Nursery	Primary	Secondary	Special
Community Schools	2	38	3	3
Controlled Schools	0	4	0	0
Voluntary Aided Schools	0	30	3	0
Total LA Schools	**2**	**72**	**6**	**3**
Academies	0	22	11	3
Free School	0	3	3	0
Total	**2**	**97**	**20**	**6**

a) **Community Schools**

These schools are owned by the Local Authority and managed by a governing body. The revenue expenditure for these schools is funded from the Dedicated Schools Grant (DSG) and accounted for within the Council's accounts. The buildings, reserves and other assets and liabilities are held on the Council's balance sheet.

b) **Controlled Schools**

Controlled schools are managed by a governing body on behalf of the Council. As with Community schools the revenue expenditure is funded from the DSG and accounted for within the Council's accounts. The buildings do not belong to the Council, and therefore are not held within the balance sheet. Reserves and other assets and liabilities that are related to the provision of education, remain with the Council and are therefore included in the balance sheet.

c) **Voluntary Aided Schools**

These schools are owned by either the Roman Catholic or Church of England Diocese. The governing bodies employ the staff but the education is provided on behalf of the Council and funded by the DSG, therefore all the revenue income and expenditure, reserves, current assets and liabilities are within the Council's accounts. The buildings, however, are not held on the balance sheet with the exception of playing fields that are in Council ownership.

d) **Academies / Free Schools**

These schools are independent from the Council. Income and expenditure, reserves and current assets and liabilities are not within the Council's accounts. The DSG is calculated as part of Bolton's allocation but paid directly to the schools from the Department for Education. Existing buildings are transferred to the Academy / Free School and only a nominal land value held on the asset register. Where Academies/ Free Schools have had substantial new builds and these have been undertaken by the Council, these are accounted for in the capital account and held on the balance sheet. On completion the buildings are transferred to the Academy/ Free School and as with other Academies a nominal land value held.

VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid relating to Bolton Council is recoverable from it.

2. Critical Judgements in Applying Accounting Policies

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

Private Finance Initiative

The Council has evaluated its PFI scheme at Castle Hill, under the requirements of the Code, and concluded that this should be recognised in the balance sheet as an asset. See note 39 for details.

Heritage Assets
The Code states that the valuation of Heritage Assets may be made by any method that is appropriate and relevant. There is no requirement for valuations to be carried out by professional valuers. The Museums and Libraries collections are held at most recent insurance valuations, Smithills Hall was revalued in 2021/22 year at depreciated replacement cost by the external valuers Gerald Eve. Hall i'th' Wood Museum is currently closed to the public due to requiring extensive renovation works. It is currently held on the balance sheet at a nominal value of £1.

Leases
Lease agreements have been reviewed and a determination made on whether these are finance or operating leases. The Council's Finance Officers have applied and followed the primary indicators within the Code in determining lease classification between an operating lease and a finance lease. The assessment of some of these indicators does require a degree of professional judgment in determining the classification. This judgement has been based upon the degree to which the lease transfers the risks and rewards of ownership to the Council in accordance with IAS 17. Details of the Council's lease arrangements as both a lessor and lessee can be found in Note 38

Property Plant & Equipment (PPE)
Property Plant and Equipment are valued on the balance sheet in accordance with the statement of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS) which the council judges to be an appropriate basis:

.

Non-current assets, with the exception of those valued at depreciated historical cost, are valued sufficiently regularly to ensure that their carrying amount is not materially different from their value at year end, but as a minimum every four years. Valuations are undertaken during the year by external valuers commissioned by the Council.

Municipal Mutual Insurance (MMI)
In accounting for liabilities relating to the Municipal Mutual Insurance (MMI) claw back Scheme of Arrangement, although the scheme of administration has been called, and an initial levy of 25% has been paid, the Council has judged that the there is sufficient risk relating to the remaining 75% that it be classified as a contingent liability and is included within the Insurance Reserve and Provision. (Notes 9, 22 and 42)

Business Rates Appeals Provision
Following the 2017 list revaluation, and the introduction of the Check, Challenge, Appeal process, the estimation of the provision for successful National Non Domestic Rates (NNDR) appeals which would result in a reduction in the Rateable Value (RV) has been based on the percentage of 3.2% built into the 2023/24 multiplier. This percentage includes an estimated amount which is judged to be appropriate, for future appeals.

Group Boundaries
The Council undertakes its activities through a variety of undertakings, either under ultimate control or in partnership with other organisations. All those considered to be material are included in the group accounts. Profit and loss, net worth, and the value of assets and liabilities are considered individually for each organisation against a

materiality limit set by the Council. An entity could be material but still not consolidated (if all of its business is with the Council and eliminated on consolidation) – i.e. the consolidation would mean that the group accounts are not materially different to the single entity accounts.

The assessment of materiality also considers qualitative factors such as whether the Council depends significantly on these entities for the continued provision of its statutory services or where there is concern about the level to which the Council is exposed to commercial risk.

The Council has assessed its group boundary for 2023/24 and has identified one immaterial subsidiary and one significant but immaterial joint venture which are consolidated into its group accounts.

Bolton Cares

In August 2015 the Council agreed to the creation of a Local Authority Trading Company (LATC) to deliver certain adult social care services, known as Bolton Cares. Some council staff were TUPED into Bolton Cares and given the significant reliance on Bolton Cares to provide adult social cares services a judgement was made to consolidate Bolton Cares into the Council’s group accounts.

Bolton PSP

In October 2013 the Council transferred assets (largely low value ground rents) to PSP Bolton. In return for this, as assets are developed by PSP, these will be brought on to the Council’s books. This joint venture was established to facilitate property related projects, which could include the identification and disposal of surplus assets, facilitation of regeneration schemes, portfolio management and the investment of private sector funds in projects to mutual benefit. Given the significant influence on property development within the borough, a judgement was made that consolidation into the group accounts was warranted to provide users of the accounts with a comprehensive view of the Council’s property related activities. Under the Code (IFRS11) the arrangement is classed as a Joint Venture (see note 15 for further details).

Financial Instruments

Under IFRS9 (Financial Instruments) the default categorisation of the Council’s equity holdings would be Fair Value through Profit and Loss. However, it is the Council’s view that the majority of its equity instruments are strategic investments (i.e. are not held for trading) and designating these at Fair Value through Other Comprehensive Income results in a reasonable and reliable accounting policy for the investment – see note 15.

Long Term investment in Manchester Airport

The Council has a 3.22% shareholding in Manchester Airport Holdings Limited (MAHL). Following the adoption of accounting standard IFRS 9 Financial Instruments which came into effect on 1 April 2018, the default valuation method of the Council’s equity holdings would be Fair Value through Profit and Loss.

However, the shareholding is a strategic investment and not held for trading and therefore the Council has designated the investment as fair value through other comprehensive income. It is the Council’s view that this is a reasonable and reliable accounting policy for the investment.

The Council has made an equity investment in Manchester Airport Car Park Limited, (along with the other nine Greater Manchester District Councils). The Council's investment is to provide car parking facilities at Manchester Airport.

The Council holds 3 Class C ordinary shares. The shareholding will be classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS 9 the shareholding (investment) will be designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income. The decision to designate to fair value through other comprehensive income is irrevocable and it is the Council view that this is a reasonable and reliable accounting policy for this investment.

Further information about the Council's investments in Manchester Airport can be found in Note 15.

3. Assumptions Made About the Future and Other Sources of Estimation Uncertainty

Debt Impairment

At 31 March 2024, the Council had a balance of short-term debtors of £67m. A review of significant balances suggested that an impairment of doubtful debts of £43m was appropriate. However, in the current climate it is not certain that such an allowance would be sufficient. If collection rates were to deteriorate an increase in the amount of the impairment of the doubtful debts would be required.

Pension Liability

The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discounts used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of £115.820m. However, the assumptions interact in complex ways. A 0.5% increase in the assumed salary increase rate would result in a £12.115m increase in the pension liability and an increase of 0.5% in the assumed pension increase rate would increase the pension liability by £105.755m. Further details can be found in Note 40.

PFI and Similar Arrangements

PFI and similar arrangements have been considered to have an implied finance lease within the agreement. In reassessing the leases, the Council has estimated the implied interest rate within the leases to calculate interest and principal payments. In addition, the future Retail Prices Index (RPI) increase within the contracts has been estimated as remaining constant throughout the remaining period of the contract, at March 2024 estimated outstanding payments totalled £11.7m. A 10% increase in RPI would result in an annual increased payment of around £0.193m. See note 39 for further details.

Property, Plant and Equipment

The valuation of the Council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. The Council obtains professional valuations of all its land and property assets in accordance with Accounting Guidance.

In practice this is done on a rolling 4 year basis with each asset being valued at least once every 4 years, with the valuations each year being at an effective date of 1st December.

However, for investment properties the top 50 by value are valued annually as they account for 80% of the overall investment property portfolio by value. The Council's interest in the airport land is also valued annually.

If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. A 1% reduction in asset values would generate a reduction of around £4.4m. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain recorded in the Comprehensive Income and Expenditure Statement.

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. The net book value of buildings & infrastructure assets subject to depreciation as at 31st March 2024 is £520.7m. It is estimated that the annual depreciation charge for buildings would increase by approximately £0.72m for every year that useful lives had to be reduced.

Note 11, Property, Plant and Equipment, sets out more information on the Council's approach to valuation of its PPE and discloses the carrying value of each asset category.

4. Accounting Standards Issued not Adopted

The CIPFA Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. In addition, the Code requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. These changes are not considered to have a significant impact on the Statement of Accounts as outlined below, and do not impact on the 2023/24 Statement of Accounts.

The standards introduced by the 2023/24 Code where disclosures are required in the 2023/24 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).

   Bolton have decided not to implement IFRS16 in 2023/24.

   The mandatory application of IFRS16 from 1st April 2024 will require changes to the recognition and accounting treatment of existing contracts in the 2024/25 statement of accounts, where lease arrangements are identified within the contractual terms.

Of the 518 contracts for the purchase of goods / services reviewed during 2023/24, 75 contracts have been identified as falling within the requirements of the standard.

Category	Contracts
IFRS16 applies	75
Exemption applied - Low Value (<£10k) Contractual amount	159
Exemption applied - Low Value (<£10k) PV of Future Payments	52
Exemption applied - Short Term lease (<12months)	69
Ended 2023/24	155
Missing Information	8
Grand Total	**518**

A total of 280 contracts have been identified as being exempt from the requirements of the standard because they are either short term arrangements of 12 months or less or of low value, where low value is deemed to be below £10,000 (the statutory de-minimis for recognition of capital receipts).

IFRS16 effectively removes the distinction between Operating Leases and Finance Leases in the accounts of the lessee (the entity leasing in the property or equipment) and requires initial recognition on the balance sheet of ‘right of use’ assets and matching lease liabilities. The estimated total value of these assets & liabilities is £11.1m, using appropriate discount factors to calculate the Present Value (PV) of future lease liabilities.

However this total includes a PV of £4.9m for 2 existing assets recognised on the balance sheet under the accounting for Finance Leases and PFI arrangements. Notes 38 (Leases) and 39 (PFI and similar contracts) provide information about existing accounting treatment of these arrangements. Work is ongoing to refine the understanding of the implications of this IFRS on the council’s 2024/25 Statement of Accounts.

b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
- specify that an entity’s right to defer settlement must exist at the end of the reporting period
- clarify that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement
- clarify how lending conditions affect classification, and
- clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.

d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
   - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
   - targeted disclosure requirements for affected entities.

f) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
   - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
   - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it

5. Events After the Reporting Period

The Statement of Accounts was authorised for issue on 11th June 2024 by the Borough Treasurer (Section 151 Officer). There are no events after the reporting period in 2023/24. The statement may be amended following audit.

6. Restatement of Prior Year

During 2023/24 Cabinet determined that amended portfolios would provide a more appropriate management & reporting structure for the Council's activities.

The revised portfolio structure has been reflected in the primary statements; the changes made to the 2022/23 comparatives are as per the tables below.

Changes to CIES

		Expenditure	Income	Net
	Portfolio	**£000s**	**£000s**	**£000s**
Original	Adult Services	150,099	(73,285)	76,814
	Public Health	24,313	(1,796)	22,517
	Children's Services	344,410	(268,458)	75,952
	Housing	9,091	(7,970)	1,121
	Leader	116,175	(95,517)	20,658
	Regeneration	30,934	(25,776)	5,158
	Strategic Planning and Housing	3,348	(4,628)	(1,280)
	Deputy Leader	21,766	(1,280)	20,486
	Environment Delivery	33,860	(13,928)	19,932
	Highways and Transport	28,820	(10,765)	18,055
	Stronger Communities	3,446	(1,227)	2,219
	Financial Services	5,978	(10,370)	(4,392)
		772,240	**(515,000)**	**257,240**

	Portfolio	Expenditure £000s	Income £000s	Net £000s
Restated	Corporate - Leaders Portfolio	116,176	(95,516)	20,660
	Culture	14,185	(990)	13,195
	Planning, Housing & Highways	38,189	(19,014)	19,175
	Regulatory Services & Property	23,556	(13,433)	10,123
	Stronger Communities	3,452	(1,227)	2,225
	Children's Services	344,410	(268,458)	75,952
	Climate Change & Environmental Services	27,516	(10,727)	16,789
	Adults, Health and Wellbeing	173,965	(74,809)	99,156
	Regeneration	24,813	(20,456)	4,357
	Financial Services	5,978	(10,370)	(4,392)
		772,240	**(515,000)**	**257,240**

Changes to EFA

	Portfolio	Net expenditure chargeable to the General Fund £000s	Adjustment between the funding & accounting basis £000s	Net expenditure in CIES £000s
Original	Adult Services	68,861	7,953	76,814
	Public Health	21,844	673	22,517
	Children’s Services	48,314	27,638	75,952
	Housing	142	979	1,121
	Leader	27,978	(7,320)	20,658
	Regeneration	5,923	(765)	5,158
	Strategic Planning and Housing	(2,610)	1,330	(1,280)
	Deputy Leader	14,552	5,934	20,486
	Environment Delivery	15,857	4,075	19,932
	Highways and Transport	7,998	10,057	18,055
	Stronger Communities	1,818	401	2,219
	Financial Services	522	(4,914)	(4,392)
		211,199	**46,041**	**257,240**
Restated	Corporate - Leaders Portfolio	6,557	14,103	20,660
	Culture	10,595	2,600	13,195
	Planning, Housing & Highways	9,639	9,536	19,175
	Regulatory Services and Property	1,879	8,244	10,123
	Stronger Communities	2,296	(71)	2,225
	Children's Services	60,282	15,670	75,952
	Climate Change and Environmental Services	16,607	182	16,789
	Adults, Health and Wellbeing	98,641	515	99,156
	Regeneration	4,181	176	4,357
	Financial Services	522	(4,914)	(4,392)
		211,199	**46,041**	**257,240**

Changes made to Notes to the EFA

	Portfolio	Adjustments for Capital Purposes £000s	Net change for the Pensions Adjustments £000s	Other differences £000s	Total Adjustments £000s
Original	Adult Services	596	3,586	3,771	7,953
	Public Health	0	438	235	673
	Children’s Services	5,744	15,604	6,290	27,638
	Housing	29	512	438	979
	Leader	(162)	3,317	(10,475)	(7,320)
	Regeneration	4,280	281	(5,326)	(765)
	Strategic Planning and Housing	536	239	555	1,330
	Deputy Leader	840	896	4,198	5,934
	Environment Delivery	674	3,135	266	4,075
	Highways and Transport	8,620	1,078	359	10,057
	Stronger Communities	(5)	140	266	401
	Financial Services	(6,772)	966	892	(4,914)
	Net Cost of Services	**14,380**	**30,192**	**1,469**	**46,041**
Restated	Corporate - Leaders Portfolio	(162)	3,317	10,948	14,103
	Culture	3,336	661	(1,397)	2,600
	Planning, Housing & Highways	8,648	1,590	(702)	9,536
	Regulatory Services and Property	2,072	626	5,546	8,244
	Stronger Communities	0	141	(212)	(71)
	Children's Services	5,746	15,604	(5,680)	15,670
	Climate Change and Environmental Services	345	2,739	(2,902)	182
	Adults, Health and Wellbeing	596	4,018	(4,099)	515
	Regeneration	571	530	(925)	176
	Financial Services	(6,772)	966	892	(4,914)
	Net Cost of Services	**14,380**	**30,192**	**1,469**	**46,041**

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from annual resources (government grants, rents, council tax and business rates). The Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23				2023/24		
Net expenditure chargeable to the General Fund	Adjustment between the funding & accounting basis	Net expenditure in CIES	Description	Net expenditure chargeable to the General Fund	Adjustment between the funding & accounting basis	Net expenditure in CIES
£000s	£000s	£000s		£000s	£000s	£000s
6,557	14,103	20,660	Corporate - Leaders Portfolio	7,410	11,983	19,393
10,595	2,600	13,195	Culture	10,627	3,639	14,266
9,639	9,536	19,175	Planning, Housing & Highways	7,689	9,657	17,346
1,879	8,244	10,123	Regulatory Services and Property	(870)	24,002	23,132
2,296	(71)	2,225	Stronger Communities	1,633	(248)	1,385
60,282	15,670	75,952	Children's Services	72,910	5,754	78,664
16,607	182	16,789	Climate Change and Environmental Services	18,834	(2,046)	16,788
98,641	515	99,156	Adults, Health and Wellbeing	104,292	(2,280)	102,012
4,181	176	4,357	Regeneration	6,388	24,898	31,286
522	(4,914)	(4,392)	Financial Services	(8,375)	(1,359)	(9,734)
211,199	**46,041**	**257,240**	**Cost of Services**	**220,538**	**74,000**	**294,538**
(204,490)	(46,191)	(250,681)	Other Income and expenditure	(243,584)	(47,367)	(290,951)
6,709	**(150)**	**6,559**	**Deficit/(surplus) for year**	**(23,046)**	**26,633**	**3,587**

Movement in General Fund Balance

Movement in General Fund Balance	2022/23	2023/24
	£000s	£000s
Opening General Fund Balance as at 1st April	(165,540)	(158,831)
New statutory accounting practices in relation to the treatment of local authority schools budget deficits	0	0
(Surplus)/Deficit on General Fund Balance in Year	6,709	(23,046)
Closing General Fund Balance as at 31st March	**(158,831)**	**(181,877)**

8. Note to the Expenditure and Funding Analysis

2022/23					2023/24			
Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other differences	Total Adjustments	Description	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other differences	Total Adjustments
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
				Net Cost of Services				
(162)	3,317	10,948	14,103	Corporate - Leaders Portfolio	(350)	(39)	12,372	11,983
3,336	661	(1,397)	2,600	Culture	4,979	(7)	(1,334)	3,639
8,648	1,590	(702)	9,536	Planning, Housing & Highways	10,633	(16)	(960)	9,657
2,072	626	5,546	8,244	Regulatory Services and Property	19,337	(4)	4,669	24,002
0	141	(212)	(71)	Stronger Communities	0	(2)	(246)	(248)
5,746	15,604	(5,680)	15,670	Children's Services	12,214	(165)	(6,295)	5,754
345	2,739	(2,902)	182	Climate Change and Environmental Services	1,057	(29)	(3,073)	(2,046)
596	4,018	(4,099)	515	Adults, Health and Wellbeing	1,748	(45)	(3,983)	(2,280)
571	530	(925)	176	Regeneration	25,891	(5)	(988)	24,898
(6,772)	966	892	(4,914)	Financial Services	(7,841)	(304)	6,786	(1,359)
14,380	**30,192**	**1,469**	**46,041**	**Net Cost of Services**	**67,668**	**(616)**	**6,948**	**74,000**
(40,898)	9,144	(14,437)	(46,191)	Other Income and Expenditure from the funding analysis	(24,439)	(9,848)	(13,080)	(47,367)
(26,518)	**39,336**	**(12,968)**	**(150)**	**Difference between the General Fund surplus/deficit and the CIES surplus/deficit**	**43,229**	**(10,464)**	**(6,132)**	**26,633**

Adjustments for Capital Purposes

Depreciation, impairment charges and revaluation gains and losses are included within the net cost of services. In addition:

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

Net Change for Pension Adjustments

The removal of pension contributions and the addition of the International Accounting Standard *(IAS) 19 Employee Benefits* pension related expenditure and income are reflected as follows:

- **Re: Net cost of services** – employer pension contributions made by the Council as determined by statute are removed, and replaced with current service costs and past service costs.
- **Re: Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement (CIES).

Other Differences

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

- **Finance and investment income and expenditure** – the other differences column recognises adjustments to the General Fund for timing differences relating to premiums and long term borrowing.
- **Taxation and non-specific grant income** – the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates to that which was forecast to be received at the start of the year, and the income recognised under GAAP. This is a timing difference only as any difference is brought forward in surplus and deficits on the Collection Fund.
- **Dedicated Schools Grant Reserve –** this adjusts for the transfer of the deficit on the Dedicated Schools Grant to the newly established Dedicated Schools Grant Reserve, following the change in provisions which came into force on 29 November 2020.

Expenditure and Income analysed by nature

2022/23		2023/24
£000s	**Category**	**£000s**
	Expenditure	
315,897	Employee Benefit Expenses	303,268
427,358	Other services Expenses	464,832
76,347	Support Services Recharges	108,363
25,978	Depreciation, Amortisation, impairment	68,710
15,837	Interest & Investment Payments	(3,292)
38,613	Precepts and levies	36,130
11,254	Loss on disposal of assets	11,208
911,284	**Total Expenditure**	**989,218**
	Income	
(588,339)	Fees charges & other service Income	(650,635)
(7,415)	Interest & investment income	(14,122)
(256,820)	Income from CT, NNDR	(285,227)
(52,151)	Grants & contributions	(35,646)
(904,725)	**Total Income**	**(985,631)**
6,559	**(Surplus) or deficit on provision of services**	**3,587**

9. Movements in Earmarked and Unusable Reserves

Movements in Earmarked Reserves

Reserve description	Note	01-Apr-22 £000s	Transfers In £000s	Transfers Out £000s	01-Apr-23 £000s	Transfers In £000s	Transfers Out £000s	31-Mar-24 £000s
Earmarked Statutory Reserves								
Schools Delegated Budgets	**1**	13,995	0	(1,153)	12,842	3,147		15,989
Public Health	**2**	556	161	0	717	251	(315)	653
Total Earmarked Statutory Reserves		**14,551**	**161**	**(1,153)**	**13,559**	**3,398**	**(315)**	**16,642**
General Fund Balance – Collection Fund	**10**	**9,873**	**0**	**(9,873)**	**0**	**0**	**0**	**0**
Insurance	**3**	19,327	927	(150)	20,104	1,596	(6,622)	15,078
Reserves held for:								
Legal requirements	**5**	24,749	2,456	(15,348)	11,857	14,498	(16,373)	9,982
Dedicated Schools Grant	**6**	0	4,477	0	4,477	1,080	(1,069)	4,488
Existing commitments	**7**	25,793	7,075	(9,112)	23,756	11,042	(6,778)	28,020
To cover future key areas of spend	**8**	52,301	17,652	(5,365)	64,588	29,729	(26,739)	67,578
To cover key areas of risk	**9**	7,383	1,477	(12)	8,848	19,191	(324)	27,715
Service general contingencies	**11**	903	148	(74)	977	1,629	(892)	1,714
Available for reallocation		0	60	(55)	5	0	(5)	0
Total Earmarked Policy Reserves		**130,456**	**34,272**	**(30,116)**	**134,612**	**78,765**	**(58,802)**	**154,575**
Total Earmarked General Fund Reserves		**154,880**	**34,433**	**(41,142)**	**148,171**	**82,163**	**(59,117)**	**171,217**
General Fund Balance	**4**	10,660	0	0	10,660	0	0	10,660
Total Earmarked General Fund Reserves & Balances		**165,540**	**34,433**	**(41,142)**	**158,831**	**82,163**	**(59,117)**	**181,877**

The Council sets aside specific amounts as earmarked reserves for future policy purposes or to cover known events or contingencies. They are also used as part of the Council's devolved budget management process to carry forward budget under or overspends to future years. Whilst these reserves have been created from revenue funding they can also be used for capital projects too. An explanation of the major reserves is outlined below.

1. **Schools – delegated budgets:** In accordance with section 48 of the School Standards and Framework Act 1998, the Scheme for financing of schools provides for the carry-forward of individual school surpluses and deficits.

2. **Public Health:** The Public Health grant is ring-fenced for public health functions as set out in Section 73B (2) of the National Health Services Act 2006 (as amended by the Health and Social Care Act 2012). We are required to complete a declaration that we've used the grant, or plan to use any of the grant we've set aside in reserves, for public health purposes.

3. **Insurance:** In addition to having an insurance provision, which is linked to past events, but where the timing of the obligation is uncertain, the Council holds monies in a reserve to cover potential future insurance claims.

4. **General Fund Balance:** The Council is required to keep a level of general reserves to fund emergencies, exceptional cost increases and overspends. Council approved that as a minimum Balances should be maintained at £10m, but if possible should be at a higher level.

Earmarked Policy Reserves: An exercise has been undertaken to examine all reserves, and these are now categorised under these main headings.

5. **Reserves we are legally required to maintain, total balance £9.9m, include the following:**
   - Sinking funds we are legally obliged to maintain, and other legal liabilities from previous initiatives (£7.9m)
   - Funds held on behalf of schools, other agencies and Adult Services clients (£1.9m)

6. **Dedicated Schools Grant (DSG) reserve we are legally required to maintain, balance £4.5m, (see Note 32)**
   On the 6 November 2020, the Secretary of State for the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020. In December 2022 a second statutory instrument extended the provisions to cover the period to 31 March 2026

   The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget relating to its accounts for a financial years beginning on 1 April 2020 through to 1 April 2025, it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the Councils' general fund for a period of three financial years.

The statutory instrument requires that any in year surplus on DSG is held separately from the deficit balance.

This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation is limited to the financial reporting periods 2020/21 to 2025/26 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit.

7. **Reserves with an existing commitment of £28.0m include the following:**
    - Funding held to meet the costs of committed Capital projects and allocations to meet specific investment initiatives agreed by the Council (£8.9m)
    - Schemes for Housing & Homelessness (£4.5m)
    - Funds held on behalf of schools and other agencies (£3.3m)
    - Funding held for delivery of Councillor lead projects within wards (£2.9m)
    - Funding held for Greater Manchester wide initiatives / working (£2.7m)
    - Schemes for Neighbourhood Management, Community Safety & UK Shared Prosperity Fund (£2.2m)
    - Funds held by Dept of People to support services to vulnerable children & adults (£1.9m)
    - Funding accumulated to even out the Waste Levy over a number of years to avoid major peaks and troughs (£1.0m)

8. **Reserves to cover key areas of known future spend of £67.5m include:**
    - Funds have been set aside from reserves identified for re-allocation to cover the cash flow consequences of cuts during the 2023-26 budget process and balancing the 2023-26 budgets (£35.5m)
    - Corporate Revenues Reserve - this supports one-off revenue projects (£7.5m)
    - Funding set aside to cover increased demand for adult social care residential placements & complex needs (£7.2m)
    - Funds held by all departments for a number of smaller future expenditures (£6.2m)
    - Funds held for ICT & technology development & solutions (£4.9m)
    - Voluntary Community Social Enterprise Strategy reserve (£2.8m)
    - Funding for the Covid Recovery Plan (£1.2m)
    - No overall contingency is included in the Council's revenue budget, but the costs of energy and fuel can change at short notice during the year, so funding has been set aside to cover any significant in-year increases (£1.4m)

9. **Reserves to cover key areas of risk of £27.7m include:**
    - Financial Resilience Reserve - money set aside to provide assurance on the Council's ability to fund responses to unforeseen future events (£20m)
    - The cost to the Council of Council Tax Benefits and Housing Benefits can vary significantly from year to year and an amount has been set aside to cover possible overspends (£4.6m)
    - All departments have identified a number of smaller risk items (£2.1m)
    - Transformation Fund reserve to support digital transformation programme (£1.0m)

10. General Fund Balance – Collection Fund (£0m):
- In accordance with Collection Fund accounting rules, in year surplus or deficits are required to be distributed to / recovered from the General Fund and preceptors in the following financial year.

11. Service general contingencies (£1.7m)
- Funds have been held to cover a small number of general contingencies.

The amounts included in Earmarked Reserves are analysed **by department** below:

Department	Opening Balance £000s	Closing Balance £000s	Movement £000s
Insurance	20,104	15,078	(5,026)
Other central reserves	69,595	94,583	24,988
Children's Services	8,007	10,203	2,196
Dedicated Schools Grant	4,477	4,488	11
Environmental Services	3,379	3,799	420
Development & Regeneration	4,048	2,749	(1,299)
Housing GRF	4,618	7,467	2,849
Adult Services	16,333	11,564	(4,769)
Public Health	4,052	4,644	592
Total Earmarked Policy Reserves	**134,613**	**154,575**	**19,962**

Movement in Unusable Reserves

Unusable Reserves category	Opening Balance 01 April 2022 £000	Movement in year £000	Balance 31 March 2023 £000	Movement in year £000	Closing balance 31 March 2024 £000
Revaluation Reserve	254,875	41,298	296,173	(7,598)	288,575
Financial Instrument Revaluation Reserve	8,088	985	9,073	26,345	35,418
Pensions	(323,923)	488,685	164,762	(209,541)	(44,779)
Capital Adjustment Account	228,381	14,293	242,674	(30,498)	212,176
Dedicated Schools Grant Adjustment Account	(18,186)	0	(18,186)	0	(18,186)
Deferred Capital Receipts	10,517	(7,243)	3,274	(2,205)	1,069
FIIA	(11,817)	303	(11,514)	303	(11,211)
Collection Fund Adjustment Account	(5,502)	13,716	8,214	5,513	13,727
Short-Term Accumulating Compensated Absences Account	(4,856)	(1,051)	(5,907)	317	(5,590)
Total	**137,577**	**550,986**	**688,563**	**(217,364)**	**471,199**

10. Adjustments to Accounting and Funding Basis

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movements in Unusable Reserves
2022/23	**£000s**	**£000s**	**£000s**	**£000s**
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the CIES				
Charges for Depreciation, impairment and amortisation of non-current assets	(26,186)	0	0	26,186
Revaluation/impairment losses on PPE	208	0	0	(208)
Movement in fair value of investment properties	2,610	0	0	(2,610)
Capital grants & contributions applied	20,925	0	0	(20,925)
Revenue expenditure funded from capital under statute	(10,953)			10,953
Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to CIES	(20,679)	0	0	20,679
Insertion of items not credited or debited to CIES				
Statutory provision for the financing of capital investment	8,385	0	0	(8,385)
Capital Expenditure charged against the General Fund	4,171	0	0	(4,171)
Adjustments primarily involving the Capital Grants Unapplied Account				
Capital grants & contributions unapplied credited to the CIES	31,227	0	(31,227)	0
Application of grants to capital financing transferred to the CAA	10,953	0	6,742	(17,695)
Application of grants to capital finance Revenue Expenditure funded from capital under statute	(630)	0	630	0
Adjustments primarily involving the Capital receipts Reserve				
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES	6,815	(6,815)	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	7,758	0	(7,758)
Use of the Capital Receipts finance new Revenue expenditure Funded from capital under statute	(327)	327	0	0
Transfer from Deferred Capital Receipt Reserve upon receipt of cash		(7,242)		7,242
Adjustments primarily involving the Deferred Capital Receipts Reserve				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0
Adjustments primarily involving the Financial Instruments adjustment Account				
Amount by which cost charges to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	303	0	0	(303)

2022/23	Usable Reserves: General Fund Balance	Usable Reserves: Capital Receipts Reserve	Usable Reserves: Capital Grants Unapplied	Movements in Unusable Reserves
	£000s	**£000s**	**£000s**	**£000s**
Adjustments involving the Dedicated Schools Grant Adjustment Account				
Movements in year on the Dedicated Schools Grant Adjustment Account	0	0	0	0
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the CIES	(67,186)	0	0	67,186
Employers’ contributions & direct payments to pensioners’ payable in the year.	27,849	0	0	(27,849)
Adjustments primarily involving the Collection Fund Adjustment Account				
Amount by which the CT and NDR income credited to the CIES is different from CT and NDR income calculated for the year in accordance with statutory requirements	13,716	0	0	(13,716)
Adjustments primarily involving the Accumulated Absences Account				
Amount by which officer remuneration charge to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,051)	0	0	1,051
Total Adjustments	**150**	**(5,972)**	**(23,855)**	**29,677**

2023/24	Usable Reserves: General Fund Balance £000s	Usable Reserves: Capital Receipts Reserve £000s	Usable Reserves: Capital Grants Unapplied £000s	Movements in Unusable Reserves £000s
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the CIES				
Charges for Depreciation, impairment and amortisation of non-current assets	(25,708)	0	0	25,708
Revaluation/impairment losses on PPE	(43,002)	0	0	43,002
Movement in fair value of investment properties	1,328	0	0	(1,328)
Capital grants & contributions applied	26,247	0	0	(26,247)
Revenue expenditure funded from capital under statute	(17,869)	0	0	17,870
Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to CIES	(25,708)	0	0	25,708
Insertion of items not credited or debited to CIES				
Statutory provision for the financing of capital investment	8,586	0	0	(8,586)
Capital Expenditure charged against the General Fund	1,398	0	0	(1,398)
Adjustments primarily involving the Capital Grants Unapplied Account				
Capital grants & contributions unapplied credited to the CIES	9,400	0	(9,400)	0
Application of grants to capital financing transferred to the CAA	0	0	13,181	(13,181)
Application of grants to capital finance Revenue Expenditure funded from capital under statute	(8,588)	0	3,055	0
Adjustments primarily involving the Capital receipts Reserve				
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES	5,333	(5,334)	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	2,177	0	(2,177)
Use of the Capital Receipts finance new Revenue expenditure Funded from capital under statute	(5,888)	355	0	0
Transfer from Deferred Capital Receipt Reserve upon receipt of cash	5,333	(5,334)	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0
Adjustments primarily involving the Financial Instruments adjustment Account				
Amount by which cost charges to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	303	0	0	(303)
Adjustments involving the Dedicated Schools Grant Adjustment Account				
Movements in year on the Dedicated Schools Grant Adjustment Account	0	0	0	0

2023/24	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movements in Unusable Reserves
	£000s	£000s	£000s	£000s
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the CIES	(18,276)	0	0	18,276
Employers' contributions & direct payments to pensioners' payable in the year.	28,740	0	0	(28,740)
Adjustments primarily involving the Collection Fund Adjustment Account				
Amount by which the CT and NDR income credited to the CIES is different from CT and NDR income calculated for the year in accordance with statutory requirements	5,513	0	0	(5,513)
Adjustments primarily involving the Accumulated Absences Account				
Amount by which officer remuneration charge to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	317	0	0	(317)
Total Adjustments	**(32,166)**	**(2,802)**	**6,836**	**17,066**

11. Property, Plant and Equipment

Comparative movements in 2022/23

Description	Other Land & Buildings £000s	Vehicles, Plant Furniture & Equipment £000s	Community Assets £000s	Assets Under Construction £000s	Surplus Assets £000s	Property, Plant & Equipment Sub-total £000's	Infrastructure £000's	Total Property, Plant & Equipment £000s
Gross book value carried forward	452,824	28,177	10,299	369	710	492,379		
Accumulated depreciation & impairment carried forward	(12,226)	(23,712)	0	0	0	(35,938)		
Net Book Value carried forward as at 31 March 2022	**440,598**	**4,465**	**10,299**	**369**	**710**	**456,441**	**146,485**	**602,926**
Additions	14,542	795	35	8,956	0	24,328	16,777	41,105
Revaluations recognised in the revaluation reserve	53,794	0	0	0	0	53,794	0	53,794
Revaluations recognised in the CI&E	970	0	0	0	0	970	0	970
Disposals	(18,345)	(11)	0	0	(45)	(18,401)	(1,430)	(19,831)
Transfers	(19)	0	19	0	0	0	0	0
Depreciation	(14,542)	(1,603)	0	0	0	(16,145)	(10,041)	(26,186)
Other	0	0	0	0	0	0	0	0
Net Book Value carried forward as at 31 March 2023	**476,998**	**3,646**	**10,353**	**9,325**	**665**	**500,987**	**151,791**	**652,778**
Gross book value carried forward	497,548	28,837	10,353	9,325	665	546,728		
Accumulated depreciation & impairment carried forward	(20,550)	(25,191)	0	0	0	(45,741)		
Net Book Value carried forward as at 31 March 2023	**476,998**	**3,646**	**10,353**	**9,325**	**665**	**500,987**	**151,791**	**652,778**

Property, Plant and Equipment – Movement in the year 2023/24

Description	Other Land & Buildings £000s	Vehicles, Plant Furniture & Equipment £000s	Community Assets £000s	Assets Under Construction £000s	Surplus Assets £000s	Property, Plant & Equipment Sub-total £'000s	Infrastructure £'000s	Total Property, Plant & Equipment £000s
Gross book value carried forward	497,548	28,837	10,353	9,325	665	546,728		
Accumulated depreciation & impairment carried forward	(20,550)	(25,191)	0	0	0	(45,741)		
Net Book Value carried forward as at 31 March 2023	**476,998**	**3,646**	**10,353**	**9,325**	**665**	**500,987**	**151,791**	**652,778**
Additions	15,944	1,094	14	8,934	0	25,986	19,404	45,390
Revaluations recognised in the revaluation reserve	1,114	0	0	0	(14)	1,100	0	1,100
Revaluations recognised in the CI&E	(43,002)	0	0	0	0	(43,002)	0	(43,002)
Disposals	(12,442)	(99)	(21)	0	0	(12,562)	(1,623)	(14,185)
Transfers	15,824	0	2,885	(18,259)	0	450	0	450
Depreciation	(13,788)	(1,472)	0	0	0	(15,260)	(10,447)	(25,707)
Other	0	0	0	0	0	0	0	0
Net Book Value carried forward as at 31 March 2024	**440,648**	**3,169**	**13,231**	**0**	**651**	**457,699**	**159,125**	**616,824**
Gross book value carried forward	461,569	29,832	13,231	0	651	505,283		
Accumulated depreciation & impairment carried forward	(20,921)	(26,663)	0	0	0	(47,584)		
Net Book Value carried forward as at 31 March 2024	**440,648**	**3,169**	**13,231**	**0**	**651**	**457,699**	**159,125**	**616,824**

PFI assets included in Property, Plant and Equipment £5.8m

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets (Local Government Circular 09/2022 Statutory Override Accounting for Infrastructure Assets) this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation [30M England] of the Local Authorities (Capital Finance and Accounting) (England /Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

The table below shows the progress of the Council's rolling programme for the revaluation of property, plant and equipment. The basis for the valuation is set out in Note 1 Accounting Policies.

Category	Operational Property £000s	Surplus Assets £000s	Vehicles Plant & Equipment £000s	Total Property Plant & Equipment £000s
Valued at Historical Cost	15		3,169	3,184
Valued at Current Value in				
2023/24	209,213	316		209,529
2022/23	42,167			42,167
2021/22	108,975			108,975
2020/21	58,445	335		58,780
Pre 2020/21	332			332
Adjustment for Assets not Revalued in 22/23	21,500			21,500
Total Property, Plant & Equipment	**440,647**	**651**	**3,169**	**444,467**

Capital Commitments

At 31 March 2024, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2023/24 and beyond. The major commitments are:

Approved and Contracted Schemes	£000s
Special School Expansion Programme	17,004
Towns Fund	5,367
Primary Expansion Programme	4,960
Secondary Expansion Programme	3,038
Building Maintenance Plan	2,536
Replacement of Fleet Vehicles	1,781
District Centres Fund - Cabinet Feb-19	293

Approved and Contracted Schemes	£000s
Backlog Maintenance	234
TFGM Development Fund	161
Childrens Centres	104
Day Care	101
Section 31 Grant - KRN Structures	64
Weed Spraying Equipment	45
Corporate Property Capital Programme	42
FHSF Farnworth	40
Highways Maintenance 22-23	39
Town Centre Strategy	38
Town Centre Improvement Fund	36
MCF - Doffcocker to TC Bee Route	32
UKSPF- Communities and Place	26
Deansgate Public Realm	17
Bridges & Structures	17
Capability Funding	15
Street Lighting	14
CRSTS - KRN Maintenance	12
Hall ith Wood	10
MCF - Bolton Town Centre East Phase 1 (T5)	9
Old Station Park	8
A666 Challenge Fund St Peters Way Improvement	7
Cleaner Greener	7
Public Realm (Area Forum)	4
Challenge Fund - Highways drainage	3
Highways investment Sep-19	1
Safe Streets Cycling & Walking	1
MCF-Bolton to Farnworth	1
Total	**36,067**

Schemes Approved but Not Contracted	£000s
Town Centre Strategy	13,135
Secondary Expansion Programme	10,674
District Centres Fund - Cabinet Feb-19	10,028
Building Maintenance Plan	4,237
Rivington Chase HIF	4,001
MCF - Bolton Town Centre East Phase 1 (T5)	3,623
Backlog Maintenance	3,186
GMCA Highways LTP	3,125
Corporate Property Capital Programme	2,687
Westhoughton Town Hall	1,793
FHSF Farnworth	1,607
Bolton Salford Quality Bus Network	1,459
Section 31 Grant - KRN Structures	1,436
Towns Fund	1,236
UKSPF- Communities and Place	1,116
MCF - Doffcocker to TC Bee Route	1,114
Great Lever Library UCAN	909
ITB Funding	884
MCF-Bolton to Farnworth	804
CRSTS - KRN Maintenance	728
Elgin St Allotments sloping land supporting works	700
Farnworth Park supporting walls	700
Private Sector Renewal	483

Schemes Approved but Not Contracted	£000s
Disabled Facilities Grants	478
Deansgate Public Realm	467
Public Realm (Area Forum)	442
Enabling works	392
A666 Challenge Fund St Peters Way Improvement	374
MCF - Astley Bridge (T6)	346
Horwich Flood Alleviation	327
Highways Maintenance 22-23	241
MCF - Westhoughton (T6)	233
Bridges & Structures	138
Challenge Fund - Highways drainage	138
Asset Management Plan - urgent works	119
Capability Funding	106
Coroners Court	103
Horwich District Works	100
Parking improvements in the Moss Bank Park area	100
Highways investment Sep-19	98
Cleaner Greener	96
Library Digital refresh	95
One-Stop Shop Feasibility	94
Hall ith Wood	67
Flood & Water Management Act Projects	64
Former Tesco store, 61-63 Market Street, Little Lever	64
Street Lighting	50
Local Growth Fund - TfGM	44
Safe Streets Cycling & Walking	42
LUF - Parks Improvement	41
Equipped Play Area Strategy (S106)	38
Depot Improvement Plan - Mayor St	30
Changing Places	27
Town Centre Improvement Fund	26
Highways Improvement Funding (Area Forum)	25
CCAG2 City Cycle Ambition	24
LSTF Bolton - Bury cycle route	22
LUF - Parks Improvement - Tree Uplift	11
Bolton Central Library Virtual Tour	5
Road Warning Signals - Cabinet Feb 16	3
Total	**74,735**

12. Heritage assets

Heritage Assets: Summary of Transactions

The Code recommends a summary of acquisitions, donations and disposals by category relating to Heritage assets.

However, due to the number of them and their low value, it is not considered practical to list individual additions and disposals from the museum, archive and local studies collections in this document. All such acquisitions and disposals are formally recorded as a standard part of the procedures of the Library and Museum Service and can be seen as matter of public record (while taking into account certain data protection issues such as name and address of donors).

Traditionally, around 100 objects are acquired for the collections every year. The vast majority of these are donated by individuals or organisations and are social history items with nominal values.

During 2023/24 we have acquired 278 objects through donation. The most significant donations during this period have been sketchbooks and drawings by Eric Gorton, mostly fine sketches, and watercolours of birds. There are approximately 250 individual items of Eric Gorton works (these are still being catalogued). Individual drawings and sketchbooks are worth no more than £100 – £200 each. None of these are high value objects, insurance value £1000.

The other items donated to the museum are all low value items, again no item exceeding £200 in value.

There have been no museum collections disposals during 2023/24.

There have been no acquisitions or disposals relating to the historic buildings.

Description	£000s
Gross book value carried forward	66,791
Accumulated depreciation & impairment carried forward	0
Net Book Value carried forward as at 31 March 2023	**66,791**
Additions	9
Revaluations recognised in the revaluation reserve	0
Revaluations recognised in the CI&E	0
Disposals	(9)
Net Book Value carried forward as at 31 March 2024	**66,791**
Gross book value carried forward	66,791
Accumulated depreciation & impairment carried forward	0
Net Book Value carried forward as at 31 March 2024	**66,791**

Heritage Assets: Further Information on the Library & Museums' Collections

Bolton is fortunate to have cultural collections of particular breadth and quality, especially for a local authority of its size. Details of these assets and the Council's policies for the acquisition, preservation, management and disposal of Heritage assets can be seen under the Bolton Library & Museums Services section of the Council's website at http://www.boltonmuseums.org.uk/about

The collections are managed by Bolton Library and Museum Services, a service within the Chief Executive's Department. The Head of Service reports to the Director level within the department.

Professional officers (e.g. Museum team leader, an archivist, local studies librarian, museum collection access officers) are employed within the service to actively manage the collections in accordance with the policies. Most importantly, they ensure the collections are actively used by answering enquiries, curating displays, delivering services for schools, running events and activities, talks and tours.

The collections are used for public interpretation (i.e. in exhibition and displays) at various venues across the Borough of Bolton. The main galleries are at the Bolton Central Library and Museum in Le Mans Crescent, plus the historic halls of Smithills Hall and Hall i' th' Wood. Smaller permanent displays can be found at various branch libraries.

All three major museum sites have been awarded Museum Accreditation status and the archive is a legally recognised public repository. As is typical with most museums, around 5 to 10% of the collections are on display at any one time; with a far lower percentage for archive and library holdings. However, it should be emphasised that all the collections are publicly accessible on request and are a much valued resource used for everything from serious academic study to student art projects.

Individual items from the museum collections are occasionally lent to other local, regional national and international museums. The Service will also take in some items on loan, usually for specific exhibitions. Entry, exit, care and insurance of such materials are strictly managed according to professional standards. Transactions into and out of the collections are particularly tightly managed. All acquisitions are guided by a strict policy which dictates what material can be added to collections and in what circumstances. It also sets priority areas for active or passive collecting.

In addition, clear guidelines are given to circumstances in which disposals from the collections are allowed; for example where an item poses a risk to people or other parts of the collections, where it is deemed to fall outside the collection interest of the Service. The presumption is that material will be kept within the public domain via a transfer to another museum or heritage organisation where possible and appropriate.

All such policies, along with significant collection transactions (i.e. major purchases and all proposed disposals) are subject to formal approval by Elected Members.
The management of the collections is guided by recognised and externally assessed professional museum and archive standards. These ensure that the collections are managed for the public good in a clear and accountable fashion and cover all aspects of museum and archive functions; including acquisition and disposal of material, public access, care of collections, documentation and record keeping, insurance and object movement.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example, where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

An annual request is made to the Museums and Galleries officers to ensure there have been no significant changes to the collection which would affect the underlying valuation. If there were so, the collections would be independently valued.

In the event of sales, the proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see elsewhere in Accounting Policies).

Historic Buildings

Smithills Hall

Smithills Hall is open to the general public. It was purchased by the Council in the 1930s.

Smithills Hall is held on the balance sheet at depreciated replacement cost. It is deemed to have indeterminate life and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Hall i' th' Wood

Hall i' th' Wood was presented as a gift in 1902 and is currently closed to the public due to requiring extensive renovation works. It is currently held on the balance sheet at a nominal value of £1.

Art Collection

The Council's Art Collection includes paintings (both oil and watercolour) and sketches which are reported in the Balance Sheet at insurance value.

The assets within the art collection are deemed to have indeterminate lives and high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by external valuers and with reference to appropriate commercial markets for the paintings using the most relevant and recent information from sales at auctions.

13. Investment Properties

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

Description	2023/24 £000s	2022/23 £000s
Rental income from investment property	1,165	1,170
Direct operating expenses arising from investment property	0	649
Net gain/(loss)	**1,165**	**1,819**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or to repair, maintain or enhance it.

The following table summarises the movement in the fair value of investment properties over the year:

Description	2023/24 £000s	2022/23 £000s
Balance at start of the year	45,268	36,202
Additions: purchases	2,969	7,304
Disposals	(3,677)	(848)
Net gains/losses from fair value adjustments	1,328	2,610
Reclassifications	(450)	0
Other changes	0	0
Balance at end of the year	**45,438**	**45,268**

All the Council's investment properties have been valued as Level 2 on the fair value hierarchy for valuation purposes (see Note 1 Accounting Policies for an explanation of the fair value levels).

The fair value has been measured using a market valuation approach, taking into account the following factors:- existing lease terms and rentals, market evidence including market rentals and yields, adjusted to reflect the nature of each tenancy or void and the covenant strength for existing tenants.
There has been no change in the valuation techniques used during the year for investment properties and no properties have moved between levels in the fair value hierarchy.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties has been adopted and is deemed to be their current use.

14. Intangible Assets

The Council regards the cost of purchased software as an intangible asset, which is amortised over its expected useful life.

Description	2023/24 £000s	2022/23 £000s
Balance at start of the year	15	0
Additions: purchases	82	15
Amortisation in year	(2)	0
Other changes	0	0
Balance at end of the year	**95**	**15**
Comprising:		
Gross carrying amount	791	709
Accumulated amortisation	(696)	(694)
Total	**95**	**15**

15. Financial Instruments

Categories of Financial Instruments - The following categories of financial instrument are carried in the balance sheet:

Financial assets

	Non-Current				Current					
	Investments		Debtors		Investments		Debtors		Total	Total
Classification	31 Mar 24 £000	31 Mar 23 £000	31 Mar 24 £000	31 Mar 23 £000	31 Mar 24 £000	31 Mar 23 £000	31 Mar 24 £000	31 Mar 23 £000	31 Mar 24 £000	31 Mar 23 £000
Amortised Cost	0	0	40,902	35,362	144,751	121,398	100,933	86,594	**286,586**	**243,354**
Fair value through other comprehensive income – designated equity instruments	51,266	24,920	0	0	0	0	0	0	**51,266**	**24,920**
Total financial assets	**51,266**	**24,920**	**40,902**	**35,362**	**144,751**	**121,398**	**100,933**	**86,594**	**337,852**	**268,274**
Assets not defined as financial instruments	0	0	0	0	0	0	14,323	11,516	14,323	11,516
Total	**51,266**	**24,920**	**40,902**	**35,362**	**144,751**	**121,398**	**115,256**	**98,110**	**352,175**	**279,790**

Financial liabilities

Classification	Non-Current Borrowings 31 Mar 24 £000	Non-Current Borrowings 31 Mar 23 £000	Non-Current Creditors 31 Mar 24 £000	Non-Current Creditors 31 Mar 23 £000	Current Borrowings 31 Mar 24 £000	Current Borrowings 31 Mar 23 £000	Current Creditors 31 Mar 24 £000	Current Creditors 31 Mar 23 £000	Total 31 Mar 24 £000	Total 31 Mar 23 £000
Amortised Cost	158,519	158,537	3,592	4,214	31,676	11,665	60,389	61,053	**254,176**	**235,469**
Total financial liabilities	**158,519**	**158,537**	**3,592**	**4,214**	**31,676**	**11,665**	**60,389**	**61,053**	**254,176**	**235,469**
Liabilities not defined as financial instruments	0	0	0	0	0	0	13,086	13,841	**13,086**	**13,841**
Total	**158,519**	**158,537**	**3,592**	**4,214**	**31,676**	**11,665**	**73,475**	**74,894**	**267,262**	**249,310**

Detailed Financial Instruments Breakdown

Classification	Long-term 31 Mar 24 £000s	Long-term 31 Mar 23 £000s	Current 31 Mar 24 £000s	Current 31 Mar 23 £000s
Investments				
Banks and other financial institutions (net of impairment)	0	0	144,752	121,398
Fair Value through Other Comprehensive Income (Manchester Airport)	46,300	20,100	0	0
Fair Value through Other Comprehensive Income (JP Morgan Trust)	566	520	0	0
Fair Value through Other Comprehensive Income (Manchester Airport Drop & Go 'C' shares)	4,400	4,300	0	0
Total Investments	**51,266**	**24,920**	**144,752**	**121,398**
Cash & Cash Equivalents				
Bank current accounts & overdrafts	0	0	9,932	8,999
Bank Call accounts and Money Market Funds	0	0	38,537	33,881
Total Cash & Cash Equivalents	**0**	**0**	**48,469**	**42,880**
Debtors				
Advances and Interest due re Manchester Airport	39,174	39,193	0	0
PSP Bolton	0	3,165	0	0
Farnworth Precinct	2,364	0	0	0
Former Magistrates Authorities (GM LAs)	535	563	0	0
Long term leasing	49	49	0	0
Financial assets carried at contract amounts	0	0	71,418	62,128
Non-financial assets	0	0	38,437	33,188
NW Evergreen Ltd Partnership	131	131	0	0
Sub total	**42,253**	**43,101**	**109,855**	**95,316**
Expected Credit Loss	(1,351)	(7,739)	(43,068)	(40,086)
Total Debtors	**40,902**	**35,362**	**66,787**	**55,230**
Borrowings				
Financial liabilities at amortised cost – Market Loans	40,000	40,000	0	10,000
PWLB	118,000	118,000	0	0
Short-term borrowings	0	0	31,676	1,665
LOBO Interest Rate Equalisation	519	537	0	0
Total Borrowings	**158,519**	**158,537**	**31,676**	**11,665**
Other Creditors and Liabilities				
Private Finance Initiative (PFI)	3,271	3,893	0	0
Finance Leases	321	321	0	0
Ex-GMC residual debt	0	0	55	55
Financial liabilities carried at contract amounts	0	0	60,334	60,998
Non-financial liabilities	0	0	13,086	13,841
Total Creditors	**3,592**	**4,214**	**73,475**	**74,894**

Investments in equity instruments designated at fair value through other comprehensive income.

Further to the introduction of IFRS 9 in 2018/19 financial year, the authority designated the following equity as fair value through other comprehensive income (fair values as at 31 March 2024 shown):

Description	Fair Value Level	Nominal Value	Fair Value	Change in fair value during 2023/24
		£000s	£000s	£000s
Manchester Airport Shares	2	10,214	46,300	26,200
Manchester Airport C Shares	2	5,610	4,400	100
J P Morgan Trust	2	380	566	46

Manchester Airport Shares

The authority holds a 3.22% shareholding in Manchester Airport. The shareholding originated through a policy initiative with other Greater Manchester authorities to promote economic generation and tourism. As the asset is not held for trading or income generation, rather a strategic longer term policy initiative the equity has been designated as fair value through comprehensive income.

The Council has made an equity investment in Manchester Airport Car Park Limited, (along with the other nine Greater Manchester District Councils). The Council's investment is to provide car parking facilities at Manchester Airport. The Council holds 3 Class C ordinary shares. The shareholding will be classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS 9 the shareholding (investment) will be designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income.

J P Morgan Trust

The authority holds stock in J P Morgan Trust on behalf of Graves in Perpetuity. The asset is not held for trading purposes, and the Authority has no intention to dispose of the holding. The authority has therefore designated the equity as fair value through comprehensive income.

Council Shareholdings

The Council holds shareholdings in the following companies. In all cases there is no material trading relationship between the company and the Council.

- Bolton Council owns 3.22% of the non-voting shares in Manchester Airport Holdings Ltd (MAHL) and will receive 3.22% of any dividends paid. The shares in this company are not traded in an active market, the fair value shown above has been based on valuation techniques that are observable for the asset on an open market basis. The earnings based method (EBITA) has been used based on data for comparable quoted companies operating in the same sector and these shares are subject to an annual valuation. The fair value of the shares using this 'level 2' (observable outputs) method at 31st March 2024 is £46.3m (an increase of £26.2m compared to last year). In 2023/24 a special one off dividend of £0.323m was received by the Council due to the improved performance of the group. MAHL's most recent accounts for the year ending 31 March 2023 indicated the company had net assets of £703.0m (£724.9m the previous year) and made a loss of £159.6m after taxation (loss of £321.3m in the previous year). Further information and details of the Manchester Airport Holdings Limited financial statements may be obtained from the company's website (www.manchesterairport.co.uk).

- The Council also holds 10% of the issued C Shares in Manchester Airport Car Park (MACP) Limited which represents a minority holding and does not confer any voting rights. The 10% holding in MACP is valued on the updated financial forecast and taking into account the Council valuation of its shareholding in MAHL. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. The fair value of the Council's holding in MACP using 'level 2' (observable outputs) method at 31st March 2024 (based on discounted income cash flow) increased by £0.1m to £4.4m.

- J.P. Morgan is an investment held for the benefit of the Maintenance of Graves in Perpetuity account.

- In August 2015 the Council agreed to the creation of a Local Authority Trading Company (LATC) to deliver certain Adult Social Care Services. In September 2015 three companies were registered at Companies House:

    - Bolton Care and Support Limited
    - Bolton Care and Support (A) Limited
    - Bolton Care and Support (B) Limited

    The three companies are guaranteed by shares, each Company has 1 share with a value of £10 and these have been fully paid by the Council.

    In July 2016 Bolton Care and Support Limited and Bolton Care and Support (A) Limited started to trade and Council staff were TUPED into Bolton Care and Support (A) Limited. Since creation the names of the companies have changed as follows:

    - Bolton Care and Support Limited is now Bolton Cares Limited
    - Bolton Care and Support (A) Limited is now Bolton Cares (A) Limited
    - Bolton Care and Support (B) Limited is now Bolton Cares (B) Limited

    The three companies are collectively known as Bolton Cares. Bolton Cares (B) Limited started to trade in June 2019 under the trading name of 'Salford Cares' after being awarded a contract to deliver Supporting Living and Outreach services in Salford.

    The three Bolton Care and Support Companies are consolidated within the Authority's Group Accounts.

- PSP Bolton: On 6 December 2011 the Council entered into an agreement with PSP Facilitating Ltd to establish a Limited Liability Partnership, trading as PSP Bolton LLP. This is classed as a Joint Venture, and is consolidated as such within the Authority's Group Accounts. The partnership was established to facilitate property related projects, which could include the identification and disposal of surplus assets, facilitation of regeneration schemes, portfolio management and the investment of private sector funds in projects to mutual benefit.

- The Council initially granted Options to Purchase on a number of assets to PSP Bolton for £1 each. Assets are sold to third parties and the Council is guaranteed a minimum receipt determined by professional valuers and agreed by both parties. Assets can be added to the list as opportunities are identified.

- On 26 July 2013 a fully owned subsidiary of PSP Bolton LLP was established - PSP Bolton (GR) LLP - in order to create a separate vehicle which would specifically acquire a large number of low value assets from the Council, mainly ground rents, and either dispose of them or manage them. The value of these assets was £14.25 million, with the Council receiving in return either a smaller number of higher value assets, generating the same income flow as the assets disposed of, the income flow from any PSP developed assets, or cash. To date, the Council has received 2 assets - Bolton Travelodge and The Bolton Interchange Office Block – with the Council receiving rental income from both properties.

- The amount owed to Bolton Council by PSP (Bolton) LLP is £431,261.

Financial Instruments - Income, Expenses, Gains and Losses

Description	2023/24				2022/23			
	Financial Liabilities held at amortised cost	Financial Assets held at amortised cost	Financial Assets: designated fair value through other comprehensive income	Total	Financial Liabilities held at amortised cost	Financial Assets held at amortised cost	Financial Assets: designated fair value through other comprehensive	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Interest expense & similar charges	(6,627)	0	0	**(6,627)**	(6,213)	0	0	**(6,213)**
Total expense in Surplus or (Deficit) on the Provision of Services	**(6,627)**	**0**	**0**	**(6,627)**	**(6,213)**	**0**	**0**	**(6,213)**
Interest income and dividends	0	8,741	(3,803)	**4,938**	0	2,692	1,599	**4,291**
Interest income accrued on impaired financial assets	0			**0**	0	0	0	**0**
Total income in Surplus or (Deficit) on the Provision of Services	**0**	**8,741**	**(3,803)**	**4,938**	**0**	**2,692**	**1,599**	**4,291**
Gains (Loss) on revaluation	0	0	26,345	**26,345**	0	0	538	**538**
Surplus/(Deficit) arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**0**	**0**	**26,345**	**26,345**	**0**	**0**	**538**	**538**
Net gain/(loss) for the year	**(6,627)**	**8,741**	**22,542**	**24,656**	**(6,213)**	**2,692**	**2,137**	**(1,384)**

Note – During 2018/19 the authority incurred a premium of £13,018k paid on the early redemption of one of the authority's borrowings. The authority elected to apply statutory provisions allowing it to spread the impact of the premium over what would have been the remaining term of the loan resulting in annual charge of £303k.

The authority has also incurred one-off premiums in both 2022/23 and 2023/24, these amounts are included in the interest expenses and similar charges figure as follows:

- £459k for early redemption of £10m borrowing included within £6,213k in 2022/23.
- £1,189k for early redemption of £10m borrowing included within £6,627k in 2023/24.

Fair value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and interest receivable and long-term debtors and creditors are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans the PWLB premature repayment rates from the PWLB at 31 March 2024 have been applied to provide the fair value for all loans using PWLB debt redemption procedures;

- For loans receivable prevailing benchmark market rates have been used to provide the fair value;

- No early repayment is recognised, impairment has been provided separately within the Expected Credit Loss Provision;

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

The fair values calculated are as follows:

	31-Mar-24		31-Mar-23	
Classification	**Carrying amount £000s**	**Fair value £000s**	**Carrying amount £000s**	**Fair value £000s**
Financial Liabilities:				
Market Loans	40,519	35,068	50,537	48,785
PWLB Loan	118,000	70,159	118,000	77,797
Trade Creditors	60,334	60,334	60,998	60,998
Bank Overdrawn and Short Term Borrowing	34,928	34,928	5,021	5,021
Total Financial Liabilities	**253,781**	**200,489**	**234,556**	**192,601**

The fair value of liabilities is higher than the carrying amount because the Council's borrowing portfolio includes a number of loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

Classification	31-Mar-24 Carrying amount £000s	31-Mar-24 Fair value £000s	31-Mar-23 Carrying amount £000s	31-Mar-23 Fair value £000s
Loans and receivables:				
Loan to Manchester Airport	29,927	32,524	29,927	33,387
Loan to Capital & Centric (Farnworth Precinct)	2,265	2,265	0	0
Money Market Loans Less than One Year	144,752	144,752	121,398	121,398
Other Long Term Debtors	12,327	12,327	13,174	13,174
Trade Debtors	52,466	52,466	43,714	43,714
Cash and Cash Equivalents	51,721	51,721	46,236	46,236
Total Loans and Receivables	**293,458**	**296,055**	**254,449**	**257,909**

The difference between carrying amount and fair value of the Manchester Airport Loan is due to the fixed interest instrument held by the Council including an interest rate that is higher than the prevailing rate estimated to be available at 31 March 2024. This increases the fair value of the loans. Short term debtors and creditors are carried at cost and this is a fair approximation of their value.

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

Recurring fair value measurements at 31-Mar-24		Other significant observable inputs (Level 2) £000s
Financial Liabilities	Financial liabilities held at amortised cost:	
	PWLB	118,000
	Non-PWLB	40,519
	Short term debt	30,000
	PFI and finance lease liability	3,661
	Total	**192,180**
Financial Assets	Financial assets held at amortised cost:	144,752
	Other financial assets - Long Term	0
	Total	**144,752**

Recurring fair value measurements at 31-Mar-23		Other significant observable inputs (Level 2) £000s
Financial Liabilities	Financial liabilities held at amortised cost:	
	PWLB	118,000
	Non-PWLB	40,537
	Short term debt	10,000
	PFI and finance lease liability	4,269
	Total	**172,806**
Financial Assets	Financial assets held at amortised cost:	121,398
	Other financial assets - Long Term	0
	Total	**121,398**

The fair value for financial liabilities and financial assets that are not measured at fair value included in the tables above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

16. Nature and Extent of Risks Arising from Financial Instruments

Key Risks

The Council's activities expose 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 risk – the possibility that the Council might be requiring 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 interest rates movements.

The Council's overall treasury management activity is carried out with awareness of the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury function, under policies approved by the Council.

Overall procedures for managing risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services 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 CIPFA Treasury Management Code of Practice;

- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;

- by approving annually in advance prudential and treasury indicators for the following three years limiting:

    - The Council's overall borrowing;

    - Its maximum and minimum exposures to fixed and variable rates;
    - Its maximum and minimum exposures to the maturity structure of its debt;
    - Its maximum annual exposures to investments maturing beyond a year.

- by approving 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 are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported 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 on a quarterly basis.

The annual treasury management and investment strategies, which incorporates the prudential indicators were approved by Council on February 2023 and are available on the Council website.

These policies are implemented by a central treasury team. The Council maintains written principles for overall risk management, as well as written policies (Treasury Management Practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Credit risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.
The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to counterparties at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) are:

Counterparty type	**Criteria for investing**
Banks 1 **-** good credit quality	The Council will only use banks which are UK banks; and have, as a minimum, the following Fitch, Moody's and Standard and Poor's credit ratings (where rated); Short term – F1/P1/A1 Long term – A-/A3/A-
Banks 2 - Part nationalised UK banks - Lloyds Banking Group (Lloyds Bank and Bank of Scotland) and Royal Bank of Scotland (Royal Bank of Scotland and National Westminster Bank).	These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.
Banks 3	The Council's own banker if the bank falls below the above criteria.
Building Societies	The Council will *use* all societies which meet the ratings for Banks 1 outlined above
UK Government (the DMADF)	UK public authority - not applicable
Local authorities, parish councils etc.	UK public authority - not applicable
Money Market Funds	AAA with a Fixed Net Asset Value (NAV).

Deposits are not made with banks and financial institutions unless they are rated independently to have a sound credit rating. Based upon past experience the investments held at the 31 March 2024 were of a low risk of default.

Where significant contracts are being entered into customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council had a total of £178.050m deposited with a number of financial institutions at 31 March 2024. The Council's maximum exposure to credit risk in relation to this amount cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2024 that this was likely to crystallise.

Amounts Arising from Expected Credit Losses

We have assessed the Councils short & long term investments and concluded that the expected credit loss is not material therefore no allowances have been made.
A summary of the credit quality of the Council's investments at 31 March 2024 is shown below, along with the potential maximum exposure to credit risk, based on experience of default and uncollectability.

Deposits with banks, financial institutions, and other local authorities	Fitch Rating (Long Term / Short Term)	Moodys Rating (Long Term / Short Term)	Standard & Poor Rating (Long Term / Short Term)	Amount invested at 31 March 2023 £,000	Historical experience of default %	Estimated maximum exposure to losses at 31 March 2023 £,000
Banks						
Goldman Sachs International Bank	A+ / F1	A1 / P1	A+ / A1	25,000	0.034%	5
Santander UK Plc	A+ / F1	A1 / P1	A / A1	5,000	0.020%	1
Barclays Bank Plc	A+ / F1	A1 / P1	A+ / A1	1,000	0.020%	0
Local Authorities						
Aberdeen City Council				5,000	0.020%	1
Birmingham City Council				10,000	0.016%	2
Broxbourne Borough Council				4,700	0.008%	0
Doncaster City Council				10,000	0.013%	1
Eastbourne Borough Council				10,000	0.007%	1
Lancashire County Council				15,000	0.015%	2
Liverpool City Council				10,000	0.019%	2
London Borough Of Hillingdon				10,000	0.020%	2
Manchester City Council				10,000	0.014%	1
Police And Crime Commissioner for Merseyside				5,000	0.006%	0
Rushmoor Borough Council				5,000	0.005%	0
Somerset Council				5,000	0.007%	0
South Ayrshire Council				5,000	0.009%	0
West Dunbartonshire Council				5,000	0.009%	0
Money Market Funds						
Aberdeen Standard MMF	AAAmf	Aaa-mf	AAAm	20,000	0.000%	0
Goldman Sachs MMF	AAAmf	Aaa-mf	AAAm	50	0.000%	0
Morgan Stanley MMF	AAAmf	Aaa-mf	AAAm	17,300	0.000%	0
Totals				**178,050**		**18**

Liquidity risk

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

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

Source of Loan	Interest Rates %	Total Outstanding 31 March 2023/24 £000s	2022/23 £000s
Bonds	3.90 to 4.825	40,000	50,000
PWLB	2.55 to 2.64	118,000	118,000
Mortgages		0	0
Local Authorities	6.20 to 6.60	30,000	0
Total Borrowing		**188,000**	**168,000**
Less: Due within 12 Months on demand		0	0
		188,000	**168,000**
An Analysis of Loans by Maturity at 31 March:			
Amounts of Principal to be Repaid			
Within 1 year		30,000	10,000
In 1 to 2 Years		0	0
In 2 to 5 Years		0	0
In 5 to 10 Years		0	0
10 - 20 Years		0	0
After 20 Years		158,000	158,000
		188,000	**168,000**

Refinancing and Maturity risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

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

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council’s day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. Prudential Indicators limit the proportion of debt maturities in any period. A combination of careful planning when a new loan is taken out and making early repayment (when it is economic to do so) allows maturity patterns to be managed.

Market risk

Interest rate risk

The Council is exposed to some risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise
- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise
- Investments at fixed rates – as the interest rates are fixed, whilst there would be a change in fair value, there would be no effect on the balance sheet.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the CIES or MIRS. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance.

The Council has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 50% of its net debt in variable rate loans and investments. None of the Council’s borrowings held at the 31 March 2024 were in variable rate loans (accordingly our policy was satisfactorily met). During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The treasury management function has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise on the impact of new borrowing taken out.

According to this assessment, if interest rates had been higher with all other variables held constant, the financial effect would be beneficial to General Fund.

The impact of a fall in interest rates would adversely impact on General Fund but in year monitoring will allow the budget strategy to be amended accordingly.

The impact of a 1% increase in interest rates has been assessed as follows:

Description	£000s
Increase in interest payable on fixed rate borrowings	1,820
Increase in interest receivable on fixed rate investments	(2,281)
Impact on Income and Expenditure Account	**(461)**
Decrease in fair value of “amortised cost” investment assets	513
Impact on MIRS	513
Decrease in fair value of fixed rate investment assets – (no impact on CIES & MIRS)	**0**

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

Price risk

The Council does not generally invest in equity shares or marketable bonds but does have shareholdings to the value of £24.920m. In common with all Greater Manchester Authorities, the Council has shareholdings in the Manchester Airport Group. The fair value of the total shareholding at the balance sheet date is £50.700m (more information about the shareholding is provided at Note 15). Whilst this holding is generally illiquid (no active market), the Council is exposed to losses arising from movements in the price of the shares.

The Council also has a holding to the value of £0.565m in an investment trust, which will only be realised in favourable circumstances.

The unquoted equity investments in Manchester Airport Group and the JP Morgan investment trust are shown at fair value.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, the Council monitors factors that might cause a fall in the value of specific shareholdings.

Of the shares mentioned above £50.700m have been elected as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the price of shares (positive or negative) would thus have resulted in a £2.535m gain or loss being recognised in the Financial Instrument Revaluation Reserve for 2023/24.

Foreign exchange risk

The Council has no foreign exchange exposure.

17. Inventories

Description	Consumable Stock 2023/24 £000s	Consumable Stock 2022/23 £000s
Balance outstanding at start of year	956	593
Purchases	1,070	916
Recognised as an expense in the year	(1,046)	(554)
Written-off balances	0	0
Balance outstanding at year end	**980**	**955**

18. Debtors

Classification	31 March 2024 £000s	31 March 2023 £000s
Central government bodies	23,377	14,088
Other local authorities	2,741	1,091
NHS bodies	3,284	7,762
Public corporations and trading funds	13,533	13,435
Other entities and individuals	66,920	58,940
Sub total	**109,855**	**95,316**
Less: Impairment Allowance[1]	(43,068)	(40,086)
Total	**66,787**	**55,230**

[1] No impairment allowance is calculated for central government body debts, otherwise impairment is calculated in a two stage process; significant debtors are reviewed individually on their specific circumstances otherwise the following approach is used:

Debtor Status	Impairment allowance as % of outstanding balance
Current (not overdue)	0.50%
1-30 days overdue	1.50%
31-60 days overdue	3.50%
61-90 days overdue	7.50%
Overdue more than 90 days	15%
Overdue from previous year	33%
Overdue from previous year +1	67%
Older debtors	100%

19. Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

Classification	31 March 2024 £000s	31 March 2023 £000s
Less than three months	3,050	3,126
Three to six months	3,050	3,126
Six months to one year	6,099	6,251
More than one year	24,844	22,450
Total	**37,043**	**34,953**

20. Cash and Cash Equivalents

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

Description	31 March 2024 £000s	31 March 2023 £000s
Cash held by the Council		
Bank current accounts	13,184	12,355
Bank Call accounts and Money Market Funds	38,537	33,881
Total Cash held by the Council	51,721	46,236
Bank Overdraft	(3,252)	(3,356)
Total Cash and Cash Equivalents	**48,469**	**42,880**

21. Creditors

Classification	31 March 2024 £000s	31 March 2023 £000s
Central government bodies	6,453	11,091
Other local authorities	6,750	3,505
NHS bodies	2,467	1,109
Public corporations and trading funds	40,729	36,724
Other entities and individuals	8,107	13,460
Teacher’s Pensions Scheme	3,380	3,098
Short term accumulated absences account	5,590	5,907
Total	**73,475**	**74,894**

22. Provisions

Description	Self-insurance – liability & fire (1) £000s	Business Rates Appeals (2) £000s	Other (3) £000s	Planning Guarantee (4) £000s	Creams Mill Development – Cost Award (5) £000s	Total £000s
Balance at 1 April 2023	**6,633**	**19,149**	**500**	**0**	**0**	**26,282**
Additions in year	3,254	153	0	233	70	3,710
Amounts used in year	(1,641)	(4,048)	0	0	0	(5,689)
Unused amounts reversed in year	(1,596)	(5,327)	(500)	0	0	(7,423)
Balance at 31 March 2024	**6,650**	**9,927**	**0**	**233**	**70**	**16,880**
Split as:						
Short term	1,900	1,986	0	233	70	4,189
Long term	4,750	7,941	0	0	0	12,691
Total	**6,650**	**9,927**	**0**	**233**	**70**	**16,880**

Notes

1. In accordance with IAS 37 the Insurance Liabilities at 31 March 2024 are estimated to be £6,650,000. The provision covers outstanding claims under employer's and public liability where the settlement figure has yet to be agreed. Due to the nature of the claims involved settlement periods can be lengthy.

2. This is Bolton Council's share (99%) of the estimated impact of outstanding Business Rates Appeals at the 31 March 2024. The overall business rates provision has been calculated by reference to the provision percentage built into the Business Rates multiplier (the Government includes a figure within the multiplier to build in the effect of successful appeals). Business Rates appeals are dealt with by the Valuation Office Agency (VOA) through a 3 stage Check, Challenge & Appeal process outside of the Council's control. Therefore the timings and amounts of successful appeals are uncertain, consequently a substantial provision is maintained.

3. In October 2022, The Planning Inspectorate ruled in favour of Peel L&P Investments (North) Limited against the Council's refusal of planning permission relating to development of "Land at and adjacent Hulton Park" (Appeal Ref: 3299644). The ruling awarded costs against Bolton Council; it is estimated that the claim made by Peel L&P Investments (North) Limited against the council will be approximately £500k.

4. Planning Guarantee - In July 2023 the Borough Solicitor, acting in their statutory role as Monitoring Officer, became aware that the Council was not correctly applying fees in relation to planning applications, submitted via an online Planning Portal, under the Town and Country Planning (Development Management) (England) Order 2015 and The Town and Country Planning (Development Management Procedure)(England) Order 2015.

   Further investigations revealed that the Council had misinterpreted the provisions relating to the refund of applicants planning fees under Regulation 16(2) of the Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012.

   Bolton Council recognises that a liability exists in instances where there have been cases that met the conditions for planning fee refunds, but no refund has been made, this issue dates to 2013. The Council also recognises that a liability exists in instances where applicants incurred a fee for submitting a planning application via the online Planning Portal, this issue dates to September 2018. The estimated cost outstanding at 31st March 2024 is £233k.

5. Creams Mill Development – Costs Award. The Council having a cost award against them in respect of their fees for a planning appeal at Creams Mill Development- Grizedale Close. The cost award applied for is £70k though Bolton have proposed a slight reduction on this which is being considered by our consultants.

23. Cash Flow Statement – Adjustment on provision of services for non-cash movements

Description	2023/24 £000s	2022/23 £000s
Depreciation of Non-Current Assets	(25,708)	(26,186)
Impairment of Non-Current Assets	0	0
Pension Fund adjustments	10,464	(39,337)
Contributions to Provisions	9,402	(1,962)
Carrying amount of PP&E, investment property and intangible assets sold or derecognised	(17,869)	(20,679)
Other non-cash movement	(41,667)	2,825
	(65,378)	**(85,339)**
Accruals adjustments:		
Increase/(Decrease) in Inventories	24	362
Increase/(Decrease) in Debtors	2,335	27,215
Increase/(Decrease) in Interest Debtors	2,903	1,264
(Increase)/Decrease in Creditors	1,419	(4,718)
(Increase)/Decrease in Interest Creditors	7	175
	6,688	**24,298**
Total Adjustment to net Surplus or deficit on the provision of services for non-cash movements	**(58,690)**	**(61,041)**

24. Cash Flow Statement – Adjustment on provision of services for investing or financing activities

Description	2023/24 £000s	2022/23 £000s
Proceeds from the disposal of PPE, investment property and intangible assets	5,333	6,815
Capital Grants credited to Surplus or deficit on the provision of services	35,646	52,152
	40,979	**58,967**

25. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

Description	2023/24 £000s	2022/23 £000s
Interest received	(5,864)	(1,453)
Interest paid	6,312	6,067
Dividends received	(26)	(25)

26. Cash Flow Statement - Investing Activities

Description	2023/24 £000s	2022/23 £000s
Purchase of property, plant and equipment, investment property and intangible assets	48,450	48,425
Purchase of short-term and long-term investments	160,451	140,000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,333)	(6,815)
Proceeds from short-term and long-term investments	(140,000)	(119,000)
Other investing activities	(35,648)	(52,153)
Net cash flows from investing activities	**27,920**	**10,457**

27. Cash Flow Statement - Financing Activities

Description	2023/24 £000s	2022/23 £000s
Cash receipts of short-term and long-term borrowing	(60,000)	0
Finance leases and on balance sheet PFI contracts	615	579
Repayments of short-term and long-term borrowing	40,000	10,000
Other payments for financing activities	0	0
Net cash flows from financing activities	**(19,385)**	**10,579**

The reconciliation of liabilities arising from financing activities is as follows:

Description	01-Apr-23 £000s	Financing Cashflows £000s	Non Cash Changes £000s	31-Mar-24 £000s
Lease Liabilities	4,221	615	0	3,599
	4,221	**615**	**0**	**3,599**

28. Pooled Budget with Bolton Clinical Commissioning Group

In 2019/20 Bolton Council entered into an expanded pooled budget with Bolton Clinical Commissioning Group (CCG). This wider pool encompasses both the Better Care Fund (BCF) previously pooled and much of the Council's Adult Social Care Services.

From the 01/07/2023 the CCG became part of the NHS Greater Manchester ICB (GM ICB). From this date the pooled budget agreement between Bolton Council and Bolton CCG was novated to GM ICB. It was agreed the contributions would be limited to the BCF.

Aims and Objectives

The pool aims to allow for better integration of health and social care functions through the use of the Section 75 (S.75) agreement and the creation of a Strategic Commissioning Function (SCF) and an Integrated Care Partnership (ICP).

Governance
Joint governance arrangements have been set up and are exercised through the Joint Commissioning Committee (JCC) comprised of Council and CCG representatives.

Risk Share
The risk share was agreed to be on a 50/50 basis. Due to the challenging financial climate, it was agreed that the risk share would then be paused from October 2020 onwards and this is still currently paused.

Financial Performance
The following table summarises the contributions made by Bolton CCG, GM ICB Group and Bolton Council.

Description	2023/24 £000s	2022/23 £000s
Funding Provided to the Pool		
Bolton Clinical Commissioning Group	0	7,837
NHS Greater Manchester ICB	34,015	25,290
Bolton Council	24,065	22,541
Total Funding	58,080	55,668
Expenditure Met from the Pooled Budget		
Bolton Clinical Commissioning Group	0	2,902
NHS Greater Manchester ICB	12,078	7,650
Bolton Council	46,002	45,116
	58,080	**55,668**
Net (Surplus)/Deficit on Pool	**0**	**0**

Whilst the section 75 agreement between the parties does constitute a 'joint operation' under IFRS 11, the substance of the commissioning transactions related to the Fund's spending plan indicates that each party is acting as a single entity. Therefore, each organisation accounts for its own transactions without recognising its interest in its share of total assets, liabilities, revenue and expenditure that relate to the whole Fund.

29. Members' Allowances

The Council paid the following amounts to Members of the Council during the year:

Description	2023/24 £000s	2022/23 £000s
Allowances	874	897
Expenses	0	0
Total	**874**	**897**

30. Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows – there were no benefits in kind:

Description	Note	Salary including Fees and Allowances	Expense Allowance	Compensation for Loss of Office	Total Remuneration Excluding Pension Contributions	Pension Contributions	2023-24 Total Remuneration Including Pension Contributions	2022-23 Total Remuneration Including Pension Contributions
		£	£	£	£	£	£	£
Chief Executive								
S Johnson	1	188,136	0	0	188,136	37,251	225,387	109,274
T Oakman	2	0	0	0	0	0	0	96,480
Deputy Chief Executive (s151 Officer)	3	0	0	0	0	0	0	80,896
Director of Place – Services / Director of Place	4	130,872	0	0	130,872	25,913	156,785	151,972
Director of Place - Assets	5	0	0	0	0	0	0	163,345
Director of Children's Services		138,605	0	0	138,605	27,395	166,000	154,202
Director of Adults, Housing and Integration	6	124,399	0	0	124,399	24,927	149,327	147,367
Assistant Director, Finance (S151)	7	93,125	0	0	93,125	18,558	111,682	53,388
Borough Solicitor		109,293	0	0	109,293	21,217	130,510	127,109
Chief Executive of Bolton Cares Ltd*	8	41,656	0	0	41,656	2,499	44,155	105,438
Chief Executive of Bolton Cares Ltd*	9	50,911	0	0	50,911	2,654	53,566	0
Chief Executive of Bolton Cares Ltd*	10	17,967	0	0	17,967	1,069	19,036	0
Director of Public Health	11	119,344	0	0	119,344	23,630	142,975	79,894
Interim Director of Public Health	12	0	0	0	0	0	0	68,436
Director of Corporate Resources	13	131,113	0	0	131,113	25,912	157,024	75,809
		1,145,421	**0**	**0**	**1,145,421**	**211,026**	**1,356,446**	**1,413,610**

*Bolton Cares Ltd is a subsidiary of the Council with its transactions reported within the Group Accounts section of this statement. The Chief Executive of Bolton Cares Ltd is included in this note as they report to the Chief Executive of Bolton Council.

Notes:

1	Left 30th September 2022
2	From 1st October 2022
3	To 30th September 2022
4	Director of Place - Services to 27th November 2022 / Director of Place from 28th November 2022
5	Left 31 December 2022
6	Previously titled Managing Director – Bolton Integrated Care Partnership
7	From 3rd October 2022
8	To 31 August 2023
9	From 1 September 2023 to 9 February 2024
10	From 29 January 2024
11	Left 7 October 2022
12	From 10 October 2022
13	From 3rd October 2022

The number of Council employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) by band is as follows:

Description	Teachers		Other Staff	
	2023/24	2022/23	2023/24	2022/23
£50,000 - £54,999	87	84	61	42
£55,000 - £59,999	64	42	39	29
£60,000 - £64,999	33	29	26	12
£65,000 - £69,999	25	21	7	5
£70,000 - £74,999	25	26	7	1
£75,000 - £79,999	15	17	3	3
£80,000 - £84,999	14	5	1	1
£85,000 - £89,999	7	5	3	2
£90,000 - £94,999	3	4	3	1
£95,000 - £99,999	3	0	2	5
£100,000-£104,999	2	0	2	1
£105,000-£109,999	0	0	2	3
£110,000-£114,999	0	1	1	0
£115,000-£119,999	0	0	1	0
£120,000-£124,999	1	0	1	2
£125,000-£129,999	0	0	1	2
£130,000-£134,999	0	0	2	0
£135,000-£139,999	0	0	1	0
£140,000-£144,999	0	0	0	1
£145,000-£149,999	0	0	0	1
£150,000-£154,999	0	0	1	0
£155,000-£159,999	0	0	0	1
£185,000-£189,999	0	0	1	0

The number of exit packages with total cost per band including the cost of ill health retirements and total cost of voluntary redundancies are set out in the table below. There were no compulsory redundancies.

Exit package cost band (including special payments)	Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2022/23	2023/24 £	2022/23 £
£0-£20,000	17	41	164,636	357,874
£20,001-£40,000	6	6	175,808	172,249
£40,001-£60,000	3	4	152,974	179,780
£60,001-£100,000	11	7	846,033	506,207
£100,001-£150,000	0	3	0	364,245
£150,001-£650,000	7	4	2,512,568	923,062
Total	**44**	**65**	**3,852,019**	**2,503,417**

31. Termination Benefits

Of the £3,852,019 cost of exit packages, £115,898 was made in respect of voluntary severance and redundancy payments (£342,915 in 2022/23) and £3,736,121 (£2,160,413 in 2022/23) was to cover the capitalisation costs of pensions.

32. Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the Schools Finance and Early Years (England) Regulations 2022.

The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into budget share for each maintained school.

Details of the deployment of DSG receivable for 2023-24 are as follows (reference to the former MHCLG has been retained for historical context): :

Description	Schools Budget Funded by Dedicated Schools Grant		
	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
Final DSG for 2023/24 before academy and high needs recoupment (a)			359,615
Academy and high needs figure recouped for 2023/24 (b)			(135,584)
Total DSG after academy and high needs recoupment for 2022/23 (a - b)			224,031
Plus: Brought forward from 2022/23			4,477
Less: Carry-forward to 2024/25 agreed in advance			(4,477)
			224,031
Agreed initial budgeted distribution in 2023/24	72,195	151,836	224,031
In year adjustments	1,252	0	1,252
Final Budget Distribution 2023/24	**73,447**	**151,836**	**225,283**
Less Actual Central Expenditure	73,435	0	73,435
Less Actual ISB deployed to Schools	0	151,836	151,836
Plus Local authority contribution	0	0	0
In year carry-forward to 2024/25	**11**	**0**	**11**
Plus Carry-forward to 2023/24 agreed in advance			4,477
Carry-forward to 2024/25			4,488
DSG unusable reserve at end of 2022/23			(18,186)
Addition to DSG unusable reserve at end of 2023/24			0
Total of DSG unusable reserve at end of 2023/24			(18,186)
Net DSG position at end of 2023/24			**(13,698)**

The regulations make clear the requirement for any DSG deficit balance to be held within the local authority's overall DSG, meaning authorities cannot fund a deficit from the general fund without the secretary of state's approval.

The DSG deficit is a result of pressures in the high needs block due to continuing increases in the number of external placements and increased special school placements. Other factors are increases in costs and pupil numbers in alternative provision and the continuing rise in EHCP numbers.

A repayment plan has been produced and is reviewed on an ongoing basis to look at the pressures within this area and ways to contain the overspend and begin to pay back the deficit. This is done in consultation with Schools and the Schools Forum.

Previous year comparator figures are shown below:

Description	**Schools Budget Funded by Dedicated Schools Grant**		
	Central Expenditure £000s	**Individual Schools Budget £000s**	**Total £000s**
Final DSG for 2022/23 before academy and high needs recoupment (a)			334,871
Academy and high needs figure recouped for 2022/23 (b)			(124,835)
Total DSG after academy and high needs recoupment for 2022/23 (a - b)			201,036
Plus: Brought forward from 2021/22			0
Less: Carry-forward to 2023/24 agreed in advance			0
			201,036
Agreed initial budgeted distribution in 2022/23	66,522	143,514	210,036
In year adjustments	2,656	0	2,656
Final Budget Distribution 2022/23	**69,178**	**143,514**	**212,692**
Less Actual Central Expenditure	64,701	0	64,701
Less Actual ISB deployed to Schools		143,514	143,514
Plus Local authority contribution			0
In year carry-forward to 2023/24	**4,477**	**0**	**4,477**
Plus Carry-forward to 2022/23 agreed in advance			0
Carry-forward to 2023/24			4,477
DSG unusable reserve at end of 2021/22			(18,186)
Addition to DSG unusable reserve at end of 2022/23			0
Total of DSG unusable reserve at end of 2022/23			(18,186)
Net DSG position at end of 2022/23			**(13,709)**

33. Financing and Investment Income and Expenditure

Description	2023/24 £000s	2022/23 £000s
Movement on investment property	(1,328)	(2,610)
Interest Payable and Investment Expenditure	6,556	6,693
Interest and Investment Income	(14,123)	(7,415)
Pension interest cost and return on assets	(9,848)	9,144
Total	**(18,743)**	**5,812**

34. Taxation and Non-Specific Grant Income

The Council raises Council Tax, Non Domestic Rates (NDR) and receives grants from Central Government each year to support revenue expenditure which is not attributable to specific services. The Grants, NDR and Council Tax received for 2023/24 were:

Description	2023/24 £000s	2022/23 £000s
Council Tax	134,835	131,235
Non Domestic Rates (NDR)Top-Up	24,940	23,649
Local Retained Business Rates	119,939	88,219
Collection Fund Adjustment Account	5,514	13,716
Capital Grants	35,646	52,152
Total	**320,874**	**308,971**

35. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24:

Description	2023/24 £000s	2022/23 £000s
Credited to Services:		
PFI Special Grant	1,014	1,014
Rent Allowance Subsidy	63,478	62,365
Non-HRA Rent Rebates Subsidy	2,345	2,057
HB and Council Tax Benefit Admin Grant	910	968
Dedicated Schools Grant	223,637	212,675
Pupil Premium	11,418	11,121
New Homes Bonus	326	331
Other Revenue Grants, reimbursements and contributions (Government)	156,236	135,281
Other Revenue Grants, reimbursements and contributions (Non-Government)	3,059	5,535
Total	**462,423**	**431,347**

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the end of 2023/24 are as follows:

Description	2023/24 £000s	2022/23 £000s
Revenue Grants Receipts in Advance		
NNDR 3 based transactions	6,457	222
Dept Levelling Up Housing and Communities (DLUHC)	5,436	7,459
Greater Manchester Combined Authority	1,519	321
Other Grants	3,342	302
Total	**16,754**	**8,304**

Description	2023/24 £000s	2022/23 £000s
Capital Grants Receipts in Advance		
Safer Roads Fund Round 3 A676	2,450	0
Childcare Expansion Capital Grant 23/24	631	0
Dept Levelling Up Housing and Communities (DLUHC)	628	0
UK Share Property Fund	563	0
Network North Fund	485	0
Housing Infrastructure Fund	430	0
Mayors Challenge Fund	25	0
British Library Funding	3	0
Total	**5,215**	**0**

36. Related Parties

Related parties are individuals or organisations which have the potential to control or influence the Council or be controlled or influenced by the Council, or are subject to common control.

The UK Central Government exerts significant influence over local authorities by providing the statutory framework within which the Council operates and by the provision of grant funding. Details of transactions with UK Government departments are set out in Note 35 Grant Income, whilst total UK Government Debtors and Creditors are disclosed in notes 18 and 21

Members of the Council have direct control over the Council's financial and operating policies. Details of Members' Interests, both financial and non-financial are recorded in the Register of Members' Interests which is open to public inspection. Details can also be found on the Council's website under the Councillor Information section. The total amount of Members' Allowances can be found in Note 29.

The Council's Constitution sets out procedures for the declaration of Member Interests and those of their close family members, at Council meetings and for the withdrawal of Members from meetings in accordance with Section 27(2) of the Localism Act 2011. Several members of the Council are trustees, employees and Council representatives of various charitable and similar voluntary organisations that receive financial and other support from the Council. During 2023/24 there were no material transactions paid by, or owed to, the Council with organisations in which Members had either a voluntary interest or held a stewardship role.

Chief Officers of the Council are the principal policy advisors and executives who are also subject to the requirements of the Council's Constitution to disclose any financial and non-financial interests with related parties. A Register of Members Interests is maintained and is available for public inspection by contacting the Members Services Officer. Details of payments to members are available on the Council's website and also by contacting the Members Services Officer.

PSP Bolton LLP and PSP Bolton (GR) LLP

Please see note 15, Financial Instruments.

Bolton Cares Ltd, Bolton Cares (A) Ltd and Bolton Cares (B) Ltd

The Council wholly owns the above companies, please see note 15, Financial Instruments

Other material related party transactions

Bolton Community Leisure Trust was established to manage several of the Council's leisure centres. In 2023/24 the Trust received grant funding from the Council of £1.8m (£1.9m in 2022/23) towards running costs of the facilities.

Related party transactions with National Health Service bodies amounted to income to the Council of £21.2m in 2023/24 (£22.3m in 2022/23). This income relates to the Pooled Budget arrangement (see note 28) and various schemes to support Social Care.

The Greater Manchester Combined Authority (GMCA) was formally established on 1 April 2011 following agreement between the 10 Greater Manchester Councils and Central

Government. GMCA has been established to co-ordinate key economic development, regeneration and transport functions and will, in the future, have financial implications which will impact on the availability and use of resources by the Council. In 2023/24 the Council made payments of £257k to GMCA (£519k in 2022/23) and received £1.8m in income (£3.3m in 2022/23).

The Transport for Greater Manchester Executive (TfGM) is the executive body of GMCA in relation to its transport functions. The levies paid to TfGM are shown in the table below. In addition, the Council made payments of £164k (£65k in 2022/23) and received income of £31k (£110k in 2022/23).

The Association of Greater Manchester Authorities (AGMA) is a partnership between the 10 Greater Manchester Councils. They co-operate on a number of issues, both statutory and non-statutory, where there is a possibility of improving service delivery by working together. A number of AGMA units exist which the Council contributes to and the expenditure is contained within the relevant service headings in the CIES. In 2023/24 the Council made a contribution of £88k to AGMA (£70k in 2022/23).

Other Public Bodies:

Included in the CIES within Other Operating Expenditure are the following amounts that are charged as levies for services not directly provided by the Council. The balances due to / from the Council are contained within Note 18 Debtors and Note 21 Creditors respectively:

Description	Paid as Levies by Bolton Council during 2023-24 £	Balance due from Bolton Council at 31-3-24 £	Balance due to Bolton Council at 31-3-24 £
Transport for Greater Manchester	20,258,000	0	0
Greater Manchester Waste Disposal Authority	17,528,000	0	86,086
The Environment Agency	154,714	0	0
	37,940,714	0	86,086

For comparison, the equivalent figures at 31 March 2023 were:

Description	Paid as Levies by Bolton Council during 2022-23 £	Balance due from Bolton Council at 31-3-23 £	Balance due to Bolton Council at 31-3-23 £
Transport for Greater Manchester	19,478,000	0	0
Greater Manchester Waste Disposal Authority	18,169,960	0	7,020
The Environment Agency	150,900	0	0
	37,798,860	**0**	**7,020**

Other related parties disclosed elsewhere in the Statement of Accounts:

- Pension funds are disclosed in Notes 40 and 41. The Council holds long term investments in companies, and these are disclosed in Note 15.

37. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it.

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

The CFR is analysed in the second part of this note:

Description	Note	2023/24 £000s	2022/23 £000s
Opening Capital Financing Requirement		**271,903**	**271,454**
Capital Investment			
Property, Plant and Equipment	**11**	45,390	41,105
Investment Properties	**13**	2,969	7,304
Heritage Assets	**12**	9	0
Intangible Assets	**14**	82	15
Revenue Expenditure Funded from Capital under Statute		25,285	18,893
Long Term Investment		(1,344)	0
Sources of Finance			
Capital receipts		(2,532)	(8,085)
Government grants and other contributions		(39,428)	(45,887)
Sums set aside from revenue:			
Direct revenue contributions		(19,438)	(4,517)
Minimum Revenue Provision		(7,992)	(7,828)
Reduction in Long Term Liabilities		(594)	(551)
Closing Capital Financing Requirement		**274,310**	**271,903**
Explanation of movements in year			
Increase/ (Decrease) in underlying need to borrow (unsupported by government financial assistance)		2,407	449
Increase/decrease in Capital Financing Requirement		**2,407**	**449**

38. Leases

Authority as Lessee

Finance Leases

The Council has acquired an administrative building in the Environmental Services Department and its multi-functional office devices under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

Description	31 March 2024 £000	31 March 2023 £000
Other Land and Buildings	604	961
Vehicles, Plant, Furniture and Equipment	0	0
Total leased assets	**604**	**961**

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

Description	31 March 2024 £000s	31 March 2023 £000s
Finance lease liabilities (net present value of minimum lease payments):		
Current	0	0
Non-current	321	321
Finance costs payable in future years	1,738	1,767
Minimum lease payments	**2,059**	**2,088**

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

Description	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Not later than one year	29	29	0	0
Later than one year and not later than five years	116	116	0	0
Later than five years	1,914	1,943	321	321
Minimum lease payments	**2,059**	**2,088**	**321**	**321**

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 contingent rents payable were £291k (2022/23 £291k). The Authority has sub-let some of a property held under a finance lease. At 31 March 2024 the minimum payments expected to be received under non-cancellable sub-leases was £0k (£0k at 31 March 2023).

Operating Leases

The Authority leases property for administrative purposes, and also leases office equipment in schools. The future minimum lease payments due under non-cancellable leases in future years are:

Description	31 March 2024 £000	31 March 2023 £000
Not later than one year	453	380
Later than one year and not later than five years	564	522
Later than five years	4,232	4,285
Totals	**5,249**	**5,187**

The expenditure in the year of £533k in relation to these leases was charged to the relevant service lines (2022/23 £524k).

Authority as Lessor

Finance Leases

The Authority has leased out property at Paderborn House and at Newport St, both under finance leases with 0 and 46 years remaining, respectively.

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

Description	31 March 2024 £000	31 March 2023 £000
Finance lease debtors (NPV of minimum lease payments):		
Current	0	0
Non-current	49	49
Unearned finance income	149	154
Gross investment in the lease	**198**	**203**

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

Description	Gross Investment in the Lease		Minimum Lease Payments	
	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s
Not later than one year	5	5	5	5
Later than one year and not later than five years	18	18	18	18
Later than five years	175	180	175	180
Totals	**198**	**203**	**198**	**203**

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 £105k contingent rents were receivable by the Authority (2022/23 £105k).

Operating Leases

The Authority leases out property under operating leases for commercial and community benefit purposes.

The future minimum lease payments receivable under non-cancellable leases in future years are:

Description	31 March 2024 £000	31 March 2023 £000
Not later than one year	2,461	2,198
Later than one year and not later than five years	9,012	8,114
Later than five years	70,146	70,492
Totals	**81,619**	**80,804**

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.

39. PFI and Similar Contracts

In September 2003 the Council entered into a 25 year Private Finance Initiative (PFI) contract for the construction and maintenance of a building at Castle Hill. The arrangement consists of a number of elements to be delivered from the building:

- Castle Hill primary school
- Youth club
- Training centre and offices

The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if the facilities are unavailable or performance is below the minimum standards.

The contractor was obliged to construct the building and to continue to maintain it to a minimum acceptable condition, and to procure and maintain the plant and equipment needed to operate the facility.

The building, and any plant and equipment installed, will transfer to the Council at the end of the contract for nil consideration. The authority only has rights to terminate the contract if it compensates the contractor in full for costs incurred and future profits that would have been generated over the remaining term of the contract.

At inception the Council committed to an annual unitary payment of £1.30m increasing annually by RPI until 2028/29, in 2023/24 the annual unitary payment was £2.32m.
The Council receives a PFI grant from the Government to part fund the scheme, the annual grant is £1.01m.

Payments

The annual unitary payment is increased each year by RPI but can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed. The Council makes monthly payments which comprise of a service charge, a finance lease rental and an interest charge.

Payments remaining to be made under the PFI contract at 31 March 2024 (excluding any estimation of inflation and availability / performance deductions) are as follows:

Description	Payment for Services £000s	Reimbursement of Capital Expenditure £000s	Interest £000s	Total £000s
Payable in 2024/25	1,757	654	183	2,594
Payable within 2 to 5 years	6,152	2,631	299	9,082
Payable within 6 to 10 years	0	0	0	0
Payable within 11 to 15 years	0	0	0	0
Total	**7,909**	**3,285**	**482**	**11,676**

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

Description	2023/24 £000s	2022/23 £000s
Balance outstanding at start of year	3,900	4,479
Payments during the year	(615)	(579)
Balance outstanding at 31 March	**3,285**	**3,900**

Other Contracts

In 2004 the Council entered into an agreement with Bolton Community Leisure to lease (at a peppercorn) and manage indoor leisure facilities for a period of 15 years and 3 months from

January 2004. The Council paid grant to the Trust during that period. The contract was extended for a further two year in 2019, and for a further five years in March 2021.

40. Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Capita. It provides teachers with defined benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salary.

Description	2023-24 Apr 23 – Mar 24	2022-23 Apr 22 – Mar 23
Percentage contributed (%)	23.68%	23.68%
Amount contributed (£000s)	£17,389	£16,358

With regards to the Teachers' Pension Scheme, there were employers' contributions of £1,479,361 remaining payable at the year end. The contributions due to be paid in 2024/25 are estimated to be £21,500,711.

The scheme is a multi-employer defined benefit scheme. Although the scheme is unfunded, Capita uses a notional fund as the basis for calculating the employers' contribution rate paid by local education authorities. It is not possible for the Council to identify its share of the underlying financial position and performance of the scheme. For the purpose of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the teachers' scheme. These benefits are fully accrued in the pensions liability described in note 41.

Public Heath staff employed by the Council are members of the NHS Pension Scheme. It provides defined benefits upon retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salary.

Description	2023/24	2022/23
Percentage contributed (%)	14.38	14.38
Amount contributed (£000s)	18	20

The scheme is a multi-employer defined benefit scheme. Although the scheme is unfunded, NHS uses a notional fund as the basis for calculating the employers' contribution rate to be paid. It is not possible to identify a share of the underlying liabilities in the scheme attributable to these employees. For the purpose of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the NHS scheme. These benefits are fully accrued in the pensions liability described in note 41, however no such additional benefits have been awarded in the two financial years.

41. Defined Benefit Pension Schemes

Participation in pension schemes

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

The Council participates in three post-employment schemes:

- The Teachers Pensions Scheme – see note 40.
- The NHS Pension Scheme – see note 40.

The Local Government Pension Scheme administered locally by Tameside Metropolitan Borough Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The Greater Manchester Pension Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Tameside MBC Pension Fund Management Panel. Policy is determined in accordance with the Pensions Fund Regulations. The panel is made up of Councillors mainly from Tameside and is advised by Tameside's Chief Executive, Executive Director - Governance, Resources and Pensions, outside investment experts and the Pension Fund Advisory Panel (Councillors from each of the ten local authorities in Greater Manchester, and also employee representatives from the major trade unions).

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

Bolton Council's Net Pension Asset of £293.094m includes a share of the overall Greater Manchester Pension Fund investment assets as disclosed below. The Council disclosed that their share of the total UK property assets held by the Pension Fund is valued at £65.10m. The valuation of the Council's share of the property assets is subject to the same material valuation uncertainty as applies to the Pension Fund financial statements and as such less certainty can be applied to the valuations than would typically be the case.

Transactions relating to retirement benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against the Council tax is based on cash payable in the year, so the real cost of post-employment retirement benefits is reversed out of the General Fund via the MIRS. The following transactions have been made in the CIES and the General Fund Balance via the MIRS during the year:

Description	2023/24 £000s	2022/23 £000s
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current service cost	26,052	54,754
Past service costs	2,072	3,288
Effect of Settlements	0	0
Financing and Investment Income and Expenditure		
Net interest expense	(9,848)	9,144
Total Post Employment Benefits Charged to the Deficit on the Provision of Services	**18,276**	**67,186**
Other Post-employment Benefit Charged to the CIES		
Remeasurement of the net defined benefit asset / liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(36,614)	14,100
Actuarial gains and losses arising on changes in demographic assumptions	(9,055)	(12,556)
Actuarial gains and losses arising on changes in financial assumptions	(72,146)	(671,875)
Other	42,210	100,046
Reversal of prior year Asset Ceiling adjustment	(42,263)	0
Asset Ceiling calculation adjustment	337,873	42,263
Total Post-employment Benefits charged to CIES	**220,005**	**(528,022)**
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	18,276	67,186
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to the scheme	28,740	27,849

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

Description	2023/24 £000s	2022/23 £000s
Present value of the defined benefit funded obligation	1,289,621	1,285,765
Present value of the defined benefit unfunded obligation	24,747	25,216
Fair Value of Plan Assets	(1,607,462)	(1,518,006)
Asset Ceiling Adjustment	337,873	42,263
Net liability / (asset) arising from defined benefit obligation	**44,779**	**(164,762)**

Asset Ceiling

Following the pensions valuation by the Councils actuary, Hymans Robertson LLP, 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. 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 actuaries calculate the asset ceiling as the net present value of future service costs less net present value of future contributions. The adjustment will be recognised within other comprehensive income and expenditure of the CIES.

Reconciliation of the Movements in the Fair Value of Plan Assets

Description	2023/24 £000s	2022/23 £000s
Opening fair value of scheme assets	1,518,006	1,502,132
Interest income	71,663	40,390
Effect of Settlements	0	0
Remeasurement gain/(loss):		
The return on the plan assets, excluding the amount included in the net interest expense	36,614	(14,100)
Contributions from employer	28,740	27,849
Contributions from employees into the scheme	8,332	7,766
Benefits paid	(55,893)	(46,031)
Closing fair value of scheme assets	**1,607,462**	**1,518,006**

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

Description	2023/24 £000s	2022/23 £000s
Opening balance at 1 April	1,310,981	1,826,055
Current service costs	26,052	54,754
Effect of Settlements	0	0
Interest cost	61,815	49,534
Contributions by scheme participants	8,332	7,766
Remeasurement (gains)/losses:		
Actuarial gains/losses arising from changes in demographic assumptions	(9,055)	(12,556)
Actuarial gains/losses arising from changes in financial assumptions	(72,146)	(671,875)
Other	42,210	100,046
Past service cost	2,072	3,288
Benefits paid	(55,893)	(46,031)
Closing balance at 31 March	**1,314,368**	**1,310,981**

Local Government Pension Scheme assets comprised:

	31-Mar-24				31-Mar-23			
	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets
Asset Category	**£000s**	**£000s**	**£000s**	**%**	**£000s**	**£000s**	**£000s**	**%**
Equity Securities:								
Consumer	97,335	0	97,335	6	91,208	0	91,208	6
Manufacturing	88,877	0	88,877	6	83,922	0	83,922	6
Energy & Utilities	86,816	0	86,816	5	74,935	0	74,935	5
Financial Institutions	136,457	0	136,457	9	129,512	0	129,512	9
Health & Care	80,383	0	80,383	5	76,029	0	76,029	5
Information Technology	83,849	0	83,849	7	107,140	0	107,140	7
Other	17,950	0	17,950	1	17,259	0	17,259	1
Debt Securities:								
Corporate Bonds (investment grade)	66,835	0	66,835	4	60,497	0	60,497	4
Corporate Bonds (non-investment grade)	0	0	0	0	0	0	0	0
UK Government	42,585	0	42,585	2	36,276	0	36,276	2
Other	50,179	0	50,179	3	45,184	0	45,184	3
Private Equity:								
All	0	110,193	110,193	7	0	113,548	113,548	7

	31-Mar-24				31-Mar-23			
	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets
Asset Category	**£000s**	**£000s**	**£000s**	**%**	**£000s**	**£000s**	**£000s**	**%**
Real Estate:								
UK Property	0	65,100	65,100	4	0	59,060	59,060	4
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds & Unit Trusts:								
Equities	75,171		75,171	5	81,086	0	81,086	5
Bonds	161,174		161,174	9	134,709	0	134,709	9
Infrastructure	0	136,332	136,332	8	0	121,306	121,306	8
Other	37,003	229,410	266,413	16	37,005	210,822	247,827	16
Derivatives:								
Other	0	0	0	0	0	0	0	0
Cash & Cash Equivalents:			0	0				
All	41,812	0	41,812	3	38,508	0	38,508	3
Totals	**1,066,426**	**541,036**	**1,607,462**	**100**	**1,013,270**	**504,736**	**1,518,006**	**100**

Basis for estimating liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Greater Manchester Pension Scheme has been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuary have been:

Description	2023/24	2022/23
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	20.2	20.3
Women	23.3	23.5
Longevity at 65 for future pensioners:		
Men	21.1	21.3
Women	24.8	25.1
Rate of inflation (CPI)	2.75%	2.95%
Rate of increase in pensions	2.75%	2.95%
Rate of increase in salaries	3.55%	3.75%
Rate for discounting scheme liabilities	4.85%	4.75%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Description	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £000s	Decrease in Assumption £000s
Rate of increase in salaries (increase or decrease by 0.5%)	12,050	
Rate of increase in pensions (increase or decrease by 0.5%)	104,390	
1 year increase in member life expectancy	52,575	
Rate for discounting scheme liabilities (increase or decrease by 0.5%)		114,420

Impact on the Council's Cash Flows

The objectives of the scheme are to keep the employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to maintain the solvency of the fund over the next 3 years. The last valuation was completed on 31 March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

It is estimated that the employers' contributions to the scheme will be approximately £24,050,000 in 2024/25.

The weighted average duration of the defined benefit obligation for scheme members is 17 years based on the 31 March 2022 formal valuation.

42. Contingent Liabilities

Municipal Mutual Insurance Ltd

In January 1994, the Council's then insurer, Municipal Mutual Insurance (MMI), made a Scheme of Arrangement with its creditors. Under this scheme claims were initially paid out in full, but if the eventual winding up of the company resulted in insufficient assets to meet all liabilities, a claw back clause would be triggered, which could relate to claims already paid out, as well as those outstanding. Bolton Council has its own share of this potential liability, but also is liable for a 10.33% share of the claw back (based on population figures) which relates to the former Greater Manchester Council.

The claw back was triggered in November 2012. Ernst & Young, the administrators of the Scheme made an initial levy of 15% on known claims, and this has been paid, both Bolton's share and its share of the GMC levy. On the 1 April 2016 a second Levy Notice was issued stating that the levy should now be set at 25%, an increase of 10% from the Levy Notice issued in January 2014. However due to the latent nature of many claims still being received by MMI, and the fact that many of the trends in reporting continue to be adverse, the projections are subject to substantial uncertainty, and could prove to be very understated. Ernst & Young will continue to regularly review the levy rate.

Therefore, in addition to the 25% levy which has been paid, (£1,282k for Bolton, and £165k for the GMC share), the Council has included for a further 10% (£388k) – giving 35% in total as a provision – based on the advice of the Actuary. The remainder of the total potential liability has been included as a contingent liability (£3,411k in total).

Business Rate Appeals

From April 2013, Bolton Council became responsible for the collection and distribution of National Non Domestic Rates (NNDR). NNDR taxpayers are able to appeal against the Rateable Value (RV) of their property. 99% of the impact of any successful appeal would need to be met by the Council. A provision has been established for the impact of known appeals. Further appeals may be made but the Council is unable to quantify this potential liability or where properties are moved from the local list to the national list.

43. External Audit Costs

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

Description	**2023/24 £000s**	**2022/23 £000s**
Fees payable with regard to external audit services carried out by the appointed auditor for the year – Mazars	383	134
Fees payable in respect of other services carried out by the appointed auditor for the year – Mazars	0	0
Total	**383**	**134**

Fees relating to 22/23 include £17,680 relating to additional fees for 22/23 and £6,000 relating to additional fees for work carried out relating to an objection to the accounts for 18/19.
Fees relating to 23/24 include £59,626 relating to additional fees for 21/22.

44. Trust Funds

The Council is responsible for the administration of individual trust funds. The funds are invested in marketable securities and are not included in the Comprehensive Income and Expenditure Statement or Balance Sheet. The trust funds are shown below:

Description	Balance at 1 April 2023	Income	Expenditure	Balance at 31 March 2024	Represented by: Cash / Other Balances	External Investments	Total
	£	£	£	£	£	£	£
Environmental Services							
Red Lion Playing Field Trust	2,158	0	0	2,158	1,214	944	2,158
Topps Trust Fund	1,647	0	0	1,647	1,647	0	1,647
Children's Services							
Leigh Bramwell	101,824	6,203	0	108,027	70,437	37,590	108,027
Westhoughton Education Trust	39,472	810	0	40,282	15,916	24,366	40,282
Total	**145,101**	**7,013**	**0**	**152,114**	**89,214**	**62,900**	**152,114**

Group Accounts

The Council has prepared the following Group Accounts due to its ownership of Bolton Cares Ltd and its link with PSP Bolton. Details of PSP Bolton are set out in note 15.

Comprehensive Income and Expenditure Statement

2022/23			Description	2023/24		
Expenditure	Income	Net		Expenditure	Income	Net
£000s	£000s	£000s		£000s	£000s	£000s
116,176	(95,516)	20,660	Corporate - Leaders Portfolio	118,050	(98,657)	19,393
14,185	(990)	13,195	Culture	15,718	(1,452)	14,266
38,189	(19,014)	19,175	Planning, Housing & Highways	35,470	(18,124)	17,346
23,556	(13,433)	10,123	Regulatory Services and Property	38,020	(14,888)	23,132
3,452	(1,227)	2,225	Stronger Communities	2,800	(1,415)	1,385
344,410	(268,458)	75,952	Children's Services	364,650	(285,986)	78,664
27,516	(10,727)	16,789	Climate Change and Environmental Services	27,328	(10,540)	16,788
175,808	(77,074)	98,734	Adults, Health and Wellbeing	191,313	(89,281)	102,032
24,813	(20,456)	4,357	Regeneration	48,214	(16,928)	31,286
5,978	(10,370)	(4,392)	Financial Services	(2,176)	(7,558)	(9,734)
774,083	**(517,265)**	**256,818**	**Cost of Services**	**839,387**	**(544,829)**	**294,558**
			Other operating expenditure			
		13,864	Gains / losses on disposal of non-current assets			12,536
		38,184	Levies			35,678
		430	Parish Precepts			452
		52,478	**Total Operating Expenditure**			**48,666**

2022/23			Description	2023/24		
Expenditure	**Income**	**Net**		**Expenditure**	**Income**	**Net**
£000s	**£000s**	**£000s**		**£000s**	**£000s**	**£000s**
		5,915	Financing & investment income and expenditure			(18,881)
		(308,971)	Taxation & non-specific grant income			(320,874)
		6,240	**Deficit / (Surplus) for year**			**3,469**
		(66)	Share of the surplus / deficit on the provision of services by joint ventures			(821)
		6,174	**Group surplus/deficit**			**2,648**
		(51,656)	Surplus / deficit on revaluation of Property, Plant and Equipment			(1,100)
		(985)	Surplus / deficit on Financial Instruments held at Fair Value through Other Comprehensive Income			(26,345)
		(535,339)	Remeasurements of the net defined benefit liability / asset			219,363
		(587,980)	**Other comprehensive Income**			**191,918**
		(581,806)	**Total Comprehensive Income and Expenditure**			**194,566**

Movement in Reserves Statement

Summary MIRS	General Fund Balance	General Fund Balance – Collection Fund	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Council Share of Group Reserves	Total Group reserves
Description	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance 1 April 2022	**10,660**	**9,873**	**144,567**	**13,010**	**39,959**	**218,069**	**137,577**	**1,408**	**357,054**
Adjustments to Opening Balance	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	3,699	(9,873)	0	0	0	(6,174)	580,663	7,317	581,806
Adjustments from income & expenditure charge under the accounting basis to the funding basis	(150)	0	0	5,972	23,855	29,677	(29,677)	0	0
Increase or (Decrease) in 2022/23	3,549	(9,873)	0	5,972	23,855	23,503	550,986	7,317	581,806
Transfers to/from earmarked reserves	(3,549)	0	3,164	0	0	(385)	0	(1,140)	(1,525)
Balance at 31 March 2023 carried forward	**10,660**	**0**	**147,731**	**18,982**	**63,814**	**241,187**	**688,563**	**7,585**	**937,335**
Description									
Balance 1 April 2023	**10,660**	**0**	**147,731**	**18,982**	**63,814**	**241,187**	**688,563**	**7,585**	**937,335**
Adjustments to Opening Balance	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	(2,648)	0	0	0	0	(2,648)	(192,560)	642	(194,566)
Adjustments from income & expenditure charge under the accounting basis to the funding basis	26,633	0	0	5,007	(6,836)	24,804	(24,804)	0	0
Increase or (Decrease) in 2023/24	23,985	0	0	5,007	(6,836)	22,156	(217,364)	642	(194,566)
Transfers to/from earmarked reserves	(23,985)	0	23,046	0	0	(939)	0	92	(847)
Balance at 31 March 2024 carried forward	**10,660**	**0**	**171,217**	**23,989**	**56,978**	**262,844**	**471,199**	**8,319**	**742,362**

Balance Sheet

31 March 2023 £000s	Classification	31 March 2024 £000s
	Property, Plant & Equipment	
476,998	- Other land and buildings	440,648
3,708	- Vehicles, plant, furniture & equipment	3,259
151,791	- Infrastructure	159,125
10,353	- Community assets	13,231
9,325	- Assets under construction	0
665	- Surplus assets	651
652,840		**616,914**
66,791	Heritage assets	66,791
45,268	Investment property	45,438
36	Intangible assets	105
419	Investments in Joint Venture	431
24,920	Long Term Investments	51,266
167,774	Net Pensions Asset	0
35,362	Long Term Debtors	40,902
993,410	**Long Term Assets**	**821,847**
123,598	Short Term Investments	147,751
955	Inventories	979
55,110	Short Term Debtors	67,270
3,827	Prepayments	2,698
46,051	Cash and Cash Equivalents	50,611
229,541	**Current Assets**	**269,310**
(11,665)	Short Term Borrowing	(31,676)
(76,355)	Short Term Creditors	(74,849)
(6,488)	Provisions for current liabilities	(4,189)
(8,304)	Revenue Grants in Advance	(16,754)
(92,812)	**Current Liabilities**	**(127,468)**
(20,053)	Provisions for long term liabilities	(2,978)
(158,537)	Long Term Borrowing	(158,519)
(4,214)	Other Long Term Liabilities	(3,592)
0	Net Pensions Liability	(41,023)
0	Capital Grants Receipts in Advance	(5,215)
(192,804)	**Long Term Liabilities**	**(221,327)**
937,335	**Net Assets**	**742,362**

31 March 2023 £000s	Classification	31 March 2024 £000s
	Represented by:	
	Usable Reserves	
10,660	- General Fund Balance	10,660
13,559	- Earmarked Statutory Reserves	13,559
7,585	- Group reserves	8,319
134,172	- Earmarked Policy Reserves	157,658
18,982	- Capital Receipts Reserve	23,989
63,814	- Capital Grants Received in Advance	56,978
248,772		**271,163**
	Unusable Reserves	
296,173	- Revaluation Reserve	288,575
9,073	- Financial Instruments Revaluation Reserve	35,418
(11,514)	- Financial Instruments Adjustment Account	(11,211)
164,762	- Pensions Reserve	(44,779)
3,274	- Deferred Capital Receipts	1,069
242,674	- Capital Adjustment Account	212,176
(18,186)	- Dedicated Schools Grant Adjustment Account	(18,186)
8,214	- Collection Fund Adjustment Account	13,727
(5,907)	- Short-term Accumulating Compensated Absences Account	(5,590)
688,563		**471,199**
937,335	**Total Reserves**	**742,362**

Cash Flow Statement

31 March 2023 £000s	Description	31 March 2024 £000s
6,174	Net (surplus) or deficit on the provision of services	2,648
(60,780)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(57,581)
58,967	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	40,979
4,361	**Net cash flows from Operating Activities**	**(13,954)**
12,664	Investing Activities	28,779
10,579	Financing Activities	(19,385)
27,604	**Net (increase) or decrease in cash and cash equivalents**	**(4,560)**
73,655	Cash and cash equivalents at the beginning of the reporting period	46,051
(27,604)	(Decrease) or Increase in cash as above	4,560
46,051	**Cash and cash equivalents at the end of the reporting period**	**50,611**

Group Accounting Policies

The Accounting Policies of Bolton Cares Ltd have been aligned with the Council's Accounting Policies contained in Note 1. Any statutory adjustments between accounting basis and funding basis included in the Council's Accounting Policies do not apply to the company.

Notes within the group accounts have not been provided except for Defined Benefit Pensions as there are no material differences except for those provided in Note 41.

Pension Scheme – Group Summary

Transactions Relating to Retirement Benefits

Description	2023/24 £000s	2022/23 £000s
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current service cost	26,221	55,096
Past service costs	2,072	3,288
Effect of Settlements	0	0
Financing and Investment Income and Expenditure		
Net interest expense	(9,986)	9,247
Total Post-Employment Benefits Charged to the Deficit on the Provision of Services	**18,307**	**67,631**
Other Post-employment Benefit Charged to the CIES		
Remeasurement of the net defined benefit asset / liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(37,094)	14,203
Actuarial gains and losses arising on changes in demographic assumptions	(9,172)	(12,779)
Actuarial gains and losses arising on changes in financial assumptions	(72,866)	(679,623)
Other	42,797	100,597
Reversal of prior year Asset Ceiling adjustment	(42,263)	0
Asset Ceiling calculation adjustment	337,873	42,263
Total remeasurements recognised in Other Comprehensive Income (OCI)	**219,275**	**(535,070)**
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	18,307	67,631
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to the scheme	28,873	28,005

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

Description	Local Government Pension Scheme	
	2023/24 £000s	2022/23 £000s
Present value of the defined benefit obligation	1,306,823	1,302,866
Present value of the defined benefit unfunded obligation	24,747	25,216
Fair Value of Plan Assets	(1,628,420)	(1,538,119)
Asset Ceiling adjustment	337,873	42,263
Net (asset) / liability arising from defined benefit obligation	**41,023**	**(167,774)**

Asset Ceiling

Following the pensions valuation by the Councils actuary, Hymans Robertson LLP, 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. 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 actuaries calculate the asset ceiling as the net present value of future service costs less net present value of future contributions. The adjustment will be recognised within other comprehensive income and expenditure of the CIES.

Reconciliation of the Movements in the Fair Value of Plan Assets

Local Government Pension Scheme	2023/24 £000s	2022/23 £000s
Opening fair value of scheme assets	1,538,119	1,522,815
late actuarial adjustment	(88)	0
Interest income	72,603	40,944
Effect of Settlements	0	0
Remeasurement gain/(loss):		
The return on the plan assets, excluding the amount included in the net interest expense	37,094	(14,203)
Contributions from employer	28,873	28,005
Contributions from employees into the scheme	8,372	7,811
Other experience	0	(687)
Benefits paid	(56,553)	(46,566)
Closing fair value of scheme assets	**1,628,420**	**1,538,119**

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

Funded Liabilities: Local Government Pension Scheme	**2023/24 £000s**	**2022/23 £000s**
Opening balance at 1 April	1,328,082	1,850,485
late actuarial adjustment	0	0
Current service costs	26,221	55,096
Effect of Settlements	0	0
Interest cost	62,617	50,191
Contributions by scheme participants	8,372	7,811
Remeasurement (gains)/losses:		
Actuarial gains/losses arising from changes in demographic assumptions	(9,172)	(12,779)
Actuarial gains/losses arising from changes in financial assumptions	(72,866)	(679,623)
Other	42,797	100,179
Past service cost	2,072	3,288
Benefits paid	(56,553)	(46,566)
Closing balance at 31 March	**1,331,570**	**1,328,082**

Pension Scheme Assets

Asset Category	**31-Mar-24 £000s**	**31-Mar-23 £000s**
Equity Securities:	599,381	587,690
Debt Securities:	161,680	143,839
Private Equity:	111,630	115,053
Real Estate:	65,949	59,843
Investment Funds & Unit Trusts:	647,422	592,676
Derivatives:		
Other	0	0
Cash & Cash Equivalents:	42,357	39,018
Totals	**1,628,420**	**1,538,119**

Basis for estimating assets and liabilities.

The principal assumptions used for Bolton Cares Limited by the actuary have been:

Description	2023/24	2022/23
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	19.7	19.8
Women	23.4	23.6
Longevity at 65 for future pensioners:		
Men	20.6	20.8
Women	24.6	24.9
Rate of inflation (CPI)	2.80%	3.00%
Rate of increase in pensions	2.80%	3.00%
Rate of increase in salaries	0.00%	0.00%
Rate for discounting scheme liabilities	4.80%	4.75%

Group Sensitivity Analysis

The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Description	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £000s	Decrease in Assumption £000s
Rate of increase in salaries (increase or decrease by 0.5%)	12,115	
Rate of increase in pensions (increase or decrease by 0.5%)	105,755	
1 year increase in member life expectancy	53,263	
Rate for discounting scheme liabilities (increase or decrease by 0.5%)		115,820

Collection Fund

This account reflects statutory requirements for billing authorities to maintain a separate collection fund to account for the income from Council Tax and Business Rates (National Non-Domestic Rates, NNDR). This income finances the net expenditure requirements of the Council and pay precepts to the Police and Fire and Rescue Authorities.

Income and Expenditure Account

Council Tax 2022/23	NNDR 2022/23	Total 2022/23	Description	Council Tax 2023/24	NNDR 2023/24	Total 2023/24
£000s	**£000s**	**£000s**		**£000s**	**£000s**	**£000s**
			Income			
156,504		156,504	Council Tax	164,084		164,084
	82,118	82,118	Business Rates		83,172	83,172
156,504	**82,118**	**238,622**		**164,084**	**83,172**	**247,256**
			Expenditure			
			Distribution of Previous Year's surplus/(deficit)			
4,553	(14,487)	(9,934)	Bolton Council	1,362	3,198	4,560
0	(146)	(146)	Greater Manchester Fire	0	32	32
629	0	629	Mayoral Police and Crime Commissioner Precept	782	0	782
262	0	262	Mayoral General Precept (including Fire Services)	357	0	357
0	0	0	Central Government	0	0	0
			Precepts and Demands:			
126,683	76,049	202,732	Bolton Council	133,472	85,454	218,926
0	0	0	Greater Manchester Fire	0	0	0
17,761	0	17,761	Mayoral Police and Crime Commissioner Precept	19,177	0	19,177
8,009	768	8,777	Mayoral General Precept (including Fire Services)	8,509	863	9,372
0	327	327	Transitional Relief	0	(5,826)	(5,826)
0	19	19	Disregarded Amounts	0	58	58
			Business Rates:			
0	403	403	Cost of Collection Allowance	0	404	404
			Appeals:			
0	1,451	1,451	Provision and Write Offs	0	(9,268)	(9,268)
			Allowance for Impairment:			
3,117	71	3,188	Provision and Write Offs	4,159	295	4,454
161,014	**64,455**	**225,470**		**167,818**	**75,210**	**243,028**
(4,510)	17,663	13,152	Surplus /(Deficit) for the Year	(3,734)	7,962	4,228
7,335	(11,127)	(3,791)	Surplus / (Deficit) at Beginning of Year **	2,825	6,536	9,361
2,825	**6,536**	**9,361**	**Surplus / (Deficit) at End of Year**	**(909)**	**14,498**	**13,589**

Notes to the Collection Fund Accounts

Council Tax

The total amount to be raised by the tax is determined by the budget requirements of Bolton Council, Greater Manchester Combined Authority (GMCA) incorporating the Mayoral Police and Crime Commissioner precept and the Mayoral General (previously Fire) precept, and the retained share of the Non Domestic Rates.

The Council Tax to be levied on a Band D property is calculated by dividing the total amount to be raised from the Council Tax (including the Police and Mayoral requirements) by the tax base.

This is done by multiplying the number of properties in the band by the specified fraction of the band D charge payable by each band and is shown for 2023/24 in the following table:

Band	Range of Values	Total Number of Dwellings After Adjustments*	Specified Fraction	Band D Equivalent	% of Total Band D
Band A (disabled)	Up to £40,000	121	5/9	67	0.1
Band A	Up to £40,000	43,716	6/9	29,143	36.2
Band B	£40,000 to £52,000	18,163	7/9	14,127	17.6
Band C	£52,001 to £68,000	16,288	8/9	14,478	18.0
Band D	£68,001 to £88,000	9,661	1	9,661	12.0
Band E	£88,001 to £120,000	5,257	11/9	6,425	8.0
Band F	£120,001 to £160,000	2,180	13/9	3,149	3.9
Band G	£160,001 to £320,000	1,767	15/9	2,945	3.7
Band H	More than £320,000	217	18/9	434	0.5
Totals		97,370		80,429	100.0

Estimated collection rate	98%
Council Tax base for tax setting 2023/24	78,820

* for new/demolished property, exemptions, disablement relief, appeals and discounts (including those granted under the Council Tax Support Scheme)

Income from Business Ratepayers (National Non-Domestic Rates, NNDR).

From 1 April 2013 National Non-Domestic Rates are organised on a local basis. However, the Government specifies the amount (51.2p in 2023/24, compared to 51.2p in 2022/23) and local businesses pay rates calculated by multiplying their rateable values by that amount.

The Council is responsible for collecting rates due from ratepayers in its area. Commencing 1 April 2017 Bolton Council formed part of the Greater Manchester 100% Business Rates Pilot and was allowed to retain 99% of the net rates payable, with 1% payable to GMCA for the Mayoral precept. Under this pilot RSG and Public Health Grant were removed as sources of funding – the underlying principle being that the scheme should be fiscally neutral to the Council. Subsequently as part of the Greater Manchester Trailblazer arrangement, 100% local retention of Business Rates has been confirmed for a further 10 years.

However, under these arrangements the Council has 100% responsibility for both the rewards of extra growth and the risks of non-collection.

The NNDR rateable value for the Council's area at 31 March 2024 was £249,404,349 compared to £235,167,083 at 31 March 2023.

The Gross NNDR debit for the year was £120,712,582 (£114,886,769 after adjustments relating to transitional reliefs and appeals). After adjusting for mandatory and discretionary reliefs the net debit was £83,172,020.

Statement of Responsibilities for the Accounts

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 (the Borough Treasurer) has responsibility for the administration of those affairs;

- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and

- Approve the Statement of Accounts.

The Borough Treasurer's responsibilities

The Borough Treasurer 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 ('the Code').

In preparing this Statement of Accounts, the Borough Treasurer has:

- 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;

- assessed the Authority's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;

- used the going concern basis of accounting on the assumption that the functions of the Authority and the Group will continue in operational existence for the foreseeable future; and

- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error,

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2024 and of its income and expenditure for the year then ended.

Tony Glennon
Borough Treasurer
11th June 2024

Annual Governance Statement

Introduction

1.1. This Annual Governance Statement (AGS) provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. A brief summary of significant governance challenges which the Council faces is also given, alongside an explanation of what actions have been taken to bring about required improvements, and what work is still to be done. This provides transparency, and gives assurance that the Council is committed to continuously improve the way in which it functions.

1.2. The Council operates in a complex and constantly changing financial, policy and legislative environment; and the role, responsibilities and funding models of local government continue to evolve in response to national, sub regional and local developments. Priorities are informed by this context and are set out in the Bolton 2030 strategy, Vision and Corporate Plan which is based on a programme of continuous engagement of staff, residents and stakeholders across the Borough. Arrangements for the achievement of priorities are set out in corporate and departmental plans and budgets that cascade into service, team and individual plans, targets and performance measures.

1.3. The context in which the Council operates are recognised in ongoing planning and support to support residents and businesses across the Borough. The Council is continuing to respond to a range of changes including NHS structural reform and local integration of health and care services which are continuing to develop through the GM Integrated Care System and Bolton Place Based Partnership; delivery of savings and financial resilience; economic recovery and development of the Borough through capital investment; work on the delivery of shared sub-regional priorities as part of the GM Combined Authority; and responding to changes in national priorities, legislation and standards.

1.4. These ongoing changes present both opportunities and challenges to develop and deliver improved outcomes for Bolton residents. To ensure that opportunities are seized and challenges overcome, the Council must ensure it has strong, transparent leadership, governance and decision making arrangements; robust financial planning, management and control; and a strong programme of prioritisation, business planning, development and improvement work so that it can maintain services for residents which are efficient, effective and value for money using available resources. This document explains the governance mechanisms in place to ensure appropriate oversight of this work.

1.5. The Council recognises that self-review, invitation of challenge and commitment to continuous improvement is a core part of good governance. As part of this a

Local Government Association Peer Challenge has been requested and will take place in summer 2024. This will include a review of Council governance arrangements. Findings and agree actions from this will be incorporated in the AGS review process for 2024/25. The preparation for this process has already confirmed some areas for improvement and actions underway to address these are reflected in the annual review and action plan below.

Scope of Responsibility

1.6. Bolton Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

1.7. In discharging these responsibilities, the Council must put in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes arrangements for the management of risk. The Council's Constitution sets out 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 law, while others are a matter for the Council to choose.

1.8. The Code of Corporate Governance and the Council's Constitution are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government. CIPFA issued a 2016 update to the Framework, which is applicable for the preparation of the Annual Governance Statement (AGS) and on which the revised Code is based.

1.9. This AGS explains how the Council has complied with the Code of Corporate Governance. The AGS also meets the requirements of the Accounts and Audit (England) Regulations 2015 regulation 6(1) which requires all relevant bodies to prepare an Annual Governance Statement (AGS).

The Purpose of the Governance Framework

1.10. 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.

1.11. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Bolton Council'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:

1.12. The governance framework has been in place at Bolton Council for the year ended 31 March 2024 and up to the date of approval of the statement of accounts. Key elements of the framework are set out below.

Planning and Performance	A strategic planning system which identifies priorities and key aims. These are set out in the Borough's Community Strategy: "Bolton: 2030" produced by Bolton's partnership Bolton Vision. In addition to specific aims the plan embraces the underlying concepts of continuous improvement and delivery of priority developments to address big issues. This vision is supported by economic, regeneration and other development plans. The delivery of key aims is addressed through the Corporate Business Planning Process and Corporate Plan. Directorate and Service level Plans are in place and provide a golden thread from Strategy through directorate and service business planning and team and individual objectives. The Directorate and service plans set out how each Chief Officer and their teams will deliver the appropriate strategy outcomes, savings targets, and other divisional priorities. Individual objectives are linked to service plans and are the focus of Professional Development Review conversations that are an integral element of establishing priorities, understanding performance and supporting staff wellbeing. This process has been refreshed in the year to ensure that conversations and annual performance reviews remain a key focus with all our staff. Performance management processes confirm targets for agreed priorities, and are used to monitor and report performance and, where necessary drive improvement actions. Performance reports are reviewed by Departmental and Corporate Leadership Teams and provided to Executive Cabinet Members each quarter to update on key issues including those arising from the monitoring of performance and risks. The Council has a strategic budget process, which includes the delivery of the Council's savings and efficiency programme. This is shaped by the priorities set out in Bolton 2030 and involves engagement with local residents, members and other institutions and stakeholders across the Borough. This process is overseen by the Section 151 Officer and Corporate Leadership Team There is a framework of policy plans (some statutory, some local) which are reviewed periodically and assist policy formulation. Protocols and formal agreements (where appropriate) are in place to manage partnership arrangements.

Legal and Transparency	Legal, policy and procedural requirements are incorporated in the Council's Constitution and supporting documentation. Compliance is enforced by a range of measures including: Executive Cabinet Member reporting, Member scrutiny, external inspection and audit, performance management and benchmarking, management oversight, internal audit and physical and procedural controls. Legal compliance is overseen by the Borough Solicitor (Statutory Officer) supported by in house legal and democratic services teams, with authority to secure additional, external legal expertise for advice and support on complex matters. Openness is promoted through the Council's website and public access to Council and Committee meetings with agenda and reports available on the Council's website (other than in limited circumstances where consideration of confidential or exempt information means that the public are excluded). The Council ensures compliance with the Transparency Code and responds to requests for information under the Freedom of Information Act and data protection legislation; as well as through a corporate complaints process. Residents and institutional stakeholders are consulted on changes in policy and approach as well as financial planning. Much of this links through the Bolton Vision partnerships and engagement with health education and other services and businesses across the Borough.
Risk	Risk Management processes are in place which include review of strategic risks by the Corporate Leadership Team and Directorate Leadership Teams. These include an assessment of the likelihood and potential impact of risks and the use of registers which record responsibility for managing risk and the action taken. There are processes for Business Continuity Management including service review of key risks to the commissioning and delivery of services; and development of plans to ensure the ongoing delivery of critical services during times of crisis which could include loss of workforce, ICT or critical buildings. Internal continuity arrangements also link to Incident Response / Civil Contingency Planning that guides the Council's leadership response to critical incidents across the Borough that could include fire, flood or a health related outbreak.

	The Council has a Senior Information Risk Owner (SIRO) supported by an Information Governance Steering Committee and has adopted wide ranging guidance on information governance, risk and security. This includes processes for assessing the privacy impacts of new policies, systems or procedures and for the identification and management of potential information incidents or breaches.
People	Officer and Member Codes of Conduct guide and direct behaviours and standards expected of staff and Councillors. Staff engagement and development through process of staff feedback surveys, personal development reviews and programme of learning and development activity across services. Conduct and behaviours for staff are set out in a behaviours framework that clearly articulates the expectations of all those who work for, or with, the Council. This framework also informs individual development through Personal Development Reviews - a structured approach to strengths based conversations, performance management and personal learning and development. Engagement includes a comprehensive range of staff briefings, engagement events and senior officer leadership sessions. These are supported by regular Chief Executive communications and information cascade through email, team talks and use of the intranet / SharePoint.
Finance	Financial management arrangements comply with the governance requirements of the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010). The Council has a defined s151 officer and follows a clear process for the setting and approval of the budget, monitoring, reporting and completion of statutory accounts. The financial management of the authority is structured through Financial Regulations and Financial Standing Orders, which are subject to regular review and approval, supported by a framework of regular management information, administrative procedures, management supervision and a system of delegation and accountability. Value for Money is promoted across the organisation through the Council's corporate planning and budget setting process; commissioning and procurement processes; and performance management arrangements. Internal and External Audit provide independent assessment of the financial management and financial reporting of the Authority

Leadership	Political leadership is derived from the Cabinet which includes the Leader, Deputy Leader and Executive Cabinet Members. Officer Leadership is provided through the Council's Corporate Leadership Team led by the Chief Executive. Chief Officers oversee Directorate Leadership Team meetings to ensure that CLT priorities are cascaded and to enable the coordination of actions and management of risks across services and functions.
Review and Oversight	Audit Committee has responsibility for receiving and providing assurance on arrangements for managing risk, maintaining an effective governance framework and control environment and statutory financial reporting. Scrutiny Committees challenge policies and budget allocations, challenge decisions made by portfolio holders, monitor and challenge performance and make recommendations to the Cabinet/Executive Cabinet Members. There is a process for receiving and reviewing complaints, employee grievances and allegations of wrongdoing through whistleblowing and counter fraud policies and procedures. HR, Internal Audit and Legal Services liaise on key investigations to ensure good practice is shared, sanctions are consistent, and lessons are learned. There is a process for local assessment of allegations of failure to comply with the Code of Conduct for Members.

Review of Effectiveness

1.13. Bolton Council has responsibility for conducting, at least annually a review of the effectiveness of its governance framework including the system of internal audit. The review of effectiveness is informed by the work of senior officers across the Council who have responsibility for the development and maintenance of the governance environment, the Head of Audit and Risk's Management's annual opinion and by comments made by the external auditor and other review agencies and inspectorates.

1.14. The review of governance arrangements is defined in the Council's Assurance Framework as set out below which illustrates the individual elements of assurance.

Component of Governance	**Evidence Source**
Performance Management	Executive Cabinet Member reports Scrutiny Committee reports
Internal Audit	Internal Audit reports and Assistant Director (Assurance and Risk) annual opinion 2023/24 (draft) Review of Internal Audit Service and service assessment of compliance with PSIAS
External Audit	Reports to Those Charged with Governance Annual Accounts Opinion Value for Money Opinion Other External Audit Reports
Management	Internal Audits Directorate Business Plans Directorate Performance Reports Reports to CLT and Cabinet Members Directorate and Service Risk Registers
Risk Management	Internal Audit reports and Assistant Director (Assurance and Risk) annual opinion 2023/24 (draft) Corporate Risk Register and Directorate Risk Registers Corporate and service business continuity plans Project and programme risk registers Key risk reporting – safeguarding, compliance, health and safety etc by lead officers across the Council.
Legal and Regulatory Assurance	Monitoring Officer and Legal Services reports Legal Services review and commentary on decision reports
Financial Control	Annual Financial Statements External Audit of the Annual Accounts Compliance with CIPFA Role of the Chief Financial Officer Compliance with the CIPFA Financial Management Code Management assurances over core financial systems Internal Audit assurance on core financial systems
Members	Review of Constitution Workplans and reports to Cabinet and Cabinet Members Workplans and reports to Scrutiny Committees Audit Committee workplan and reports
Other	On-going assessment against the CIPFA/SOLACE framework; Delivering Good Governance in Local Government Framework. Feedback from external inspectors and agencies. Feedback from Peer Reviews

Significant Governance Issues and Development Plan

1.15. The Council has continued to maintain good practice during 2023/24. The review process has not identified any significant governance issues necessary to highlight in this statement but there are challenges and opportunities that may impact on future ways of working and governance arrangements that continue to be reflected in the AGS Development Plan.

1.16. It is important to distinguish in the AGS between risks and governance challenges. Whilst there are no additional, significant governance issues to report for the year ended March 2024 the Council continues to monitor and respond to a wide range of risks through management and Member reporting structures. The Council will continue to focus on proactively responding to these and they include significant financial challenges and change across all public services, changes and increased complexity in needs, delivery of borough wide regeneration and economic development priorities, inflation and supply chain risks, cyber and ICT security, capacity and capability across the workforce, demographic change, new legislation and the requirement to deliver savings and future financial resilience.

1.17. Progress to date and areas of further focus in developing our governance arrangements during 2023/24 will include:

Areas of Focus	Update and Any Further Actions
A report by the Monitoring Officer relating to a number of planning related issues was considered by the full Council on 29 November 2023 and a decision notice from the Planning Inspectorate in 2022 highlighted the need for significant improvement in governance and decision making. These related to a number of areas including the non-payment of refunds and a major planning decision.	**Part Complete:** Report of the Monitoring Officer complete. Internal Audit supporting management review of compliance with planning laws and regulations. Contingent liability in 2023/24 accounts for potential costs of planning fee refunds with assessment of refunds underway. Review of the Planning Service underway led by new Assistant Director. Oversight by Chief Executive and Director of Place
A substantial loss of money was identified Adults Services Finance and investigation highlighted weaknesses in internal controls.	**Part Complete:**

Areas of Focus	Update and Any Further Actions
This was identified in 2022/23 but was close to year end and work continued into 2023/24 so is included in this statement	Internal Audit Investigation and management review complete. Case referred to Greater Manchester Police and subject to ongoing investigation with GMP and Crown Prosecution Service. Controls Improvement Action Plan place and assured by Internal Audit with further Assurance Updates to be provided to Audit Committee as the case progresses. Internal Audit Plan 2023/24 includes proactive counter fraud work and programme of counter fraud training and awareness for officers. Annual Counter Fraud Report shared in private with Audit Committee and version of this with personal and prejudicial information removed to be shared with Audit Committee in public July 2024. Oversight on implementation of actions from the Director of Adults Social Services (DASS) and Borough Treasurer.
Refreshing the Council's anti-fraud strategy and associated training and awareness for staff and stakeholders.	**Part Complete:** Revision of strategy, policies, procedures including new Counter Fraud Strategy agreed. Briefings completed with all Directorate Leadership Teams in 2023/24. Work to complete risk based service briefings and fraud risk assessment to complete in 2024.
Ensuring that structural changes in the NHS and the further development of the Integrated Care Partnership are designed to deliver improved health outcomes for Bolton residents and accountability to key stakeholders.	**Part Complete**: Led by Director of Adult Social Services and Executive Cabinet member for Adults Social Care (with CLT and Cabinet). Greater Manchester Integrated Care System and Bolton Place Based

Areas of Focus	Update and Any Further Actions
	Partnership established but this acknowledged this is at an early stage and more work required to embed and develop effective governance across Greater Manchester and the Borough. Working with the trust and health system partners to support strengthening of governance and performance of Greater Manchester Mental Health Trust as a key partner remains an area of focus for the DASS
Internal Audit resources are reduced significantly and this has limited the ability to deliver the annual audit plan as reported to Audit Committee.	**Part Complete**: Led by Assistant Director (Assurance and Risk) Resourcing strategy being led by Assistant Director (Assurance and Risk) and Director of Corporate Resources. High level strategy utilising external resources shared with Corporate Leadership Team and Audit Committee. Detailed plan to address capacity and options to strengthen the service shared in outline with team and to be shared with Audit Committee and stakeholders including Trades Unions in summer 2024 with plan for change and resources to follow.
New 2023/24: Risk management strategy and framework for review of risks at strategic and directorate level is inconsistent and has not been updated on a regular basis.	**Part Complete**: Led by Assistant Director (Assurance and Risk) New Risk Management Strategy agreed by Corporate Leadership Team sets out new approach and timescales for risk review and reporting 2024. To be shared with Audit Committee June 2024. Strategy and new plan is underway but will remains an AGS action until it has been completed in full. To also consider and incorporate any feedback from LGA peer review.
New 2023/24: Annual Governance Statement has been reviewed and	**Part Complete**: Led by Assistant Director (Assurance and Risk) and

Areas of Focus	Update and Any Further Actions
compared to good practice. Recognised areas for development include engagement of directors and service heads in governance self-assessment and strengthening corporate oversight.	Director of Corporate Resources Plan for AGS development shared with Director and CLT. Includes new format for statement, heads of service self-assessment; director assurance statements; and establishment of a corporate governance group including finance, HROD and Legal. This has been developed as a process for 2024/25 AGS. To also consider and incorporate any feedback from LGA peer review.

The governance processes however are considered to be effective to enable a robust response to these challenges, manage risks and capitalise on opportunities for further governance and organisational improvement.

Signed:

Chief Executive

Glossary of Terms

ACCRUALS
Income and expenditure amounts are recognised as they are earned or incurred, rather than as received or paid.
ACTUARIAL GAINS AND LOSSES
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.
AGENCY SERVICES
Services performed by or for another Council or public body where the principal (the authority responsible for the service) reimburses the agent (the authority doing the work) the cost of the work carried out.
AMORTISATION
A charge to the comprehensive income and expenditure statement which spreads costs over a number of years in line with the Council's accounting policies.
APPOINTED AUDITORS
These are appointed by the Public Sector Audit Appointments Ltd from major accountancy firms.
APPROPRIATION
The transfer of land and buildings from one service to another.
ASSET
Items of worth that are measurable in terms of value. Current assets may change daily, but the Council is expected to yield the benefit within the one financial year (e.g. short-term debtors). Non-current assets yield benefit to the Council for a period of more than one year (e.g. land).
ASSETS HELD FOR SALE
An asset whose value is likely to be recovered through sale rather than use, that is highly likely to be sold, is available for immediate sale and is being actively marketed.
BALANCE SHEET
A statement of the Council's assets and liabilities at a given date.
CAPITAL ADJUSTMENT ACCOUNT
The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.
CAPITAL EXPENDITURE OR OUTLAY
Expenditure on the acquisition of an item of property, plant and equipment or expenditure which enhances the value of an existing item of property, plant and equipment. It includes loans or grants to 3rd parties that are used for such purposes.
CAPITAL FINANCING CHARGES
The annual charge to the Income and Expenditure Account in respect of interest and principal repayments of borrowed money. They include charges from Finance Leases (see below).
CAPITAL RECEIPTS
Proceeds from the sale of land or other capital assets or the repayment of capital grants or loans. The receipts are available to finance other items of capital spending or to repay debt after any payment to due government has been made.
CI&E(S)
Comprehensive Income & Expenditure (Statement).
CODE
2023/24 Code of Practice on Local Authority Accounting.
COLLECTION FUND
A statutory account maintained by the Council responsible for collecting Council Tax. Income received from taxpayers is held in this account and distributed to precepting authorities.
COMMUNITY ASSETS
Assets that the local authority 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.

CONDITIONS

Grant conditions that stipulate the future economic benefit or service potential embodied in the asset acquired using the grant or contribution are required to be consumed as specified, or the future economic benefits or service potential must be returned.

CORPORATE AND DEMOCRATIC CORE

These are the activities which Councils engage in specifically because they are elected, multi-purpose authorities. The costs of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same service. These costs are therefore not allocated to services.

CREDITORS

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

DEBTORS

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

DEDICATED SCHOOLS GRANT (DSG)

The DSG is a ringfenced grant payable to Local Authorities for the funding of both academies and maintained schools. It can only be used to finance expenditure that is included in the school's budget, as defined in the School Finance and Early Years (England) Regulations 2020/21. The schools budget includes elements for a range of educational services provided on an Authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each academy and Council maintained school.

DEFERRED CHARGES

Capital expenditure where no Council asset is created, e.g. improvement grants. These charges are usually written-off in the year in which they are incurred.

DEFINED BENEFIT SCHEME

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

DEFINED CONTRIBUTION SCHEME

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DEPRECIATION

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

FAIR VALUE

Fair value is the price at which an asset could be exchanged in an arm's length transaction.

FINANCE LEASE

A lease that transfers substantially all the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards is presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term "financial instrument" covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities, such as trade receivables and trade payables, and the most complex ones such as derivatives and embedded derivatives.

GENERAL FUND

The main revenue account for the Council in to which the Council's precept from the Collection Fund and specific government grants are paid, and from which the cost of providing services is met.

GOVERNMENT GRANTS

Assistance by government, government agencies and similar bodies, in return for past or future compliance with certain conditions relating to the activities of the Council.

HERITAGE ASSETS
Assets which are intended to be preserved in trust for future generations, because of their cultural, environmental or historical associations.

HISTORIC COST
The actual cost of assets, goods or services at the time of their acquisition.

IFRS
International Financial Reporting Standards.

IMPAIRMENT
A reduction in the value of a fixed asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

INFRASTRUCTURE ASSETS
Items of property, plant and equipment 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
Assets used in a business which do not have a physical presence (e.g. software licences). When purchased these assets should be capitalised at cost and amortised over their anticipated life. Internally developed intangible assets should only be capitalised where there is a readily ascertainable market value.

INTEREST COST (PENSIONS)
For a defined benefit scheme, the expected increase during the period on the present value of the scheme liabilities which arises from the passage of time.

INVENTORIES
Inventories comprise the following categories:

- goods or other assets purchased for resale;
- consumable stores;
- raw materials and components purchased for incorporation into products for sale;
- products and services in intermediate stages of completion;
- long-term contract balances; and
- finished goods.

INVESTMENTS
A long-term investment is an investment that is intended to be held for more than one year from the balance sheet date. Investments which do not meet the above criteria are classified as current assets.

INVESTMENT PROPERTY
Property that is held solely to earn rental income or to increase in value, or both, rather than for use in the operations of the Council or for sale.

LATC
Local Authority Trading Company created to deliver certain Adult Social Care Services collectively known as Bolton Cares

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.

MOVEMENT IN RESERVES STATEMENT (MIRS)
The MIRS shows the movement during the year on the different reserves held by the Council, analysed into usable reserves (those that can be applied to fund expenditure or reduce taxation) and other unusable reserves.

NATIONAL NON-DOMESTIC RATES (NNDR)
National Non-Domestic Rates are organised on a national basis. The Government specifies an amount and, subject to the effects of transitional and other relief arrangements, local businesses pay rates calculated by multiplying their rateable values by that amount. The Council is responsible for collecting rates due from the ratepayers in its area. Of the net rates payable, less deductions, 1% is paid to the Fire Authority and 99% is retained by the Council.

NET BOOK VALUE (NBV)
The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

NON DISTRIBUTED COSTS
These are overheads from which no user now benefits and they are not allocated to services.

OPERATING LEASES
A lease other than a finance lease. The risks and rewards of ownership of the fixed asset remain with the lessor. Such a lease will be for a fixed period which is less than the useful life of the asset. The cost of such leases falls upon service revenue accounts.

OUTTURN
Actual Income and Expenditure in a financial year.

PENSION ASSET CEILING ADJUSTMENT
The pension asset ceiling adjustment is made to ensure sure that the Councils balance sheet properly reflects how the value of any defined benefit deficit or surplus is affected by the pensions scheme's rules and funding requirements.

PRECEPT
A levy by one authority which is collected on its behalf by another e.g. Police, Fire, Parish Councils.

PREMIUMS
These are charges that have arisen following the early redemption of long-term debt, which are written down over the lifetime of replacement loans where applicable.

PROPERTY, PLANT AND EQUIPMENT
Assets that have physical substance and yield benefits to the local authority and the services it provides for a period of more than one year.

PROVISIONS
Amounts set aside for losses and liabilities incurred in the past but which will be settled at a future date.

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

REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY
Remeasurement of the Net Defined Benefit Liability (asset) comprises:

a) actuarial gains and losses

b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and

c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

RESERVES
Amounts set aside to meet expenditure which may be incurred in future periods. Earmarked reserves are allocated to a specific area of spending. Reserves are classified as either usable or unusable. Usable reserves are those that the Council can use to fund the provision of services or fund capital expenditure. Conversely, unusable reserves are those which the Council cannot use to provide services or fund capital expenditure.

REVENUE EXPENDITURE
Expenditure on day to day expenses such as employee costs, running expenses of buildings, purchase of equipment and capital financing charges.

REVENUE SUPPORT GRANT (RSG)
A general grant paid by the Government not related to individual service provision, with the objective of allowing the provision of similar standards of service throughout the country for a similar Council Tax levy.

SeRCOP
CIPFA Service Reporting Code of Practice 2023/24.

SURPLUS ASSETS
Those assets that are surplus to service needs but that do not meet the criteria to be classified as either investment property or assets held for sale.

TRUST FUNDS
Funds administered by the Council on behalf of minors and others for such purposes as prizes, charities and specific projects.