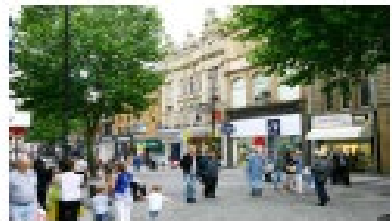
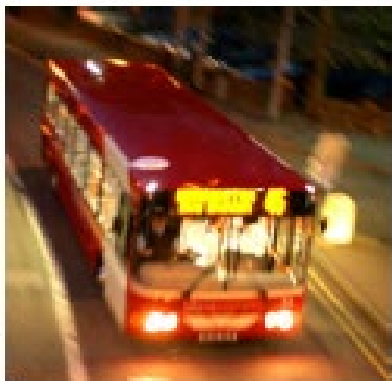


WARRINGTON

Borough Council



2023/24 DRAFT STATEMENT OF ACCOUNTS



Contents	Page No
Narrative Report	4
Statement of Responsibilities	30
Movement in Reserves Statement	31
Comprehensive Income and Expenditure Statement	32
Balance Sheet	34
Cash Flow Statement	35
Notes to the Single Entity Financial Statements	
Accounting Policies & Assumptions	
Note 1: Accounting Policies	36
Note 2: Accounting Standards Issued, Not Yet Adopted	48
Note 3: Critical Judgements in Applying Accounting Policies	49
Note 4: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty	50
Note 5: Events After the Reporting Period	53
Expenditure and Funding Analysis	
Note 6: Expenditure and Funding Analysis	54
Movements in Reserves Statement	
Note 7: Adjustments Between Accounting Basis and Funding Basis Under Regulations	59
Note 8: Transfers to/from Earmarked Reserves	62
Note 9: Usable Reserves	68
Comprehensive Income and Expenditure Statement	
Note 10: Other Operating Expenditure	69
Note 11: Financing and Investment Income and Expenditure	69
Note 12: Taxation and Non-Specific Grant Income	69
Note 13: Material Items of Income and Expense	70
Note 14: Members' Allowances	70
Note 15: Officers' Remuneration	71
Note 16: Termination Benefits	75
Note 17: External Audit Costs	75
Note 18: Expenditure and Income Analysed by Nature	75
Note 19: Dedicated Schools Grant	75
Note 20: Grant Income	76

Contents	Page No
Balance Sheet	
Note 21: Property, Plant and Equipment	79
Note 22: Heritage Assets	85
Note 23: Investment Properties	86
Note 24: Capital Expenditure and Capital Financing	89
Note 25: Long Term Debtors	91
Note 26: Debtors	92
Note 27: Cash and Cash Equivalents	92
Note 28: Creditors	92
Note 29: Provisions	93
Note 30: PFI and Similar Contracts	94
Note 31: Leases	96
Note 32: Pension Schemes	100
Note 33: Unusable Reserves	107
Note 34: Financial Instruments, Risk & Collateral	111
Note 35: Contingent Assets & Liabilities	133
Cash Flow Statement	
Note 36: Operating Activities	136
Note 37: Investing Activities	137
Note 38: Financing Activities	137
Other Notes	
Note 39: Related Parties	138
Note 40: Capitalisation of Borrowing	144
Note 41: Pooled Budgets	144
Note 42: Prior Period Adjustments	145
Collection Fund	151
Collection Fund Notes	154
Group Accounts	156
Group Accounts Notes	164
Glossary	189

NARRATIVE REPORT

Message from the Deputy Chief Executive & Director of Corporate Services (Section 151 Officer) - Lynton Green

This Narrative Report provides information about Warrington Borough Council, including the key issues affecting the Council and its accounts. It also provides a summary of the financial position at 31 March 2024. It is structured as follows:

1. An Introduction to Warrington
2. Performance Commentary for 2023/24
3. Financial Performance
4. Principal Risks and Uncertainties
5. Audit of the Statement of Accounts
6. Climate Change
7. Explanation of the Financial Statements
8. Receipt of Further Information
9. Acknowledgements

AN INTRODUCTION TO WARRINGTON

The Borough of Warrington was formed in 1974 and became a Unitary Authority in 1998. Warrington covers an area of 70 square miles (181.8 square kilometres) between Manchester and Liverpool. It lies at the centre of the North West region's communications network. The M6, M56 and M62 motorways intersect within the borough, connecting it to all parts of the region and beyond. The borough also lies on the main north-south (West Coast Main Line) and east-west (Trans-Pennine) rail routes. It is close to both Manchester International and Liverpool John Lennon Airports.

Warrington's population has increased from 205,905 in the 2013 to 211,580 in 2022 an increase of 2.8% in the ten-year period. Warrington's increase is lower than the North West (5.8%) and England and Wales (5.7%). Warrington has more females (106,967) than males (104,613). Warrington's female population represents 50.6% of the overall population. The largest 5-year age band in Warrington is 55 to 59 for both males and females, making up 7.6% of the total population. Warrington has a lower percentage of those under 20 (22.3%) compared to the North West (23.4%) and England and Wales (23.1%). Warrington's 65 and over population (19.4%) is higher than both the North West (18.8%) and England and Wales (18.8%). In 2021, the number of households in Warrington was 90,538 – an increase from 85,140 in 2011. This is an increase of 6.3% between the previous and latest Census figures.

There are circa 8,385 business enterprises in the borough employing 138,000 people. There is a broad and diverse range of employment options available, with Professional occupations at 28.7% and Associate Professional & Technical at 18.5%. There is a nuclear industry cluster and a number of back-office operations, specifically call centres, located in the borough.

The 2023/24 financial year provided several challenges unlike any year before it with the cost-of-living crisis defining the year. The UK has been experiencing its highest rates of inflation for nearly 40 years. To combat inflation, the Bank of England has raised interest rates to 5.25%, the highest rate in 15 years. This period of unusually high inflation and interest rates had major implications for the economy and the Council. It resulted in a massive increase in demand for Council services; increases in borrowing costs for new borrowing as interest rates increased; falls in the value of our assets and investments reflecting the trend nationally. Councils nationally faced massive spending pressures in the areas of Childrens and Adult Social Services and Homelessness. Several Councils issued Section 114 notices during 2023/24. Councils faced and are facing a national funding crisis with the Local Government Association (LGA) estimating this to be £4bn a year funding shortfall. A 2024 survey from the Local Government Information Unit (LGIU) has revealed that half of councils (51%) have warned they are likely to issue a section 114 notice in the next five years, with 14 local authorities (9%) likely to issue such a notice within the next financial year.

The Council's operating revenues amounted to £657.266m in 2023/24 (note 18). However, a sizeable chunk of this is related to services that are essentially pass-through. For instance, Central Government funds of £215.453m (note 19) that the Council spends on children and education services and nearly half of adult social care costs are borne by Central Government. As a result the Council had direct responsibility for a budget of £183.009m in 2023/24.

Council tax of £122.085m (note 12) in 2023/24 funds over half of the direct budget requirement. Council tax increased by 2.98% in 2022/23, including a 2% Adult Social Care precept. Band D Council Tax (excluding precepts) was £1,694.79 in 2023/24.

The Revenue Support Grant (Government funding) was £1.419m in 2022/23. The 2023/24 year saw a small inflationary increase to £1.797m; however, going forward, it is expected this revenue source will remain effectively static and be completely eliminated, creating financial pressures for all local authorities. Due to cuts in Government funding the Council have made £59.3m (23/24 £13.6m; 22/23 £20.0m; 21/22 £11.6m; 20/21 £14.1m) of savings over the previous four years and plan to make a further £38.058m of savings over the three year period from 2024/25.

Revenue Support Grant accounts for just 1% of total revenues for the Council, which is a lower level than peers. Business rates are the third largest source of own-source funding and amounted to £27.558m in 2022/23. In 2023/24, this increased to £37.560m (note 12). Government review of the business rates system has been pending for some years. A review could be positive for the Council as they currently must make tariff payments and retain only 32% of what they receive. However, in the absence of any details we currently cannot assess the exact impact on the Council.

Warrington Borough Council employed 5,568 staff at 31 March 2024 (3,287 WBC and 2,281 Schools).

Medium Term Financial Plan (MTFP)

The Council's Medium Term Financial Plan (MTFP) is based on a financial forecast over a rolling four-year timeframe from 2024/25 to 2027/28. The MTFP sets the financial context for the Council's resource allocation process and budget setting.

Over the next four-year period there is an estimated funding gap of £43m. Within this financial context the Outcome Based Budgeting process has been built upon Council-wide working to deliver a sustainable long-term financial position.

The Council is facing unprecedented financial and demand pressures following a decade of austerity, the COVID pandemic, high inflation and interest rates and the cost-of-living crisis. Achieving financial sustainability is critical to protect outcomes for the community and local economy. Medium-term financial planning is taking place against the background of significant funding cuts for local government alongside Government plans for major local government finance reforms. In addition, the Council, in common with most local authorities, continues to be at risk from unfunded financial pressures, including workforce management, waste management, and demand for social care and welfare reform, as well as implementation of the national living wage. This environment will be challenging over the coming years and will be managed via the Council's risk management framework.

The Council remains committed to its MTFP Strategy and the transformational change needed to ensure the Council continues to move towards being self-sufficient in terms of its funding over the medium-term period. This will provide the financial robustness needed to deliver the Council's longer-term ambitions.

The COVID-19 pandemic has delayed some key Government decisions about the future direction of Local Government funding. The 2023/24 Local Government Finance Settlement was again a one year funding settlement, providing no certainty about funding beyond 2023/24. A multi-year spending review by Government to determine the distribution of funding across Local Authorities over a medium-term period is still expected but will be subject to the completion of delayed reforms linked to the Fair Funding Formula and Business Rates. Whilst this is in part due to the national economic impact of the pandemic and the Government's need to have certainty about the financial position for the country over the medium-term period, the uncertainty, volatility and complexity of the financial landscape is making the Council's own medium-term financial planning difficult.

The Finance Team will continue to work with Members and Officers across the Council within the framework of the MTFP Strategy to address the significant financial challenge ahead. This will ensure the Council's revenue budget, capital budget and MTFP are robust on a recurrent basis to provide a foundation on which to address and deal with the uncertainty, volatility and risk inherent in the financial landscape.

During the year, the Finance Service has continued to provide excellent financial leadership across the Council through its robust financial management. This has been achieved despite the many challenges. The vision for the service continues to be a service which is innovative,

providing excellent financial leadership, and enabling colleagues across the organisation to effectively manage the finances of the Council. A culture of continuous improvement is at the heart of this, ensuring the service is fit for the future and continues to provide robust and resilient financial management for the Council whilst identifying new ways of working and enabling services to deliver on their own transformation priorities and ambitions.

Democratic Structure

The composition of the Council at 31 March 2024 was:

36 Labour Councillors
10 Conservative Councillors
8 Liberal Democrat Councillors
2 Independent Group Councillors
2 Independent Unaligned Councillors

On 2 May 2024 all out elections took place which changed the composition of the Council to:

42 Labour Councillors
12 Liberal Democrat Councillors
1 Conservative Councillor
3 Independent Councillors

The Council has adopted the Leader and Cabinet model as its political management structure arising from the Local Government and Public Involvement in Health Act 2007. The requirements of the Act are such that the Leader of the Council has responsibility for the appointment of Members of the Cabinet, the allocation of Portfolios and the delegation of Executive Functions.

Supporting the work of elected Members is the organisational structure of the Council headed by the Strategic Leadership Team (SLT), led by the Chief Executive, Professor Steven Broomhead. The Council is divided up into four Directorates, Growth, Environment & Transport, Corporate Services and Families and Wellbeing.

PERFORMANCE COMMENTARY FOR 2023/24

The council's corporate strategy 2020-2024 was developed during 2020 and approved by Cabinet in September 2020. An annual refresh of the strategy is undertaken to ensure the council is focused on delivering its key priorities. The strategy is approved by Cabinet and monitored quarterly.

There are four pledges:

- Our residents live healthy, happy & independent lives
- Everyone benefits from our thriving economy

- Communities are safe, strong & our most vulnerable are protected
- Our town is clean, green & vibrant

Supporting these pledges are cross cutting themes: sustainability, reducing inequalities & cost of living. The strategy also sets out how the council will work to deliver its vision and pledges (delivering our strategy).

Key performance indicators and targets support the delivery of priorities alongside a number of key projects. The latest performance information reported through to Cabinet can be found in the council's website <https://www.warrington.gov.uk/cabinet-scorecard>

Annual summary:

Our residents live healthy, happy & independent lives

'Talking Point', the council's Community Led Support initiative, which first started in Birchwood, has been rolled out across the town. The model provides good conversations at the front door of adult social care in a timelier manner.

The Living Well Health & Wellbeing Strategy 2024-28 was launched (February 2024) and Warrington Living Well hub opened (March 2024), building longer-term engagement with local communities. The Strategy was endorsed by Warrington's health and Wellbeing Board in November 2023 following a period of consultation and launched 2024.

Demand for Intermediate Tier services from hospital has been challenging and has seen an impact from strike action. The service has been able to deliver a good level of care at home but has seen more frail people that have had to leave hospital into a bed base setting rather than home. The service continues to meet demand in the Intermediate Care at Home service and is achieving on all targets for keeping people independent at home.

Public Health continue to deliver at the local level, as part of the ongoing Health Protection response, the promotion of measles preparedness and the Measles Mumps and Rubella (MMR) vaccination to early years settings, care homes; and supporting media responses on winter wellbeing and on rat infestation. Public Health has also supported incident management teams regarding incidents such as TB, working alongside partners including the UK Health Security Agency and Warrington Place Integrated Care Board.

The 0-19 Service report the percentage of infants breastfed at 6-8 weeks which has increased in quarter 3 (49%) from Quarter 2 (41%) and Quarter 1 (45%). A breastfeeding Health Equity Assessment Tool has been completed which has highlighted six recommendations to improve the breastfeeding initiation and continuation rates in Warrington. This action plan has been agreed with partners and is being monitored quarterly. Warrington's Healthy Start uptake figures for the last reporting period January 2024 (69%) is still below the England average of 74.1%. Work is taking place across partners and services to improve the uptake.

The number of mothers needing perinatal mental health support (identified by the 0-19 Service) in the last reported quarter is 96. This has reduced from 118 in quarter 2 and 125 in quarter 1.

In terms of school readiness, the 0-19 Service has shared the Ages and Stages Questionnaire 2 to 2.5-year quarter 1 to quarter 3 data with partners to help target early intervention and early help support. The communication skills area of development is still the domain requiring the most follow up support.

A disadvantaged pupil attainment research project has generated some thought-provoking data which is shaping the Education Strategy. The impact of the Covid and lockdowns can be seen, particularly for children within early years. Other wider societal factors have been factored into the research. The final report has been presented in May to Senior Leaders and will then be shared with the Education Strategy Group and councillors. The final report and action plan will then be shared with education leaders and key partners within the town.

The 2024/25 Service Level Agreement for the Public Health commissioned LiveWire Lifestyles Services was finalised and signed off in February 2024. LiveWire continue to successfully deliver the adult tier 2 weight management service, stop smoking service, healthy hearts cardiovascular disease prevention service and stay on your feet falls prevention service following in-sourcing into Warrington Borough Council.

An allocation of £199,598 from Office for Health Improvement & Disparities (OHID) for the first year of the "Smoke Free Generation" has been allocated to Warrington. LiveWire are currently developing a plan of action to consider how best to utilise this additional funding.

Plans are underway to establish a Poverty Truth Commission and the first poverty conference will be held during Spring/Summer 2024.

Everyone benefits from our thriving economy

On 19 April 2024, Warrington & Co, the council's public-private growth and investment partnership, held its 26th Annual Property Review at the Park Royal Hotel. Attended by over 200 people from both the public and private sector, the event set out the investment activity in Warrington over the last 12 months. The event saw the publication of an analysis of the local property development and investment market, with statistics and reports independently compiled by Warrington-based commercial property agents, BE Group, who have authored the report since its inception. Additional contributions were made by Cushman & Wakefield on national trends, with Warrington & Co highlighting future regeneration opportunities.

This year's Property Review demonstrated that, in the face of significant economic challenges nationally, Warrington is continuing to perform strongly, with a robust investment landscape, which is helping attract new businesses and strengthen the town's office, industrial and retail sectors.

It has resulted in the Centre for Cities identifying Warrington as a leading UK location for economic performance, with recognition given to the town's businesses for leading from the front in new technologies and innovation.

Successes of the past year include:

- Over 21,500 sq m of office floorspace transacted in 2023, comprising 36 deals – the highest in Warrington for five years.
- Major office and industrial deals completed at Birchwood Park, in Woolston, and at Gemini Business Park.
- The ongoing redevelopment of Cockhedge Shopping Centre, which will provide new leisure, food and retail space, along with new housing in the heart of the town.
- The success of boutique retail centre, The Hive, WA1, and the expansion of Junction NINE Retail Park on Winwick Road.
- The opening of Warrington's new, Living Well Hub – funded by the government's Town Deal - in the town centre, which is one of the first of its kind in the country, providing a health and wellbeing 'one-stop shop' for local people.

Work is progressing well in relation to the provision of specialist housing to support the councils Homelessness Service, Children's Services and Adult Social Care. All three of these services have experienced significant increase in costs of accommodation provision in the last 12 months. A strategy is in place of moving to a position where the council provides most of the accommodation, rather than relying on third party provision which is often far more expensive. The cross-Directorate effort required to deliver this outcome is working well.

It is expected that Incrementum Housing will be bringing forward an option to develop a further site in the next quarter.

Discussions are ongoing with the Department for Transport and Homes England to bring forward options regarding the Warrington Bank Quay Development Scheme, following announcements earlier this year in relation to the routing of Northern Powerhouse Rail through Warrington.

On 11 March 2024, the Health and Well-being Hub in Warrington Town Centre was opened, part of the Warrington Town Deal Programme. This centre is fundamentally aimed at helping people to look after themselves, to live happily healthily and independently for longer. This is a safe and welcoming space where people can talk and get advice about any challenges that may be impacting negatively on their general health and well-being. This is a collaborative initiative, supported by a local partnership involving the public sector including the NHS, Warrington Borough Council, and the voluntary sector.

Work is due to start in the next quarter on the Digital Enterprise Hub at St James' Business Centre, Wilderspool Causeway. This will see new space made available that supports digital innovation capturing opportunities provided through artificial intelligence, big data, virtual reality, e-commerce, gaming and automation.

The Local Plan having been adopted at Full Council in December 2023 was subject to a challenge from a private sector developer. This challenge was rejected by the Courts and the plan is no longer capable of being challenged.

The plan has been used throughout this year to help guide development in the borough and to assist with the development of the Supplementary Planning Documents that are due to be presented to the Council's Cabinet in the next quarter.

UK Shared Prosperity Funding (UKSPF) projects continue to be revised and approved with in-progress project spend being continually monitored. Most projects are forecasting full achievement of planned spend. The Government has confirmed that the Council can carry forward any underspend from 2023/24 into the new financial year. The Local Partnership is proving to be particularly effective in helping guide and assess projects under this UKSPF programme. There are now 25 UKSPF projects approved, totalling just over 80% of the total financial allocation. Projects which were delayed with their start have been reassessed for their allocation requirements and outcome / output targets, with most projects able to deliver against the original targets, and a small number who has reassessed their targets and funding requirement.

During quarter 2 the 4th Business Conference returned to Time Square, with a theme of "Maximising Performance", highlighting how local companies are managing their people and processes to improve efficiency and effectiveness. Cineworld and the Botanist were chosen once more to host over 200 Warrington companies and stakeholders, including both MPs, the senior council officers, and town Councillors. The Conference was a joint initiative between Warrington & Co, the Business Exchange, and the Chamber of Commerce. Informative speakers included Sellafeld, Torus, Gulliver's World and Bent's Garden & Home. Kevin Hollinrake, Minister for Small Business, Enterprise and Markets provided a view from government, as well as a recollection of his own journey launching and selling a successful chain of national estate estates. Feedback received was very positive and the cost of the event was covered entirely by external sponsorship. Social media exposure was significant, further boosted by Cheshire's Mix 56 hosting a live radio broadcast throughout.

During quarter 2 the Warrington Skills Commission was completed, with the report launched at the Warrington Business Conference on 15th September.

Communities are safe, strong & our most vulnerable are protected

The number of individuals protected by the DoLS safeguards continues to increase and the number of people awaiting an assessment has reduced. Work (locally and regionally) continues to review current processes.

The number of children in care at quarter 4 is 353, a reduction of 4 this quarter. As per quarter 3 there have been no asylum seeker presentations. In this period, actions have been put in place to make the permanency processes more robust, particularly in relation to children in care transitioning to adulthood.

In quarter 4 meetings have been held with two local authorities, Sheffield and Highlands (Scotland) to share their learning from the implementation of the Safe & Together Model to tackling domestic abuse. The findings from these meetings will support the council in continuing to develop and progress our local journey in tackling domestic violence and coercive control within the borough.

Early Help Assessments continue to increase, with a 46% increase as a result of the role of partnership workers. In addition, workshops have been devised to follow on from the delivery of Early Help training to ensure that partner agencies understand the need to complete assessments when making referrals. The parenting strategy is being rewritten to deliver lower-level support, offering a more responsive approach to support parents rather than a reactive one.

Building on the homeless summit that took place in September 2023, a consultation has recently concluded that will inform the review of the homeless strategy. All partners are working together to explore solutions to the current homeless crisis, it has been recognised in the Housing strategy for Warrington that more socially affordable rental properties are required to be able to reduce the reliance on hotels and Bed and Breakfast. Work continues to explore options that will provide a more cost-effective solution whilst also providing better living standards for those currently homeless and waiting to access social housing.

During quarter 4 the % of children in care who are in Employment, Education and Training (EET) is 64%. The senior officer who is the EET lead commenced post in February 2024 with funding from the UK Prosperity Fund. It is hoped the EET percentage will increase even further via direct work with Young People, enabling them to access more bespoke EET opportunities and through liaison activities with local businesses.

During quarter 4 there were 34 children in the adoption cohort, an increase of 2. 11 children have been adopted since the 1 April 2024. It should be noted that this figure would be higher, but there are delays in the conclusion of several care proceedings. 17 children are waiting to be adopted and of those 15 are placed with their adoptive parents. 6 children have had the decision for adoption reversed this year. 11% of children have exited care via Special Guardianship. 40% of children who have been in our care for over 12 months are permanently matched to a foster carer. Children's Social Care is striving to improve figures further.

The building of a 4 bed Children's Complex Needs Hub property has commenced, following a tender process.

The insourcing of LiveWire services completed on 1 March 2024. Work is now underway to complete the final elements of the transfer, including ensuring all LiveWire services are fully integrated into council policies and processes. Leisure and library membership continues to increase, with leisure membership now above pre-covid levels, but libraries still behind. However, cost of service continues to be an overall challenge. Culture Warrington (CW) continues to perform positively overall. CW have secured Place Partnerships funding which will support a refreshed Warrington Arts Festival, providing a significant boost to Warrington's cultural offer.

Our town is clean, green & vibrant

Capital projects for upgrading of several equipped play facilities are currently being delivered. Current schemes include redevelopment of Alconbury Close, Culcheth Green and a Pump Track at Dakota Park. Further pipeline projects to be developed.

A list of prioritised road and footway projects and schemes as part of the highway's maintenance programme has been identified for each ward and has informed a four-year programme of works.

Levels of nitrogen dioxides continue to improve due to improvements in vehicle emissions. Particulates in the air remain a key determinant of health as identified by the World Health Organisation. Warrington has sites that are capable of monitoring levels of ultra fine particulates.

An air Quality project is progressing with colleagues in Public Health, looking to identify people who will benefit from the installation of air quality monitors within their property.

The Health and Safety Executive have extended the deadline for all Building Inspectors to be registered with the Building Safety Regulator to 7 July 2024 due to delays in assessments for Building Inspectors within the Building Control sector. However, all council Building Control (BC) officers are registered at Class 1 and above. Three staff have passed assessments and registered with the Building Safety Regulator at levels 2A-F and 3G-H. Two members of the team remain in assessment process. The BC team therefore able to continue services on all developments and are in a very good position.

Industrial action during October, November and December resulted in the kerbside collection service being suspended for approximately nine weeks. This has significantly reduced the volume of residual and recyclable material collected during that period.

The Waste Procurement process has commenced, with tender returns received for the three waste lots (dry mix, residual, green) on 29 April. Clarification received on the Environment Act implementation dates; however funding has not been confirmed from central government.

Delivering our Strategy

A cyber-attack occurred on the Pulse remote access solution during quarter 4. The council's cyber response plan was followed. The incident was contained, and the only business disruption was outage of the Pulse service for several days. Learnings from the incident are being implemented. Cyber security partners have positively fed back on the council's handling of the incident. Decisions are to be made regarding the future solution for remote access.

A contract has been agreed for three years from March 2024 for support of the Electronic Document Management System (EDMS), during which time a more suitable solution will be identified. A new solution has been delivered for the Fostering Hub, which was a significant achievement to fully undertake in three months.

The council continues to develop and use Power BI across the organisation to support its priority to make better use of data and intelligence.

The Medium-Term Financial Plan for 2024/25 was approved by Full Council in February 2024.

The Procurement Team reported to Organisational Development and Improvement Committee in March 2024 and is on track to develop the next phase of the Council's Procurement Strategy for consideration at Cabinet in July 2024.

Directorate level work has continued through the quarter to ensure a robust approach to future financial planning. The Local Authority faces continued demand, inflation and funding pressures which are impacting the wider Local Government sector. The council is reflecting these factors into its approach.

The second Climate Emergency action plan progress review (Oct-Dec) is complete. Data gathering for Jan-March is underway. The Oct-Dec review found 64% of actions RAG-rated 'green'. Areas progressing as expected included "Awareness, engagement, and support for action" (100%); "Energy, Buildings, and infrastructure" (80%); "Identifying risks" (100%) "Organisational development" (85%); "Procurement" (100%); "Staff Travel" (88%); and; "Travel, transport and wider connection" (100%). 24 actions were rated 'amber' and one as 'red'. Areas with limited progress included: "Fleet decarbonisation" (75% amber, 25% red); "Green finance" (50% amber) and "Waste reduction" (43% amber).

The Carbon Budget and latest emissions data was included in report to Cabinet in February 2024 as part of the financial budget report ("2024/25 Medium Term Financial Plan, Draft Revenue Budget and Capital Programme"). Whilst the cumulative net emissions remained within budget overall (8,380.46 tonnes CO₂e compared to a budget of 9,695.83 tonnes CO₂e) in 2022/23, the council 'overspent' the annual budget because unlike the previous year it did not retain renewable energy generation certificates from the Hull solar farm to cover emissions from electricity use.

At the end of quarter 4, 365 individuals had completed Carbon Literacy training (up from 275 in quarter 3) including 323 officers and 42 elected members. Six workshops were held for officers during Q4. At the end of this quarter, around 700 people had completed all three e-learning modules. Work continued in quarter 4 to develop a face-to-face version of the course aimed at staff without access to IT. Training sessions are currently being scheduled with frontline teams throughout 2024/25.

The contact centre has seen an improvement in wait times from quarter 4 last year by 432s with 87% of calls answered, an improvement of 26% for the same period. The team continues to see high demand associated with revenues backlog continuing to see repeat callers, especially at the time of annual council tax bills being sent. The contact centre has seen an increase in contacts regarding Garden Waste for those customers wanting to subscribe prior to the increase in cost of the service. We have also seen recurring issues in relation to the payment system and are working with IT colleagues to resolve. The contact centre answered 28,396 calls along with an additional 22,047 which consists of customer call backs 111, Freedom of Information 588, customer compliments and complaints 638, emails 3755, face to face 16,260 and councillor contacts 695 (the figure based on councillor contact is more due to multiple enquires on each email).

Overall, for the year the contact centre has seen a significant improvement to performance with all areas for the first time ever being on target, the telephone answer rate being the most significant with an average wait time of 251s (target 300s) for the year, an improvement of 365s from the previous year.

The contact centre, following successful implementation of the call recorder and PCI compliance, introduced quality observations. This is where Team Leaders randomly select calls for each advisor and evaluate the calls based on corporate goals, customer focus and customer engagement, with each section weighted. During quarter 4 95% was achieved, 10% above target. The overall total for the year is 94%.

FINANCIAL PERFORMANCE

Revenue Outturn

The Statement of Accounts sets out the Council’s spending and funding in line with accounting requirements.

The original budget set at the Council meeting on 27 February 2023 was £183.009m. Revisions made during 2023/24 to the original budget reflected the approved use of earmarked reserves and were reported quarterly through the Budget Monitoring reports presented to Cabinet. The table below summarises the Council’s 2023/24 revenue outturn position for each Directorate when compared to the revised budget.

The outturn for the Council is an overspend of £5.917m.

Directorate	Budget £000	Actual £000	Total Variance £000
Corporate Services	9,355	10,888	1,533
Families & Wellbeing	132,755	148,667	15,912
Environment & Transport	26,414	26,688	273
Growth	10,760	9,968	-792
Corporate Financing	6,048	310	-5,738
	185,332	196,521	11,188
Transfer from Reserves		-5,271	-5,271
Outturn (Overspend)	185,332	191,250	5,917

The Corporate Services Directorate main areas of overspend were within the Workforce & Organisational Change and the Law and Governance divisions.

For the Families and Wellbeing Directorate the most significant area of net overspend across the Directorate was in Children’s Services, primarily across children in care services. There was also an overspend in Adult Social Care.

The Environment and Transport Directorate main areas of overspend were within the Operation and Commercial and the Building Control Divisions. These were offset by underspends in the Asset Maintenance and Street Works divisions.

For the Growth Directorate the main areas of overspend were within the Development Control and the Property and Estates Management divisions. These were offset by underspends in the Strategic Partnership & Commissioning and Infrastructure Delivery divisions.

Corporate Financing, which manages the corporate budgets for the Council, generated a significant underspend thanks to better than budgeted performance in the Capital Financing (Treasury) and the Renewable Energy schemes divisions. This was compounded by an underspend on the Energy contingency and positive performance by the Investment properties. This performance compensated the overspends on Corporate Expenses and the Historic Commercial Property portfolio.

Capital Outturn

Capital expenditure represents money spent by the Council on purchasing, upgrading and improving assets that will be of benefit to the community over many years. At its meeting of 27 February 2023, Council approved a three-year capital programme of £799.348m incorporating a 2023/24 capital programme of £407.662m. Revisions to the capital programme to incorporate slippage, additions and deletions take place in-year and are reported to the Cabinet on a quarterly basis. In-year revisions totalling £139.159m took place in 2023/24.

The table below shows that the Council spent £189.979m on its capital programme in 2023/24, representing a delivery rate of 71% which is shown in the table below by Directorate level. The financing of the capital programme also presented below shows the major funding sources were Prudential (Unsupported) Borrowing, Government Grants and Capital Receipts.

2023/24 Capital Programme

Capital Programme	2023/24 Budget £000	2023/24 Outturn £000	2023/24 Variance £000	% Spent
Families & Wellbeing	7.878	6.160	-1.718	78%
Corporate Services	5.218	3.033	-2.185	58%
Environment & Transport	28.988	21.440	-7.548	74%
Growth	25.508	23.362	-2.146	92%
2023/24 Capital Programme (excluding Invest to Save)	67.592	53.995	-13.597	80%
Invest to Save Programme	200.912	135.984	-64.928	68%
2023/24 Invest to Save Programme	200.912	135.984	-64.928	68%
Total 23/24 Capital Programme	268.504	189.979	-78.525	71%

2023/24 Capital Financing

Capital Programme Funding	2023/24 Budget £000	2023/24 Outturn £000	2023/24 Variance £000
Unsupported Borrowing - Corporate	28.139	15.320	-12.819
Unsupported Borrowing - Invest to Save	200.912	126.428	-74.484
Capital Grants & Reserves	28.485	36.044	7.559
Capital Receipts	7.982	1.872	-6.110
Revenue Funding	0.078	9.616	9.538
External Funding	2.908	0.699	-2.209
Total 2023/24 Capital Programme Funding	268.504	189.979	-78.525

As can be seen from the above there was a variation between forecast capital expenditure and the final outturn. The majority of the expenditure will, however, be re-profiled into 2024/25 together with the financing and does not therefore present any financial issues for the Council to address. The forecast for planned spend was updated throughout the year and reported in the Quarterly Reviews of Performance to Cabinet.

The variation of £78.525m between the approved capital programme and the final outturn position primarily relates to an underspend across the Directorates and on the Invest to Save Programme. Due to the innovative and partnership nature of this programme, it is difficult to forecast future expenditure with great accuracy.

The major underspends across the Capital Programme relate to Corporate Services (£2.185m), Environment & Transport (£7.548m) and the Invest to Save Programme (£64.927m). The major scheme underspent for Corporate Services is Local Electric Vehicle Infrastructure (LEVI) project (£0.801m) and for Environment & Transport is Vehicle & Plant Asset Replacement Programme (£2.000m). The major scheme underspent on the Invest to Save Programme is Loans to Housing Associations (£55.021m).

Regeneration, both in terms of employment opportunities and physical redevelopment, is recognised as being very important to the future prosperity of the borough and is a driver of the capital programme.

The Council has an innovative Invest to Save Programme, which works on the principal that capital resources are invested to generate a financial return to the Council above the cost of the initial investment. The major schemes of the Council's Invest to Save Programme are the Housing Associations and Commercial Loan Schemes.

Schemes with significant spend and major achievements in this financial year include:

- **Families & Wellbeing – Total Spend £6.160m**
Primary Schools Spend - £3.018m
Secondary Schools Spend - £0.474m
Special Schools & SEND Spend - £0.384m

Specialist Housing Programme - £0.277m
Disabled Facilities Grant Projects - £1.086m

- **Corporate Services – Total Spend £3.033m**
 - ICT Projects - £1.226m
 - Change Delivery - £0.826m
 - Climate Change Projects - £0.653m
 - Local Electric Vehicle Infrastructure (LEVI) - £0.115m

- **Environment & Transportation – Total Spend £21.440m**
 - LTP Maintenance, Integrated & Incentive Block - £4.333m
 - LTP Potholes Fund - £1.931m
 - Zero Emission Bus Regional Area (ZEBRA) - £8.257m
 - Parks & Open Space Projects - £0.203m
 - Vehicle & Plant Replacement Projects - £0.256m
 - Active Travel Fund Projects - £0.806m
 - Bus Service Improvement Plan (BSIP) - Bus Priority Measures - £0.695m
 - Disabled Facilities Grant Projects - £2.064m
 - Warrington Town Deal - £0.809m

- **Growth – Total Spend £23.362m**
 - Birchwood Park - £6.500m
 - Incrementum Housing Company Equity - £6.000m
 - Leisure Centre & Library Improvements - £1.969m
 - Specialist Housing Programme - £1.409m
 - Warrington Town Deal - £4.166m

- **Invest to Save – Total Spend £187.854m**
 - Loans to Housing Associations - £21.979m
 - Commercial Loans - £39.608m
 - New Bailey - £63.669m

Financial Resilience

The past twelve months have illustrated the importance of the Council's financial resilience to the impact of unplanned/unforeseen events. Inevitably the energy, cost of living crisis and the aftershock of the pandemic has tested the Council's financial resilience. The impact has been unprecedented and is expected to have financial scarring impact over the medium-term period meaning the Council's financial resilience will continue to be tested. The Council's strong financial management has ensured its robustness and resilience to the many challenges during 2023/24 evidenced by the Council's ability to mitigate the financial impact and set a balanced budget in 2023/24. It is important that the Council continues to build on this to address and mitigate the financial challenges ahead.

There are a number of ways the Council demonstrates its financial resilience to Council Members and residents:

- MTFP Review and Updates – regular reviews of the key assumptions and forecasts that underpin the Council’s MTFP to ensure they remain robust and are based on the most up to date information throughout the year;
- Reserves Policy – annual update of the Council’s Reserves Policy to ensure earmarked reserves are aligned to the Council’s corporate and strategic objectives over the medium-term period;
- Budget Risk Assessment – annual assessment of the adequacy of the Council’s General Fund Balance to mitigate the impact of risks;
- Internal and External Audit – independent audits of the Council’s financial management throughout the year.

As part of the wider focus on Local Authority financial resilience, particularly following the past twelve months, CIPFA’s Financial Management Code of Practice came into effect from April 2022. The Financial Management Code is based on the following six principles supporting financial resilience, which the council will need to demonstrate compliance with.

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional standards is promoted by the leadership team and is evidenced.
- Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

Balance Sheet

Significant movements in the Council’s 2023/24 Balance Sheet were:

- The Council’s net worth decreased by £129.710m, this due to an increase in the Council’s borrowing of £73.890m, a decrease in the Council’s Long-Term Investments of £45.280m and a decrease in the value of the Council’s Investment Properties by £30.022m.

- Long term assets decreased by £37.992m. Investment Property has decreased by £30.022m. Long term investments has decreased by £45.280m. Long term debtors has increased by £33.986m.
- Short term assets also decreased by £33.730m, with the majority being the decreases in cash and cash equivalents of £33.666m.
- Short term liabilities increased by £156.031m, of which the biggest contributors were borrowing, an increase of £165.139m. Creditors decreased by £9.562m.
- Long term liabilities decreased by £100.043m. This was mainly due to a decrease in long-term borrowing of £91.249m.

Reserves

The table below shows the position of the Council's reserves (Notes 9 & 33). The Council's cash backed reserves decreased by £10.754m to £117.737m (2023/24) from £128.491m in 2022/23.

The Council's non-cash backed reserves (unusable) decreased in year. The decrease of £118.956m was largely due to a decrease in the Capital Adjustment Account of £128.013m.

	Restated 2022/23 £000	2023/24 £000	Movement £000
Usable Reserves (Cash Backed Reserves)			
<u>Revenue</u>			
General Fund	10,918	5,000	(5,918)
Earmarked Reserves (WBC)	83,978	72,011	(11,967)
Earmarked Reserves (Schools)	9,036	10,385	1,349
Total Revenue Reserves	103,932	87,396	(16,536)
<u>Capital</u>			
Capital Receipts	2,290	3,202	912
Capital Grants	22,269	27,139	4,870
Total Capital Reserves	24,559	30,341	5,782
Total Usable Reserves	128,491	117,737	(10,754)
Restated Unusable Reserves (Non-cash Backed Reserves)	219,992	101,036	(96,495)
RESTATED TOTAL RESERVES	348,483	218.773	(129,710)

Pensions

The table below shows the in-year movement on the Council's pension liability (Note 32). The net pension asset has been adjusted in line with the IAS19 asset ceiling calculation.

	£000
Restated Opening Balance as at 1 April '23	-
Current Service Cost	(19,574)
Past Service Cost	(167)
Interest Cost	3,519
Settlements	(3,720)
Employer Contributions	21,370
Contributions in respect of Unfunded	183
Remeasurements	37,784
Asset Ceiling Calculation Adjustment	(39,395)
Closing Balance as at 31 March '24	-

Contingencies

The Council's largest provision relates to Business Rates valuation appeals. Following Business Rates localisation in 2013, the Council has to set aside a provision for any future successful ratepayer appeals against rateable valuations. Warrington has a high and growing non-domestic tax base, in terms of the valuation of commercial properties and hence a high degree of exposure in this regard.

Business Rates rating appeals provision	£5.888m at 31 March 2023	£5.278m at 31 March 2024
Business Rates write-off	£0.000m in 2022/23	£0.352m in 2023/24

Treasury Management

At the 31st March 2024 the Council had borrowings of £1.896bn and treasury investments of £154.264m.

The Council complied with its 2023/24 Treasury Management Strategy agreed by Full Council In February 2023 during 2023/24.

To fund the Council's Capital Programme the Council prudently borrowed long to medium term when interest rates were low. The average duration of the Council's loans is 20yrs. During the year with the rapid rise in interest rates PWLB premiums of between £170m - £250m were generated on the Council's loan portfolio. The Council borrowed less than it planned to do in the MTFP due to slippage in the Capital Programme and a policy objective to reduce borrowing in line with the DLUHC Review.

Warrington during 2015/16 obtained a credit rating from Moody's, one of the world's leading credit rating agencies. This credit rating is reviewed by Moody's annually. For 2023/24 Warrington was rated as ba1/BB+. Warrington's credit challenges relate to its higher risk appetite than is the norm for the sector which is reflected in its capital strategy and fast pace of debt accumulation. Warrington's credit profile is supported by the strong institutional

framework for UK local authorities which includes the requirement to pass balanced budgets and tight fiscal and regulatory oversight by Government.

The Council's Audit & Corporate Governance Committee is the body charged with the Governance of Treasury Management and they receive quarterly monitoring reports.

Cash Flow

	31/03/22 £000	31/03/23 £000	31/03/24 £000
Cash and cash equivalents	(9,171)	(1,181)	8,818
Short-term Deposits	66,715	77,825	34,160
TOTAL	57,544	76,644	42,978

Total cash and cash equivalents at 31 March 2024 is £42.978m. The main factors that would affect cash in the future are:

- Acquisitions and disposals relating to the capital programme;
- The value of reserve balances;
- Appeals provisions;
- Grants and contributions unapplied.

Group Accounts

The Council consolidates into the Council's Group Accounts the following group entities:

- Warrington Borough Transport
- Redwood Financial Partners Ltd
- Wire Regeneration (Joint Venture)
- Together Energy
- Incrementum Housing Development Company
- Incrementum Housing Management Company
- Warrington Renewables (York) Ltd
- Warrington Renewables (Hull) Ltd
- Warrington Renewables (Cirencester) Ltd
- Technology Enhanced Operations Ltd

Further details of these investments can be found in the Group Accounts and Financial Instrument (note 34) to the accounts.

These companies are monitored on an ongoing basis and quarterly reports go to Cabinet on their ongoing performance.

Schools

The Council's expenditure on schools and education is predominantly funded by grant monies provided by the Government through the Dedicated Schools Grant (DSG). In financial year 2023/24, this was augmented by a Mainstream Schools additional grant (MSAG) and Teachers Pay additional grant. The MSAG has subsequently been subsumed into the 2024/25 DSG allocations. Pupil Premium continues to be paid separately, for free school meal entitled children, service children and Looked After Children, alongside PE & Sports Premium and Covid Recovery / National Tutoring Programme (NTP) funding.

The DSG is ring-fenced and can only be used to cover either schools' expenditure, or specific central education services provided by the Council, mainly related to supporting High Needs. The Council underspent on its overall DSG in 2023/24 by £1.667m, representing 0.77% of Warrington's total DSG receipt of £119.388m (after recoument for Academy budgets). Further details can be found in Note 18.

This underspend is in relation to Early Years funding received, and any such adjustments will be announced in July of the 2024/25 financial year.

At the end of 2022/23, school balances for Warrington maintained schools totalled £9.036m, and have increased, reporting £10.253m at end 2023/24. Proportionately there has been a reduction, though, at 10.6% of funding, compared with 9.5% last year.

There were two Academy conversions during 2023/24, one in April 2023 and the other in September 2023, so the balances positions are not directly comparable. This also means that there was a required transfer of assets from the Council's Balance Sheet to the respective Multi Academy Trusts they joined. The revenue recoument from DSG in respect of the budgets of all current mainstream Academies was £96.065m (last year £84.869m).

Governance

Strong Corporate Governance is critical to the Council. This has become even more evident in recent times with the issue of section 114 Notices by Croydon, Thurrock, Slough, Woking, Birmingham City and Nottingham City Councils and government interventions in other local authorities. One of the reasons cited for their failures was poor Corporate Governance. The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework. The Code is reviewed annually, most recently in January 2024, and is available on the Council's website. The Annual Governance Statement accompanies this Statement of Accounts and explains in more detail how the Council has complied with the Code during 2023/24, meeting the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015.

Non-Treasury Investments

The Council has attracted many comments related to its Non-Treasury Investment Programme, and in particular the level of borrowing associated with this activity. It is

important that the entire programme is understood and does not focus on one or two high profile elements which, as in any diversified investment portfolio, have performed less well. As at the 31 March 2023 the Council has borrowings of £1.891 billion. This is one of the highest levels within the Local Government sector. This is part of a diversified strategic approach of policy led investing in secure assets primarily in housing and property for the economic regeneration of Warrington and the surrounding region. Minimum Revenue Provision (MRP) is paid on the entire portfolio. During 2023/24 the Council's commercial programme generated a net return to the Council of £22.5m.

This return is from two areas, firstly the Council's secured loans programme which generated a net return of £13.3m and secondly the Council's property investments which generated a net return of £9.2m.

As at 31 March 2023 the Council had £805.8m of secured loan facilities in place with £630.2m of drawdowns. These facilities are with thirteen Housing Associations and eight companies (including Council owned/formed companies). The main purpose of the loans programme that the Council has successfully run since 2009 is to promote economic regeneration in Warrington and the surrounding area.

The Council's property investment portfolio decreased in value by 8.4% during 2023/24, falling in value by 8.43% since original purchase. Although this reflects the current economic climate and UK property market conditions it is the second year that the portfolio value has fallen in capital value. The fall in values is reflective of the national position on property caused by the economic challenges the country faces – recent inflation levels, increased interest rates and reduction in investor confidence. The Warrington portfolio fall in value is below what some of the large property investment funds have recorded over the same period.

In total at 31 March 2024 the value of the Council's property investment portfolio stood at £491,740,000.

During the year 2023/24, rental income from the portfolio increased by £128,392, up by 0.4% on 2022/23. Rental income is 4.92% higher than when the property assets were acquired. This again reflects the current economic position and that although investor confidence has fallen since 2022/23 and yields have moved out, rental growth and income remains strong. Outside of Birchwood Park, the portfolio remains 100% let and occupied. Birchwood Park occupancy as at May 2024 is 94%.

The Council have set up a Commercial Risk Reserve to mitigate any under performance of the diversified investment portfolio and makes a yearly contribution to the reserve. As at 31 March 2024 the reserve stood at £11.631m.

During 2022/23 the Council was one of several Councils subject to a Capital Review by the Chartered Institute of Public Finance & Accountancy (CIPFA) commissioned by the Department of Levelling Up Housing & Communities (DLUHC). This review was intended to help DLUHC better understand the Council's financial position and if there are actions that could be taken locally to reduce our overall level of risk. The Council welcomed the review

and worked closely with CIPFA on it. The results of the review were only published in May 2024 when DLUHC announced a Best Value Review of the Council that will be carried out during the summer of 2024.

LIVEWIRE TRANSFER

Throughout 2023-24, the Council explored options for securing the ongoing delivery of leisure and library services. This was in the context of significant financial challenges faced by LiveWire CIC, who have been contracted to manage the services since May 2012. Following options analysis, including a process to review the provision of subsidy to LiveWire CIC via a referral to the Competition and Markets Authority and a procurement process to assess the current external provider market conditions, a decision was made by Cabinet in July 2023 and re-confirmed in December 2023, to bring leisure, library and lifestyle services back in-house into direct Council management. The services were formally transferred on 1st March 2024.

AUDIT BACKLOG

The Council currently has five years of unaudited accounts. This is reflective of the wider crisis in the sector where 900+ of Local Authority sets of accounts remain un-audited.

Organisations involved in the regulation and oversight of local body financial reporting and audit ('system partners') have been working collectively to agree a proposed solution to clear the outstanding historical audit opinions and ensure that delays do not return.

On 8 February 2024, the Department for Levelling Up, Housing and Communities DLUHC), National Audit Office (NAO), Chartered Institute of Public Finance and Accountancy (CIPFA), Financial Reporting Council (FRC), Institute of Chartered Accountants in England and Wales (ICAEW) and Public Sector Audit Appointments (PSAA) issued a Joint statement on update to proposals to clear the backlog and embed timely audit. The proposals maintain auditor independence and enable compliance with International Standards on Auditing (UK) (ISAs (UK)). The proposals consist of three stages:

- Phase 1: Reset involving clearing the backlog of historical audit opinions up to and including financial year 2022/23 by 30 September 2024.
- Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

Three system partners consulted on the various proposals during February and March 2024.

DLUHC's "Addressing the local audit backlog in England" Consultation ran until 7 March 2024. The proposals were to introduce statutory backstop dates for the publication of

accounts up until 2027/28. Views were also sought on the deadline for the publication of unaudited accounts for financial years 2024/2025 to 2027/2028.

NAO's Code of Audit Practice Consultation ran until 7 March 2024. The proposals were to allow auditors to issue a single value for money (VfM) opinion for all unaudited accounts until 2022/23, amend the audit report to include status of work completed on the opinion and the type of opinion issued by the statutory deadline. The proposals make clear the only instances when an opinion does not have to be issued by the statutory deadline.

CIPFA/LASAAC's Consultation on short-term England-only measures in the Code ran until 28 March 2024. The proposals were to simplify measurement of operational property, plant and equipment using specified indexation, and to reduce disclosures for pensions reporting.

CHANGE OF AUDITORS

The Council have changed their auditors for the 2023/24 accounts. This is following a request from Grant Thornton to the Public Sector Audit Appointments (PSAA) to be removed from being the Council's auditors because they now lacked the banking expertise needed for Redwood Bank. The PSSA appointed Mazars as the new auditors of the Council.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is an essential part of the Council's overall governance arrangements in that it provides the framework and process to enable the organisation to manage risk in a systematic, consistent and efficient way. The Council has in place a Strategic Risk Register which is a key document in terms of understanding and assessing the most significant risks that the Council needs to manage in order to support the delivery of its key priorities and objectives as well as being able to exploit potential opportunities.

The identified strategic risks are subject to change as new risks may emerge whilst others may become less significant as mitigating actions are implemented, or external factors change the nature of the risk.

The top risks currently facing the Council that are recorded in the Council's Strategic Register are:

- SRR 4, unstable and/or inadequate market for children with SEND.
- SRR 6, insufficient capacity and resources in children's services to meet the additional requirements of multiple legislative and policy changes to statutory duties and practice.
- SRR 8, increasing levels of homelessness.
- SRR 9, increasing levels of health inequalities and further pandemic outbreaks.
- SRR 12, the Council experiences a major cyber incident or major information governance breach.
- SRR 14, stability of the Council's financial position.
- SRR 22, new and additional statutory duties for waste collection.

- SRR 23, new and additional statutory requirements for a data warehouse and case management system for the Supporting Families programme.
- SRR 28, meeting the requirements of the Domestic Abuse Act 2021 to provide safe, accommodation-based support for victims of domestic abuse.
- SRR 29, climatic disruption and environmental damage with consequential impacts on operations and services.
- SRR 30, Ash Dieback disease.

CLIMATE CHANGE

The Council adopted a Climate Emergency Declaration with all party support in July 2019.

The Council is committed to playing its part to address the climate and ecological emergencies. Work is progressing on this response. This is based on a twin track approach looking at both the Council's operations and wider influence.

The council's approach to climate issues is summarised in its climate and sustainability policy adopted by cabinet in October 2022. This policy confirms our commitment to demonstrate leadership by working to be net zero for carbon emissions across our operations by 2030. It also confirms our support for the wider efforts to ensure the borough reaches near zero emissions by 2041, in line with local climate emergency strategy's target which is itself based on an independent assessment of what the UN's Paris Agreement means for our area.

Highlights from activity on the climate emergency during 2023/24 include:

- The adoption of a climate emergency action plan in May 2023.
- The formation of a new corporate climate emergency group to oversee the delivery of this plan
- The development of a monitoring system to deliver regular quarterly progress reports on the plan's implementation.
- The setting of a 'carbon budget' with updated council emissions figures calculated utilising the Local Government Association's greenhouse gas accounting tool) with reporting of progress included as part of the financial budget report
- The recognition of climate change in the council's strategic risk register
- The introduction of a climate change and sustainability implications section for council cabinet reports, and for proposals to the Capital Investment Projects Group, as a means to highlight these issues as part of the decision making process
- Further progress with the delivery of Carbon Literacy training across the organisation towards our goal of progressing from Bronze to Silver status as a Carbon Literate Organisation. By the end of March 2024, 365 individuals had completed Carbon Literacy training including 323 officers and 42 elected members.
- The start of the Innovate UK-funded Warrington Carbon Culture Project to promote and support culture change within the council and beyond building on initial engagement with carbon literacy training.

- Significant progress with a capital project to replace of an end-of-life gas central heating system at Walton Hall with a ground source heat pump-based system.
- The confirmation of a funding bid to progress Detailed Project Development (DPD) work for a potential heat network for in central Warrington.
- Significant work to identify locations for, and procure a supplier to, progress the provision of 200 new electric vehicle charge points to serve residential areas with limited access to private drives. Installation of the new charge points is due to take place during 2023/4.
- The unveiling of the first new electric bus for local bus operator Warrington's Own Buses. The replacement of the WOB's entire diesel bus fleet with new electric models is due to take place during 2024.
- Continued support for, and participation in, the Warrington Climate Emergency Commission - a multi-organisation forum tasked with advising the council on its climate emergency response and leading the conversation on climate matters across the wider community. Over the last year the commission has developed its role as set out in the Warrington Climate Emergency Strategy organising the first public climate emergency forum event programme in November 2023, and producing its first annual report on progress with the wider strategy.

Whilst there has been some significant progress in operationalising the council's climate policy ambitions, the scale of the challenge is significant. At the end of 2022/23 (the latest data set), our cumulative net operational emissions were calculated to be 8,380.46 tonnes CO₂e compared to a 'budget' of 9,695.83 tonnes CO₂e. However, there is a need for some caution due to billing data issues which may mean the latest calculations are an underestimate. Also, it is important to note our net cumulative emissions have benefitted from holding renewable energy generation certificates from our solar farm in Hull which covered all emissions from our electricity use in 2021/22. Considering wider progress across the borough the Climate Commission's first annual report highlights the challenges still faced locally, nationally and internationally.

EXPLANATION OF THE FINANCIAL STATEMENTS

The 2023/24 Statement of Accounts shows the core financial statements together with detailed disclosure notes followed by the supplementary statements. The core financial statements are:

The Movement in Reserves Statement (MIRS)

This shows the movement in Council reserves during the year, split between those reserves which are available for the Council to spend (usable reserves) and those that have been created to reconcile the technical and statutory aspects of accounting (unusable reserves).

The Comprehensive Income and Expenditure Statement (CIES)

Identifies the income and expenditure on all services the Council provides and brings together all the recognised gains and losses of the Council during the period 1 April 2023 to 31 March 2024.

The Balance Sheet

This shows the Council's financial position at 31 March each year. The top part of the statement shows the assets and liabilities of the Council and the lower part shows the reserves.

The Cash Flow Statement

This summarises the changes in cash and cash equivalents during the year.

The Notes

The Notes to the Core Financial Statements provide more detail about the Council's accounting policies and items contained in those statements.

The supplementary statements are:

The Collection Fund

This shows the collection and distribution of Council Tax and National Non-Domestic Rate income.

The main accounting statements are inter-related. Total comprehensive income and expenditure is broken down in the movement in reserves statement between usable and non-usable reserves. These constitute the net worth of the Council in the balance sheet. The reasons for movements during the year in cash (and cash equivalent) balances held on the balance sheet are shown in the cash flow statement.

RECEIPT OF FURTHER INFORMATION

If you would like to receive further information about these accounts, please do not hesitate to contact me at Town Hall, Sankey Street, Warrington or e-mail me direct at lgreen@warrington.gov.uk.

ACKNOWLEDGEMENTS

The production of this Statement of Accounts would not have been possible without the exceptionally hard work and dedication of the finance team.

I would like to express my gratitude to the team and extend this to colleagues across the Council, elected members, the Senior Leadership Team and our key stakeholders who have all supported the process to enable this achievement. I would also like to thank everyone for all their support during the financial year.



Lynton Green CPFA

Deputy Chief Executive & Director of Corporate Services (Section 151 Officer)

Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Deputy Chief Executive & Director of Corporate Services
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

The Deputy Chief Executive & Director of Corporate Services' Responsibilities

The Deputy Chief Executive & Director of Corporate Services is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Deputy Chief Executive & Director of Corporate Services has:

- Selected suitable accounting policies (Annexe A) and then applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with the Local Authority Code

The Deputy Chief Executive & Director of Corporate Services has also:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

The Statement of Accounts gives a true and fair view of the financial position of the Council at 31 March 2024 and its income and expenditure for the year ended 31 March 2024.

Signed



Dated 31st May 2024

Lynton Green CPFA
Deputy Chief Executive & Director of Corporate Services

Movement in Reserves Statement for the Year Ended 31 March 2024	Note(s)	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Restated Total Unusable Reserves £000	Restated Total Reserves of the Authority £000
Balance as at 1 April 2022		123,586	1,350	17,639	142,575	175,131	317,706
<i>Movement in Reserves during the year</i>							
Restated Total Comprehensive Income and Expenditure		(182,850)			(182,850)	213,627	30,777
Adjustments between accounting basis & funding basis under regulations	7	163,196	940	4,630	168,766	(168,766)	-
Restated Increase or (Decrease) in Year		(19,654)	940	4,630	(14,084)	44,861	30,777
Restated Balance as at 31 March 2023		103,932	2,290	22,269	128,491	219,992	348,483
<i>Movement in Reserves during the year</i>							
Total Comprehensive Income and Expenditure		(146,227)	-	-	(146,227)	16,517	(29,710)
Adjustments between accounting basis & funding basis under regulations	7	129,692	912	4,870	135,474	(135,474)	-
Increase or (Decrease) in Year		(16,535)	912	4,870	(10,753)	(96,496)	(129,710)
Balance as at 31 March 2024		87,397	3,202	27,139	117,738	101,035	218,773

The Movement in Reserves Statement prior year comparators have been restated in accordance with IAS 8 due to the adjustment of the pension asset in line with the IAS19 asset ceiling. For more details, please see note 42.

Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

	Note(s)	2022/23		
		Gross Expenditure £000	Gross Income £000	Restated Net Expenditure £000
Corporate Services		15,413	(6,570)	8,843
Families & Wellbeing		331,566	(204,703)	126,863
Environment & Transport		43,916	(16,102)	27,814
Growth		12,397	(2,460)	9,937
Corporate Finance		60,715	(66,878)	(6,163)
Central Charges		46,155	-	46,155
Cost of Services		510,162	(296,713)	213,449
Other Operating Expenditure	10			88,060
Financing & Investment Income & Expenditure	11			83,831
Taxation and Non-Specific Grant Income	12			(202,490)
(Surplus) or Deficit on Provision of Services				182,850
(Surplus) or Deficit on revaluation of non-current assets	33			(39,257)
(Surplus) or Deficit on revaluation of available for sale financial assets	33			-
Restated remeasurement of the net defined benefit liability	32			(174,370)
Restated Other Comprehensive Income and Expenditure				(213,627)
Restated Total Comprehensive Income and Expenditure				(30,777)

The Comprehensive Income and Expenditure Statement prior year comparators have been restated in accordance with IAS 8 due to the adjustment of the pension asset in line with the IAS19 asset ceiling. For more details, please see note 42.

	Note(s)	2023/24		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Corporate Services		12,428	(1,540)	10,888
Families & Wellbeing		396,843	(248,204)	148,639
Environment & Transport		47,952	(21,237)	26,715
Growth		15,045	(5,078)	9,967
Corporate Finance		52,239	(55,578)	(3,339)
Central Charges		69,395	-	69,395
Cost of Services		593,902	(331,637)	262,265
Other Operating Expenditure	10			8,644
Financing & Investment Income & Expenditure	11			100,914
Taxation and Non-Specific Grant Income	12			(225,596)
(Surplus) or Deficit on Provision of Services				146,227
(Surplus) or Deficit on revaluation of non-current assets	33			(17,945)
(Surplus) or Deficit on revaluation of available for sale financial assets	33			
Remeasurement of the net defined benefit liability	32			1,428
Other Comprehensive Income and Expenditure				(16,517)
Total Comprehensive Income and Expenditure				129,710

Balance Sheet as at 31 March 2024

	Notes	Restated 31st March 2023 £000	31st March 2024 £000
Property, Plant & Equipment	21	744,058	744,447
Heritage Assets	22	19,159	21,209
Investment Property	23	648,004	617,982
Intangible Assets		551	436
Restated Long Term Investments	34	127,440	82,160
Investment in Associate & JV		10,471	11,471
Long Term Debtors	25	571,136	605,122
Long Term Assets		2,120,819	2,082,827
Short Term Investments	34	45,605	39,172
Inventories		855	918
Short Term Debtors	26	116,401	120,707
Cash and Cash Equivalents	27	76,644	42,978
Current Assets		239,505	203,775
Short Term Borrowing	34	(176,351)	(341,490)
Short Term Creditors	28	(125,336)	(115,774)
Provisions	29	(5,071)	(5,525)
Current Liabilities		(306,758)	(462,789)
Long Term Creditors	28	(3,281)	(3,101)
Grants Receipts in Advance - Capital	20	(27,201)	(22,840)
Grants Receipts in Advance - Revenue	20	(26,026)	(21,773)
Provisions	29	(2,590)	(2,590)
Long Term Borrowing	34	(1,645,985)	(1,554,736)
Restated Long Term Pension Liabilities	32	-	-
Restated Long Term Liabilities		(1,705,083)	(1,605,040)
Restated Net Assets		348,483	218,773
Usable Reserves	9	128,491	117,737
Restated Unusable Reserves	33	219,992	101,036
Restated Total Reserves		348,483	218,773

The Balance Sheet prior year comparators have been restated in accordance with IAS 8 due to the adjustment of the pension asset in line with the IAS19 asset ceiling. For more details, please see note 42.

Signed:



Dated: 31/05/2024

Lynton Green CPFA
Deputy Chief Executive & Director of Corporate Services

Cash Flow Statement for the year ended 31 March 2024

	Note(s)	2022/23 £000
Net (surplus) or deficit on the provision of services		(182,850)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	36	105,030
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	36	(65,226)
Net Cash Flows from Operating Activities		(143,046)
Investing Activities	37	(7,643)
Financing Activities	38	169,790
Net (increase) or decrease in cash and cash equivalents		19,101
Cash and cash equivalents at the beginning of the reporting period		57,543
Cash and cash equivalents at the end of the reporting period	27	76,644

	Note(s)	2023/24 £000
Net (surplus) or deficit on the provision of services		(146,227)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	36	143,512
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	36	(39,973)
Net Cash Flows from Operating Activities		(42,688)
Investing Activities	37	(64,867)
Financing Activities	38	73,889
Net (increase) or decrease in cash and cash equivalents		(33,666)
Cash and cash equivalents at the beginning of the reporting period		76,644
Cash and cash equivalents at the end of the reporting period	27	42,978

Notes to the Single Entity Financial Statements

1 Statement of Accounting Policies

1.1 General Principles

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

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared on a going concern basis.

As permitted under the Code, the concept of materiality has been utilised when determining appropriate disclosures to be made in the financial statements. Information is not material if omitting or misstating it would not influence the decisions of an informed user of the statements.

1.2 Accruals of Income and Expenditure (Creditors and Debtors)

The accounts of the Council are prepared on an accruals basis. This means that the sums due to or from the Council during the year are included in the accounts, whether or not the cash has actually been received or paid in the year in question. Accruals have been made for all known material revenue and capital debtors and creditors for goods and services supplied by and to the Council during the year, including services provided by employees.

1.3 Cash and Cash Equivalents

Cash includes all bank credit balances and overdrafts held by the Council as part of its normal cash management, including all deposit accounts accessible without notice.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents include investments with a fixed maturity of three months or less from the date of acquisition and fair value through profit or loss financial assets such as cash placed in money market funds.

1.4 Council Tax and Business Rates

The Council is a council tax and business rates billing authority collecting on behalf of other authorities as well as itself. The collection on behalf of other authorities is treated as being on an agency basis, and thus only the elements of council tax and business rates that relate to the Council's own income and expenditure are included in its main financial statements. The

collection fund account covers all local taxation collected by the Council on behalf of itself, other local authorities and the government.

1.5 Employee Benefits

Benefits Payable during Employment

Short-term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid on a monthly basis and reflected as expenditure in the relevant service line in the Comprehensive Income and Expenditure Statement (CIES).

An accrual is made for the cost of holiday pay and other forms of leave entitlements which have been earned by employees but not taken by the end of the year. This accrual is charged to the CIES but then reversed out through the Movement in Reserves Statement (MiRS) so that holiday benefits are charged to revenue in the same financial year that the absence occurs.

Post-Employment Benefits

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

- The Teachers' Pension Scheme, an unfunded scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pensions Scheme, known as the Cheshire Pension Fund, administered by Cheshire West and Chester Council.
- Public Health employees transferred from the NHS – this scheme is administered by NHS Business Service Authority.

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

Teachers' and NHS Pension Schemes

The arrangements for the teachers' and the NHS schemes mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. These schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet. Education and Public Health services are charged with the employer's contributions payable to the Teachers' Pensions and NHS Business Service Authority respectively each financial year.

The Local Government Pension Scheme

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

- The liabilities of the Cheshire Pension Fund scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method.

This is then discounted to current value using a discount rate based on the expected rate of return on high quality corporate bonds

- The assets of Cheshire Pension Fund attributable to the Council are included in the Balance Sheet at year end fair value as estimated by the pension fund actuary:
- Past and current service costs are recognised as part of the Net Cost of Services in the CIES.
- Interest on the net defined benefit liability is included in the Financing and Investment Income and Expenditure line of the CIES
- Re-measurements comprising the return on plan assets and actuarial gains and losses are charged to the CIES as part of Other Comprehensive Income and Expenditure.

The Council's contributions to Cheshire Pension Fund are charged to the General Fund via a transfer between the Pension Reserve and the MiRS in line with statutory requirements.

1.6 Financial Instruments

Financial assets and liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument, whereby there is a contract that gives rise to an asset of one entity and a financial liability or equity instrument of another entity. They are classified based on the business model for holding the instruments and their cashflow characteristics.

Financial Assets

To meet new Code requirements, financial assets are now classified into one of three categories:

- Financial assets held at amortised cost. These represent loans and loan-type arrangements where repayments or interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
- Fair Value Through Other Comprehensive Income (FVOCI) – These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account with the balance released to the Surplus or Deficit on the Provision of Services when the asset is eventually disposed of.
- Fair Value through Profit and Loss (FVTPL). These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised as they occur in the Surplus or Deficit on the Provision of Services

When soft loans that are not capital expenditure are made, a loss is recorded in the CIES representing the present value of interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Where assets are identified as impaired because of the likelihood that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service heading, or to the Financing and Investment Income and Expenditure line in the CIES as appropriate.

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

Financial Liabilities

The Council's financial liabilities are all initially measured at fair value and subsequently carried at amortised cost. For most of the Council's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

The fair value of PWLB loans is calculated using the certainty rate published by the PWLB on 31 March 2024. For non-PWLB loans the fair value is calculated using the standard new loan rate, also published by the PWLB on 31 March 2024.

Gains and losses on the repurchase or early settlement of borrowing are normally credited and debited to the Financing and Investment Income and Expenditure line in the CIES. Where regulations permit, the premium or discount is spread over future years and the difference between amounts charged to the CIES and the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account.

1.7 Fair Value

The following categories of assets are required to be carried in the Balance Sheet at Fair Value:

- Surplus assets and assets held for sale
- Short and long term investments, including investment properties.

Valuations 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
- equity shares with no quoted market prices – independent appraisal of company valuations

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 Council 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.

1.8 Government Grants and Contributions

Government grants and third-party contributions are recognised when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and that grant monies and contributions will be received. Where conditions attached to grants and contributions remain outstanding, monies received to date are carried forward in the Balance Sheet as creditors (receipts in advance) until the conditions have been satisfied.

1.9 Heritage Assets

Heritage Assets have historic, artistic, scientific, technological, geographical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture. A de-minimis level of £10,000 has been established for inclusion of Heritage Assets on the Council's Balance Sheet.

The carrying amounts of Heritage Assets are based upon insurance valuations. Carrying values are reviewed where there is evidence of impairment, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is then recognised and measured in accordance with the Council's general policies on impairment. No depreciation is charged on these assets as they are deemed to have indeterminable lives.

1.10 Interest in Companies and Other Entities

The Council has both controlling and non-controlling interests in companies and other entities. Where the size of these entities is material, and the Council exercises significant control, they have been consolidated into the Group's financial statements. In the Council's own single entity accounts these consolidated entities are recorded as financial assets valued at cost less any provision for losses. Transactions with group interests taking place during the year are disclosed as related party transactions.

For more details regarding the consolidation of the Group Entities, please see Group Accounts on pages X to X.

1.11 Investment Property

Investment properties are measured initially at cost and subsequently at fair value. Properties are not depreciated but are revalued annually according to market conditions at the balance sheet date (year-end). Gains and losses on revaluation are recorded in the Financing and Investment Income and Expenditure line in the CIES. The same accounting treatment is applied to gains and losses on disposal. However, regulations do not permit unrealised gains and losses to have an impact on the General Fund Balance. Therefore these transactions are reversed out via the MiRS and recorded in either the Capital Adjustment Account or (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.12 Leases

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification purposes. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Non-current assets held under finance leases are recognised on the Balance Sheet at the assets' fair value measured at lease date inception (or the present value of the minimum lease payments, if lower). The asset is then accounted for in the same way as other property plant and equipment, see 1.15 below.

Recognition of the asset in the Balance sheet is matched by a liability for the obligation to pay the lessor, which reduces over time as principal repayments are made. Any premiums paid on inception are written off over the period of the lease.

Ongoing lease payments are then apportioned between:

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

Operating Leases

Rentals paid under operating leases are charged in the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from the use of the asset. Charges are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments.

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 and replaced by a long-term debtor representing the current value of future lease payments. Lease rentals receivable are then apportioned between:

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

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 on a straight-line basis over the life of the lease, even if this does not match the actual pattern of payments.

1.13 Minimum Revenue Provision

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual prudent provision in respect of its outstanding capital debt liability over a period which bears a relationship to the estimated life of assets to which the capital debt liability relates. This is known as the Minimum Revenue Provision (MRP), which is calculated after having regard to accordance with statutory Guidance.

Depreciation, revaluation and impairment losses and amortisations are reflected in the CIES but replaced by the MRP by way of an adjusting transaction between the Capital Adjustment Account and the General Fund Balance in the MiRS.

1.14 Overheads and Support Services

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

1.15 Property, Plant and Equipment

Recognition

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

The Council's usual de-minimis level for capital expenditure is £10,000.

Measurement

Assets are initially measured at cost comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – current value, which is determined using the basis of existing use value for social housing (EUUV-SH)
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUUV).
- Surplus assets – fair value estimated at highest and best use from a market participant's perspective price
- Vehicles, plant and equipment – depreciated historic cost.

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

Revaluations

If material capital expenditure takes place on a capital scheme, the scheme in question will be revalued upon completion of the additional capital expenditure. Investment properties are revalued every financial year and valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

All other Property, Plant and Equipment assets are formally revalued over a 5-year period in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Any assets not formally re-valued during the financial year will have a desktop valuation undertaken to determine whether any material change in value has occurred.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Where decreases in value are identified, they are accounted for as follows:

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

Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

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

Impairment

Assets are assessed at each year-end for any indication of impairment. Where impairment losses are identified, they are accounted for as follows:

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

Where an impairment loss is subsequently reversed, the reversal is credited to 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.

Depreciation

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

- dwellings and other buildings – straight line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight line allocation over 3 to 10 years
- infrastructure – straight line allocation over 40 years

Revaluation gains are also depreciated, with an amount equal to the difference between depreciation charged on the current value of the 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.

Componentisation

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 identified, valued and depreciated separately.

The Council has adopted a policy that recognises that the components of material assets when revalued i.e. assets that have a building value of over £500,000 are to be recognised separately

if the component has a value of at least 20% of the building value and a useful life at least 20% lower than the asset as a whole.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset is de-recognised in the Balance Sheet. This amount, net of any receipts from disposal, are accounted for as a gain or loss on disposal and taken to the Other Operating Expenditure line in the CIES. Any revaluation gains previously accounted for in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Any disposal receipts in excess of £10,000 are categorised as capital receipts and must be credited to the Capital Receipts Reserve. A proportion of receipts relating to housing disposals must be paid to the Government.

The written-off value of disposals is not a charge against council tax but is subject to separate arrangements for capital financing. Amounts reflected in the CIES are appropriated to the Capital Adjustment Account via the Movement in Reserves Statement.

Highways Network Infrastructure Assets

From 2017/18 in accordance with the temporary relief by the update to the code on infrastructure assets, the accounts do not show the gross cost and accumulated depreciation for infrastructure assets, and shows the net position in a separate table to other Property, Plant and Equipment.

1.16 Private Finance Initiative (PFI) and service concession arrangements

PFI and service concession arrangements are contractual agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the lead contractor. The Council recognises the assets used under the contracts in its Balance Sheet within Property, Plant and Equipment because it both controls the services provided under these contracts such, 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 original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) 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 are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements as set out below:

- the contracted value of services received during the year – debited to the relevant service line in the CIES

- finance costs, debited to the Financing and Investment Income and Expenditure line in the CIES
- rents to be paid for the property during the contract, debited to the Financing and Investment Income and Expenditure line in the CIES
- principal repayments – reduce the Balance Sheet liability
- lifecycle replacement costs – recognised as additions to Property, Plant and Equipment when the relevant works have been carried out

1.17 Provisions, Contingent Assets and Contingent Liabilities

Provisions are charged as an expense to the appropriate service line in the CIES in the financial year that the Council becomes aware of the obligation, and are carried forward in the Balance Sheet, measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised when it is virtually certain that reimbursement will be received.

Contingent assets and liabilities are not recognised in the Balance Sheet, but are included in disclosure notes to the accounts.

1.18 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created and utilised by transferring amounts in or out of General Fund balances into Earmarked Reserves via the MiRS.

Certain reserves are maintained due to legal or accounting requirements in relation to transactions such as capital accounting and financing, financial instruments and retirement benefits, and do not represent usable resources for the Council. The purpose of these reserves is explained in Note 33.

1.19 Revenue Expenditure Funded from Capital under Statute (REFCUS)

Legislation requires defined items of expenditure charged to services within the CIES to be treated as capital expenditure.

All such expenditure is transferred from the General Fund Balance to the Capital Adjustment Account via the Movement in Reserves Statement, and is included in the Council's Capital Financing Requirement, see Note 24.

1.20 Revenue Recognition

The revenue recognition policy covers the sale of goods (produced by the Council for the purpose of sale or purchased for resale), the rendering of services (excluding services directly related to construction contracts), interest, royalties and dividends, non-exchange transactions (i.e. council tax) and where previously a liability had been recognised (i.e. creditor) on satisfying the revenue recognition criteria.

- Revenue is recognised when (or as) the Council satisfies a performance obligation and is measured at the transaction price of the consideration receivable (i.e. the amount to which the Council expects to be entitled in exchange for transferring promised goods or services). However, if payment is on deferred terms, the consideration receivable is recognised initially at the cash price equivalent. The difference between this amount and the total payments received is recognised as interest revenue in the surplus or deficit on provision of services. Short duration receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial. There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions, i.e. revenue relating to council tax and non-domestic rates, and therefore these transactions are measured at their full amount receivable.

1.21 Schools

Local authority maintained schools are considered to be under the control of the Council therefore the income, expenditure, assets and liabilities of these schools is accounted for as part of the Council's single entity accounts.

In preparation for the introduction of IFRS16 – Leases and in accordance with CIPFA Bulletin 11 (2022) the Council has disposed of all assets relating to Voluntary Aided Schools owned by the Diocese or Charitable Trust.

Academies and Free Schools are outside the Council's control and therefore not included in the Council's Statement of Accounts.

1.22 Value Added Tax (VAT)

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

2 Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2023/24 Code.

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

Paragraph 3.3.4.3 and Appendix C of the Code adapts IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2023/24 Code). This means that only the standards listed in the paragraph below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

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).
- b) Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- c) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- d) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- f) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

These changes are not expected to have a material impact on the Council's single entity statements or group statements.

3 Critical Judgements in Applying Accounting Policies

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

- The Council is deemed to control the services provided under the agreement for 105 social houses in Anson & Blenheim Close and 38 self-contained flats at Verve Place (formerly John Morris House), for which it has nomination rights at the end of the term. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and are recognised as Property, Plant and Equipment on the Council's Balance Sheet.
- There is a high degree of uncertainty regarding future levels of funding for local government. However, the Council takes the view that this uncertainty is not yet sufficient indication that the value of the Council's assets might need to be impaired due to reduced levels of service provision or the need to close facilities.
- The Council operates joint working arrangements with neighbouring local authorities. These arrangements are referred to as "shared services". These are a Youth Offending Service with Halton and Cheshire West and Chester Councils, an Adoption Service with Wigan and St Helens Councils and a Gypsy & Travellers Service with Cheshire East and Cheshire West & Chester Councils. The Council believes that it is not necessary to impair any non-current assets in light of these shared working arrangements and any current proposals for changes to the way the services are to be delivered by the Council.
- The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. Therefore group accounts have been prepared to consolidate the Council's interests in subsidiaries and other entities within the group boundary into the Council's Group Accounts.
- Collecting in excess of £129.403m in 2023/24, the assumptions around the outcome of appeals against the NNDR valuations (either received to date or expected to be received in future years) represent a material and critical judgement applied to the accounts. The appeals provision is empirically derived from past experience of both the 2005, 2010 and 2017. A 1% variance in the determined appeals provision would alter the net locally retained income to the Council by £0.058m. Due to the technical adjustment relating to the Collection Fund Adjustment Account this would not result in any change to the level of General Reserves.
- These accounts have been prepared on a going concern basis. The concept of a going concern assumes that an organisation, its functions and services will continue in operational existence for the foreseeable future. However, there is a high degree of uncertainty about future levels of funding for local government and the future national

economic out-look. The Council's management has used its judgement and determined that its financial strategy is robust and that this uncertainty is not yet sufficient to affect the assumptions underpinning the strategy and that the Council will continue as a going concern.

- Investment properties have been assessed using the identifiable criteria under the International Accounting Standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation, to determine if there is an operational reason for holding the property, such as regeneration.
- At the close of the triennial period the pension reserve and the pension liability will be brought into line with each other. For further details see note 32 Pensions.
- The Council has applied an adjustment to the pension asset in line with the IAS19 asset ceiling calculation.

4 Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Hymans Robertson actuaries are contracted to provide the Council with the estimate of the net liability.</p> <p>During 2023/24 the Council's actuaries advised that the net pension asset had increased by £39.395m as a result of updating of</p>	<ul style="list-style-type: none"> • A decrease of 0.1% in Real Discount Rate could increase the Council's liability by £13.479m. • A 1-year increase in member life expectancy could increase the Council's liability by £29.408m. • An increase of 0.1% in Salary Increase Rate could increase the Council's liability by £0.506m.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>the assumptions. However, this has been adjusted to nil in line with the IAS19 asset ceiling calculation.</p>	<ul style="list-style-type: none"> An increase of 0.1% in Pension Increase Rate could increase the Council's liability by £13.223m.
<p>Property, Plant and Equipment/ Investment Properties</p>	<p>Professional opinions of the values of land and buildings are made by the Estates Service and estimates of the useful lives of property, plant and equipment are made by the relevant officers who have knowledge of such issues based on their professional judgement e.g. useful lives of properties are provided by in-house RICS qualified valuers. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual charge for buildings would increase in these circumstances.</p> <p>The present pressure on public sector expenditure could potentially have implications for the useful economic lives of the Council's property due to reduced spending on repairs leading to a decline in the condition of its buildings. There is no evidence that the estimated economic lives are being materially affected at this time, but this issue is being monitored.</p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>If the value of the Council's investment properties were to reduce by say 10%, this would result in a circa £61.8m charge to the Comprehensive Income and Expenditure Statement.</p> <p>An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>Depreciation charges for operational buildings will change in direct relation to changes in estimated current value. The net book value of non-current assets subject to potential revaluation is £185.953m</p>
<p>Fair Value Measurements</p>	<p>When the fair values of Investment Assets, PPE Surplus Assets and Assets Held for Sale cannot be measured on quoted prices in active markets (i.e.</p>	<p>Changes in the assumptions used could affect the fair value (either upwards or</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>Level 1 inputs) their fair value is measured using the following approaches and valuation techniques:</p> <p>The fair value is based on either the income approach or the market approach and uses a combination of the following valuation techniques: comparison with similar assets in the active market, Development Appraisal models and discounted cash flow (DCF) models.</p> <p>Where the inputs to these valuation techniques are based on observable data they are categorised as Level 2.</p> <p>Where this is not possible judgement is required in establishing fair values. These judgements typically include assumptions as to future growth and include uncertainty and risk and these are categorised at Level 3.</p>	<p>downwards) of the Council's assets and liabilities.</p> <p>The Council uses a combination of market comparables, DCF models and Development Appraisal models to measure the fair value of its Investment Assets, Surplus Assets and Assets held for Sale under IFRS 13 depending on which technique is most appropriate to the Asset.</p>
Arrears	At 31 March 2024 the Council had a balance of debtors of £141.160m. A review of significant balances suggested that an impairment of doubtful debts of £20.453m was appropriate.	If collection rates were to deteriorate an increase in the amount of the impairment of the doubtful debts would be required.
Business Rate Appeals	<p>2023/24 is the eighth year of the Business Rates Retention Scheme whereby the Council retains 35.1% of the business rates income it collects (£32.502m out of £129.403m) but is subject to a £18.262m tariff.</p> <p>Following the 2017 revaluation of business hereditaments, we have seen unprecedented levels of appeals – the success of which are negatively impacting on the yield. A provision has been made for the estimated success of future appeals for losses for the period to the end of</p>	The Council's overall financial losses are protected by the safety net with any variance to our assumptions affecting the scale of the provision but being offset by a movement in the safety net entitlement (which is accrued for at year end).

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>March 2024 of £5.278m. A safety net system protects the Council from losses below baseline funding levels of £32.502m.</p>	
Provisions	<p>During 2022/23 there was an increase in Short-term provisions of £0.454m from £5.071m in 2022/23 to £5.525m.</p> <p>Long-term Provisions stayed the same £2.590m as at 31 March 2024.</p>	<p>If the drawdowns from the provisions were in excess of the estimates set aside, this would result in a charge to the General Fund.</p>
Together Energy	<p>The Council owns a 50% shareholding in Together Energy (TE). In January 2022 they initiated the Supplier of Last Resort process and appointed Administrators. FRP was appointed as administrators and have since been working through the process of insolvency and winding down TE.</p> <p>Forecasting based on current information that the loans owed to WBC (£18.8m) would be repaid in full plus accrued interest.</p> <p>However, uncertainty still exists on the repayment of the initial equity injection of £18m.</p>	<p>The equity investment was purchased using the Capital Financing Regime, which if not repaid would be a charge to the Capital Adjustment Account.</p> <p>MRP is charged and therefore there would be no further impact to the Council Tax payer.</p> <p>Money has been set aside in reserves to cover any potential loss.</p>

5 Events after the Balance Sheet Date

There were no material events after the reporting period..

6 Expenditure and Funding Analysis

2023/24	Net Expenditure chargeable to the General Fund Balance £000	Transfers (to)/from Earmarked Reserves £000	Adjustments for Reporting Purposes £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Corporate Services	10,888	-	-	-	10,888
Families & Wellbeing	148,667	-	(28)	-	148,639
Environment & Transport	26,687	-	28	-	26,715
Growth	9,968	-	(1)	-	9,967
Corporate Finance	310	-	(3,649)	-	(3,339)
Central Charges	-	10,618	(90,175)	148,952	69,395
Net Cost of Services	196,520	10,618	(93,825)	148,952	262,265
Other Income and Expenditure	(190,602)	-	93,825	(19,261)	(116,038)
(Surplus) or Deficit	5,918	10,618	-	129,691	146,227

Opening General Fund at 31 March 2023	(10,918)	(93,015)
Less/Plus (Surplus) or Deficit on General Fund in Year	5,918	10,618
Closing General Fund at 31 March 2024	(5,000)	(82,397)

2022/23	Net Expenditure chargeable to the General Fund Balance £000	Transfers (to)/from Earmarked Reserves £000	Adjustments for Reporting Purposes £000	Adjustments between Funding and Accounting Basis £000	Restated Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Corporate Services	8,842	-	1	-	8,843
Families & Wellbeing	126,872	-	(9)	-	126,863
Environment & Transport	27,805	-	9	-	27,814
Growth	9,941	-	(4)	-	9,937
Corporate Finance	(7,045)	-	882	-	(6,163)
Central Charges	-	18,450	(91,208)	118,913	46,155
Net Cost of Services	166,415	18,450	(90,329)	118,913	213,449
Other Income and Expenditure	(165,211)	-	90,329	44,283	(30,599)
(Surplus) or Deficit	1,204	18,450	-	163,196	182,850

Opening General Fund at 31 March 2022

(4,604) (118,983)

Less/Plus (Surplus) or Deficit on General Fund in Year

1,204 18,450

Consolidation of Reserves

(7,518) 7,518

Closing General Fund at 31 March 2023

(10,918) (93,015)

2023/24				
Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Corporate Services	-	-	-	-
Families & Wellbeing	-	-	-	-
Economic Regeneration, Growth & Environment	-	-	-	-
Corporate Finance	-	-	-	-
Central Charges	150,150	(1,428)	231	148,953
Net Cost of Services	150,150	(1,428)	231	148,953
Other Income and Expenditure	(40,334)	-	21,072	(19,262)
Difference between the General Fund Surplus or Deficit and the Comprehensive Income and Expenditure Statement Surplus or Deficit	109,816	(1,428)	21,303	129,691

2022/23				
Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Corporate Services	-	-	-	-
Families & Wellbeing	-	-	-	-
Economic Regeneration, Growth & Environment	-	-	-	-
Corporate Finance	-	-	-	-
Central Charges	93,091	25,916	(95)	118,912
Net Cost of Services	93,091	25,916	(95)	118,912
Other Income and Expenditure	54,564	-	(10,280)	44,284
Difference between the General Fund Surplus or Deficit and the Comprehensive Income and Expenditure Statement Surplus or Deficit	147,655	25,916	(10,375)	163,196

Adjustments for Capital Purposes

- 1) Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
 - **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
- **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
 - For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

Other Differences

- 3) Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:
- For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
 - The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Segmental Income

Income received on a segmental basis is analysed below:

Revenues from External Customers

	2022/23 £000	2023/24 £000
Corporate Services	(5,649)	(883)
Families & Wellbeing	(85,612)	(121,292)
Environment & Transport	(15,947)	(21,231)
Growth	(2,568)	(8,323)
Corporate Finance	(50,784)	(12,260)
Total Revenue from External Customers	(160,560)	(163,989)

Interest Revenue

	2022/23 £000	2023/24 £000
Corporate Services	(8)	(29)
Families & Wellbeing	(48)	(369)
Corporate Finance	(36,770)	(38,787)
Central Charges	(1,798)	(1,798)
Total Interest Revenue	(38,624)	(40,983)

Segmental Expenditure

Expenditure received on a segmental basis is analysed below:

Interest Expense

	2022/23 £000	2023/24 £000
Corporate Finance	22,733	27,387
Total Interest Expense	22,733	27,387

7 Adjustments between Accounting Basis and Funding Basis Under Regulations

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

2023/24	Note(s)	Usable Reserves		
		General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000
Adjustments to the Revenue Resources				
Amounts by which Income and Expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension costs (transferred to (or from) the Pensions Reserve)	32	1,427	-	-
Financial instruments (transferred to the Financial Instruments Adjustment Account)		(12)	-	-
Pooled Investment (transferred from the Pooled Investments Mitigation Reserve)		(554)	-	-
Council Tax and NDR (transfers to or from Collection Fund Adjustment Account)		(3,228)	-	-
Holiday pay (transferred to Accumulated Absences Reserve)		(231)	-	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)		(193,204)	-	(16,474)
Total Adjustments to Revenue Resources		(195,802)	-	(16,474)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	9	2,785	(2,785)	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	24	17,115	-	-
Capitalisation of TEO Shares		9,379	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)		36,831	-	-
Total Adjustments between Revenue and Capital Resources		66,110	(2,785)	-
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	24	-	1,873	-
Application of capital grants to finance capital expenditure	9	-	-	11,604
Cash payments in relation to deferred capital receipts	9	-	-	-
Total Adjustments to Capital Resources		-	1,873	11,604
Total Adjustments		(129,692)	(912)	(4,870)

		Usable Reserves		
		General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000
2022/23	Note(s)			
Adjustments to the Revenue Resources				
Amounts by which Income and Expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension costs (transferred to (or from) the Pensions Reserve)	32	(25,916)	-	-
Financial instruments (transferred to the Financial Instruments Adjustment Account)		21	-	-
Pooled Investment (transferred from the Pooled Investments Mitigation Reserve)		(9,026)	-	-
Council Tax and NDR (transfers to or from Collection Fund Adjustment Account)		27,465	-	-
Holiday pay (transferred to Accumulated Absences Reserve)		95	-	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)		(194,900)	-	(20,117)
Restated Total Adjustments to Revenue Resources		(202,261)	-	(20,117)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	9	2,306	(2,306)	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	24	5,959	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)		30,800	-	-
Total Adjustments between Revenue and Capital Resources		39,065	(2,306)	-
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	24	-	1,366	-
Application of capital grants to finance capital expenditure	9	-	-	15,487
Cash payments in relation to deferred capital receipts	9	-	-	-
Total Adjustments to Capital Resources		-	1,366	15,487
Restated Total Adjustments		(163,196)	(940)	(4,630)

8 Transfers To/From Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24.

	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Purpose of Reserve
<u>Schools</u>								
School Balances	9,046	(219)	209	9,036	(199)	1,549	10,386	
Schools Re-organisation Contingency	881	(881)	-	-	-	-	-	To contribute to the school deficit upon closure
Total Schools Reserves	9,927	(1,100)	209	9,036	(199)	1,549	10,386	
<u>Council</u>								
Armed Forces Covenant Grant	9	-	-	9	-	-	9	To fund support for MoD activities
ASC Charging Reforms	-	-	228	228	-	-	228	To fund planning and preparations for ASC charging reforms
ASC CQC Inspection	-	-	95	95	-	-	95	To fund costs associated with ASC CQC inspection
ASC Liberty Protection Safeguards	-	-	200	200	-	-	200	To fund programme of change related to ASC liberty protection safeguards
ASC Transformation	-	-	300	300	(35)	-	265	To fund transformational projects for delivery of ASC care services

	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Purpose of Reserve
ASC Workforce Development	-	(95)	365	270	-	-	270	To fund development of the ASC workforce development strategy
BCF Pooled	21	-	-	21	-	-	21	To fund better care pooled arrangements.
Commercial Risk Reserve (formerly Birchwood Park)	19,203	-	802	20,005	(9,379)	1,005	11,631	To act as a contingency for Commercial activity
Backdated MRP Reserve	10,849	(2,452)	-	8,397	-	-	8,397	To fund backdated payments of MRP
Business Rates Smoothing	35,715	(26,666)	12,398	21,447	(16,228)	15,015	20,234	To fund fluctuations in business rates deficit estimates.
Children's Comfort Funds	7	-	-	7	-	-	7	Held on behalf of children in care
Climate Change	591	(25)	71	637	(114)	-	523	To fund Climate Change schemes
Community Investment Fund	91	-	-	91	-	-	91	To fund Community Investment Schemes
Community Safety Enabling	111	-	-	111	-	-	111	To fund Community Safety schemes
Coroners Judicial Review	143	-	25	168	(86)	-	82	To fund any one-off costs of future judicial reviews
Corporate Services Enabling	1,555	(1,409)	1,879	2,025	(1,826)	706	905	To fund future expenditure in Corporate Services

	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Purpose of Reserve
DSG Deficit	(3)	-	3	-	-	-	-	To fund DSG deficit
Early Release	610	-	-	610	-	-	610	To fund movements in the redundancy calculation
Economic Regeneration, Growth & Environment Services (ERGE)	2,786	(2,096)	1,178	1,868	(1,030)	4,369	5,207	To fund future expenditure in ERGE
Families and Wellbeing Service Adults	3,076	(3,076)	3,010	3,010	(3,010)	2,831	2,831	To fund future expenditure in FWB Adults
Families and Wellbeing Service Childrens	5,002	(5,002)	3,873	3,873	(3,873)	1,710	1,710	To fund future expenditure in FWB Children's
Financial Protection Team	20	-	-	20	-	-	20	To fund expenditure for adults with specific criteria
Homelessness	91	-	-	91	-	-	91	To fund bond/deposits to secure accommodation for the homeless
Insurance Fund	2,054	-	-	2,054	(343)	-	1,711	Third party claim excesses and self-insure areas of risk
Local Authority Mortgage Scheme	725	(725)	-	-	-	-	-	Potential future LAMS defaults

	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Purpose of Reserve
Loans & Investment	3,000	-	3,177	6,177	-	-	6,177	To act as a contingency for any future problems which may occur in the repayment of the Council's loan portfolio and act as a pump primer to fund feasibility studies on potential future capital and treasury schemes
Local Public Service Agreement	117	-	-	117	-	-	117	To fund 'Local Public Service Agreement' activity.
Market Tenants Advertising	14	-	3	17	-	7	24	To fund market tenants advertising
Mayor's Charity	10	-	7	17	(17)	8	8	Monies collected for mayoral supported charities
Members Voluntary Initiative	8	-	-	8	-	-	8	To fund International Partnerships initiative
Municipal Mutual Insurance (MMI)	459	-	-	459	-	-	459	To fund future potential MMI clawback
Medium Term Financial Plan	14,084	(14,084)	-	-	-	-	-	Now merged with the General Fund Reserve.
Museum Arts	13	-	-	13	-	-	13	To fund future museum exhibitions or art acquisitions
Parish Council Elections	11	-	13	24	-	9	33	To fund fluctuations in parish council elections income and expenditure

	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Purpose of Reserve
Penketh Court	293	(56)	-	237	(46)	-	191	To contribute to any refurbishment or enhancements of Penketh Court.
Public Health Grant	3,439	(3,439)	5,575	5,575	(2,738)	1,163	4,000	To fund public health expenditure
Salary Sacrifice Car Lease	93	-	-	93	-	-	93	Potential future liability on salary sacrifice car lease
SALIX Revolving Fund	129	-	-	129	-	-	129	Energy efficiency schemes
Schools Forum Service Development	59	-	-	59	-	-	59	Financial and advisory support to Schools Forum
Sinking Fund	946	(298)	135	783	(415)	13	381	Alder Lodge Homeless Unit refurbishment/enhancement
Solar Panels Lifecycle Fund	280	-	-	280	-	-	280	Future replacement cost on solar panels
Taxi Account	218	-	-	218	-	-	218	Ring-fenced account of Taxi Service surplus/deficit
Town Centre Sinking Fund	229	-	-	229	-	-	229	Potential future Town Centre overspends
Union Learner Reps	17	-	-	17	-	-	17	Monies set aside to increase participation in union training services
Unitary Charge	2,594	-	515	3,109	-	344	3,453	Future variations on unitary charge on PFI schemes

	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Purpose of Reserve
Walton Hall	5	-	-	5	-	-	5	Walton Hall refurbishment
Warrington YOT	156	(9)	118	265	(8)	-	257	Warrington Council YOT
Halton YOT	59	(3)	103	159	-	-	159	Halton Council YOT
Cheshire West YOT	117	(4)	149	262	-	-	262	Cheshire West Council YOT
Cheshire East YOT	50	(4)	144	190	-	-	190	Cheshire East Council YOT
Total Council Reserves	109,056	(59,443)	34,366	83,979	(39,148)	27,180	72,011	
Total Earmarked Reserves	118,983	(60,543)	34,575	93,015	(39,347)	28,729	82,397	
Net Transfer to/(from) Reserves			(25,968)			(10,618)		

9 Usable Reserves

Movements in the Council's earmarked reserves are detailed in the Movement in Reserves Statement and Note 8.

	Note(s)	31/03/23 £000	31/03/24 £000
<u>Held for Revenue Purposes</u>			
General Fund		10,918	5,000
Earmarked Reserves	8	93,015	82,397
General Fund Balance	MiRS	103,933	87,397
<u>Held for Capital Purposes</u>			
Capital Receipts Reserve	MiRS	2,290	3,202
Capital Grants Unapplied Reserve	MiRS	22,269	27,139
Total Usable Reserves		128,492	117,738

Capital Receipts Reserve

The Capital Receipts Reserve contains cash receipts from the sale of Council assets, which have not yet been used to finance capital expenditure.

	Note(s)	31/03/23 £000	31/03/24 £000
Balance as at 1 April		1,350	2,290
Capital receipts from year	7	2,306	2,785
Capital receipts used for financing	7	(1,366)	(1,873)
Balance as at 31 March		2,290	3,202

Capital Grants Unapplied

	Note(s)	31/03/22 £000	31/03/23 £000
Balance as at 1 April		17,639	22,269
Grants received in year		20,117	16,474
Tfr to Capital Adjustment Account in year		(15,487)	(11,604)
Balance as at 31 March		22,269	27,139

The following three notes detail amounts that are included in the (Surplus) or Deficit on Provision of Services on the CIES but are not included in the Cost of Services as these relate to items of Council wide income and expenditure that cannot be allocated to a specific service line.

10 Other Operating Expenditure

	2022/23 £000	2023/24 £000
Parish council precepts	2,560	2,627
Losses on the disposal of non-current assets	85,364	5,877
Levies	136	140
	88,060	8,644

11 Financing and Investment Income and Expenditure

	2022/23 £000	2023/24 £000
Interest payable and similar charges	22,417	27,426
Pensions interest cost and expected return on pension assets	4,278	(3,519)
Interest receivable and similar income	(18,687)	(13,721)
Income and expenditure in relation to investment properties and changes in their fair value	75,823	90,728
	83,831	100,914

12 Taxation and Non-Specific Grant Income

	2022/23 £000	2023/24 £000
Council Tax Income	(114,622)	(122,085)
NDR Redistribution	(27,558)	(37,560)
Non-ringfenced government grants	(29,510)	(29,120)
Capital grants	(30,800)	(36,831)
	(202,490)	(225,596)

13 Material Items of Income and Expense

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement. For the purposes of this note the Council considers material items to be those greater than £5.000m.

In 2023/24 there were two Academy conversions and the NBV disposed for those conversions was £5.915m.

14 Members' Allowances

During the year allowances paid to Members were £0.735m (£0.740m in 2022/23) and expenses paid were £0.070m (£0.075m in 2022/23).

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15 Officers' Remuneration

The remuneration paid to the Council's senior employees is included in the table overleaf. The list contains the Chief Executive, Executive Directors and their direct reports. Positions held by agency staff are not included within this disclosure as it relates to employees only.

Officer	Year	Salary, Fees and Allowances (note 3) £	Expenses Allowances £	Taxable Benefits £	Other Non-Cash Benefits £	Compensation for Loss of Office £	Pension Contribution £	Total £
Steven Broomhead Chief Executive (Note 1)	2023/24	160,281	-	-	420	-	-	160,701
	2022/23	154,847	-	-	420	-	-	155,267
Lynton Green Deputy Chief Executive/Director of Corporate Services	2023/24	113,939	363	-	17,535	-	24,041	155,878
	2022/23	108,459	385	-	18,569	-	22,776	150,189
Matthew Cumberbatch Director of Law & Governance	2023/24	106,744	846	-	-	-	22,523	130,113
	2022/23	103,504	846	-	-	-	21,736	126,086
Dave Boyer Director of Environment & Transport	2023/24	113,564	-	-	(564)	-	23,843	136,843
	2022/23	108,759	-	-	420	-	22,928	132,107
Gareth Hopkins Director of Workforce and Organisational Change	2023/24	104,061	448	-	8,715	-	22,053	135,277
	2022/23	92,781	746	-	7,748	-	19,484	120,759
Steve Park Director of Growth	2023/24	103,502	1,004	-	9,498	-	21,936	135,940
	2022/23	100,484	226	-	8,695	-	21,182	130,587
Paula Worthington Director of Education, Early Help & SEND	2023/24	123,000	-	-	-	-	25,953	148,953
	2022/23	112,939	-	-	-	-	23,278	136,217
Amanda Perraton Director of Children's Social Care (DCS)	2023/24	102,427	230	-	10,573	-	21,701	134,931
	2022/23	98,606	243	-	10,573	-	20,795	130,217

Officer	Year	Salary, Fees and Allowances (note 3) £	Expenses Allowances £	Taxable Benefits £	Other Non-Cash Benefits £	Compensation for Loss of Office £	Pension Contribution £	Total £
Catherine Jones Director of Adult Social Care (DASS) (Left 28/04/2023)	2023/24	15,485	-	-	-	-	1,792	17,277
	2022/23	109,179	-	-	-	-	22,928	132,107
Caroline Williams Director of Adult Social Care (DASS) (Started 10/07/2023)	2023/24	79,896	-	-	-	-	16,858	96,754
	2022/23	-	-	-	-	-	-	-
Thara Raj Director of Public Health	2023/24	112,580	-	-	420	-	23,843	136,843
	2022/23	108,759	-	-	420	-	22,928	132,107

- **Note 1** – Excludes amounts paid to the Chief Executive for Returning Officer duties. The Chief Executive is 0.8 full time equivalent and is required to be named. In addition, the Council’s Senior Leadership Team (SLT) are named.
- **Note 2** – 100% funded by Warrington CCG (100% included in the table).
- **Note 3** – Fees for election duties are not included within the table.

The number of Council employees including teachers and senior employees receiving more than £50,000 remuneration for the year is included in the following table. The numbers included within this table differ from the first table as employer’s pension contributions are excluded.

2022/23				Bandings	2023/24			
No. of Non-school Employees	No. of School Employees	No. of Agency Staff	Total No. of Staff		No. of Non-school Employees	No. of School Employees	No. of Agency Staff	Total No. of Staff
46	63	3	112	£50,000 to £54,999	37	69	8	114
26	13	6	45	£55,000 to £59,999	50	30	5	85
13	18	2	33	£60,000 to £64,999	14	12	5	31
10	14	3	27	£65,000 to £69,999	10	17	1	28
16	20	2	38	£70,000 to £74,999	8	19	3	30
1	7	2	10	£75,000 to £79,999	11	8	2	21
3	3	2	8	£80,000 to £84,999	3	8	2	13
4	-	-	4	£85,001 to £89,999	4	3	4	11
-	2	1	3	£90,000 to £94,999	-	-	2	2
2	2	-	4	£95,000 to £99,999	2	1	1	4
3	-	1	4	£100,000 to £104,999	3	-	1	4
5	-	-	5	£105,000 to £109,999	1	1	1	3
1	1	-	2	£110,000 to £114,999	5	-	-	5
-	-	-	-	£115,000 to £119,999	-	-	-	-
-	-	-	-	£120,000 to £124,999	1	1	-	2
2	-	-	2	£125,000 to £129,999	-	-	-	-
-	-	-	-	£130,000 to £134,999	1	-	-	1
-	-	-	-	£135,000 to £139,999	-	-	-	-
-	-	-	-	£140,000 to £144,999	-	-	-	-
-	-	-	-	£145,000 to £149,999	1	-	-	1
-	-	-	-	£150,000 to £154,999	-	-	-	-
1	-	-	1	£155,000 to £159,999	-	-	-	-
-	-	-	-	£155,000 to £159,999	1	-	-	1
133	143	22	298		152	169	35	356

Exit Packages 2023/24	No. of Compulsory Redundancies			No. of Other Departures Agreed			Total No. of Exit Packages			Total Cost of Exit Packages		
	Schools	Non- Schools	Total	Schools	Non- Schools	Total	Schools	Non- Schools	Total	Schools £	Non- Schools £	Total £
£0 - £20,000	-	3	3	4	5	9	4	8	12	130,078	51,398	181,476
£20,001 - £40,000	-	1	1	-	-	-	-	1	1	-	21,889	21,889
£40,001 - £60,000	-	-	-	-	1	1	-	1	1	-	41,864	41,864
£60,001 - £80,000	-	-	-	-	2	2	-	2	2	-	151,592	151,592
£80,001 - £100,000	-	-	-	-	2	2	-	2	2	-	182,840	182,840
Total	-	4	4	4	10	14	4	14	18	130,078	449,583	579,661

Exit Packages 2022/23	No. of Compulsory Redundancies			No. of Other Departures Agreed			Total No. of Exit Packages			Total Cost of Exit Packages		
	Schools	Non- Schools	Total	Schools	Non- Schools	Total	Schools	Non- Schools	Total	Schools £	Non- Schools £	Total £
£0 - £20,000	-	6	6	16	3	19	16	9	25	128,736	63,131	191,867
£20,001 - £40,000	-	-	-	-	1	1	-	1	1	-	39,715	39,715
£40,001 - £60,000	-	3	3	-	1	1	-	4	4	-	204,981	204,981
£60,001 - £80,000	-	-	-	-	1	1	-	1	1	-	75,268	75,268
£80,001 - £100,000	-	-	-	-	1	1	-	1	1	-	102,383	102,383
Total	-	9	9	16	7	23	16	16	32	128,736	485,478	614,214

16 Termination Benefits

The Council terminated the contracts of 18 employees in 2023/24, incurring redundancy liabilities of £226,577 (2022/23 £342,111) and pension fund liabilities of £166,174 (2022/23 £231,164) as part of the Council's budget savings.

17 External Audit Costs

The fee payable to Grant Thornton UK LLP with regard to external audit services carried out for the year was £464,699 (2022/23 £97,916). The fee payable for the certification of grant claims and returns for the year was £37,000 (£22,800 in 2022/23). Additional fees were approved by the PSAA for the audit of the 2018/19 accounts of £75,000.

18 Expenditure and Income Analysed by Nature

The income and expenditure of the Council's directorates recorded in the budget reports for the year was as follows.

Expenditure/Income	2022/23 £000	2023/24 £000
<u>Expenditure</u>		
Employee benefits expenses	206,530	194,771
Other service expenses	331,848	377,051
Depreciation, amortisation, impairment	122,082	59,409
Interest payments	22,417	27,426
Expenditure relating to investment properties	92,098	142,209
Precepts and levies	2,560	2,627
Total expenditure	777,535	803,493
<u>Income</u>		
Fees, charges and other service income	(305,722)	(319,353)
Interest and investment income	(12,124)	(9,468)
Income relating to investment properties	(27,478)	(65,201)
Income from council tax, non-domestic rates	(114,622)	(122,085)
Government grants and contributions	(134,739)	(141,159)
Total Income	(594,685)	(657,266)
Surplus or Deficit on the Provision of Services	182,850	146,227

19 Dedicated Schools Grant

The Council's expenditure on schools and education is funded primarily by the Dedicated Schools Grant (DSG). An element of DSG is provided to fund academy schools within the Borough. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2011. The Schools Budget includes elements for a range of educational services provided on an

authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2023/24 are as follows:

	Central Expenditure £000	Individual Schools Budget £000	Funding Total £000
Final DSG for 2023/24 before academy recoupment			215,453
Academies figure recouped for 2023/24			96,065
Total DSG after academy recoupment for 2023/24			119,388
Plus: Brought forward from 2022/23			727
Less: Carry forward to 2024/25			0
Agreed initial budgeted distribution in 2023/24	46,901	73,258	120,159
In-year adjustments	198	-	198
Final budget distribution for 2023/24	47,099	73,258	120,357
Less: Actual Central Expenditure	(45,432)	-	(45,432)
Less: Actual Individual Schools Budget deployed to schools		(73,258)	(73,258)
Plus: Local Authority contribution for 2023/24			-
Carry forward to 2024/25	1,667	-	1,667
DSG Unusable Reserve at the end of 2022/23			-
Addition to DSG Unusable Reserve at the end of 2023/24			-
Total DSG Unusable Reserve at the end of 2023/24			-
Net DSG position at the end of 2023/24			1,667

As per guidance from CIPFA the DSG deficit is carried forwards as a ring-fenced reserve on the Balance Sheet (see Note 8).

20 Grant Income

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

The grants that are credited to Taxation and non-Specific Grant Income are shown in the following table. The revenue grants shown are the non-ringfenced Grants that, once combined with the Council Tax Income, form the Council's Net Budget for the year.

Credited to Taxation and Non-specific Grant Income	2022/23 £000	2023/24 £000
Revenue		
Business Rates Retention Scheme Income	29,509	29,120
Revenue Support Grant	1,291	1,797
New Homes Bonus	702	1,106
Business Rates Section 31 Grants	12,402	16,431
Other Grants credited to Taxation & Non-Specific Grant Income	13,164	18,226
Total Revenue Grants	57,068	66,680
Capital Grants and Contributions	30,800	36,831
Total	87,868	103,511

The grants and contributions shown below are specific to certain services and are therefore included on specific income lines in the Cost of Services.

Credited to Services	2022/23 £000	2023/24 £000
Grants		
Bus Service Improvement Plan	-	2,937
Contain the Outbreak Management fund / Test and Trace	2,597	38
Council Tax Energy Rebate Scheme	11,788	227
Dedicated Schools Grant	111,160	119,740
Fostering Recruitment Hubs - Mobilisation Grant	-	1,330
Homelessness Prevention Grant	1,688	1,655
Household Support Grant	2,856	2,856
Improved Better Care Fund	6,790	6,515
Market Sustainability and Improvement Fund - Workforce Fund	-	1,253
Omicron Hospitality & Leisure Grant	-	
Public Health Grant	10,766	12,160
Pupil Premium	5,411	5,636
Rent Allowance Subsidy	32,304	33,667
Schools Supplementary Grant	2,025	2,448
Supporting Families Protecting Children	1,316	-
UK Resettlement Programme	1,932	1,347
Universal Schools Meals Grant	1,470	1,595
Youth Justice Grant	1,195	1,262
Capital Grant Income to fund Revenue Expenditure	11,110	5,016
Other Grants	12,866	17,742
Total Grants	217,274	217,424

Credited to Services	2022/23 £000	2023/24 £000
Contributions		
High Costs Care Packages Contributions	1,678	1,453
Change Grow Live Substance Misuse	1,155	-
Coroner Service Contributions	27,694	33,669
Other Contributions	7,272	2,156
Total Contributions	37,799	37,278
Total	255,073	254,702

The following grants have yet to be recognised as income in the CIES as they have grant conditions which have not yet been met and will be repayable if not used for the specified purpose.

Grants Receipts in Advance (Short and Long-term)	2022/23 £000	2023/24 £000
Capital Grants	27,201	22,840
Revenue Grants		
Commuted Sums	6,002	5,713
Restated S106 Agreements	9,192	10,796
Other Capital RIA	10,832	5,264
Miscellaneous Revenue Grants	19,169	12,553
Total Revenue Grants	45,195	34,326
Total	72,396	57,166

21 Property, Plant and Equipment (PPE)

Movements in the property, plant and equipment valuations are detailed in the following tables, however, in accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets the tables do 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 movement in the net book value of infrastructure assets is detailed in a separate table.

As a result of previous accounting requirements for infrastructure assets, there are significant information deficits which mean that the gross cost and accumulated depreciation figures held for infrastructure assets may not be materially correct, due to being unable to identify and therefore derecognise components of these assets as they have been replaced. In line with the amendments to the 2003 Regulations, where a component of an infrastructure asset has been replaced, the Council has assumed that the carrying amount of the component to be derecognised is zero (new regulation 30M(3)).

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Movements in 2023/24:	Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PPE £000	PFI Assets included in PPE £000	VA Schools included in PPE £000
<u>Cost or Valuation</u>								
Balance as at 1 April 2023	393,807	49,007	19,275	20,528	3,652	486,269	3,765	-
Additions	5,570	1,408	57	12,102	463	19,600	-	-
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(17,171)	-	-	-	-	(17,171)	(153)	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	14,500	-	-	-	1,419	15,919	68	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(17,918)	-	-	-	193	(17,725)	-	-
Derecognition - disposals	(9,149)	(3,433)	-	(414)	-	(12,996)	-	-
Reclassifications & transfers	20,519	(19,703)	190	(1,907)	830	(71)	-	-
Reclassified (to)/from Investment Properties	(204)	-	-	195	-	(9)	-	-
Balance as at 31 March 2024	389,954	27,279	19,522	30,504	6,557	473,816	3,680	-
<u>Depreciation and Impairment</u>								
Balance as at 1 April 2023	8,045	27,080	6	-	-	35,131	36	-
Depreciation charge	7,506	2,305	-	-	-	9,811	171	-
Accumulated depreciation written out to GCA	(17,171)	-	-	-	-	(17,171)	(153)	-
Depreciation - disposals	(992)	(3,433)	-	-	-	(4,425)	-	-

Movements in 2023/24:	Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PPE £000	PFI Assets included in PPE £000	VA Schools included in PPE £000
Reclassifications & transfers	9,163	(9,163)	-	-	-	-	-	-
Balance as at 31 March 2024	6,551	16,789	6	-	-	23,346	54	-
Net Book Value								
Balance as at 31 March 2024	383,403	10,490	19,516	30,504	6,557	450,470	3,626	-
Balance as at 31 March 2023	385,762	21,927	19,269	20,528	3,652	451,138	3,729	-

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Movement in 2022/23:	Land & Buildings £000	Vehicles, Plant & Equipment £000	Communit y Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PPE £000	PFI Assets included in PPE £000	VA Schools included in PPE £000
<u>Cost or Valuation</u>								
Balance as at 1 April 2022	436,077	58,297	19,129	19,069	5,246	537,818	3,670	86,602
Additions	4,129	1,918	146	12,770	-	18,963	-	-
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(7,338)	-	-	-	(80)	(7,418)	(260)	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	41,308	-	-	-	(2,249)	39,059	355	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	6,276	-	-	-	-	6,276	-	-
Derecognition - disposals	(86,793)	(11,208)	-	(10,428)	-	(108,429)	-	(86,602)
Reclassifications & transfers	148	-	-	(883)	735	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	393,807	49,007	19,275	20,528	3,652	486,269	3,765	-
<u>Depreciation and Impairment</u>								
Balance as at 1 April 2022	19,245	34,857	6	-	-	54,108	148	9,696
Depreciation charge	5,914	3,431	-	-	-	9,345	148	-

Movement in 2022/23:	Land & Buildings £000	Vehicles, Plant & Equipment £000	Communit y Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PPE £000	PFI Assets included in PPE £000	VA Schools included in PPE £000
Accumulated depreciation written out to GCA	(7,338)	-	-	-	-	(7,338)	(260)	-
Depreciation - disposals	(9,696)	(11,208)	-	-	-	(20,904)	-	(9,696)
Reclassifications & transfers	(80)	-	-	-	-	(80)	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	8,045	27,080	6	-	-	35,131	36	-
Net Book Value								
Balance as at 31 March 2023	385,762	21,927	19,269	20,528	3,652	451,138	3,729	-
Balance as at 31 March 2022	416,832	23,440	19,123	19,069	5,246	483,710	3,522	76,906

PFI Assets are those relating to Private Finance Initiatives.

Infrastructure Assets – movements on balances

	2022/23 £000	2023/24 £000
Net book value as at 1 April	290,660	292,920
Additions	10,961	9,960
Derecognition/Disposals	-	-
Assets reclassified	-	72
Depreciation charge	(8,701)	(8,975)
Net book value as at 31 March	292,920	293,977

Property, plant and equipment assets as presented on the Council's Balance Sheet are made up of the following balances:

	2022/23 £000	2023/24 £000
Infrastructure Assets	292,920	293,977
Other Property, Plant & Equipment	451,138	450,470
Total Property, Plant & Equipment	744,058	744,447

Depreciation

Depreciation is provided for on all Property, Plant and Equipment (PPE) assets by the allocating their depreciable amounts over their useful lives, however some exceptions apply. See Accounting Policy 1.15. Depreciation is calculated on the following basis:

- Dwellings & other buildings and plant & services components from other buildings – straight line allocation over 5 to 60 years, dependant on the initial value of the asset
- Vehicles, plant, furniture and equipment – straight line allocation over 3 to 10 years, dependant on the initial value of the asset
- Infrastructure – straight line allocation over 40 years

Capital Commitments

The total capital commitments as at 31 March 2024 were £58.411m. This includes the following major projects:

- Zero Emission Bus Regional Area (ZEBRA) - £43.673m
- Western Link Pre-Construction - £5.258m

Similar capital commitments at 31 March 2023 were £13.855m relating to previous year commitment totals including all of the projects listed above as well as Birchwood Leisure & Library Hub.

Revaluations

The Council carries out a rolling programme of revaluations in accordance with Accounting Policy 1.15, as well as desktop reviews of assets not valued within a particular year. Revaluations are made with sufficient regularity to ensure that the carrying value of assets is not materially different to fair value.

The valuations were undertaken by the Estates Division of the Council in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors. All assets are valued as at 31 March, as part of a five year programme as shown below.

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PPE £000
Carried at historic cost	24,686	27,279	19,522	30,122	-	101,609
<i>Valued at fair value as at:</i>						
31 March 2023	234,505	-	-	-	6,557	241,062
31 March 2022	88,453	-	-	382	-	88,835
31 March 2021	17,960	-	-	-	-	17,960
31 March 2020	8,622	-	-	-	-	8,622
31 March 2019	15,728	-	-	-	-	15,728
Total Cost or Valuation	389,954	27,279	19,522	30,504	6,557	473,816

22 Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets Held by the Council

The Council's Heritage Assets held on the Balance Sheet at insurance valuation constitute:

- Museum Exhibits and Artworks
- Civic Regalia
- Ornamental Gates
- Statues and Town Centre Artwork

Insurance valuations increase annually by the increase in the rebuild annual index for estate items in the absence of any other relevant indices.

	Museum Exhibits & Artworks £000	Civic Regalia £000	Ornamental Gates £000	Statues & Town Centre Artwork £000	Total Assets £000
<u>Cost or Valuation</u>					
Balance as at 31 March 2022	11,597	373	3,004	3,986	18,960
Transfer from PPE	-	-	-	-	-
Additions	-	-	-	199	199
Revaluations	-	-	-	-	-
Balance as at 31 March 2023	11,597	373	3,004	4,185	19,159
Transfer from PPE	-	-	-	-	-
Additions	-	-	-	-	-
Revaluations	1,252	7	342	449	2,050
Balance as at 31 March 2024	12,849	380	3,346	4,634	21,209

Additions, Disposals and Donations of Heritage Assets

There were no additions to the register in year.

23 Investment Properties

Investment properties represent reliably identified levels of capital expenditure incurred in acquiring properties that are to be used solely to earn rentals or for capital appreciation, or both, provided that it is probable that the future economic benefits associated with the investment property will flow to the Authority. Investment Properties represent capital expenditure, and are subject to MRP. They do not include investments in property or similar assets made in reliance upon S.12, LGA 2003.

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

	2022/23 £000	2023/24 £000
Rental income from investment property	(31,057)	(33,688)
Net (gains)/losses from fair value adjustments	83,722	100,193
Direct operating expenses arising from investment property	23,158	24,223
Net (gain)/loss	75,823	90,728

There are no restrictions on the Council's ability to realise the value inherent in its investment property or 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 for repairs, maintenance or enhancement of these assets.

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

	2022/23 £000	2023/24 £000
Balance as at the start of the year	685,264	648,004
Disposals	(145)	(91)
Net gains/(losses) from fair value adjustments	(83,722)	(100,193)
Net gains/(losses) from revaluation reserve	-	(24)
Transfers (to)/ from Assets Held for Sale	-	-
Additions:		
Acquisitions	-	-
Enhancements	18,370	70,278
Assets Under Construction	28,237	-
Transfers (to)/ from Property, Plant and Equipment	-	8
Balance as at end of the year	648,004	617,982

Fair Value Hierarchy

Details of Warrington Borough Council investment properties and information about the fair value hierarchy as at 31 March 2024 and 2023 are as follows:

2023/24	Other significant observable inputs (Level 2) £000	Fair Value as at 31 March 2024 £000
Industrial Ground Rents	21,370	21,370
Retail Units	171,610	171,610
Industrial Units	113,932	113,932
Offices	302,965	302,965
Other	8,105	8,105
Total	617,982	617,982

2022/23	Other significant observable inputs (Level 2) £000	Fair Value as at 31 March 2022 £000
Industrial Ground Rents	24,979	24,979
Retail Units	140,636	140,636
Industrial Units	178,112	178,112
Offices	299,578	299,578
Other	4,699	4,699
Total	648,004	648,004

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels 1 and 2 during the year.

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The fair value for the industrial and retail units (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3

The industrial and retail units located in the local authority area are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Council's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

Highest and Best Use of Investment Properties

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

Valuation Techniques

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

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

24 Capital Expenditure and Capital Financing

Total capital expenditure incurred in the year is shown in the table overleaf (including the value of assets acquired under finance leases and Private Finance Initiative (PFI) contracts), together with the relevant financing. 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.

	Note(s)	2022/23 £000	2023/24 £000
Opening Capital Financing Requirement		1,677,514	1,846,136
Capital Investment			
Property, Plant and Equipment	21	29,924	29,560
Investment Properties	23	46,607	70,278
Intangible Assets		168	152
Revenue Expenditure Funded by Capital Under Statute		14,399	12,849
Non Treasury Investments			
Solar Farms - Cirencester		3,754	-
Incrementum Housing Development Company Equity		-	6,000
Livewire Community Energy		-	172
Technology Enhanced Operations		-	9,379
Long Term Debtors			
Loans to Registered Providers		69,210	21,979
Loan to Salboy Central		36,206	39,298
Together Energy Loan Note		1,408	-
Loan to Housing Company		9,698	-
Loan to Cheshire & Warrington LEP		1,783	310
Loan to Hut Group		18,000	-
		231,157	189,977
Sources of Finance			
Capital Receipts	9	(1,366)	(1,873)
Government Grants & Other Contributions		(34,300)	(30,580)

	Note(s)	2022/23 £000	2023/24 £000
Payments Received for:			
Long Term Debtor - Warrington Housing Association		(139)	(173)
Long Term Debtor - Golden Gates Housing		(62)	(1,283)
Long Term Debtor - Your Housing		(249)	(257)
Long Term Debtor - Equity		(307)	(236)
Long Term Debtor - Muir		(382)	(398)
Long Term Debtor - Helena		(452)	(11,783)
Long Term Debtor - Wirral Methodist		(260)	(280)
Long Term Debtor - Arawak Walton		(83)	(117)
Long Term Debtor - One Housing Group Ltd		(3,342)	(3,954)
Long Term Debtor - Together Energy		-	-
Long Term Debtor - Together Energy RCF		-	(20,258)
Long Term Debtor - Hut Group		(1,450)	(1,450)
Long Term Debtor - York		(567)	(846)
Long Term Debtor - Hull		-	(528)
Long Term Debtor - Cirencester		(174)	(2,165)
Long Term Debtor - Peaks & Plains		(4,000)	-
Long Term Debtor - Foster Carers Loans		(157)	-
Long Term Debtor - Auxesia		(6,307)	(9,815)
Long Term Debtor - Salboy		-	(4)
Long Term Debtor - Cheshire & Warrington LEP		-	(644)
Sums set aside from Revenue:			
Developers Contribution (S106)		(2,979)	(2,419)
Receipts in Advance		-	(3,979)
Revenue Contribution		-	(9,379)
Minimum Revenue Provision		(5,959)	(17,115)
		(62,535)	(119,536)
Closing Capital Financing Requirement		1,846,136	1,916,577
Explanations of movements in year			
Increase in underlying need for borrowing		168,622	70,441

25 Long-term Debtors

The Council's long-term debtors (over 12 months) are as follows:

	31/03/23 £000	31/03/24 £000
Other entities and individuals:		
Deferred Care Charges	1,286	1,379
Finance Leases (Where Council is Lessor)	31,886	31,886
Warrington Housing Association	2,611	2,458
Golden Gates Housing	1,218	-
Muir Housing Group	9,658	9,243
Arena Housing Group	7,714	7,406
Equity Housing Group	7,816	7,568
Helena Housing Association	11,309	-
Wulvern Housing Limited	10,000	10,000
Wirral Methodist Housing	5,705	5,425
Arawak Walton Housing	3,101	3,465
One Housing Group	86,479	82,251
Together Energy	1,408	-
Johnnie Johnson	12,000	22,000
Citystyle Living	76,500	76,500
Salboy Central Ltd	39,000	81,481
Incrementum Housing	21,000	21,000
Hut Group Icon 3 Holding	142,155	140,706
Hull Solar Farm	26,262	25,737
York Solar Farm	28,379	27,536
Cirencester Solar Farm	32,693	32,693
Auxesia Ltd	10,984	14,750
Cheshire & Warrington LEP	1,854	1,520
Adoptions Lone Care	118	118
Total Long-term Debtors	571,136	605,122

26 Debtors

The Council's short-term debtors (under 12 months) are as follows:

	31/03/23 £000	31/03/24 £000
Central Government Bodies	7,622	10,262
Other Local Authorities	4,931	4,325
NHS Bodies	988	5,187
Other Entities and Individuals	102,860	100,933
Total Short-term Debtors	116,401	120,707

The amounts above are shown net of impairment for doubtful debts. For 2023/24 the impairment for doubtful debts totalled £20.453m of which £14.004m relates to Council Tax and Business Rates (2022/23: £18.916m with £12.058m relating to Council Tax and Business Rates).

27 Cash and Cash Equivalents

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

	31/03/23 £000	31/03/24 £000
Cash on hand and balances with banks	(1,181)	8,818
Short-term Deposits	77,825	34,160
Total Cash and Cash Equivalents	76,644	42,978

28 Creditors

The Council's creditors are as follows:

	31/03/23 £000	31/03/24 £000
Short-term Creditors		
Central Government Bodies	51,709	32,176
Other Local Authorities	5,381	4,149
NHS Bodies	3,106	384
Other Entities and Individuals	65,140	79,065
Total Short-term Creditors	125,336	115,774
Long-term Creditors		
Other Entities and Individuals	3,281	3,101
Total Creditors	128,617	118,875

29 Provisions

	Injury and Damage Compensation Claims £000	Other Provisions £000	Total £000
Balance at 31 March 2022	2,551	10,303	12,854
Additional provisions made in year	-	8,407	8,407
Amounts used in year	-	(13,600)	(13,600)
Unused amounts reversed in year	-	-	-
Provisions unwound in year	-	-	-
Balance at 31 March 2023	2,551	5,110	7,661
Additional provisions made in year	-	3,756	3,756
Amounts used in year	-	(3,302)	(3,302)
Unused amounts reversed in year	-	-	-
Provisions unwound in year	-	-	-
Balance at 31 March 2024	2,551	5,564	8,115

	31/03/23 £000	31/03/24 £000
Short-term Provisions	5,071	5,525
Long-term Provisions	2,590	2,590
Total Provisions	7,661	8,115

The provision for Injury and Damage Compensation Claims was established to meet excessive insurance claims taken out with third party organisations and to self-insure for certain areas of risk.

Other provisions relate to:

- Staff provisions for potential future payments for redundancy.
- MMI provision for future obligation to pay insurance payment clawback arising from Municipal Mutual Insurance (MMI) Scheme of Arrangement. This is a long term provision.
- NDR Appeals Provision - As from 1st April 2013 the Council has taken over the liability generated by any appeals against the valuation amount with regard to Business Rates. This provision is based on the Council's best estimate of that liability.

30 Private Finance Initiatives

The Council has two PFI Schemes, both of which were in the 17th year of a 30 year contract in 2023/24. The Anson Close and Blenheim Close scheme is for the construction, maintenance and tenancy management of 105 social houses and the Verve Place (formerly John Morris House) scheme is for the construction, maintenance and tenancy management of 38 self-contained flats for social housing. This scheme focused on providing supported housing for 16 - 25 year olds with short to medium term housing needs.

The Council has nomination rights over all the social dwellings on each scheme and at the end of the term, has the following options:

- Purchase the dwellings at their open market value at existing use for social housing purposes (both schemes)
- Re-tender the provision of the services (Anson Close and Blenheim Close)
- Do neither of the above and walk away (Anson Close and Blenheim Close)
- Return the dwellings to the Operator (Verve Place)

In return for these combined construction and operations contracts, the Council will make quarterly unitary charge payments to the Operator. The payments may vary according to the quality/performance of the service and availability of dwellings, but in substance, it is not expected there would be any significant unavailability of the dwellings. This means that the Council is in substance committed to a fixed payment stream independent of the demand for the assets. The payments are not subject to any indexation. The Operator is also able to charge rents to the tenants. These are set in accordance with the Warrington Area Target Registered Providers rent.

Property, Plant and Equipment

The assets used to provide services at both schemes are recognised on the Council's Balance Sheet and movements in their value over the year are detailed in the analysis of the movement on the PPE balance in Note 21.

Payments

Payments remaining to be made under the PFI contract at 31 March 2023 (excluding any estimation of inflation and availability/performance deductions) are as follows:

Anson & Blenheim Close

Total at 31/03/23 £000		Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total at 31/03/24 £000
305	Payable in 2023/24	42	92	170	304
1,219	Payable within 2 to 5 years	172	455	591	1,218
1,522	Payable within 6 to 10 years	222	834	466	1,522
988	Payable within 11 to 15 years	84	522	79	685
4,034		520	1,903	1,306	3,729

Verve Place

Total at 31/03/23 £000		Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total at 31/03/24 £000
187	Payable in 2023/24	37	73	78	188
749	Payable within 2 to 5 years	148	334	268	750
937	Payable within 6 to 10 years	191	530	216	937
843	Payable within 11 to 15 years	178	453	64	695
41	Payable within 16 to 20 years	-	-	-	-
2,757		554	1,390	626	2,570

The payments made to the Operator have been calculated to compensate the Operator 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 pay to the Operator for capital expenditure incurred is as follows:

Anson & Blenheim Close	2022/23 £000	2023/24 £000
Balance outstanding at start of year	(2,102)	(2,023)
Payments during the year	79	75
Balance outstanding at end of year	(2,023)	(1,948)

Verve Place	2022/23 £000	2023/24 £000
Balance outstanding at start of year	(1,536)	(1,470)
Payments during the year	66	69
Balance outstanding at end of year	(1,470)	(1,401)

31 Leases

Council as Lessee

Finance Leases

The Council has acquired various land and buildings under finance leases. The Council 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 Council and the finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2023 £000	31 March 2024 £000
Finance lease liabilities (net present value of minimum lease payments):		
Current	-	-
Non-current	690	690
Finance costs payable in future years	6,969	6,873
Minimum lease payments	7,659	7,563

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

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Not later than one year	96	96	-	-
Later than one year and not later than five years	386	386	-	-
Later than five years	7,177	7,081	690	690
	7,659	7,563	690	690

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 £101,833 contingent rents were payable by the Council (2022/23 £74,662).

The Council has sub-let some of the retail accommodation held under these finance leases. The above disclosure shows the net result of the lessee and lessor finance leases in relation to this accommodation. The Council currently incurs a rental charge of £198k and receives rental income of £73k in relation to these properties.

The Council also sub-let other property resulting in total sub-lease rental income of £414k (2022/23 £392k).

Operating Leases

The Council has acquired numerous vehicles, plant and equipment and land and buildings by entering into operating leases, with a range of typical lives. The future minimum lease payments due under non-cancellable leases in future years are:

	2022/23 £000	2023/24 £000
Leases rolling over regularly	386	386
Not later than one year	316	307
Later than one year and not later than five years	1,108	1,067
Later than five years	17,825	17,561
	19,635	19,321

The expenditure charged to each directorate line in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2023/24	Corporate Services £000	Families and Wellbeing : Children £000	Environm ent & Transport £000	Families and Wellbeing : Adults £000	Total £000
Minimum lease payments	3	278	378	17	676
Sublease payments receivable	-	-	(79)	-	(79)
	3	278	299	17	597

2022/23	Corporate Services £000	Families and Wellbeing : Children £000	Environm ent & Transport £000	Families and Wellbeing : Adults £000	Total £000
Minimum lease payments	3	278	386	17	684
Sublease payments receivable	-	-	(81)	-	(81)
	3	278	305	17	603

Council as Lessor

Finance Leases

The Council has leased out land and buildings at various locations on finance leases with remaining terms of 5 to 191 years.

Included within these leases is a material lease relating to Golden Square Shopping Centre Development. As at 31 March 2024, the total outstanding receivable amount remaining on this lease was £30.614m repayable over a 181 year period. The Council has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term, and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	31 March 2023 £000	31 March 2024 £000
Finance lease debtors (net present value of minimum lease payments):		
Current	-	-
Non-current	31,886	31,885
Unearned finance income	282,688	280,890
Gross investment in the lease	314,574	312,775

The unearned finance income relates to future income due from tenants over the term of the leases. The longest of these leases will be running for the next 181 years.

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

	Gross investment in the lease		Minimum Lease Payments	
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Not later than one year	1,798	1,798	1,798	1,798
Later than one year and not later than five years	7,192	7,192	7,192	7,192
Later than five years	305,584	303,785	305,584	303,785
	314,574	312,775	314,574	312,775

As there is a possibility that worsening financial circumstances might result in lease payments not being made, the Council has set aside an allowance for uncollectable amounts as part of its sundry debtor impairment which includes rental income debtors raised by the Estates

Department. The level of debtor impairment required is reviewed on an annual basis and is based on average actual collection rates.

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 £40,375 contingent rents were receivable by the Council (2022/23 £115,375).

Operating Leases

The Council leases out land and buildings under operating leases. The future minimum lease payments receivable under non-cancellable leases in future years are:

	2022/23 £000	2023/24 £000
Leases rolling over regularly	2,321	2,558
Not later than one year	10,056	9,819
Later than one year and not later than five years	38,417	37,486
Later than five years	393,852	384,604
	444,646	434,467

The minimum lease payments receivable include rents that were contingent on events taking place after the lease was entered into up until 31 March 2023, such as adjustments following rent reviews. The minimum lease payments do not include future contingent rents such as adjustments following rent reviews from 1 April 2021 onwards.

The authority leases out both land and property under operating leases. The value of these assets is included within Investment Properties (Note 23), and is presented below:

	31/03/23 NBV £000	31/03/24 NBV £000
Land & Buildings	70,410	70,876
Investment Property	92,395	87,092
Surplus	-	600
	162,805	158,568

32 Pension Schemes

Defined Contribution Pension Schemes

Teachers Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the scheme is un-funded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2023/24, the Council paid £ 8,740,646 to Teachers' Pensions in respect of teachers' retirement benefits, representing an average of 24.73% of pensionable pay. The equivalent figures for 2021/22 were £7,777,257 and 23.08%, respectively. The national employer pension contribution rate has remained unchanged since September 2019, at 23.68%.

There were no contributions remaining payable at the year end. St Gregory's High School uses an external payroll bureau, and we are reliant on receipt of appropriate breakdowns of the amounts paid, which are replicated in the LA accounts.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teacher's scheme.

NHS Pensions Schemes Accounted for as Defined Contribution Schemes

Public Health professionals employed by the Council are members of the NHS Pension Scheme administered by the Department of Health. The Scheme provides lifestyle professionals with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department of Health uses a notional fund as the basis for calculating the employers' contribution rate paid by Local Authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2023/24, the Council paid £21,698 to NHS Pensions in respect of Public Health professionals' retirement benefits, representing 19.2% of pensionable pay (£42,985 and 16.0% in 2022/23). There were no contributions remaining payable at the year end.

Defined Benefit Pension Schemes

Participation in Pension Schemes

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

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Cheshire Pension Fund by Cheshire West and Chester 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 pension 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 pensions payments as they eventually fall due.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised 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 required to be made against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

	Restated 2022/23 £000	2023/24 £000
Comprehensive Income and Expenditure Statement		
<u>Cost of Services:</u>		
<i>Service cost comprising</i>		
Current service cost	40,009	19,574
Past service costs (including curtailments)	330	167
(Gains) and losses on settlements	-	3,720
<i>Financing and Investment Income and Expenditure</i>		
Net interest expense	4,278	(3,519)
Total post-employment benefit charged to the Surplus or Deficit on the Provision of Services	44,617	19,942
<u>Other Post-employment Benefit Charged to the Comprehensive Income and Expenditure Statement</u>		
<i>Remeasurement of the net defined benefit liability comprising:</i>		
Return on plan assets (excluding the amount included in the net interest expense)	(105,936)	14,722
Actuarial gains and losses arising on the changes in demographic assumptions	7,180	7,180
Actuarial gains and losses arising on the changes in other experience	(61,472)	(61,472)
Actuarial gains and losses arising on changes in financial assumptions	407,650	407,650
Adjustment for Asset Ceiling Calculation	(73,224)	(112,619)
Restated remeasurement of the net defined benefit liability	174,198	255,461
Restated total post-employment benefit charged to the Comprehensive Income and Expenditure Statement	218,815	275,403
Movement in Reserves Statement		
Restated reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(27,022)	1,428
Actual amount charged against the General Fund balance for pensions in the year		
Employers' contribution payable to the scheme	(17,595)	(21,370)

Pension Assets and Liabilities Recognised in the Balance Sheet

	Restated 2022/23 £000	2023/24 £000
Present value of the defined benefit obligation	(753,847)	(735,204)
Restated fair value of plan assets	753,847	735,204
Restated sub-total	-	-

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy:

- The deficit on the Local Government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid

The total contributions expected to be made to the Local Government Pension Scheme in the year to 31 March 2025 is £19.772m.

Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	2022/23 £000	2023/24 £000
Opening balance as at 1 April	1,057,731	753,847
Current service cost	40,009	19,574
Restated interest cost	28,816	35,571
Contributions by scheme participants	5,654	6,237
Contributions in respect of unfunded benefits paid	(172)	(183)
Remeasurement gains and (losses):		
Actuarial gains and losses arising on the changes in demographic assumptions	(7,180)	(4,808)
Actuarial gains and losses arising on changes in financial assumptions	(407,650)	(42,100)
Other	61,472	23,846
Past service costs (including curtailments)	330	167
Benefits paid	(25,163)	(30,221)
Effect of settlements	-	(26,726)
Closing balance as at 31 March	753,847	735,204

Reconciliation of fair value of the scheme (plan) assets:

	Restated 2022/23 £000	2023/24 £000
Opening fair value of scheme assets	910,383	753,847
Interest income	24,538	39,090
Remeasurement gain/(loss):		
Return on plan assets, excluding the amount included in the net interest expense	(105,936)	14,722
Other	-	-
Contributions from employers	17,595	21,370
Contributions from employees into the scheme	5,654	6,237
Benefits paid	(25,163)	(30,221)
Effect of settlements	-	(30,446)
Adjustment for Asset Ceiling Calculation	(73,224)	(39,395)
Restated closing fair value of scheme assets	753,847	735,204

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Council Fund being based on the latest full valuation of the scheme as a 31 March 2023.

The principal assumptions used by the actuary have been:

	2022/23	2023/24
Long-term expected rate of return on assets in the scheme:		
Equity investments	4.8%	4.9%
Bonds	4.8%	4.9%
Property	4.8%	4.9%
Cash	4.8%	4.9%
Mortality assumptions		
<i>Longevity at 65 for current pensioners:</i>		
Men	21.2 years	20.6 years
Women	23.9 years	23.6 years

	2022/23	2023/24
<i>Longevity at 65 for future pensioners:</i>		
Men	22.5 years	21.6 years
Women	25.7 years	25.0 years
Inflation/pension increase rate	3.0%	2.8%
Salary increase rate	3.7%	3.5%
Rate of increase in pensions	4.8%	4.9%
Rate for discounting scheme liabilities	4.8%	4.9%
Take-up option to convert annual pension into retirement lump sum:		
Service to April 2008	50.0%	50.0%
Service post April 2008	75.0%	75.0%

The Discretionary Benefit arrangements have no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

Asset Category	Period Ended 31 March 2024			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage of Total Assets
Equity Securities:				
Consumer	4,100	-	4,100	0%
Manufacturing	4,272	-	4,272	1%
Energy and Utilities	-	-	-	0%
Financial Institutions	885	-	885	0%
Health and Care	1,561	-	1,561	0%
Information Technology	28,394	-	28,394	3%
Other	2,202	-	2,202	0%
Private Equity:				
All	-	57,624	57,624	7%
Real Estate:				
UK Property	-	59,452	59,452	7%
Overseas Property	-	1,136	1,136	0%
Investment Funds and Unit Trusts:				
Equities	244,716	-	244,716	29%
Bonds	193,070	127,375	320,445	38%

Asset Category	Period Ended 31 March 2024			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage of Total Assets
Hedge Funds	-	60,242	60,242	7%
Infrastructure	-	13,830	13,830	2%
Other	-	39,254	39,254	5%
Cash and Cash Equivalents:				
All	-	9,710	9,710	1%
Totals	479,200	368,623	847,823	100%
Adjustment for Asset Ceiling Calculation	-	-	(112,619)	
Totals			735,204	

Asset Category	Period Ended 31 March 2023			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Restated Total £000	Percentage of Total Assets
Equity Securities:				
Consumer	3,744	-	3,744	0%
Manufacturing	3,823	-	3,823	0%
Energy and Utilities	-	-	-	0%
Financial Institutions	-	-	-	0%
Health and Care	1,297	-	1,297	0%
Information Technology	21,272	-	21,272	3%
Other	2,693	-	2,693	0%
Private Equity:				
All	-	57,645	57,645	7%
Real Estate:				
UK Property	-	68,907	68,907	8%
Overseas Property	-	1,095	1,095	0%
Investment Funds and Unit Trusts:				
Equities	244,437	-	244,437	30%
Bonds	197,282	93,429	290,711	35%
Hedge Funds	-	54,926	54,926	7%
Infrastructure	-	5,464	5,464	1%

Asset Category	Period Ended 31 March 2023			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Restated Total £000	Percentage of Total Assets
Other	-	34,614	34,614	4%
Cash and Cash Equivalents:				
All	-	36,443	36,443	4%
Totals	474,548	352,523	827,071	100%
Adjustment for Asset Ceiling Calculation	-	-	(73,224)	
Totals			753,847	

Unfunded Pensions

	Number at 31 March 2024	Annual Unfunded Pension £000
Male	20	89
Female	49	106
Dependants	-	-
TOTAL	69	195

33 Unusable Reserves

	Restated 31/03/2023 £000	31/03/2024 £000
Capital Adjustment Account	8,107	(119,906)
Revaluation Reserve	165,381	178,464
Financial Instruments Adjustment Account	(1,252)	(1,264)
Pooled Investment Mitigation Reserve	12,843	12,289
Financial Instruments Revaluation Reserve	3,506	3,506
Restated Pensions Reserve	(1,900)	(1,901)
Deferred Capital Receipts Reserve (England and Wales)	31,887	31,887
Collection Fund Adjustment Account	6,633	3,405
Accumulating Compensated Absences Adjustment Account	(5,213)	(5,444)
Restated Total Unusable Reserves	219,992	101,036

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account also contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

	Note(s)	31/03/23 £000	31/03/24 £000
Balance as at 1 April		125,423	8,107
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
Depreciation and impairment of non-current assets	21	(26,225)	(76,248)
Revaluation loss on PPE	21	6,276	-
Amortisation of intangible assets		(271)	(267)
Revenue expenditure funded from capital under statute	24	(3,289)	(7,833)
Carrying amount of non-current assets sold		(45,533)	(6,495)
		(69,042)	(90,843)
Adjusting amounts written out of the Revaluation Reserve		1,953	2,695
Net written out of the cost of non-current assets consumed in year		(67,089)	(88,148)
Capital financing applied in year:			
Use of the Capital Receipts Reserve	9	1,366	1,873
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing		10,683	20,357
Application of grants from the Capital Grants Unapplied Account	7	15,487	11,604
Statutory provision for the financing of capital investment		5,959	17,115
Capitalisation of TEO Shares		-	9,379
		33,495	60,328
Movements in the market value of Investment Properties	23	(83,722)	(100,193)
Balance as at 31 March		8,107	(119,906)

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its PPE. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date consolidated into the balance on the Capital Adjustment Account.

	Note(s)	31/03/23 £000	31/03/24 £000
Balance as at 1 April		170,214	165,381
Upward revaluation of assets		39,257	17,945
Surplus or deficit on revaluation of non-current assets not posted to the Surplus on the Provision of Services		39,257	17,945
Disposal of non-current assets		(42,137)	(2,167)
Difference between fair value depreciation and historical cost depreciation		(1,953)	(2,695)
Balance as at 31 March		165,381	178,464

Deferred Capital Receipts Reserve

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

	Note(s)	31/03/23 £000	31/03/24 £000
Balance as at 1 April		31,887	31,887
Restated Tfr to Capital Receipts Reserve		-	-
Balance as at 31 March		31,887	31,887

Accumulated Absences Account

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

	Note(s)	31/03/23 £000	31/03/24 £000
Balance as at 1 April		(5,308)	(5,213)
Settlement or cancellation of accrual made at the end of the preceding year		5,308	5,213
Amounts accrued at the end of the current year		(5,213)	(5,444)
Balance as at 31 March		(5,213)	(5,444)

Pensions Reserve

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

	Note(s)	Restated 31/03/23 £000	31/03/24 £000
Balance as at 1 April		(150,354)	(1,900)
Actuarial gains or losses on pensions assets and liabilities		101,146	(114,047)
Asset Ceiling Calculation Adjustment		73,224	112,619
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement		(25,916)	1,427
Restated balance as at 31 March		(1,900)	(1,901)

Pooled Investments Mitigation Reserve

In 2018/19 MHCLG introduced legislation that required authorities to reverse the impact of fair value movements to a mitigation reserve for a maximum of five years, to lessen the impact of the movement of IFRS 9. This was required to be reported separately, and is shown below.

	Note(s)	31/03/23 £000	31/03/24 £000
Balance at 1 April		21,869	12,843
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements		(9,026)	(554)
Balance at 31 March		12,843	12,289

Financial Investments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains or losses of equity instruments designated at fair value through other comprehensive income.

	Note(s)	31/03/23 £000	31/03/24 £000
Balance at 1 April		3,506	3,506
Surplus or deficit on revaluation of financial assets not posted to the Surplus on the Provision of Services		-	-
Balance at 31 March		3,506	3,506

34 Financial Instruments, Risk and Collateral

Categories of Financial Instruments

The Council's financial instruments include financial assets (investments and receivables) and financial liabilities (trade payables arising from day-to-day operations and borrowings). The main purposes of the Council's financial instruments are to raise finance to support the Council's day-to-day operations (by investing surplus cash balances where appropriate).

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

Financial Assets	Long Term				Short Term					
	Investments		Debtors		Investments		Debtors		Total	Total
	31 March 2023 £000	31 March 2024 £000	Restated 31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	Restated 31 March 2023 £000	31 March 2024 £000	Restated 31 March 2023 £000	31 March 2024 £000
Amortised Cost	301	354	33,290	33,383	192	-	89,741	113,061	123,524	146,798
Fair Value through Profit or Loss	73,415	59,443	-	-	45,413	39,172	-	-	118,828	98,615
Fair Value through Other Comprehensive Income - Designated Equity Instruments	1,331	1,331	-	-	-	-	-	-	1,331	1,331
Total Financial Assets	75,047	61,128	33,290	33,383	45,605	39,172	89,741	113,061	243,683	246,744
Equity in Group Entities	62,863	32,503	-	-	-	-	-	-	62,863	32,503
Loans to Registered Providers	-	-	234,111	226,317	-	-	5,819	5,659	239,930	231,976
Commercial Loans	-	-	303,735	345,422	-	-	20,843	1,987	324,578	347,409
Total	137,910	93,631	571,136	605,122	45,605	39,172	116,403	120,707	871,054	858,632

Financial Liabilities	Long Term				Short Term					
	Borrowings		Creditors		Borrowings		Creditors		Total	Total
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Amortised Cost	1,642,647	1,551,552	208	183	176,196	341,325	125,335	115,774	1,944,386	2,008,834
Total Financial Liabilities	1,642,647	1,551,552	208	183	176,196	341,325	125,335	115,774	1,944,386	2,008,834
PFI	3,338	3,184	2,382	2,210	155	165	-	-	5,875	5,559
Leases	-	-	691	691	-	-	-	-	691	691
Total	1,645,985	1,554,736	3,281	3,084	176,351	341,490	125,335	115,774	1,950,952	2,015,084

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows.

	2022/23	2023/24
	Surplus or Deficit on the Provision of Services £000	Surplus or Deficit on the Provision of Services £000
Net gains/losses on:		
• financial assets measured at amortised cost	(6,858)	(20,453)
• financial assets measured at fair value through profit or loss	(9,026)	(554)
Total net gains/losses	(15,884)	(21,007)
Interest revenue:		
• financial assets measured at amortised cost	18,687	13,721
Total interest revenue	18,687	13,721
Interest Fee expense:		
• financial assets or financial liabilities that are not at fair value through profit or loss	(22,417)	(27,426)
Total fee expense	(22,417)	(27,426)

Equity Held in Group Entities

The Council has purchased either wholly or in part equity in Group Entities as listed below. Group Entities are outside the scope of the Financial Instruments standard (IFRS 9) and are held at cost. Except Redwood Bank, Technology Enhanced Operations and the Council's three solar farms.

	As at 31/03/23 £000	As at 31/03/24 £000
Warrington Borough Transport (100% Holding)	3,388	3,388
Redwood Financial Partners Ltd (30.8% Holding)	6,681	6,681
Wire Regeneration (50% Holding)	3,790	3,790
Together Energy (50% Holding)	8,899	-
York Solar Farm (100% Holding)	14,718	644
Hull Solar Farm (100% Holding)	7,622	-
Incrementum Housing (100% Holding)	17,000	17,000
Cirencester Solar Farm (100% Holding)	764	-
Technology Enhanced Operations	-	1,000
Total	62,862	32,503

Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income

- The Council holds equity in Warrington Sport Holding that is valued equal to the Council's share of the company's net assets. As part of the initial application of IFRS 9 the Council has designated the investment as Fair Value through Other Comprehensive Income. It chose this designation as the investment is deemed to be a Strategic Investment that supports the wider aims of the Council.
- There have been no dividends or gains or losses received in year for Warrington Sports Holdings.

Fair Value of Equity Instruments Designated at Fair Value through Other Comprehensive Income

	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2023 £000	31 March 2024 £000
Long Term Assets - Non-Listed Securities				
Warrington Sports Holdings Ltd	Level 2	% Equity held of net worth	1,331	1,331
Total			1,331	1,331

Fair Values of Financial Assets and Financial Liabilities

Fair Values of Financial Assets

Some of the authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial assets measured at fair value				
Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/03/23 £000	As at 31/03/24 £000
<i>Fair Value through Profit or Loss</i>				
Investment in CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	9,941	9,553
Altana Wealth Corporate Bond	Level 2	Observable inputs for the asset or liability	10,332	-
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	10,224	13,524
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	5,112	6,762
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	501	667
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	2,006	2,666
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	1,961	-
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	3,101	-
M7 Investment	Level 2	Observable inputs for the asset or liability	1,167	1,124
M7 Investment	Level 2	Observable inputs for the asset or liability	1,114	817
Abundance Investment LCH	Level 2	Observable inputs for the asset or liability	2,475	1,000
M7 Box+ II LP	Level 2	Observable inputs for the asset or liability	27,510	30,905
M7 Box+ Mailbox	Level 2	Observable inputs for the asset or liability	9,000	1,323
Crawley Borough Council	Level 2	Observable inputs for the asset or liability	-	5,000

Financial assets measured at fair value				
Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/03/23 £000	As at 31/03/24 £000
Technology Enhanced Operations	Level 3	Unobservable inputs for the asset or liability	9,379	-
Redwood Bank	Level 3	Unobservable inputs for the asset or liability	4,200	4,200
Investment in Municipal Bond Agency	Level 3	% Equity held of net worth	200	200
Altana Social Impact Partnership	Level 3	Unobservable inputs for the asset or liability	20,606	20,874
Total			118,829	98,615

Transfers between Levels of Fair Value Hierarchy

There were no transfers between input levels 1 and 2 during the year.

Changes in the Valuation Technique

There has been no change in the valuation technique used during the year for financial instruments.

Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Value Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

	2022/23 £000	2023/24 £000
Opening balance	40,363	34,386
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Total gains or losses for the period:		
• Included in the Surplus or Deficit on the Provision of Services	323	267
• Included in Other Comprehensive Income and Expenditure	-	-
Additions	-	-
Disposals	(6,300)	(9,379)
Closing Balance	34,386	25,274

The Fair Values of Financial Assets and Financial Liabilities that are Not Measured at Fair Value (but for which Fair Value Disclosures are Required)

Except for financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets held by the authority are carried in the Balance Sheet at amortised costs. The fair values calculated are as follows:

	31 March 2023		31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities				
<i>Financial liabilities held at amortised cost:</i>				
Borrowings	1,822,337	1,233,037	1,896,225	1,030,995
Creditors	128,616	128,616	118,858	118,858
Total	1,950,953	1,361,653	2,015,083	1,149,853

	31 March 2023		31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Assets				
<i>Financial assets held at amortised cost:</i>				
Investments	493	493	354	354
Debtor General	149,693	149,693	154,090	153,971
Long-term Debtor Housing Associations	234,111	210,304	226,317	189,548
Long-term Debtor Commercial Loans	303,735	247,096	345,422	135,080
Total	688,032	607,586	726,183	478,953

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

The Council's PFI liability has been assessed to have a Fair Value of £5.876m.

Fair Value Hierarchy for Financial Assets and Financial Liabilities that are Not Measured at Fair Value

31 March 2024				
	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial liabilities held at amortised cost:				
Borrowings	-	1,026,527	4,468	1,030,995
Creditors	-	-	118,858	118,858
Total	-	1,026,527	123,326	1,149,853
Financial assets held at amortised cost:				
Investments	-	-	354	354
Debtors	-	-	478,599	478,599
Total	-	-	478,953	478,953

31 March 2023				
	Quoted prices in active markets for identical assets (Level 1) £000	other significant observable inputs (Level 2) £000	significant unobservable inputs (Level 3) £000	Total £000
Financial liabilities held at amortised cost:				
Borrowings	-	1,228,303	4,733	1,233,036
Creditors	-	-	128,616	128,616
Total	-	1,228,303	133,349	1,361,652
Financial assets held at amortised cost:				
Investments	-	-	493	493
Restated Debtors	-	-	607,092	607,092
Total	-	-	607,585	607,585

The measurement technique of Level 3 measurements is at cost only.

Nature and Extent of Risks Arising from Financial Instruments

The Council's activities are exposed 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 required to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market Risk - the possibility that financial loss might arise for the Council as a result of changes in measures such as interest rates, stock market and property market movements and valuation impairments.

Overall procedures for managing risk

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 and capital strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

Annually the Council approves a Treasury Management Strategy for the forthcoming year. A yearly outturn report is also reported to Full Council. The Council's Audit and Corporate Governance Committee is also charged with the Governance of treasury management and receive quarterly update reports on its activities. The Council also have a Treasury Management Advisory Panel consisting of several members of the Audit and Corporate Governance Committee, lead members, and senior officers who meet on a regular basis to discuss key elements of the Council's Treasury Management Strategy. The Treasury Management Advisory Panel is consultative body and not constituted from the councils constitution. The councils Treasury Management Practices statement is reported to the Audit & Corporate Governance Committee.

The Council operated within its 2023/24 Treasury Management Strategy during 2023/24 and a full 2023/24 Treasury Management Outturn Report will be reported to full Council in July 2024.

All Treasury Management Policies and Strategies are implemented by the Council's Treasury Management Team. The Council maintains written principles for overall operation of Treasury Management (Treasury Management Practices Statement TMPS) which are reported to the Audit and Corporate Governance Committee.

The Council also employs a Treasury Management Advisor (Link Treasury Solutions), who advise on risk mitigation strategies and keep the Council up to date daily on treasury market developments.

Credit Risk

The 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. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. The Annual Investment Strategy is contained within the Council's approved Treasury Management Strategy.

"The Council uses the creditworthiness services provided by our Treasury Management Consultants (Link). This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

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

The full Investment Strategy for 2023/24 was approved by Full Council March 2023. The Audit and Corporate Governance Committee receives quarterly reports to monitor borrowing and investments.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings and parameters set by the Council.

The Council has £198.665m deposited with a number of banks and financial institutions as at 31 March 2024, the full amount is potentially exposed to credit risk, there is a specific risk attached to amounts deposited with the individual institutions based on their ability to make interest payments and repay the principal outstanding. It is however, more difficult to assess the risk in general terms. A risk of non-recovery ability applies to all the council deposits on 28 February 2023 the £2.4m Abundance LCH Bond defaulted and restructuring options will be worked on during 2024/2025.

The following analysis summarises the Council's potential maximum exposure to credit risk on its financial assets, based on experience of default and collectability over the last few financial years:

Counterparties	Credit Rating	Counterparty Type Rating	Category of Instrument	Amount at 31 March 2023 £000	Amount at 31 March 2024 £000
Deposits with Banks and Financial Institutions					
Cash and Cash Equivalent					
Natwest Select Liquidity	100 days	A	Amortised	7,912	3,740
Federated Prime Rate MMF	up to 5 years	AAA	Amortised	11,835	18,365

Counterparties	Credit Rating	Counterparty Type Rating	Category of Instrument	Amount at 31 March 2023 £000	Amount at 31 March 2024 £000
Legal and General MMF	up to 5 years	AAA	Amortised	-	13,370
Aberdeen (Standard Life/Ignis) MMF	up to 5 years	AAA	Amortised	17,490	8,965
CCLA MMF	up to 5 years	AAA	Amortised	40,105	
Investments					
LiveWire	no credit rating	-	Amortised	493	354
CCLA Property Fund	no credit rating	-	FV P&L	9,941	9,553
Municipal Bond Agency	no credit rating	-	FV P&L	200	200
Altana Social Impact Partnership	Due Diligence	-	FV P&L	20,606	20,874
Altana Wealth	no credit rating	-	FV P&L	33,236	23,579
M7 Real Investment Properties	Due Diligence	-	FV P&L	38,790	34,169
Abundance Investment for Liverpool Comm Housing	Due Diligence	-	FV P&L	2,475	1,000
Technology Enhanced Operations	Due Diligence	-	FV P&L	9,379	-
Redwood Bank	no credit rating	-	FV P&L	4,200	4,200
Warrington Sports Holding Ltd	no credit rating	-	FV OCI	1,331	1,331
Crawley Borough Council	no credit rating	-	Amortised	-	5,000
Non-Treasury Investments					
Warrington Borough Transport	no credit rating	-	Group	3,388	3,388
Redwood Bank	no credit rating	-	Group	6,681	6,681
Joint Venture with Wire Regeneration	no credit rating	-	Group	3,790	3,790
Together Energy	Due Diligence	-	Group	8,899	-
York Solar Farm	Due Diligence	-	Group	14,718	644
Hull Solar Farm	Due Diligence	-	Group	7,622	-
Incrementum Housing	Due Diligence	-	Group	17,000	17,000
Cirencester Solar Farm	Due Diligence	-	Group	764	-
Technology Enhanced Operations	Due Diligence	-	Group	-	1,000
Total Deposits with Banks and Financial Institutions				260,855	177,203
Financial Instrument Long Term Debtors					

Counterparties	Credit Rating	Counterparty Type Rating	Category of Instrument	Amount at 31 March 2023 £000	Amount at 31 March 2024 £000
Adult Social Care	no credit rating		Amortised	1,404	1,497
PFI Finance Lease	no credit rating	-	Amortised	31,886	31,886
Registered Providers/Housing Associations		-	Amortised	234,111	226,317
Commercial Loans		-	Amortised	303,735	345,422
Total				831,991	782,325

Expected Credit Losses

Under IFRS 9 financial assets held at amortised cost or any designated as fair value through other comprehensive income are required to undergo a potential impairment loss calculation and the calculation of a loss allowance. For loans and investments the loss allowance is equal to 12-month expected credit losses (ECLs) unless credit risk has increased significantly in which case it is equal to lifetime ECLs.

Financial Assets Held at Amortised Cost

Investments

The Council has two investments classified at amortised cost and the total of those investments are £0.354m. The risk of impairment has been deemed to be low and the calculated loss allowance negligible.

Debtor General

The Council has a total of £119.299m of general debtors held at amortised cost, but of that amount £14.587m is with Central and Local Government, and excluded the impairment loss provision. For the remaining £138.095m of general debtors the Council has calculated the impairment loss to £6.449m.

Included within the general debtors are deferred care plans of £0.926m against which the Council has collateral of £0.926m.

Financial Assets that are measured at fair value through profit and loss are also excluded from the impairment loss allowance.

Loans to Housing Associations

The Council has given loan facilities of £431m to Housing Associations to generate new housing, the total of the drawdowns is £270.18m. For the draw down loan debtors the Council has calculated an impairment loss between £1.126m and £3.581m. This is backed by collateral of £905.591m.

Commercial Loans

The Council has given loan facilities of £374.759m to nine commercial entities, Together Energy, Incrementum Housing Limited, The HUT Group, Warrington Renewable Energy (Hull, York and Cirencester Solar Farms), Salboy Central Ltd, and Local Enterprise Partnership the balance of the drawdowns is £359.979m.

For these drawn down loan debtors the Council has calculated an impairment loss which is included in the housing association figure above. These are backed by guarantee and debenture.

If the full facilities were drawn down the calculated potential impairment loss would be between £2.359m and £11.515m.

Financial Assets that are measured at fair value through profit and loss are also excluded from the impairment loss allowance.

Financial Assets Designated as Fair Value through Other Comprehensive Income

The Council has owns a 12.81% shareholding in Warrington Sports holdings, which the Council has chosen to designate as Fair Value through Other Comprehensive Income. The value of these shares is £1.331m and the Council has calculated that any impairment loss is negligible.

The Council does not generally allow any credit for customers but some of the current balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

	Amount at 31 March 2023 £000	Amount at 31 March 2024 £000
Short Term Debtor Age Analysis		
Less than three months	17,180	14,477
Three to six months	1,373	1,281
Six months to one year	3,884	2,705
More than one year	8,352	9,436
Total	30,789	27,899

During 2015/16 Warrington obtained a credit rating from Moody's, one of the world's leading credit rating agencies. This credit rating is review by Moody's annually. For 2023/24 Warrington was awarded the ba1. Warrington's credit challenges relate to its higher risk appetite reflected in its capital strategy and fast pace of debt accumulation. Warrington's credit profile is supported by the strong institutional framework for UK local authorities which includes the requirement to pass balanced budgets and tight fiscal and regulatory oversight by central government.

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 Practices. 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 revenue expenditure, together with any commitments arising in respect of financial instruments.

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31 March 2024

Financial Assets Age Analysis	Cash & Equivalent £000	Investments £000	Non-Treasury Investment s £000	Adult Social Care** £000	PFI Finance Lease £000	Housing Associations / Commercial Loans £000	Total £000	Total %
Less than 1 year	44,440	26,874	-	-	-	89,127	160,441	14%
Between 1 and 2 years	-	35,666	3,790	-	-	66,093	105,549	9%
Between 3 and 4 years	-	32,229	-	-	1	324,901	357,131	31%
Between 5 and 9 years	-	4,200	210,824	1,497	3	68,159	284,683	25%
Between 10 and 19 years	-	1,331	18,470	-	9	75,188	94,998	8%
Between 20 and 29 years	-	-	41,105	-	19	29,870	70,994	6%
Between 30 and 39 years	-	-	-	-	41	-	41	0%
Between 40 and 49 years	-	-	33,507	-	94	-	33,601	3%
More than 50 years	-	-	-	-	31,718	-	31,718	3%
	44,440	100,300	307,696	1,497	31,885	653,338	1,139,156	100%

31 March 2023								
Financial Assets Age Analysis	Cash & Equivalent £000	Investments £000	Non-Treasury Investments £000	Adult Social Care** £000	PFI Finance Lease £000	Housing Associations/ Commercial Loans £000	Total £000	Total %
Less than 1 year	77,342	44,985	19,795	-	-	26,662	168,784	15%
Between 1 and 2 years	-	41,147	8,116	-	-	64,194	113,457	10%
Between 3 and 4 years	-	301	8,902	-	1	291,085	300,289	26%
Between 5 and 9 years	-	-	209,853	1,404	3	77,612	288,872	25%
Between 10 and 19 years	-	-	16,053	-	6	72,035	88,094	8%
Between 20 and 29 years	-	-	40,105	-	19	23,818	63,942	6%
Between 30 and 39 years	-	-	-	-	41	-	41	0%
Between 40 and 49 years	-	-	-	-	94	-	94	0%
More than 50 years	-	-	-	-	31,719	-	31,719	3%
	77,342	86,433	302,824	1,404	31,883	555,406	1,055,292	93%

**Estimate of Long-Term Debtor

Refinancing and Maturity Risk

The Council maintains a significant borrowing 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.

Monitoring the maturity profile of investment 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.

31 March 2024						
Financial Liabilities Age Analysis	PWLB £000	LOBO* £000	Other £000	Total £000	Total %	Approved Maximum %
Less than 1 year	315,906	-	25,419	341,325	18%	30%
Between 1 and 2 years	29,156	-	10,205	39,361	2%	30%
Between 3 and 4 years	239,241	-	-	239,241	13%	35%
Between 5 and 9 years	440,728	-	-	440,728	23%	30%
Between 10 and 19 years	194,676	15,000	-	209,676	11%	100%
Between 20 and 29 years	30,000	1,264	4	31,268	2%	100%
Between 30 and 39 years	267,778	-	150,000	417,778	22%	100%
Between 40 and 49 years	120,000	15,000	-	135,000	7%	100%
More than 50 years	-	13,500	25,000	38,500	2%	100%
	1,637,485	44,764	210,628	1,892,877	100%	

31 March 2023						
Financial Liabilities Age Analysis	PWLB £000	LOBO* £000	Other £000	Total £000	Total %	Approved Maximum %
Less than 1 year	115,857	-	60,340	176,196	9%	30%
Between 1 and 2 years	79,337	-	5,407	84,744	4%	30%
Between 3 and 4 years	214,441	-	10,000	224,441	12%	35%
Between 5 and 9 years	406,697	-	-	406,697	21%	30%
Between 10 and 19 years	269,233	5,000	-	274,233	14%	100%
Between 20 and 29 years	30,000	16,252	4	46,256	2%	100%
Between 30 and 39 years	244,778	-	150,000	394,778	21%	100%
Between 40 and 49 years	143,000	15,000	15,000	173,000	9%	100%
More than 50 years	-	13,500	25,000	38,500	2%	100%
	1,503,341	49,752	265,751	1,818,844	96%	

* The LOBO maturity profile assumes that the lender will not exercise their option until maturity, rather than the 6-monthly call in date.

Lender Option Borrower Option Loans (LOBO's)

The Council's exposure to this risk has been mitigated by a number of actions:

- The Council has spread the risk by having eight LOBO's with four different lenders over a number of years.
- The Council's portfolio of LOBO's is structured so that the call dates (the date a lender can exercise their option to review rates) are staggered with the next-call date on each LOBO falling at different times and at different frequencies. Therefore, the Council is not exposed to all Lenders wanting to exercise their option at a similar time or to short term fluctuations in the financial markets.
- The Council has investments of which a significant element is very short term and could be called upon to provide significant funding very quickly if it did need to repay a LOBO.
- The Council also has access to the PWLB to take out new borrowing to refinance the repayment of any LOBO's if unacceptable rate increases were being requested.
- The Council has worked hard to obtain its ba1 credit rating that will also allow it to have access to the best rates available in the wider money market if it did need to refinance any LOBO.

Therefore, given all these factors it is unlikely the Council would need to renew a LOBO if the terms were unfavourable. The loans are monitored and reported to the Audit and Corporate Governance Committee on a quarterly basis.

The Council is currently benefitting from slightly lower interest rates on its standard LOBO's than what was available from PWLB at the time the LOBO was taken out and has mitigated the risk if any lender exercises an option to increase rates to an unacceptable level.

* The LOBO maturity profile assumes that the lender will not exercise their option until maturity. The LOBOs are of fixed rates, ranging between 4.23% and 5.8%. Of the total amount £18.5m have a break clause of every 5 years, whilst £25m have a break clause at every interest payment date twice a year.

All trade and other payables are due to be paid in less than one year.

Market Risk

The Council is exposed to market risk in terms of the value that an instrument will fluctuate due to changes in market factors. These factors will have an impact on the overall performance of these instruments, the risk of which can be reduced by diversification into assets that are not correlated with the market. There are several different risk factors that make up market risk, such as currency risk, equity risk, inflation risk, commodity risk, impairment risk, and interest rate risk.

Interest Rate Risk

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

- borrowings at variable rates - the interest expense charged to the surplus or deficit on the provision of services will rise;
- borrowings at fixed rates - the fair value of the liabilities borrowings will fall (no impact on revenue balances);
- investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise;
- investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in other Comprehensive Income and Expenditure.

The Council has a number of strategies for managing interest rate risk. The annual Treasury Management Strategy aims to keep a maximum of 40% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rates loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of Government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team 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 quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

If interest rates had been 1% higher throughout the year, based on the transactions undertaken in year and all other variables constant, the Surplus or Deficit on the Provision of Service in the Comprehensive Income and Expenditure Statement would have cost £0.706m, comprising of £0.055m additional interest income on investments and £0.762m extra interest payments on borrowing costs.

The decrease in fair value of fixed rate borrowing liabilities (no impact on Comprehensive Income and Expenditure Statement) would have been £334.742m. A 1% fall in interest rates would result in movements being reversed.

Price Risk

Detailed below is a summary of the amount which has been invested in financial assets. The Council is exposed to losses arising from movements in change prices or valuation as outlined below:

- The investments detailed in the table below, DLUHC issued legislation concerning mitigation for this type of investments. This means that all movements in price will impact on gains and losses recognised in the Pooled Investments Mitigation Reserve (up to April 2022). A general shift of 1% in the general price of shares (positive or negative) would thus have resulted in £0.986m gain or loss being recognised in the Pooled Investments Mitigation Reserve.
- The investment in the Municipal Bond Agency was purchased using the Council's Capital powers. This means that all movements in price will impact on gains and losses recognised in the Capital Adjustment Account. A general shift of 1% in the general price of shares (positive or negative) would thus have resulted in £2k gain or loss being recognised in the Capital Adjustments Account.
- Equity held in Warrington Sports Holdings are designated as Fair Value through Other Comprehensive Income and Expenditure, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 1% in the general price of shares (positive or negative) would thus have resulted in £13.3k gain or loss being recognised in the Financial Instruments Revaluation Reserve.

	As at 31/03/23 £000	As at 31/03/24 £000
CCLA Property Fund	9,941	9,553
Municipal Bond Agency	200	200
Public Sector Social Impact Fund	20,606	20,874
M7 Investment	1,167	1,124
M7 Investment	1,114	817
M7 Box+ II LP	27,510	30,905
M7 Mailbox	9,000	1,323
Redwood Bank	4,200	4,200
Technology Enhanced Operations	9,379	-
Altana Wealth Corporate Bond	10,332	-
Altana Wealth Managed Account	10,224	13,524
Altana Wealth Managed Account	5,112	6,762
Altana Wealth Managed Account	501	667
Altana Wealth Managed Account	2,006	2,666
Altana Wealth Managed Account	1,961	-
Altana Wealth Managed Account	3,101	-
Abundance Investment LCH	2,475	1,000
Warrington Sports Holding Limited	1,331	1,331

	As at 31/03/23 £000	As at 31/03/24 £000
Crawley Borough Council	-	5,000
TOTAL	120,160	99,946

The Council's investments in the Group Entities are held at cost (except Redwood Bank) are open to price risk at the point of sale. Any gain or loss would be directly taken to the General Fund. A 1% reduction in the sale price would result in a loss of £0.550m.

	As at 31/03/23 £000	As at 31/03/24 £000
Warrington Borough Transport	3,388	3,388
Redwood Bank	6,681	6,681
Joint Venture with Wire Regeneration	3,790	3,790
Together Energy	8,899	-
York Solar Farm	14,718	644
Hull Solar Farm	7,622	-
Incrementum Housing	17,000	17,000
Cirencester Solar Farm	764	-
Technology Enhanced Operations	-	1,000
Total	62,863	32,503

The Council borrowed £150m via a city of London Bond offer, of which £50m was drawn down in August 2015 and the remaining amount was drawn down in December 2019. The bond was taken out to fund the capital programme. The bond is over a 40-year period and is amortised from year 30. The bond is Consumer Price Index (CPI) linked with a coupon of 0.846% and a maximum CPI collar of 3% meaning the maximum interest rate that can ever be paid on the bond is 3.846%.

Foreign Exchange Risk

The Council has one financial asset (Technology Enhanced Operations) and no liabilities denominated in foreign currencies and thus has exposure to loss arising from movements in exchange rates.

Collateral

The Council has not pledged any financial assets as collateral for liabilities or contingent liabilities in 2023/24 as this is not permitted under Section 13 of the Local Government Act 2003.

Collateral Held

Where the Council is permitted to sell or re-pledge collateral in the absence of default by the owner of the collateral, the Code requires its fair value to be disclosed. The collateral is broken down further into the following two sections: Deferred Care Charges and Loans to Registered Providers/Housing Associations. The figures exclude collateral held for council tax and non-domestic rates as permitted by the Code. Collateral held for Right to Buy Discounts is also excluded because the amount receivable is determined by the selling price of properties.

	£000
Deferred Care Charges These are charges against people’s properties for receiving adult social care packages. The Council meets the cost of the care package, and the costs are met by the eventual sale of client’s property.	926
Loans to Registered Social Landlords The Council has given loans to Registered Social Landlords to promote housing development in the region. Collateral is held against the organisation’s properties to the value of the loan plus 10%.	905,591
Total	906,517

The Council holds collateral by way of security on property for Social Services Residential Charges, legal charges loans held by the Council and general credit debts. The Council chooses not to sell or repledge the collateral it holds on the basis of the vulnerability of many of the parties concerned, the time-expiry of the discounts, loans and grants and the considered opinion that the categories are thought to be of such little commercial value that it is unlikely that they would be an attractive proposition for a third party.

35 Contingent Assets and Liabilities

Contingent Liabilities

A Contingent Liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events. The Council has identified the following contingent liabilities as at 31 March 2024.

- The Council has made a provision for NNDR Appeals based upon its best estimates of the actual liability as at the year-end in respect of known appeals. It is not possible to quantify appeals that have not yet been lodged with the Valuation Office, so there is a risk to the Council that national and local appeals may have a future impact on the accounts.

- The Council has legal proceedings (in licensing, in childcare, in adult social care and in criminal prosecution) where costs could be awarded against the Council.
- There is the potential for the Council to be vicariously liable for the acts of foster carers, or to pay damages for inappropriate accommodation of children under Section 20 Children Act 1989.
- A number of agreements in accordance with Section 106 of the Town and Country Planning Act 1990 exist between the Council and developers, associated with the planning conditions attached to new developments. In respect of contributions received to date, should the conditions in the agreement not be met by the Council, then amounts would become repayable to developers.
- The Council has entered into contracts for the provision of utilities to council premises and to schools and buildings operated by Livewire and Culture Warrington, the council has a liability to meet the bills for these premises should the occupier be unable to do so.
- The Council submits grant claims on an on-going basis. From time to time the interpretation of legislation may be a matter of professional and technical judgment. In this context it may lead to possible grant qualifications by the external auditors. It is not possible to produce a reliable forecast for the cost of any grant qualifications.
- On 19 March 2014, the Supreme Court handed down its judgment in the case of “P v Cheshire West and Chester Council and another” and “P and Q v Surrey County Council”. This judgment held that a deprivation of liberty can occur in domestic settings where the State is responsible for imposing such arrangements. Anything that the courts regard as a deprivation of liberty that has occurred, without authorisation pursuant to legal process, will attract common law damages. At this stage it is unclear how many such cases may be brought within Warrington.
- The Council also maintains reserves and provisions of around £0.5 million to meet the cost of claims lodged against the Council’s former insurer, Municipal Mutual Insurance (MMI), which is now insolvent. The MMI Scheme of Arrangement was enacted in 2012/13 and claims are currently being paid by MMI at a rate of 75%, with the Council required to contribute the remaining 25%. However, the total liability upon the Council, as a scheme creditor, cannot be fully estimated in respect of unknown claims incurred, but not yet reported, between 1974 and 1992, or any further changes to the levy arrangement which could increase the contribution required from the Council and other scheme creditors.
- The Council has entered into a number of long-term contracts for services that have been outsourced to service providers. These often involve the transfer of Council employees to the new service provider. Employee’s rights are protected under the provision in Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However, pension rights are not fully covered within TUPE regulations. The Council have thus given pension guarantees to the following organisations: Livewire, Culture Warrington, Catalyst, Lafarge

and Your Housing Group. This guarantee means that if an admitted body fails to pay its pension obligations then the Council will be responsible for taking on those obligations.

- In January 2022 Together Energy went into the administration. The impact on any future loss to the Council particularly in relation to the Council's £18m equity investment will not be known until the administrator reports on the finalised position.
- A bond investment in Liverpool Community Homes defaulted on 28 February 2023. The bond is going to be restructured and it is not possible to forecast when any accuracy the future return to the Council but a loss will be recorded if the full value of the investment is not realised.
- In July 2017 the Government suspended the minimum wage enforcement for sleep-in shifts in the social care sector, until it had made a decision on how the back pay would be met and minimise the impact on the social care sector. At this stage it is unclear as to how this back pay will be funded.
- Covid-19 may result in the potential for challenge of adjustments made to services as a result of the Coronavirus pandemic (both in adults and children social care).
- The Council maintains provisions and reserves, known collectively as the Insurance Fund, to meet the future excess costs of civil claims for negligence or breach of statutory duties. Funds of £4.6 million, including an actuarial estimate of £2.1 million for claims which have been incurred but not yet reported to us, have been set aside. However new statutory duties, or developments in case law, may increase the volume of claims being presented, resulting in additional financial liabilities for which our reserves and provisions may not be adequate. For example, case law has established the potential for the Council to be judged vicariously liable for malfeasance on the part of foster carers, and there are various cases proceeding through the courts which are concerned with the assumption of a legal duty of care on the part of local authorities when discharging children's social care functions.

Contingent Assets

A contingent asset is an asset that may be received but only if a certain future event occurs. The Council has identified the following contingent assets as at 31 March 2023:

- Following the transfer of its Housing Stock to Golden Gates Housing Trust the Council entered into an agreement to reclaim the VAT on Improvement Works to dwellings. The estimated value of these works is £276m over the next 25 years and so it is expected that £55m of VAT would be recoverable. The agreement put in place, means that WBC would expect to receive up to £28m. £0.660m was received in 2023/24 (£1.589m in 2022/23).
- The Council has entered into an agreement with Golden Gates Housing Trust relating to the future sales under the Prescribed Right to Buy (PRTB) regulations. This relates to any future sales of the transferred stock to existing tenants until November 2040. The Council will receive capital receipts at the end of each financial year for any dwellings sold within

the year. The only exclusion to this agreement is former Commission for New Town dwellings where the sale proceeds must be passed onto the Homes and Community Agency. The Council will receive 100% of the receipt generated net of administrative costs and the net income foregone that is detailed in Schedule 13 of the Transfer Agreement. The Council received £1.8m of right to buy receipts in 2023/224.

- The Council has contingent assets in relation to Section 106 Agreements.
- Contingent Rents (contingent rent is such amount that is paid as part of lease payments but is not fixed or agreed in advance at the inception of the lease rather the amount to be paid is dependent on some future event) for 2023/24 amounted to £40k (£40k in 2022/23).

36 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	Note(s)	31/03/23 £000	31/03/24 £000
Interest received		(16,835)	(10,061)
Interest paid		24,728	19,021
		7,893	8,960

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

	Note(s)	31/03/23 £000	31/03/24 £000
Depreciation	21	18,045	18,786
Restated Revaluation (loss)/gain		(6,276)	7,506
Amortisation		271	267
Increase/decrease in impairment for bad debts		(428)	(1,538)
Increase/decrease in creditors		(3,191)	(8,955)
Increase/decrease in debtors		(115,189)	(35,395)
Increase/decrease in inventories		71	(63)
Movement in pension liability		25,917	(1,427)
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised		32,120	357
Other non-cash items charged to the net surplus or deficit on the provision of services		153,690	163,974
		105,030	143,512

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

	Note(s)	31/03/23 £000	31/03/24 £000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		(2,306)	(2,785)
Proceeds from sale of property, plant and equipment, investment property and intangible assets		(32,120)	(357)
Any other items for which the cash effects are investing or financing cashflows		(30,800)	(36,831)
		(65,226)	(39,973)

37 Cash Flow Statement – Investing Activities

	Note(s)	31/03/23 £000	31/03/24 £000
Purchases of property, plant & equipment, investment property and intangible assets		(75,763)	(100,778)
Purchase of short-term and long-term investments		(17,858)	(21,127)
Proceeds from the sale of property, plant & equipment, investment property and intangible assets		2,306	2,785
Proceeds of short-term and long-term investments		32,120	357
Other receipts for investing activities		51,552	53,896
		(7,643)	(64,867)

38 Cash Flow Statement – Financing Activities

	Note(s)	31/03/23 £000	31/03/24 £000
Cash receipts of short-term and long-term borrowing		574,983	134,144
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		(145)	(144)
Repayments of short-term and long-term borrowing		(405,048)	(60,111)
		169,790	73,889

Reconciliation of Liabilities Arising from Financing Activities

	31 March 2023 £000	Financing Cash Flows £000	Non-Cash Changes £000	31 March 2024 £000
Long Term Borrowing				
• Long Term Borrowing	(1,642,647)	(113,956)	205,051	(1,551,552)
• PFI Liabilities	(3,338)	144	10	(3,184)
Long Term Borrowing	(1,645,985)	(113,812)	205,061	(1,554,736)
Short Term Borrowing				
• Short Term Borrowing	(176,196)	39,922	(205,051)	(341,325)
• PFI Liabilities	(155)	-	(10)	(165)
Short Term Borrowing	(176,351)	39,922	(205,061)	(341,490)
Long Term Leases*	31,888	-	-	31,888
Total Liabilities from Financing Activities	(1,790,448)	(73,890)	-	(1,864,338)

* Long Term Leases are included in Long Term Creditors on the Balance Sheet.

39 Related Parties

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

- Central Government
- Members
- Officers
- Other Public Bodies
- Entities controlled or significantly influenced by the Council

Materiality

Materiality has been assessed with regards to the Council and the related party.

Central Government

Central Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits).

Grants received from Government departments are set out in the subjective analysis in Note 18 Expenditure and Income Analysed by Nature. Grant receipts outstanding at 31 March 2024 are shown in Note 20. Any debtors and creditors relating to Central Government are shown in Notes 26 and 28, respectively.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2023/24 is shown in Note 14.

Members are required to complete a declaration of interests, disclosing any party where they, or their spouse, have control or influence.

The register of Members' interests is available for public inspection at the Town Hall upon request and on the Council's website.

Members also have to declare interests in any matter on Committee/Executive Board agendas and any offers of hospitality.

Business Activities

In 2023/24 twenty-five Members held material interests in the following organisations with whom the Council carried out business – this also includes any grants made to local voluntary bodies. Asterisks* indicate that the organisation was not a related party in the relevant year.

Payments/Grants to Organisations where Members or their spouse hold a personal interest	Expenditure 2022/23 £	Expenditure 2023/24 £	Creditors 31 March 2024 £
Beamont Primary	144,663	157,375	6,985
Bewsey Lodge Primary	108,475	189,556	19,182
Boteler Educational Trust	261,950	225,846	10,907
Burtonwood Community Primary Academy	7,813	7,192	0
Care UK	*	168,358	0
Cheshire Community Foundation	*	10,000	0
Cobbs Infant School	12,566	55,238	2,035
Culture Warrington	1,456,039	1,783,948	5,592
Disability Trading Company	1,054	3,065	0
Foxwood School	*	641,733	50,469
Gateway Warrington	*	13,842	276
Holy Trinity Church	*	3,756	0
Nviron Ltd	*	8,325	0
Our Ladys Primary School	172,702	120,424	0
Riverside College	239,294	173,408	0
Room at the Inn	245,117	328,313	0
Sacred Heart Primary School	*	163,094	0

Payments/Grants to Organisations where Members or their spouse hold a personal interest	Expenditure 2022/23 £	Expenditure 2023/24 £	Creditors 31 March 2024 £
St Elphins Community Group	*	2,945	0
Statham Primary	30,181	64,913	0
Striker Academy Sports	7,000	122,780	0
Torus	261,767	551,288	77,500
Transport for The North	1,015	1,128	0
University of Manchester	38,150	40,170	0
University of Sheffield	*	21,210	0
UTC Warrington	16,331	15,212	0
Warrington's Own Buses (previous Warrington Borough Transport)	754,989	1,626,224	359,544
Warrington Ethnic Communities Association	*	5,800	0
Warrington Labour Group	21,294	25,596	0
Warrington Visually impaired	36,471	36,472	0
Warrington Youth Zone	189,537	366,266	0
Wire Regeneration Ltd	172,301	492,019	0

In each of these cases, Members are not involved in the commissioning of services from these organisations, and the level of activity with each party is not unusual.

Receipts from Organisations where Members or their spouse hold a personal interest	Income 2022/23 £	Income 2023/24 £	Debtors 31 March 2024 £
Beamont Primary School	209,283	280,745	54,275
Burtonwood Community Primary Academy	101,994	101,156	39,369
Challenge Academy	94,515	5,560	0
Culture Warrington	163,217	103,098	101,773
Disability Trading Company	*	4,677	0
Groundwork CLM	*	3,935	3,700
Liverpool Hop University	*	6,000	0
Penketh Primary School	98,430	90,527	11,982
Pewterspear Green Trust	*	1,098	0
Riverside College	1,454	1,557	0
Room at the Inn	1,251	2,821	0
St Rocco's Hospice	10,019	13,593	0
Statham Primary	94,884	86,572	7,150
Torus	142,574	390,688	221,101
Warrington's Own Buses (previous Warrington Borough Transport)	134,466	677,497	110,593
Warrington U3A	*	2,676	0

Receipts from Organisations where Members or their spouse hold a personal interest	Income 2022/23 £	Income 2023/24 £	Debtors 31 March 2024 £
Wire Regeneration	0	30,000	30,000

Officers

All Executive Directors of the Council, plus Assistant and Operational Directors were required to complete a declaration of interests. Individual Departmental Management Teams also had discretion to cascade the forms down to lower levels of budget holder if deemed appropriate.

Most of the officers' declarations were immaterial, or it could not be demonstrated that the officer had influence over the transactions.

There were five material declarations in 2023/24, but none were pecuniary interests.

Payments to Organisations where Officers or their spouse hold a personal interest	Expenditure 2022/23 £	Expenditure 2023/24 £	Creditors 31 March 2024 £
Marketing Cheshire	28,640	23,280	0
University of Chester	428,388	78,028	0
Warrington & Vale Royal College	1,164,381	1,943,836	0
Warrington Chamber of Commerce	56,580	13,180	8,000
Wire Regeneration Ltd	172,301	492,019	0

The Chief Executive is a Director a director of Wire Regeneration, a joint venture between Warrington BC and Langtree. Also in the receipts table, he has involvement Warrington & Vale Royal College, The University of Chester and Marketing Cheshire.

Both the Chief Executive and the Warrington & Co Managing Director have interests in WBC Birchwood Park UK, WBC Birchwood Park Nominee 1 & 2 Ltd, as they are non-paid directors of these companies which are dormant but part of the Birchwood Park Trust. The Chief Executive is also a director of WBC Birchwood Park Trustee Ltd based in Jersey, which is the active part of the Birchwood Park Trust. The Council makes capital expenditure payments as part of maintaining the properties in the trust and also receives investment income which is shown as part of interest received – these figures are not in the above table as these are treated as investments. Birchwood Park is no longer considered part of the Council's group accounts. There was no expenditure on the Birchwood park UK companies his year.

Three officers of the Council are directors of Incrementum Housing Development Company Ltd and Incrementum Housing Management Ltd which are wholly owned by the Council. At the end of March 2023 some drawdown of the loan had taken place and this will be shown in the Long Term Debtors note 25. Other income received is shown in the table.

Three officers of the Council are Directors of Warrington Renewables (York), Warrington Renewables (Hull) and Cirencester Solar Farm (one is for all three and one for Hull & York and a separate officer for Cirencester), all subsidiaries of the Council. Warrington Borough Council has made loans to these companies and these are shown in Long Term Debtors note 25.

The Head of Legal & Democratic Services is the secretary also for the Housing and Solar companies.

Receipts from Organisations with personal interest below. Other income received is shown in the table.

Receipts from Organisations where Officers or their spouse hold a personal interest	Income 2022/23 £	Income 2023/24 £	Debtors 31 March 2024 £
Cirencester Solar Farm	196,268	1,469,069	1,419,682
Fairfield Primary School, Widnes	0	3,725	1,950
Incrementum Housing Company (Development & Management)	1,160,509	218,122	111,350
Mersey Forest	*	9,900	9,900
Warrington Chamber of Commerce	99,174	83,079	39,000
Warrington Renewable Hull Ltd	173,601	4,441,568	1,807,900
Warrington Renewable York Ltd	227,878	4,407,864	1,588,200
Warrington Wolves RLFC	17,433	64,723	97,333
Wire Regeneration	0	30,000	30,000

Officers' remunerations are detailed in Note 15.

Other Public Bodies

The following table shows the precepts and levies during the year 2023/24.

Precepting & Levying Bodies	Precepts /Levies 2022/23 £	Other Expenditure 2022/23 £	Precepts /Levies 2023/24 £	Other Expenditure 2023/24 £
Police & Crime Commissioner for Cheshire	14,914,268	20,145	17,897,369	214,399
Cheshire Fire Authority	5,761,047	1,704	7,309,142	0
Town and Parish Councils	2,559,959	180	2,626,626	1,400
Cheshire West and Chester Council	525,379	5,583,151	482,821	3,884,140
Manchester Port Health Authority	0	0	23,190	0
Environment Agency	134,883	246,307	138,563	3,674

The precepts paid to the Cheshire Fire Authority, Cheshire Police Authority and the Town and Parish Councils are to distribute Council Tax collected on behalf of the related party. Other payments to the Town and Parish Councils are shown here though some members have declared interests in these they are deemed immaterial.

The levy paid to Cheshire West and Chester Council is with regard to historic Pension costs. There were various other payments made to Cheshire West and Chester Council, with for Concessionary Travel reimbursements, being the most significant.

The payment to the Environment Agency is the Flood Defence levy, where there was some other expenditure primarily for drainage works.

One Council Member sits on the Board for Cheshire Fire Authority and one for the Police & Crime Commissioner Panel for Cheshire.

Entities Controlled or Significantly Influenced by the Council

The Council has three material interest in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses. The Council had interests in the following organisations during the financial year:

- Subsidiaries
 - Warrington's Own Buses
 - Incrementum Housing Development Co
 - Incrementum Management Co
 - Warrington Renewables (York)
 - Warrington Renewables (Hull)
 - Warrington Renewables (Cirencester)
- Associate
 - Redwood Financial Partners
 - Technology Enhanced Operations
- Joint Venture
 - Wire Regeneration
 - Together Energy

The wholly owned subsidiaries have consolidated into the Group Accounts in line with the 2023/24 Code.

The Council owns a 30.8% share in Redwood Financial Partners Limited and has been consolidated into the Group Accounts as an Associate in line with the 2023/24 Code.

The Council owns a 6.34% share in Technology Enhanced Operations Limited and has been consolidated into the Group Accounts as an Associate in line with the 2023/24 Code.

The joint venture has been consolidated into the Group Accounts in line with 2023/24 Code.

Pension fund

Warrington Borough Council is a member of the Cheshire Pension Fund but is not an administering Council.

One Member sits on the Board of Cheshire Pension Fund.

Details of the Fund can be found in Note 32.

Pooled Budget

Details of the Council's pooled budgets can be found in Note 41.

40 Capitalisation of Borrowing Costs

In accordance with the Council's accounting policy, the Council did not capitalise any borrowing costs in year, nor in the 2022/23 financial year.

41 Pooled Budgets

In 2023/24 Warrington Borough Council entered into a s75 agreement with NHS Warrington Clinical Commissioning Group, with the Council acting as the host. The breakdown of revenue expenditure by relevant scheme and the contributions by the pool members are as follows:

	2022/23 £000	2023/24 £000
Pooled Schemes		
Intermediate Care	9,700	10,695
Protecting Social Care	8,310	8,448
Carers	184	188
Mental Health and Joint Funded Packages	23,658	25,975
Joint Commissioning / Other Support	452	540
Disability Partnership/ WHIA Funding	271	280
Out of Hospital Functions/ Enabling	2,070	2,070
Total Better Care Fund Revenue Expenditure	44,645	48,196
Funding Provided to the Pooled Budget		
Warrington Borough Council	16,684	18,070
NHS Warrington Clinical Commissioning Group	21,751	23,862
Improved Better Care Fund Contribution	6,210	6,210
Total Funding Provided to the Pooled Budget	44,645	48,142
Net Surplus Arising on the Pooled Budget During the Year	-	(54)

42 Prior Period Adjustments

The actuaries had prepared the Council's IAS19 Report, and this produced a net pension asset of £73.224m for 2022/23. In line with IFRIC14 and IAS19 an asset ceiling calculation was performed which dampened down the net asset to nil.

The Council has also separated out the investment in its associates and joint venture as per the Code.

Presented below are the effects of the restatements on the main statements to the accounts. They have also been reflected in the associated notes to the accounts.

The Council's Group Accounts have also been restated.

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Restatement of 2022/23 Movement in Reserves Statement

Movement in Reserves Statement for the Year Ended 31 March 2023	Note(s)	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Restated Total Unusable Reserves £'000	Restated Total Reserves of the Authority £'000
Balance as at 1 April 2022 (Per Draft SOA)		123,586	1,350	17,638	142,574	175,132	317,706
Total Comprehensive Income and Expenditure (per Draft SOA)		(182,850)	-	-	(182,850)	286,851	104,001
Adjustment for Pension Asset Ceiling Calculation					-	(73,224)	(73,224)
Restated Total Comprehensive Income and Expenditure (per Draft SOA)		(182,850)	-	-	(182,850)	213,627	30,777
Adjustments between accounting basis & funding basis under regulations (per Draft SOA)	7	163,196	940	4,630	168,766	(168,766)	-
Restated Increase or (Decrease) in Year		(19,654)	940	4,630	(14,084)	44,861	30,777
Balance as at 31 March 2023 (per Draft SOA)		103,932	2,290	22,268	128,490	293,217	421,707
Adjustment for Pension Asset Ceiling Calculation		-	-	-	-	(73,224)	(73,224)
Restated Balance as at 31 March 2023		103,932	2,290	22,268	128,490	219,993	348,483

Restatement of 2022/23 Comprehensive Income and Expenditure Statement

	2022/23 (Per Draft SOA)			Adjustment for Pension Asset Ceiling Calculation			Restated 2022/23		
	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Restated Net Expenditure £'000
Corporate Services	15,413	(6,570)	8,843			-	15,413	(6,570)	8,843
Families & Wellbeing	331,565	(204,703)	126,862			-	331,565	(204,703)	126,862
Environment & Transport	43,916	(16,102)	27,814			-	43,916	(16,102)	27,814
Growth	12,397	(2,460)	9,937			-	12,397	(2,460)	9,937
Corporate Finance	60,716	(66,878)	(6,162)			-	60,716	(66,878)	(6,162)
Central Charges	46,155	-	46,155			-	46,155	-	46,155
Cost of Services	510,162	(296,713)	213,449	-	-	-	510,162	(296,713)	213,449
Other Operating Expenditure			88,060			-			88,060
Restated Financing & Investment Income & Expenditure			83,831			-			83,831
Taxation and Non-Specific Grant Income			(202,490)			-			(202,490)
(Surplus) or Deficit on Provision of Services			182,850			-			182,850
(Surplus) or Deficit on revaluation of non-current assets			(39,357)			-			(39,357)

	2022/23 (Per Draft SOA)			Adjustment for Pension Asset Ceiling Calculation			Restated 2022/23		
	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Restated Net Expenditure £'000
(Surplus) or Deficit on revaluation of available for sale financial assets			-			-			-
Restated Remeasurement of the net defined benefit liability			(247,594)		73,224	73,224			(174,370)
Restated Other Comprehensive Income and Expenditure			(286,951)			73,224			(213,727)
Restated Total Comprehensive Income and Expenditure			(104,101)			73,224			(30,877)

Restatement of 2022/23 Balance Sheet

	Notes	31st March 2023 (per Draft SOA) £000	Disclosure of Investments in Associates & JV £000	Adjustment for Pension Asset Ceiling Calculation £000	Restated 31st March 2023 £000
Property, Plant & Equipment	21	744,058			744,058
Heritage Assets	22	19,159			19,159
Investment Property	23	648,004			648,004
Intangible Assets		551			551
Long Term Investments	34	137,911	(10,471)		127,440
Investment in Associate & JV		-	10,471		10,471
Long Term Debtors	25	571,136			571,136
Long Term Assets		2,120,819	-	-	2,120,819
Short Term Investments	34	45,605			45,605
Inventories		855			855
Short Term Debtors	26	116,401			116,401
Cash and Cash Equivalents	27	76,644			76,644
Assets Held for Sale		-			-
Current Assets		239,505	-	-	239,505
Cash and Cash Equivalents	27	-			-
Short Term Borrowing	34	(176,351)			(176,351)
Short Term Creditors	28	(125,336)			(125,336)
Provisions	29	(5,071)			(5,071)
Current Liabilities		(306,758)	-	-	(306,758)
Long Term Creditors	28	(3,281)			(3,281)
Grants Receipts in Advance - Capital	20	(27,201)			(27,201)

	Notes	31st March 2023 (per Draft SOA) £000	Disclosure of Investments in Associates & JV £000	Adjustment for Pension Asset Ceiling Calculation £000	Restated 31st March 2023 £000
Grants Receipts in Advance - Revenue	20	(26,026)			(26,026)
Provisions	29	(2,590)			(2,590)
Long Term Borrowing	34	(1,645,985)			(1,645,985)
Restated Long Term Pension Liabilities	32	73,224		(73,224)	-
Restated Long Term Liabilities		(1,631,859)	-	(73,224)	(1,705,083)
Restated Net Assets		421,707	-	(73,224)	348,483
Usable Reserves	9	128,491			128,491
Restated Unusable Reserves	33	293,216	-	(73,224)	219,992
Restated Total Reserves		421,707	-	(73,224)	348,483

Collection Fund

	2023/24		
	Business Rates £000	Council Tax £000	Total £000
Opening fund Balance	(7,724)	(3,437)	(11,161)
Amounts required by statute to be credited to the Collection Fund:			
Council Tax (net receivable)	-	(147,770)	(147,770)
Non-domestic rates (net receivable)	(99,475)	-	(99,475)
Contribution from GF for Hardship Fund	-	(20)	(20)
Transitional protection payments non-domestic rates	(3,913)	-	(3,913)
Amounts required by statute to be debited to the Collection Fund:			
Precepts and demands from major preceptors and the authority - council tax			
- <i>Cheshire Police Authority</i>	-	17,679	17,679
- <i>Cheshire Fire Service</i>	-	6,175	6,175
- <i>Warrington Borough Council and Parishes</i>	-	122,265	122,265
Shares of non-domestic rating income to major preceptors and the authority - non-domestic rates			
- <i>Cheshire Fire Service</i>	1,057	-	1,057
- <i>Warrington Borough Council and Parishes</i>	51,803	-	51,803
Payment with respect to central share of the non-domestic rating income to be paid to central government by billing authorities	52,441	-	52,441
Impairment of debts/appeals for council tax:			
- <i>write-offs of uncollectable amounts</i>	-	615	615
- <i>allowance for impairment</i>	-	1,126	1,126
Impairment of debts/appeals for non-domestic rates:			
- <i>write-offs of uncollectable amounts</i>	352	-	352
- <i>allowance for impairment</i>	2,009	-	2,009
Charge to General Fund for allowable collection costs for non-domestic rates	289	-	289
Other transfers to General Fund in accordance with non-domestic rates regulations	(610)	-	(610)
Contributions towards previous year's Collection Fund surplus - council tax	-	1,500	1,500
Movement on fund balance	3,953	1,570	5,523
Closing fund Balance	(3,771)	(1,867)	(5,638)

	2023/24		
	Business Rates £000	Council Tax £000	Total £000
Attributed to:			
Warrington Borough Council	(1,848)	(1,557)	(3,405)
Cheshire Police Authority	-	(230)	(230)
Cheshire Fire Authority	(38)	(80)	(118)
Government	(1,885)	-	(1,885)
Total	(3,771)	(1,867)	(5,638)

	2022/23		
	Business Rates £000	Council Tax £000	Total £000
Opening fund Balance	38,118	2,576	40,694
Amounts required by statute to be credited to the Collection Fund:			
Council Tax (net receivable)	-	(138,661)	(138,661)
Non-domestic rates (net receivable)	(90,170)	-	(90,170)
Contribution from GF for Hardship Fund	-	(13)	(13)
Transitional protection payments non-domestic rates	154	-	154
Contributions towards previous year's Collection Fund deficit - non-domestic rates	(39,588)	-	(39,588)
Amounts required by statute to be debited to the Collection Fund:			
Precepts and demands from major preceptors and the authority - council tax			
- Cheshire Police Authority	-	16,372	16,372
- Cheshire Fire Service	-	5,735	5,735
- Warrington Borough Council and Parishes	-	111,573	111,573
Shares of non-domestic rating income to major preceptors and the authority - non-domestic rates			
- Cheshire Fire Service	943	-	943
- Warrington Borough Council and Parishes	46,199	-	46,199
Payment with respect to central share of the non-domestic rating income to be paid to central government by billing authorities	46,626	-	46,626
Impairment of debts/appeals for council tax:			
- write-offs of uncollectable amounts	-	11	11

	2022/23		
	Business Rates £000	Council Tax £000	Total £000
- allowance for impairment	-	1,302	1,302
Impairment of debts/appeals for non-domestic rates:			
- write-offs of uncollectable amounts	-	-	-
- allowance for impairment	299	-	299
Charge to General Fund for allowable collection costs for non-domestic rates	291	-	291
Other transfers to General Fund in accordance with non-domestic rates regulations	(10,596)	-	(10,596)
Contributions towards previous year's Collection Fund surplus - council tax	-	(2,332)	(2,332)
Movement on fund balance	(45,842)	(6,013)	(51,855)
Closing fund Balance	(7,724)	(3,437)	(11,161)

	2022/23		
	Business Rates £000	Council Tax £000	Total £000
Attributed to:			
Warrington Borough Council	(3,785)	(2,847)	(6,632)
Cheshire Police Authority	-	(440)	(440)
Cheshire Fire Authority	(77)	(150)	(227)
Government	(3,862)	-	(3,862)
Total	(7,724)	(3,437)	(11,161)

Notes to the Collection Fund Statement

1 Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands by estimating 1 April 1991 values. Individual charges are set by calculating the amount of income to be achieved from Council Tax and dividing this by the Council Tax Base (the total number of properties in each band converted to an equivalent number of Band D properties). The tax for a Band D property is multiplied by the appropriate ratio to give an amount due for properties in each band.

Band	Value Range	Number of Dwellings after Discounts and Exemptions	Ratio	Band D Equivalents
Disabled A	Up to £40,000	43	5/9	24
A	Up to £40,000	23,574	6/9	15,716
B	£40,000 - £52,000	18,688	7/9	14,535
C	£52,000 - £68,000	17,824	8/9	15,844
D	£68,000 - £88,000	11,277	9/9	11,277
E	£88,000 - £120,000	7,319	11/9	8,945
F	£120,000 - £160,000	4,510	13/9	6,514
G	£160,000 - £320,000	2,570	15/9	4,282
H	£320,000 and over	195	18/9	390
		86,000		77,527

The total number of Band D Equivalents is then adjusted for non-collection, new properties and other adjustments to produce the Council Tax Base.

Calculation of Tax Base		
Total properties converted to Band D equivalent		77,460
Less: Tax Base relating to Council Tax Support Allowance		(6,868)
Council Tax Base for Tax Setting		70,592

2 National Non-Domestic Rates (NNDR)

The Council collects National Non-Domestic Rates (NNDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government. The Government specifies a rate in the pound (51.2p for 2023/24 and 49.9p for small businesses) which is then multiplied by the rateable value to produce a charge to each business. The aggregate rateable value or total value of properties for Warrington is £243,608,916.

The business rates shares payable for 2023/24 were estimated before the start of the financial year as £52.441m to Central Government, £1.057m to Cheshire Fire Council and £51.803m to Warrington Council. These sums have been paid in 2023/24 and charged to the collection fund in year.

When the scheme was introduced, Central Government set a baseline level for each Council identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In this respect Warrington Borough Council paid a tariff to Central Government in 2023/24 to the value of £18.262m.

As from 1st April 2014, Warrington, Halton and St Helens Councils formed a business rates pooling arrangement, known as the Mid Merseyside Pool. This arrangement allows the pool to keep any excess growth that had previously paid over to the government as a levy. But, it also means that any breach of the safety net arrangements by the pool would be met by the pool authorities, rather than Central Government. Warrington Borough Council is the administrating Council for the pool.

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Group Accounts

The Group Accounts presented on the next few pages are a consolidation of the single entity accounts with accounts from Warrington Borough Transport, Redwood Financial Partners Limited, Wire Regeneration, Incrementum Housing Development Company, Together Energy, Warrington Renewables (Hull), Warrington Renewables (York), Warrington Renewables (Cirencester), and Technology Enhanced Operations.

The Group Accounts present the main statements and only the notes that are materially different to the Single Entity Accounts (in line with IFRS 12). All other notes are not materially different to the Single Entity Accounts and have not been produced. All note references are to the Single Entity Accounts unless otherwise indicated, and the Group Notes should be read in conjunction with the Single Entity Accounts.

Movement in Reserves Statement for the Year Ended 31 March 2024	Note(s)	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Restated Total Unusable Reserves £000	Restated Total Reserves of the Authority £000	Total Group Entities £000	Restated Group Reserves £000
Balance as at 1 April 2022		123,586	1,350	17,639	142,575	175,131	317,706	(2,618)	315,088
<i>Movement in Reserves during the year</i>									
Restated Total Comprehensive Income and Expenditure		(182,850)	-	-	(182,850)	213,627	30,777	(8,730)	22,047

Movement in Reserves Statement for the Year Ended 31 March 2024	Note(s)	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Restated Total Unusable Reserves £000	Restated Total Reserves of the Authority £000	Total Group Entities £000	Restated Group Reserves £000
Adjustments between accounting basis & funding basis under regulations	7	163,196	940	4,630	168,766	(168,766)	-	-	-
Restated Increase or (Decrease) in Year		(19,654)	940	4,630	(14,084)	44,861	30,777	(8,730)	22,047
Restated Balance as at 31 March 2023		103,932	2,290	22,269	128,491	219,992	348,483	(11,348)	337,135
<i>Movement in Reserves during the year</i>									
Total Comprehensive Income and Expenditure		(146,228)	-	-	(146,228)	16,517	(129,711)	18,201	(111,510)

Movement in Reserves Statement for the Year Ended 31 March 2024	Note(s)	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Restated Total Unusable Reserves £000	Restated Total Reserves of the Authority £000	Total Group Entities £000	Restated Group Reserves £000
Adjustments between accounting basis & funding basis under regulations	7	129,692	912	4,870	135,474	(135,474)	-	-	-
Increase or (Decrease) in Year		(16,536)	912	4,870	(10,754)	(118,957)	(129,711)	18,201	(111,510)
Balance as at 31 March 2024		87,396	3,202	27,139	117,737	101,035	218,772	6,853	225,625

The Movement in Reserves Statement prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability in the single entity accounts. For more details please see note 42 to the single entity accounts.

Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

	Notes	2022/23		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Corporate Services		15,413	(6,570)	8,843
Families & Wellbeing		331,566	(204,703)	126,863
Environment & Transport		43,916	(16,102)	27,814
Growth		12,397	(2,460)	9,937
Corporate Finance		60,715	(66,878)	(6,163)
Central Charges		46,155	-	46,155
Warrington Borough Transport		12,421	(12,797)	(376)
Incrementum Housing Development Co		9,285	(965)	8,320
Incrementum Housing Management Co		716	(725)	(9)
Together Energy		-	-	-
Warrington Renewables (Hull)		2,156	(4,386)	(2,230)
Warrington Renewables (York)		4,138	(9,013)	(4,875)
Warrington Renewables (Cirencester)		881	(1,565)	(684)
Cost of Services		539,759	(326,164)	213,595
Other Operating Expenditure	10			88,077
Financing & Investment Income & Expenditure	11			86,927
Taxation and Non-Specific Grant Income	12			(202,490)
(Surplus) or Deficit on Provision of Services				186,110
Discontinued Operations of Together Energy				7,309
(Surplus) or Deficit on Provision of Services by Associates & Joint Ventures				661
Group (Surplus)/Deficit				194,080
(Surplus) or Deficit on revaluation of non-current assets	33			(39,257)
Acquisition of Share Capital				(2,500)
Restated Remeasurement of the net defined benefit liability	32			(174,370)
Restated Other Comprehensive Income and Expenditure				(216,127)
Restated Total Comprehensive Income and Expenditure				(22,047)

	Notes	2023/24		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Corporate Services		12,428	(1,540)	10,888
Families & Wellbeing		396,844	(248,204)	148,640
Environment & Transport		47,952	(21,237)	26,715
Growth		15,045	(5,078)	9,967
Corporate Finance		52,239	(55,578)	(3,339)
Central Charges		69,395	-	69,395
Warrington Borough Transport		14,413	(14,866)	(452)
Incrementum Housing Development Co		644	25	669
Incrementum Housing Management Co		306	(1,279)	(973)
Together Energy		-	-	-
Warrington Renewables (Hull)		2,114	(1,939)	175
Warrington Renewables (York)		5,275	(3,227)	2,048
Warrington Renewables (Cirencester)		1,617	(2,519)	(902)
Cost of Services		618,272	(355,442)	262,831
Other Operating Expenditure	10			8,618
Financing & Investment Income & Expenditure	11			104,003
Taxation and Non-Specific Grant Income	12			(225,596)
(Surplus) or Deficit on Provision of Services				149,855
Discontinued Operations of Together Energy				(21,628)
(Surplus) or Deficit on Provision of Services by Associates & Joint Ventures				253
Group (Surplus)/Deficit				128,480
(Surplus) or Deficit on revaluation of non-current assets	33			(17,945)
Acquisition of Share Capital				(453)
Restated Remeasurement of the net defined benefit liability	32			1,428
Restated Other Comprehensive Income and Expenditure				(16,970)
Restated Total Comprehensive Income and Expenditure				111,510

The Comprehensive Income & Expenditure Statement prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability in the single entity accounts. For more details please see note 42 to the single entity accounts.

Analysis of Group Comprehensive Income and Expenditure Statement by Group Entities

		Restated 2022/23 £000	2023/24 £000
Group (Surplus)/Deficit attributable to:			
- Warrington Borough Council		182,850	146,228
- Warrington Borough Transport		(340)	(524)
- Redwood Financial Partners Limited		607	338
- Wire Regeneration		54	(85)
- Incrementum Housing Development Co		8,320	669
- Incrementum Housing Management Co		(9)	(980)
- Together Energy		7,309	(21,628)
- Warrington Renewables (York)		(3,839)	2,795
- Warrington Renewables (Hull)		(780)	1,395
- Warrington Renewables (Cirencester)		(92)	272
- TEO		-	-
Total Group (Surplus)/Deficit		194,080	128,480
Other Comprehensive Income and Expenditure attributable to:			
- Restated Warrington Borough Council		(213,627)	(16,517)
- Warrington Borough Transport		(2,500)	-
- Redwood Financial Partners Limited		-	-
- Wire Regeneration		-	-
- Incrementum Housing Development Co		-	-
- Restated Together Energy		-	-
- Warrington Renewables (York)		-	-
- Warrington Renewables (Hull)		-	-
- TEO		-	(453)
Restated Total Other Comprehensive Income and Expenditure		(216,127)	(16,970)
Restated Total Comprehensive Income and Expenditure		(22,047)	111,510

Group Balance Sheet as at 31 March 2024

	Notes	Restated 31st March 2023 £000	31st March 2024 £000
Property, Plant & Equipment	GR 8	837,065	833,664
Heritage Assets	22	19,159	21,209
Investment Property	GR 9	671,854	642,537
Intangible Assets		551	436
Investments in Associates & Joint Ventures	GR 13	19,911	12,582
Long Term Investments	GR 13	88,020	72,598
Long Term Debtors	25	482,394	519,156
Long Term Assets		2,118,954	2,102,182
Short Term Investments	GR 13	45,605	39,172
Inventories		1,234	1,209
Short Term Debtors	GR 10	105,706	127,226
Cash and Cash Equivalents	GR 11	108,387	70,542
Assets Held for Sale		-	-
Current Assets		260,932	238,149
Short Term Borrowing	GR 13	(176,351)	(341,490)
Short Term Creditors	GR 12	(135,823)	(124,929)
Provisions	29	(5,071)	(5,525)
Current Liabilities		(317,245)	(471,944)
Long Term Creditors	GR 12	(22,738)	(40,676)
Deferred Tax		(147)	(147)
Grants Receipts in Advance - Capital	20	(27,201)	(22,840)
Grants Receipts in Advance - Revenue	20	(26,026)	(21,773)
Provisions	29	(3,409)	(2,590)
Long Term Borrowing	GR 13	(1,645,985)	(1,554,736)
Restated Long Term Pension Liabilities	32	-	-
Restated Long Term Liabilities		(1,725,506)	(1,642,762)
Restated Net Assets		337,135	225,625
Usable Reserves	9	117,143	124,589
Restated Unusable Reserves	33	219,992	101,036
Restated Total Reserves		337,135	225,625

The Balance Sheet prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability in the single entity accounts. For more details please see note 42 to the single entity accounts.

Group Cash Flow Statement for the year ended 31 March 2024

	Note(s)	2022/23 £000	2023/24 £000
Net (surplus) or deficit on the provision of services		(186,110)	(149,853)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	GR 14	125,395	142,137
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	GR 14	(65,209)	(39,999)
Net Cash Flows from Operating Activities		(125,923)	(47,716)
Investing Activities	GR 15	(47,609)	(59,721)
Financing Activities	GR 15	209,543	69,591
Net (increase) or decrease in cash and cash equivalents		36,010	(37,845)
Cash and cash equivalents at the beginning of the reporting period		72,377	108,387
Cash and cash equivalents at the end of the reporting period	GR 11	108,387	70,542

Notes to the Group Accounts

1 Significant Judgements on Consolidated and Non-consolidated Entities

The CIPFA Code of Practice requires that where a Council has material financial interests and a significant level of control over one or more entities, or where it has a significant influence over partnership arrangements, it should prepare Group Accounts. The aim of these accounts is to give an overall picture of the Council's financial activities and the resources employed in carrying out those activities. Before group accounts can be produced, the following actions need to be carried out:

- Determine whether the Council has any form of interest in an entity
- Assess the nature of the relationship between the Council and the entity

Classification of Group Entities

The Council has relationships with a number of entities over which it has varying degrees of control or influence. The Code of Practice requires these to be classified into the categories of subsidiaries, associates and joint ventures. The meanings of these are outlined below.

Subsidiary

An entity is a subsidiary of the reporting Council, if the Council is able to exercise control over the operating and financial policies of the entity and the Council is able to gain benefits from the entity or is exposed to the risk of potential losses arising from this control.

Subsidiaries are consolidated into group accounts on a line-by-line basis.

Associates

An entity is an associate of the reporting Council, if the Council has significant influence over the entity.

Associates are consolidated into group accounts using equity accounting. Equity accounting requires the movement in the proportionate shareholding of the company's net assets to be added or deducted from the original investment in the associate. This is calculated on an annual basis. This investment is shown on a separate line on the Group Balance Sheet.

Joint Venture

A Joint Venture is an entity in which the reporting Council has an interest on a long-term basis and which is jointly controlled by the reporting Council and one or more other entities under a contractual or other binding arrangement.

The proportionate share of the Joint Venture is consolidated into the group accounts.

Group Entities

Warrington Borough Transport Limited (WBT) trading as Warrington's Own Buses

Warrington Borough Transport Limited is a company set up in accordance with the provision of the Transport Act 1985 to take over the Council's passenger transport undertaking. Warrington Borough Council wholly owns WBT but is not liable for any losses that it may make.

WBT has been classified as a subsidiary company by the Council, as it is wholly owned by the Council and the Council is able to receive a dividend from Warrington Borough Transport.

Copies of the audited accounts can be obtained from the following address when available:

Warrington Borough Transport Limited
Wilderspool Causeway
Warrington
WA4 6PT

Redwood Financial Partners Limited (Redwood Bank)

The Council has invested £30m in Redwood Financial Partners Limited (RFPL), which wholly owns Redwood Bank; an investment bank providing loans to SME's nationally and through a local branch in Warrington. This investment gives the council a 30.8% share of RFPL.

As the Council owns greater than 20% shareholdings in Redwood Financial Partners Limited it has been categorised as an Associate to the Council and has been consolidated into the group accounts.

Copies of the audited accounts can be obtained from the following address when available:

Redwood Financial Partners Limited,
43 Harwood Road,
London
SW6 4QP

Wire Regeneration Limited

On March 3rd, 2014 Warrington Borough Council (WBC) and Langtree Land and Property PLC (Langtree) entered into an agreement to create a joint venture company (JVC) "Wire Regeneration Limited". Both WBC and Langtree were issued 3,701,870 £1 Shares in the JVC. Each party has a total of three directors on the board, with WBC being represented by elected members.

For Wire Regeneration Limited, their financial transactions have been found to be material to the single entity financial statement, it has been categorised as a Joint Venture and has been consolidated into group accounts.

Incrementum Housing Development Co & Incrementum Housing Management Co

In February 2019 the Council created two wholly-owned housing companies whose aim is to provide high quality homes and to generate rental income. At present the Management

Company is dormant, while the Development Company is developing its first two housing projects.

Both companies have been classified as subsidiaries of the Council. However, only the Development Company has been consolidated into the group accounts, as the Management Company is dormant.

Copies of the audited accounts can be obtained from the following address when available:

Incrementum Housing Development Co Limited & Incrementum Housing Management Co Limited,
New Town House,
Buttermarket Street,
Warrington
WA1 2NH

Together Energy (TE)

On 21 October 2019 the Council purchased a 50% shareholding in Together Energy Limited by way of 7% fixed dividend preference shares costing £18m.

Previously due to the terms of the Investment Agreement the Council had effectively 90% of the voting rights in specific situations, which effectively gives the Council control of the company. It had therefore been determined that Together Energy is treated as a subsidiary of the Council for consolidation into group accounts.

However, in January 2022 TE initiated the Supplier of Last Resort process and appointed Administrators. FRP was appointed as administrators and have since been working through the process of insolvency and winding down TE. The Council has therefore changed the accountancy treatment for consolidation of TE, and has now consolidated the accounts on the basis that with little control of the company TE should be treated as a Joint Venture.

Copies of the audited accounts can be obtained from the following address when available:

Together Energy Limited,
Erskine House North Avenue,
Clydebank Business Park,
Clydebank,
Dunbartonshire,
Scotland, G81 2DR

Warrington Renewables (York)

In December 2019 the Council purchased Energy Store 6 Limited, which was later renamed to Warrington Renewables (York) Limited. The company owns a 34.7MWp solar farm, coupled with a 27MW battery storage system, on land near York. The aim of this company is to supply green energy to commercial/public sector customers providing additional income for the council and potentially encouraging regeneration investment in the Warrington area.

As the company is wholly owned by the Council it has been determined to be a subsidiary of the Council.

Copies of the audited accounts can be obtained from the following address when available:

Warrington Renewables (York) Limited,
Warrington Borough Council,
Town Hall,
Sankey Street,
Bewsey and Whitecross,
Warrington, WU1 1UH

Warrington Renewables (Hull)

In October 2020 the Council purchased Energy Store 4 Limited, which was later renamed to Warrington Renewables (Hull) Limited. The company owns a 25.7MWp solar farm, 21MWp of battery storage is currently being added to the site due to become operational from October 2021, on land near Hull. The aim of this company is to supply green energy to commercial/public sector customers providing additional income for the council and potentially encouraging regeneration investment in the Warrington area.

As the company is wholly owned by the Council it has been determined to be a subsidiary of the Council.

Copies of the audited accounts can be obtained from the following address when available:

Warrington Renewables (Hull) Limited,
Warrington Borough Council,
Town Hall,
Sankey Street,
Bewsey and Whitecross,
Warrington, WU1 1UH

Warrington Renewables (Cirencester)

The aim of this company is to supply green energy to commercial/public sector customers providing additional income for the council and potentially encouraging regeneration investment in the Warrington area.

As the company is wholly owned by the Council it has been determined to be a subsidiary of the Council.

Copies of the audited accounts can be obtained from the following address when available:

Warrington Renewables (Cirencester) Limited,
Warrington Borough Council,
Town Hall,
Sankey Street,
Bewsey and Whitecross,

Warrington, WU1 1UH

Technology Enhanced Operations Limited

As per the investment agreement an investment in Technology Enhanced Operations Limited converted into equity shares at the end of December 2023. The Council's holding in the company equates to 6.34% of the shareholding as has been categorised as an Associate to the Council and has been consolidated into the group accounts.

Warrington Sports Holdings

Please note that although Warrington Borough Council does have an investment in Warrington Wolves (Warrington Sports Holdings), it was determined that there is no Group Relationship as WBC does not have a significant influence over the organisation as our shareholding is less than 13%.

Other Minority Interests

The Council also has interest in Warrington & Co and Warrington 2000+. However, Warrington & Co is not trading entity therefore has no transactions to consolidate within the Group Accounts. Warrington 2000+ has net assets of £1.5m as at 31/03/2020 and was deemed to be immaterial and has not been consolidated into the Group Accounts.

2 Accounting Periods

The financial year-end for Warrington Borough Transport and Wire Regeneration is 31 March. Management accounts as at 31 March 2024 have been used to consolidate them into the Council's Group Accounts.

The financial year-end for Redwood Bank and Technology Enhanced Operations is 31 December.

- Final accounts for 31 December 2023 and management accounts for the first quarter of 2024 have been used to consolidate Redwood Bank into the Group Accounts.
- Management accounts for the first quarter of 2024 have been used to consolidate Technology Enhanced Operations into the Group Accounts.

The financial year-end for Incrementum Housing Development Co, Warrington Renewables (Hull), Warrington Renewables (York), and Warrington Renewables (Cirencester) is 31 March. Draft accounts as at 31 March 2024 have been used to consolidate them into the Council's Group Accounts. Management accounts as at 31 March 2024 have been used to consolidate Warrington Renewables (Cirencester) into the Council's Group Accounts.

As Together Energy has gone into administration the Council's share of the estimated net recoverable amount has been used for consolidation.

3 Accounting Policies

The accounts for all of the consolidated entities are prepared under FRS 102, which is the updated UK GAAP that came into effect from 1 April 2015. The Accounting Policies of all consolidated group entities have been examined and have been found to have no material difference with those of Warrington Borough Council and the Code of Practice.

Therefore, there has been no conversion of the group entities accounts as part of the group consolidation.

4 Intra-group Transactions

During the consolidation of the Group Entities with the single entity accounts any intra-group transactions have been eliminated. These include debtors, creditors, any intra-group contracts like concessionary travel, and also the shares owned in the company.

5 Significant Restrictions in Relation to Group Entities

There are no significant restrictions on the Council's ability to access or use the assets and settle the liabilities of any group entity.

6 Risk Associated with Group Entities

A full risk analysis is carried on investments in Group Entities. The Council's Capital Strategy fully explains the risk profile of the Council

(warrington.gov.uk/sites/default/files/2024-02/Capital Strategy 2024-25.pdf)

7 Expenditure and Income Analysed by Nature

Expenditure/Income	2022/23 £000	2023/24 £000
<u>Expenditure</u>		
Employee benefits expenses	207,938	196,219
Other service expenses	358,967	399,278
Depreciation, amortisation, impairment	123,169	60,078
Interest payments	25,513	30,515
Expenditure relating to investment properties	92,098	142,209
Precepts and levies	2,560	2,627
Total expenditure	810,245	830,926
<u>Income</u>		
Fees, charges and other service income	(335,173)	(343,158)
Interest and investment income	(12,124)	(9,468)
Income relating to investment properties	(27,478)	(65,201)
Income from council tax, non-domestic rates	(114,622)	(122,085)
Government grants and contributions	(134,739)	(141,159)
Total Income	(624,136)	(681,071)
Surplus or Deficit on the Provision of Services	186,110	149,855

8 Property, Plant and Equipment

Movements in 2023/24

	Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Communit y Assets £'000	Assets Under Constructi on £'000	Surplus Assets £'000	Total PPE £'000	Group Entities £'000	Total Group PPE £'000
<u>Cost or Valuation</u>								
Balance as at 1 April 2023	393,807	49,007	19,275	20,528	3,652	486,269	110,105	596,374
Additions	5,570	1,408	57	12,102	463	19,600	(332)	19,268
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(17,171)	-	-	-	-	(17,171)	-	(17,171)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	14,500	-	-	-	1,419	15,919	-	15,919
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(17,918)	-	-	-	193	(17,725)	-	(17,725)
Derecognition - disposals	(9,149)	(3,433)	-	(414)	-	(12,996)	(5,470)	(18,466)
Reclassifications & transfers	20,519	(19,703)	190	(1,907)	830	(71)	-	(71)
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	(204)	-	-	195	-	(9)	-	(9)
Balance as at 31 March 2024	389,954	27,279	19,522	30,504	6,557	473,816	104,303	578,119

	Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total PPE £'000	Group Entities £'000	Total Group PPE £'000
<u>Depreciation and Impairment</u>								
Balance as at 1 April 2023	8,045	27,080	6	-	-	35,131	17,098	52,229
Depreciation charge	7,506	2,305	-	-	-	9,811	3,604	13,415
Accumulated depreciation written out to GCA	(17,171)	-	-	-	-	(17,171)	-	(17,171)
Depreciation - disposals	(992)	(3,433)	-	-	-	(4,425)	(5,616)	(10,041)
Reclassifications & transfers	9,163	(9,163)	-	-	-	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	6,551	16,789	6	-	-	23,346	15,086	38,432
Net Book Value								
Balance as at 31 March 2024	383,403	10,490	19,516	30,504	6,557	450,470	89,217	539,687
Balance as at 31 March 2023	385,762	21,927	19,269	20,528	3,652	451,138	93,007	544,145

Movements in 2022/23

	Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Communit y Assets £'000	Assets Under Constructi on £'000	Surplus Assets £'000	Total PPE £'000	Group Entities £'000	Total Group PPE £'000
<u>Cost or Valuation</u>								
Balance as at 1 April 2022	436,077	58,297	19,129	19,069	5,246	537,818	71,846	609,664
Additions	4,129	1,918	146	12,770	-	18,963	39,736	58,699
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(7,338)	-	-	-	(80)	(7,418)	-	(7,418)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	41,308	-	-	-	(2,249)	39,059	-	39,059
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	6,276	-	-	-	-	6,276	-	6,276
Derecognition - disposals	(86,793)	(11,208)	-	(10,428)	-	(108,429)	(1,477)	(109,906)
Reclassifications & transfers	148	-	-	(883)	735	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	393,807	49,007	19,275	20,528	3,652	486,269	110,105	596,374
<u>Depreciation and Impairment</u>								
Balance as at 1 April 2022	19,245	34,857	6	-	-	54,108	15,939	70,047

	Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total PPE £'000	Group Entities £'000	Total Group PPE £'000
Depreciation charge	5,914	3,431	-	-	-	9,345	1,858	11,203
Accumulated depreciation written out to GCA	(7,338)	-	-	-	-	(7,338)	-	(7,338)
Depreciation - disposals	(9,696)	(11,208)	-	-	-	(20,904)	(699)	(21,603)
Reclassifications & transfers	(80)	-	-	-	-	(80)	-	(80)
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	8,045	27,080	6	-	-	35,131	17,098	52,229
Net Book Value								
Balance as at 31 March 2023	385,762	21,927	19,269	20,528	3,652	451,138	93,007	544,145
Balance as at 31 March 2022	416,832	23,440	19,123	19,069	5,246	483,710	55,907	539,617

Infrastructure Assets – movements on balances

	2022/23 £000	2023/24 £000
Net book value as at 1 April	290,660	292,920
Additions	10,961	9,960
Derecognition/Disposals	-	-
Assets reclassified	-	72
Depreciation charge	(8,701)	(8,975)
Net book value as at 31 March	292,920	293,977

Property, plant and equipment assets as presented on the Council's Balance Sheet are made up of the following balances:

	2022/23 £000	2023/24 £000
Infrastructure Assets	292,920	293,977
Other Property, Plant & Equipment	544,145	539,687
Total Property, Plant & Equipment	837,065	833,664

9 Investment Properties

	2022/23 £000	2023/24 £000
Balance as at the start of the year	707,423	671,854
Disposals	(145)	(91)
Net gains/(losses) from fair value adjustments	(83,722)	(100,217)
Additions	48,298	70,983
Transfers (to)/ from Assets Held for Sale	-	-
Transfers (to)/ from Property, Plant and Equipment	-	8
Balance as at end of the year	671,854	642,537

Fair Value Hierarchy

Details of Group investment properties and information about the fair value hierarchy as at 31 March 2024 and 2023 are as follows:

2023/24	Other significant observable inputs (Level 2) £000	Fair Value as at 31 March 2023 £000
Industrial Ground Rents	21,370	21,370
Retail Units	171,610	171,610
Industrial Units	113,932	113,932
Offices	302,965	302,965
Other	32,660	32,660
Total	642,537	642,537

2022/23	Other significant observable inputs (Level 2) £000	Fair Value as at 31 March 2023 £000
Industrial Ground Rents	24,979	24,979
Retail Units	140,636	140,636
Industrial Units	178,112	178,112
Offices	299,578	299,578
Other	28,549	28,549
Total	671,854	671,854

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels 1 and 2 during the year.

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The fair value for the industrial and retail units (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3

The industrial and retail units located in the Council's area are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Council's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The Council's industrial and retail units are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Highest and Best Use of Investment Properties

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

Valuation Techniques

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

Gains or losses arising from changes in the fair value of the investment property are recognised in Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

Valuation Process for Investment Properties

The fair value of the council's investment property is measured annually at each reporting date. All valuations; except for the Industrial Units contained in the Birchwood Park Industrial Estate, are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the Chief Financial Officer on a regular basis regarding all valuation matters.

The valuation for the Birchwood Park Industrial Estate was carried out by Cushman & Wakefield, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

10 Short Term Debtors

	31/03/23 £000	31/03/24 £000
Short-term Debtors		
Central Government Bodies	7,622	10,262
Other Local Authorities	4,931	4,325
NHS Bodies	988	5,187
Public Corporations and Trading Funds	-	-
Other Entities and Individuals	92,165	107,452
Total Short-term Debtors	105,706	127,226

11 Cash and Cash Equivalents

	31/03/23 £000	31/03/24 £000
Cash on hand and balances with banks	30,562	36,382
Short-term Deposits	77,825	34,160
Total Cash and Cash Equivalents	108,387	70,542

12 Creditors

	31/03/23 £000	31/03/24 £000
Short-term Creditors		
Central Government Bodies	51,709	32,176
Other Local Authorities	5,381	4,149
NHS Bodies	3,106	384
Other Entities and Individuals	75,627	88,220
Total Short-term Creditors	135,823	124,929
Long-term Creditors		
Other Entities and Individuals	22,738	40,676
Total Creditors	158,561	165,605

13 Financial Instruments

Categories of Financial Instruments

The Council's financial instruments include financial assets (investments and receivables) and financial liabilities (trade payables arising from day-to-day operations and borrowings. The main purposes of the Council's financial instruments are to raise finance to support the Council's day-to-day operations (by investing surplus cash balances where appropriate) and finance investment undertaken through the capital programme.

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

	Long Term				Short Term				Total	
	Investments		Debtors		Investments		Debtors			
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Financial Assets										
Amortised Cost										
• Warrington Borough Council	301	354	33,290	33,383	192	-	70,889	113,061	104,672	146,798
• Warrington Borough Transport	-	-	-	-	-	-	3,746	1,495	3,746	1,495
• Incrementum Housing Development	-	-	-	-	-	-	1,647	1,431	1,647	1,431
• Incrementum Housing Management	-	-	-	-	-	-	145	473	145	473
• Together Energy	-	-	-	-	-	-	-	-	-	-
• Warrington Renewables (York)	-	-	-	-	-	-	1,160	593	1,160	593
• Warrington Renewables (Hull)	-	-	-	-	-	-	710	251	710	251
• Warrington Renewables (Cirencester)							747	2,276	747	2,276
Fair Value through Profit or Loss	73,415	59,443	-	-	45,413	39,172	-	-	118,828	98,615
Fair Value through Other Comprehensive Income - Designated Equity Instruments	1,331	1,331	-	-	-	-	-	-	1,331	1,331
Total Financial Assets	75,047	61,128	33,290	33,383	45,605	39,172	79,044	119,580	232,986	253,263
Equity in Group Entities	62,863	54,964	-	-	-	-	-	-	62,863	54,964
Loans to Housing Associations	-	-	234,111	226,317	-	-	5,819	5,659	239,930	231,976
Commercial Loans	-	-	303,735	345,422	-	-	20,843	1,987	324,578	347,409
Total	137,910	116,092	571,136	605,122	45,605	39,172	105,706	127,226	860,357	887,612

	Long Term				Short Term					
	Borrowings		Creditors		Borrowings		Creditors		Total	
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Financial Liabilities										
Amortised Cost										
• Warrington Borough Council	1,642,647	1,551,552	208	183	176,196	341,325	125,336	115,435	1,944,387	2,008,495
• Warrington Borough Transport	-	-	1,289	(1,530)	-	-	2,237	110	3,526	(1,420)
• Incrementum Housing Development	-	-	23,115	23,078	-	-	1,337	1,482	24,452	24,560
• Incrementum Housing Management	-	-	-	-	-	-	592	846	592	846
• Together Energy	-	-	-	-	-	-	-	-	-	-
• Warrington Renewables (York)	-	-	(2,547)	11,524	-	-	2,835	1,655	288	13,179
• Warrington Renewables (Hull)	-	-	(649)	6,969	-	-	3,208	2,296	2,559	9,265
• Warrington Renewables (Cirencester)	-	-	(1,751)	(2,466)	-	-	278	3,105	(1,473)	639
Total Financial Liabilities	1,642,647	1,551,552	21,416	40,224	176,196	341,325	135,545	121,824	1,975,804	2,054,925
PFI	3,338	3,184	2,382	2,210	155	165	-	-	5,875	5,559
Leases	-	-	691	691	-	-	-	-	691	691
Total	1,645,985	1,554,736	24,489	43,125	176,351	341,490	135,545	121,824	1,982,370	2,061,175

The Financial Instruments note prior year comparators have been restated in accordance with IAS 8 due errors found within the note only and do not affect the main statements or other notes.

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The Fair Values of Financial Assets and Financial Liabilities that are Not Measured at Fair Value (but for which Fair Value Disclosures are Required)

Except for financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets held by the authority are carried in the Balance Sheet at amortised costs. The fair values calculated are as follows:

	31 March 2023		31 March 2023	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities				
<i>Financial liabilities held at amortised cost:</i>				
Borrowings	1,822,337	1,233,037	1,896,225	1,030,995
Creditors:				
• Warrington Borough Council	128,617	128,617	118,519	118,519
• Warrington Borough Transport	3,526	3,526	(1,420)	(1,420)
• Incrementum Housing Development	1,337	1,337	1,482	1,482
• Together Energy	-	-	-	-
• Warrington Renewables (York)	2,835	2,835	1,655	1,655
• Warrington Renewables (Hull)	3,208	3,208	2,296	2,296
• Warrington Renewables (Cirencester)	278	278	(1,473)	(1,473)
Total	1,962,138	1,372,838	2,017,284	1,152,054

	31 March 2022		31 March 2023	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Assets				
<i>Financial assets held at amortised cost:</i>				
Investments	493	493	354	354
Debtor General:				
• Warrington Borough Council	687,539	607,093	725,289	478,599
• Warrington Borough Transport	3,746	3,746	1,495	1,495
• Incrementum Housing Development	1,647	1,647	1,431	1,431
• Together Energy	-	-	-	-
• Warrington Renewables (York)	1,160	1,160	593	593
• Warrington Renewables (Hull)	710	710	251	251
• Warrington Renewables (Cirencester)	747	747	2,276	2,276
Total	696,042	615,596	729,413	484,999

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

Fair Value Hierarchy for Financial Assets and Financial Liabilities that are Not Measured at Fair Value

31 March 2024			
	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial liabilities held at amortised cost:			
Borrowings	1,026,527	4,468	1,030,995
Creditors:			
• Warrington Borough Council	-	118,519	118,519
• Warrington Borough Transport	-	(1,420)	(1,420)
• Incrementum Housing Development	-	1,482	1,482
• Together Energy	-	-	-
• Warrington Renewables (York)	-	1,655	1,655
• Warrington Renewables (Hull)	-	2,296	2,296
• Warrington Renewables (Cirencester)	-	(1,473)	(1,473)
Total	1,026,527	125,527	1,152,054
Financial assets held at amortised cost:			
Investments	-	354	354
Debtors:			
• Warrington Borough Council	-	478,599	478,599
• Warrington Borough Transport	-	1,495	1,495
• Incrementum Housing Development	-	1,431	1,431
• Together Energy	-	-	-
• Warrington Renewables (York)	-	593	593
• Warrington Renewables (Hull)	-	251	251
• Warrington Renewables (Cirencester)	-	2,276	2,276
Total	-	484,999	484,999

31 March 2023			
	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial liabilities held at amortised cost:			
Borrowings	1,228,303	4,734	1,233,037
Creditors:			
• Warrington Borough Council	-	128,617	128,617
• Warrington Borough Transport	-	3,526	3,526
• Incrementum Housing Development	-	1,337	1,337
• Together Energy	-	-	-
• Warrington Renewables (York)	-	2,835	2,835
• Warrington Renewables (Hull)	-	3,208	3,208
• Warrington Renewables (Cirencester)	-	278	278
Total	1,228,303	144,535	1,372,838
Financial assets held at amortised cost:			
Investments	-	493	493
Debtors:			
• Warrington Borough Council	-	607,093	607,093
• Warrington Borough Transport	-	3,746	3,746
• Incrementum Housing Development	-	1,647	1,647
• Together Energy	-	-	-
• Warrington Renewables (York)	-	1,160	1,160
• Warrington Renewables (Hull)	-	710	710
• Warrington Renewables (Cirencester)	-	747	747
Total	-	615,596	615,596

The measurement technique of Level 3 measurements is at cost only.

14 Cash Flow Statement – Operating Activities

	Note(s)	31/03/23 £000	31/03/24 £000
Depreciation	21	19,204	17,391
Revaluation (loss)/gain		(6,276)	7,506
Amortisation		271	267
Increase/decrease in impairment for bad debts		(428)	(1,538)
Increase/decrease in creditors		9,664	(8,858)
Increase/decrease in debtors		(118,555)	(34,097)
Increase/decrease in inventories		8,968	24
Movement in pension liability		25,917	(1,427)
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised		32,120	357
Other non-cash items charged to the net surplus or deficit on the provision of services		154,510	162,512
		125,395	142,137

	Note(s)	31/03/23 £000	31/03/24 £000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		(2,306)	(2,785)
Proceeds from sale of property, plant and equipment, investment property and intangible assets		(32,103)	(383)
Any other items for which the cash effects are investing or financing cashflows		(30,800)	(36,831)
		(65,209)	(39,999)

15 Cash Flow Statement – Investing Activities

	Note(s)	31/03/23 £000	31/03/24 £000
Purchases of property, plant & equipment, investment properties and intangible assets		(115,712)	(95,658)
Purchase of short-term and long-term investments		(17,858)	(21,127)
Proceeds from the sale of property, plant & equipment, investment property and intangible assets		2,289	2,811
Proceeds of short-term and long-term investments		32,120	357
Other receipts for investing activities		51,552	53,896
		(47,609)	(59,721)

16 Cash Flow Statement – Financing Activities

	Note(s)	31/03/23 £000	31/03/24 £000
Cash receipts of short-term and long-term borrowing		614,736	129,846
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		(145)	(144)
Repayments of short-term and long-term borrowing		(405,048)	(60,111)
		209,543	69,591

17 Summarised Information of Associate and Joint Venture

IFRS 12 requires summarised information (except where material) for associates and joint ventures consolidated into the group accounts. Presented below is a summarised Statement of Consolidated Income and Consolidated Statement of Financial Position for Redwood Financial Partners Limited.

	2022/23 £000	2023/24 £000
Statement of Consolidated Income		
Interest Income	(21,835)	(28,087)
Interest Expense	5,765	7,219
Administrative Expenditure	13,164	16,226
Operating Loss for the Financial Period	(2,906)	(4,642)
Other Comprehensive Income for the Period	69	655
Total Comprehensive Income for the Period	(2,837)	(3,987)

<i>Consolidated Statement of Financial Position</i>	31/03/23 £000	31/03/24 £000
<u>Assets</u>		
Cash and Cash Equivalents	574,497	611,711
Fixed Assets and Other Assets	2,492	1,409
Total Assets	576,989	613,120
<u>Liabilities</u>		
Deposits	(481,483)	(512,420)
Other Liabilities	(41,955)	(43,162)
Total Liabilities	(523,438)	(555,582)
Net Assets	53,551	57,538
Equity	(53,551)	(57,538)

Presented below is a summarised Statement of Consolidated Income and Consolidated Statement of Financial Position for Wire Regeneration Limited.

	Restated 2022/23 £000	2023/24 £000
Turnover	1,565	1,636
Restated Cost of Sales	(987)	(1,038)
Restated Gross Profit	578	598
Administrative Expenses	(514)	(382)
Restated Operating profit	64	216
Interest Receivable and Similar Income	-	12
Restated Loss Arising on Fair Value of Investment Property	(482)	-
Restated (Loss) Profit Before Tax	(418)	228
Restated Tax on Profit	(35)	(57)
Restated (Loss)/Profit for the Financial Year	(453)	171

	Restated 2022/23 £000	2023/24 £000
Fixed Assets		
Restated Tangible assets	4	4
Restated investment property	9,848	10,019
	9,852	10,023
Current Assets		
Stocks	881	885
Restated Debtors	184	299
Cash at Bank and in Hand	618	715
	1,683	1,899
Restated creditors	(680)	(896)
Net Current Assets	1,003	1,003
Long Term Creditors	(78)	(78)
Provisions	(462)	(462)
Total Assets less Current Liabilities	10,315	10,486
Deferred Tax	-	-
Net Assets	10,315	10,486
Capital and Reserves		
Share Capital	7,408	7,408
Profit and loss account	2,907	3,078
	10,315	10,486

Glossary of Terms

AAA FITCH RATING

Highest credit quality - 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA FITCH RATING

Very high credit quality - 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A FITCH RATING

High credit quality - 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

ACCOUNTING PERIOD

The period of time covered by the accounts; normally a period of twelve months commencing on 1st April. The end of the accounting period is the Balance Sheet date.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits 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

ASSET

An item having value to the Council in monetary terms. Assets are categorised as either current or fixed:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A non-current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BOND

A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate.

BORROWING

Government support for capital investment is described as either Supported Capital Expenditure (Revenue) known as SCE(R) or Supported Capital Expenditure (Capital Grant) known as SCE(C). SCE can be further classified as either Single Capital Pot (SCP) or ring-fenced.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current accounting period, or expenditure, which adds to and not merely maintains the value of an existing non-current asset.

CAPITAL FINANCING

Funds raised to finance for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.

CAPITAL RECEIPT

The proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government but they cannot be used to finance revenue expenditure.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMMUNITY ASSETS

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

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's accounts.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that Local Authorities engage in specifically because they are elected, multi-purpose Authorities. The cost 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 services. There is therefore no logical basis for apportioning these costs to services.

CREDIT RATING

An assessment of the creditworthiness of a borrower in general terms or with respect to a particular debt or financial obligation. A credit rating can be assigned to any entity that seeks to borrow money. Credit assessment and evaluation for companies and governments is generally done by a credit rating agency such as Standard & Poor's, Moody's or Fitch.

CREDITOR

Amount owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EQUITY

The Council's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXTRAORDINARY ITEMS

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Council and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by Authorities and subsidised by central Government.

IMPAIRMENT

A reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet.

INCOME AND EXPENDITURE ACCOUNT

The revenue account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

INFRASTRUCTURE ASSETS

Non-current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVENTORIES

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, Authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

INVESTMENT PROPERTIES

Investment Properties represent capital expenditure acquisitions made in reliance upon the GPOC or other service, or expenditure facilitating power.

JERSEY PROPERTY UNIT TRUST (JPUT)

A Jersey Property Unit Trust (JPUT) is a specific type of Jersey trust which is commonly used to acquire and hold interests in UK real estate. Unlike a company, a JPUT is not a separate legal entity.

The assets of the JPUT are held by its trustee on trust for the unitholders of the JPUT. The unitholders hold units in the JPUT, similar to shareholders holding shares in a company.

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

MINIMUM REVENUE PROVISION (MRP)

An annual prudent provision for charges to revenue in respect of outstanding capital debt liability.

NEGATIVE SUBSIDY

If the Subsidy Housing Revenue Account produces a result, which assumes that the Council's income is higher than its expenditure, a "negative subsidy" situation arises. In this case the Council must pay an amount equivalent to the deficit, from its Housing Revenue Account to the Government.

NET BOOK VALUE

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical costs or fair value less the cumulative amounts provided for depreciation.

NET DEBT

The Council's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and as such are not apportioned to services

NATIONAL NON-DOMESTIC RATES (NNDR)

The National Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the Government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central Government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS

Non-current assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE

A lease where the ownership of the non-current asset remains with the lessor.

OPERATIONAL ASSETS

Non-current assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT

The levy made by precepting Authorities by billing Authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency which provides loans for one year and above to Authorities at interest rates only slightly higher than those at which the Government can borrow itself.

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NNDR purposes.

RELATED PARTIES

There is a detailed definition of related parties in IAS 24. For the Council's purposes related parties are deemed to include the Council's members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves are reported in two categories – usable and unusable. Usable reserves are those the Council may use to provide services subject to the need to maintain a prudent level of reserves and any statutory limitation on their use. Unusable reserves are those the Council may not use to provide services and are technical adjustments or specific capital reserves.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Items of revenue expenditure, which statute provides shall be treated as capital expenditure.

REVENUE SUPPORT GRANT

A grant paid by Central Government to Authorities contributing towards the general cost of their services.

S106 AGREEMENTS

A Section 106 agreement is a legal agreement between the Council and a developer, concerning specific planning obligations. A contribution by the developer is sometimes made to the Council for the Council to perform the obligation on the developer's behalf. If the obligation is not met, then the contribution is then repaid to the developer.

SOFT LOAN

A soft loan is a loan with a below market rate of interest.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

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

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will derive benefits from the use of a non-current asset.

WORK IN PROGRESS (WIP)

The cost of work performed on an uncompleted project at the year end.