GMCA GREATER MANCHESTER COMBINED AUTHORITY

UNAUDITED

Annual Statement of Accounts (Single Entity)

Year ended 31 March 2024

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Narrative Report by the Authority Treasurer

Welcome to the Greater Manchester Combined Authority's (the Authority) Annual Statement of Accounts for 2023/24. The statements have been prepared in accordance with the requirements of the Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

This narrative report aims to provide information so that members of the public, Councillors, partners, stakeholders and other interested parties are able to have:

- A full and understandable explanation of the overarching financial position of the Authority and the financial performance for the year 2023/24;
- Confidence that the public money with which the Authority has been entrusted has been used and accounted for in an appropriate manner;
- Assurance that the financial position of the Authority is sound and secure.

This narrative report provides information about the Authority, including the key issues affecting the Authority and its accounts. It also provides a summary of the financial position at 31 March 2024 and is structured as below:

- How the Authority Performed in 2023/24
- The Authority's Group of Companies
- Revenue Budget and Financial Performance 2023/24
- Capital Programme and Financing 2023/24
- Treasury Management Performance in 2023/24
- Forward Look – Financial Landscape
- Core Financial Statements

Introduction to the Greater Manchester Combined Authority

Background

Greater Manchester is home to more than 2.8m people. Its economy is the largest of any city region outside of London, and bigger than that of Wales or Northern Ireland. The Greater Manchester vision is to be a place where everyone can live a good life, growing up, getting on and growing old in a greener, fairer, more prosperous city region. We are working collectively across out city region to achieve this, including through economic growth and reforming out public services.

The ten Greater Manchester councils (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) have a long history of decades of collaboration, working together in the best interests of residents on issues like transport, regeneration, and attracting investment. The GMCA was established on 1 April 2011 by the Greater Manchester Combined Authority Order 2011. In 2014 the first devolution of powers to Greater Manchester from Central Government was agreed, together with the creation of the first directly elected metro-mayor. Andy Burnham was elected as Greater Manchester Mayor in 2017 and re-elected in 2021 and 2024. Subsequent devolution deals have brought further major developments for the city region, leading up to a “trailblazer” devolution deal in March 2023 – the most significant such deal yet, securing much greater influence over crucial policy areas.

The political body of the Greater Manchester Combined Authority (GMCA) is led jointly by the leaders of the ten Greater Manchester local authorities and the Mayor, who work with other local services, businesses, communities and other partners to improve the city region. The Mayor is Chair of the GMCA and its eleventh member. He is supported by Deputy Mayor for Safer and Stronger Communities, Kate Green, whose role is to ensure the voice of victims and residents of Greater Manchester are heard and championed, and Deputy Mayor Paul Dennett who leads on Healthy Lives and Homelessness.

The GMCA political body is distinct to that of the GMCA organisation. The political GMCA provides the political direction, governance and oversight of the activities undertaken across Greater Manchester for those areas of responsibility which are jointly owned at Greater Manchester level or those issues where voluntary pan-Greater

Manchester collaboration has been agreed. GMCA organisation translates that political direction into action and provides capacity for new and furthering activities, working to make Greater Manchester a better place for all. This is achieved through added value in bringing together the activities at Greater Manchester level, enabling the city region to speak with a single voice, convening the system on behalf of all partners and providing a clear and consistent conduit to government where Greater Manchester chooses to speak and act as one.

Devolution

Since GMCA was created, a series of deals with Central Government have devolved powers and funding and programme delivery to the CA.

In 2023/24, GMCA has made progress on implementing the latest phase of devolution of power and funding from Whitehall. Implementation of this March 2023 trailblazer deal is largely on track.

The 2023 deal commitments include:

- Housing: £400 million for the Affordable Homes Programme, £150 million for brownfield land funding, and £3.9 million to end the use of bed and breakfasts for homeless families.
- Transport: A new rail partnership with Great British Railways to support the Bee Network by 2030, including ‘pay as you go’ ticketing pilots.
- Skills: devolved functions of post-19 education and skills activity; providing greater oversight of post-16 technical education and skills and careers along with local flexibilities over free courses for jobs and Skills Bootcamps.
- Retrofit: Piloting the devolution of net zero funding, including for buildings’ retrofit, from 2025 onwards.
- Investment zones: designated growth zones supporting new research and innovation, sector-focussed skills programmes, local infrastructure enhancements, and targeted business support.

The deal is underpinned by a new single settlement: a single funding arrangement which covers the whole spending review period and includes the establishment of a streamlined, overarching, single accountability framework. The single settlement will provide greater long-term certainty and provides the flexibility to reallocate money in line with local needs and priorities. The Government committed to implementing it at the next Spending Review, meaning it would flow to GMCA from April 2025.

In 2023/24, the focus has been on negotiating the terms of the single settlement: a Memorandum of Understanding was signed with the Government in November 2023, with an annex following in March 2024. These documents set out the scope of the settlement; the approach to determining the allocation of funding to GMCA; and the approach to negotiating the outcomes GMCA will be held accountable for delivering.

The Greater Manchester Strategy

The current Greater Manchester Strategy (GMS) was adopted in 2021 as a 10 year strategy for the whole of Greater Manchester. It is a convening document providing a strategic direction of travel for the whole GM system.

Progress reports have been produced every six months, providing an overview of collective progress of delivery of GMS ambitions.

We are now nearing the end of the first three year delivery cycle and it was agreed to undertake a refresh of the GMS at this point, which would have provided an updated contextual narrative and priorities for the coming four years delivery cycle.

Engagement activity has been undertaken, working with GM networks, stakeholders and regular involvement of Local Authority Officers and Political leads.

A refresh of the GMS was due this year, but given the timing, GM is now faced with an optimal moment to develop a more ambitious strategy, developing and capitalizing on the opportunities presented by Single Settlement, a new Mayoral term, and the change in national Government. A more fundamental re-write of the strategy is therefore now planned.

Ongoing engagement and work on the re-write, along with the development of the Outcomes Framework, will take place over summer, with a new draft strategy currently planned for early Autumn.

Overview of the GMCA Organization

The Chief Executive of the Greater Manchester Combined Authority, Caroline Simpson, appointed in June 2024, chairs the Greater Manchester Wider Leadership Team and has responsibility for policy and strategy and a wide range of Greater Manchester services including Fire and Rescue, Waste, Transport, Economic Development and Planning. The Chief Executive is supported by the Corporate Executive Management Team (CEMT) made up of:

Chief Executive	Caroline Simpson (previously Eamonn Boylan)
Deputy Chief Executive	Andrew Lightfoot
Chief Fire Officer	Dave Russel
Treasurer	Steve Wilson
Monitoring Officer	Gillian Duckworth
Executive Director Policy & Strategy	Simon Nokes

The Senior Leadership Team (SLT) of the organisation comprises CEMT plus Directors and Corporate function leads. The Chief Executive and SLT are accountable to the Mayor and political leaders of Greater Manchester collectively. The SLT oversee a series of Directorates, which have been created to bring greater clarity and focus on the delivery activities of GMCA. These directorates are:

- Digital
- Education, Work and Skills
- Economy
- Environment
- Place Making
- Public Service Reform
- Safer Stronger Communities (previously Police, Crime, Criminal Justice and Fire)
- Corporate functions

The SLT (Senior Leadership Team) is focused on further developing and preparing to implement our latest devolution deal. This ‘trailblazer’ agreement is our most significant devolution deal yet, providing a unique moment for doing government differently. It provides greater influence and flexibility over crucial policy areas including transport, housing and regeneration, adult skills, employment support, the environment, economic growth, culture, data, digital, resilience and public services. Alongside this, we have a new Mayoral term, with fresh manifesto commitments to deliver. Together, these will guide a refresh of our Greater Manchester Strategy to ensure that our resources and efforts are used in the most effective way, towards those specific areas and outcomes that we as a Combined Authority and city region partnership can most directly influence and change.

And as an organisation we will continue to deliver our People Strategy's vision of being a better place to work, drawing on the insight and experiences of colleagues from all levels into how we work well, and where we could improve further. Such opportunities come with accompanying challenges. To realise their full potential, we need to continue to evolve as an organisation and as a leadership team. Preparing for the next phase of GMCA involves ensuring that we have the right skills and resources in place; that collaboration with each other, our partners and our residents is maximised; that our teams are empowered to work more flexibly; and that best practice is shared and applied consistently.

Our ELN (Extended Leadership Network) continues to evolve, continuing to shape and support organisational delivery, act as a key communication mechanism for effective management of the business and support greater cross-directorate collaboration in the design and delivery of our activities. Through a central co-ordinating ELN Hub, activities have been developed and a forum provided for considering corporate issues and to facilitate greater collaboration and visibility of activities across the organisation. The ELN Hub has representation from each Directorate and is overseen by the Executive Director (Waste) and has responsibility for the development and oversight of delivery of the Business Plan. One way we have progressed some of the organisational commitments in last year's Business Plan is through the creation of ELN task and finish groups to develop responsive actions to the issues our staff care about, raised as issues via the b-Heard survey. The task and finish groups are learning and development, prioritising well-being and leadership on environmental sustainability. Each group now has clear plans of action in place, developed by dedicated working groups and work continues to be overseen by ELN.

During 2022/23 the organisation's mission statement has been refreshed to be more reflective of the ambition as an organisation and an employer. The new mission '*Making Greater Manchester a better place for all'* has been created following consultation with staff, merging the key concepts frequently raised during team-level discussions and which most people said they felt affinity to. Part of the work to refresh the mission, also refined the organisational values to provide clearer, simpler supporting statements that better reflect what GMCA does.

GMCA remains the only combined authority in England to have undergone a review under the Local Government Association (LGA) Peer Challenge process which was undertaken in Autumn 2022. The recommendations of the peer review have been accepted by GMCA and form a key element of the development of the authority.

Overview of GMCA Resources

The overall GMCA budgets are made up of a variety of both historic budgets and new budgets relating to the functions provided by the Mayor and the GMCA as a whole. The majority of funding the GMCA receives is from government grants, levies and transport statutory charge to Greater Manchester local authorities and council tax (precept) largely ringfenced for the delivery of Police and Crime, Fire and Rescue and Transport functions. The Authority also receives specific government grant funding to deliver key programmes of work, supported by funding from retained business rates growth, reserves and external income.

<u>Revenue budgets</u>

The various orders under which these functions are provided, determine how revenue budgets are funded such that:

- GMCA General Budget – This includes corporate functions and economic, development and regeneration activities of the GMCA. The budget is made up of a number of specific government grants, including the Adult Education Budget, retained business rates, Greater Manchester local authority contributions, earmarked reserves, internal recharges to other GMCA budgets and external income.

- Mayoral General Budget – This is funded from the Mayoral Precept, transport statutory charge on Greater Manchester local authorities and government grants. The Greater Manchester Fire and Rescue Service (GMFRS) is part of the Mayoral Precept but also receives a revenue support grant, business rates income and a top up grant.

- Greater Manchester Waste and Resources – This is funded from a levy to nine Greater Manchester local authorities (excluding Wigan) that participate in the Greater Manchester waste service with contributions on the basis of an agreed funding mechanism.

- GMCA Transport Revenue Budget – This is funded from a contribution from the Mayoral budget for statutory Mayoral functions including bus services and from a levy on local authorities for non-Mayoral functions in relation to public transport and a contribution to Metrolink financing costs. The budget also includes a number of other grants received in relation to specific activities.

- Greater Manchester Police Fund is made up of government grant and the policing precept agreed with the Police, Fire and Crime Panel, following a public consultation. The majority of the Police Fund is delegated to the Chief Constable of Greater Manchester Police.

The table below shows the budgets and provisional outturn position for each of the GMCA budgets in 2023/24:

Summary 2023/24	**Approved Budget**			**Provisional Outturn**			**Variance from Budget**		
	Exp	**Income**	**Total**	**Exp**	**Income**	**Total**	**Exp**	**Income**	**Total**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
GMCA General	245,584	(245,584)	0	272,818	(274,938)	(2,120)	29,234	(31,354)	(2,120)
Mayoral	139,738	(139,738)	0	129,133	(129,133)	0	(10,605)	10,605	0
GMFRS	130,308	(130,308)	0	131,011	(131,011)	0	702	(702)	0
Waste	169,023	(169,023)	0	149,719	(149,719)	0	(19,304)	19,304	0

Transport inc:	311,898	(311,898)	0	367,463	(367,463)	0	55,565	(55,565)	0
Transport (TfGM)*	307,413	(247,413)	60,000	295,210	(295,210)	0	(12,203)	(47,797)	0

*TfGM budget position was approved in February 2023 before mitigation measures were put in place.

Capital budgets

GMCA's capital programme includes GMFRS, Economic Development and Regeneration programmes, Waste and Resources Service and the continuation of the programme of activity currently being delivered by GMCA, TfGM and Greater Manchester local authorities.

The provisional capital expenditure for 2023/24 was £541.1m compared to revised budget of £610.4m. The Police Fund GMP capital programme was a further £25.3m of spend in 2023/24 compared to budget of £43.8m. The tables below provide a breakdown of provisional capital expenditure by GMCA function and capital financing for 2023/24:

Capital Programme Provisional Outturn 2023/24	**Approved Budget £000s**	**Provisional Outturn £000s**	**Provisional Variance £000s**
Transport	346,419	344,970	(1,449)
Economic Development & Regeneration	215,407	182,790	(32,617)
Fire & Rescue Service	23,177	9,937	(13,240)
Waste & Resources Service	6,780	3,367	(3,413)
Total exc. Greater Manchester Police	**591,783**	**541,064**	**(50,719)**
Police Fund (GMP)	43,843	25,254	(18,589)
Total Capital	**635,626**	**566,318**	**(69,308)**

Capital Financing 2023/24	**GMCA £000s**	**GMP £000s**	**Total £000s**
Borrowing	140,726	24,045	164,771
Capital Grants	268,702	823	269,525
Revenue Contribution to Capital Outlay	4,708	386	5,094
Capital Receipts	90,943	0	90,943
External Contributions	1,557	0	1,557
External Contributions TfGM	34,428	0	34,428

Total Funding	**541,064**	**25,254**	**566,318**

Greater Manchester Investment Strategy

In 2023/24 the Greater Manchester Investment Strategy continued to support regeneration and job creation in the region through targeted investment that reflects the strengths and opportunities in the local economy. The investment strategy was based on sustainably generating returns that can be recycled and reinvested so as existing loans and investments are repaid, they can be reinvested in new projects. Investment funds are used as a lever to deliver the strategy and focus on our strategic priorities in business, housing and commercial property. The main elements of the funds are:

- *The Greater Manchester Housing Investment Loans Fund (HILF):*
  HILF aims to unlock the delivery of at least 10,000 homes over the 10-year life of the fund providing the high quality housing offer needed to support the region's economic growth. In 2018/19 HIF novated from Manchester City Council to the GMCA. As existing investments made by the Fund are repaid the monies are available for reinvestment by the Fund and at the time of writing there have been no defaults.

- *City Deal Receipts:*
  In 2015 it was agreed that receipts realised by Homes England from the disposal of its land and property within Greater Manchester would be provided to GMCA to invest in support of the housing and regeneration objectives set out in the 2012 Greater Manchester City Deal.

- *The Core Recycled Funds:*
  The Core Recycled Funds originated from Regional Growth Fund (RGF) and Growing Places Fund (GPF) monies which have been recycled and are now reinvested into businesses and commercial property. As part of this overarching programme, the funds offered investments at commercial rates to businesses and organisations to fund schemes that boost local employment, improve skills and contribute to the region's economic growth. Funds that have been provided to

businesses have been used to support a market gap for finance and therefore, given the nature of the portfolio, defaults are expected. Provisions have been made to estimate the risk, in accordance with International Financial Reporting Standards - IFRS 9.

- *Commercial property funds:*
  The dedicated commercial property funds are managed by CBRE Ltd on behalf of the Authority and have supported the development of commercial floor space and the redevelopment of Brownfield land.

- *Life Sciences Fund*:
  The first £30m Life Sciences Fund was established in 2016 in partnership with Cheshire East Council, Cheshire and Warrington Local Enterprise Partnership (LEP) and Bruntwood to further develop the Alderley Park site and support life sciences businesses across the city region. The first fund is managed by Catapult Ventures. A second £20m fund was established in 2022 in partnership with Cheshire and Warrington LEP and Bruntwood, this fund is managed by Praetura Ventures.

- *Low Carbon Fund:* The £15m Low Carbon Fund is managed by CBRE Ltd on behalf of the GMCA. The Fund has provided development finance for energy efficient new building stock and will continue to recycle funding to deliver carbon reduction in the region.

GMCA General – Economic, Development and Regeneration

The GMCA General budget includes corporate services and economic, development and regeneration functions. The original budget approved in February 2023 was £245.6m. Throughout the financial year as part of the quarterly update reports the budget has been revised to reflect changes in funding:

GMCA Revenue General Budget 2023/24 Provisional Outturn	Original Budget	Provisional Outturn	Variance
	£000s	**£000s**	**£000s**
Expenditure:			
GMCA Corporate	25,781	28,853	3,071

Election	0	170	170
Core Investment Team	1,745	1,616	(129)
Digital	353	4,709	4,356
Economy	9,746	15,543	5,797
Environment	1,509	8,587	7,078
Place	23,446	29,009	5,563
Public Service Reform	41,884	44,233	4,349
Work and Skills	141,120	140,099	(1,021)
Total Expenditure	**245,584**	**272,818**	**29,234**
Funded by:			
Government Grants	188,865	190,343	1,478
District Contributions	8,603	8,603	0
Internal Recharges	22,905	23,476	571
Retained Business Rates Reserve	8,014	20,191	12,177
Earmarked Reserves	5,543	5,076	(468)
Other Income	11,654	27,249	17,595
Funding	**245,584**	**274,938**	**31,354**
Net Expenditure	**0**	**(2,120)**	**(2,120)**

Corporate Services

The Corporate Services Directorate provide support for the whole of GMCA including GMFRS, OPCC, Waste and Resources and elements of Transport functions. The corporate functions include services such as Strategy, Research, Information and Communication Technology (ICT), Human Resources, Organisational Development, Finance, Internal Audit and Risk, Commercial Services, Legal and Governance. Funding of GMCA corporate functions is predominantly from recharges within the GMCA and to grants, external funding and district contributions. The original approved budget for 2023/24 was £25.8m and the 2023/24 gross expenditure was £28.9m. The increase of £3.1m relates to expenditure on new activities funded by a range of sources, such as external income, internal recharges and reserves. New activities include the resilience unit, IFRS 16 related spend and additional roles on research and strategy assisting with devolution and new business partnering roles funded from directorates.

Core Investment Team

The Core Investment Team is responsible for managing funding provided through the Greater Manchester (GM) Investment Framework and the GM Housing Investment Loans Fund (HLIF) described above.

The outturn position on the Core Investment Team shows a decrease of £0.1m compared to the original budget. This is due to lower than expected employee costs as a result of some part-year vacancies; it does not impact the overall position for GMCA as surpluses/deficits are transferred to earmarked reserves.

Digital

The Digital Directorate is committed to delivering on the GM Digital Strategy through a three year approach set out in the GM Digital Blueprint. GM Digital collaborates across the GM digital system which includes industry, universities, health, and Voluntary, Community and Social Enterprise (VCSE) sector to create opportunities, maximise outcomes and generate inward investment.

The 2023/24 original budget for Digital was £0.4m. Whilst the outturn position for Digital shows an increase of £4.3m compared to the original budget, the impact on the overall position for GMCA is only £77k. This adverse impact is the result of project delivery costs relating to the Digital Platform Programme exceeding the identified budget. Additional funding realised during the year, £1.55m of Retained Business Rates Funding, £0.6m partner funding relating to the GM One Network, £1.6m of other internal funding/partner contributions and £0.5m from grants.

Economy

The Economy Directorate leads key groups including the Growth Board, Local Industrial Strategy Programme Delivery Executive, GM Economic Resilience Group and GM Local Enterprise Partnership (LEP). The 2023/24 approved budget for Economy was £9.7m with actual expenditure for 2023/24 being £15.5m relating to:

- GM Productivity Programme expenditure of £4.8m and GM Local Industrial Strategy (LIS) expenditure of £1.2m both funded from retained business rates.

- £3.85m relating to Marketing Manchester and MIDAS funded from District Contributions of £1.4m and £2.5m from retained business rates.
- £1.98m relating to Made Smarter Adoption North West programme fully funded from Government grant.
- £1.4m for the Economy team funded from a combination of internal recharges, grants and previously and retained business rates.
- £1.2m for Economy Business Rates programme’s such as Economic Legal Advice, Business Angels, Journey to net zero and Bee net zero.
- Other expenditure totalling £1.0m against government grants confirmed during the financial year:
- Local Enterprise Partnership core funding of of £0.250m from Department for Housing, Levelling Up and Communities (DHLUC);
- Innovation Accelerator seed corn funding of £0.4m from Department for Science, Innovation and Technology (DSIT) to support research in key growth opportunities identified in the GM Local Industrial Strategy;
- Department for Business, Energy, and Industrial Strategy (BEIS) funding for National Cluster Co-ordination undertaken by the Business Growth Hub of £0.4m;
- £0.3m from Data Accelerator funded from Department for Housing, Levelling Up and Communities (DHLUC).

Environment

Environment is the lead for the implementation of the GM Five Year Environment Plan and delivering housing and public retrofit programmes as part of green economic recovery and progressing the environment plan to continue to reduce carbon emissions and create an improved, more resilient natural environment for socially distanced recreation.

The 2023/24 original approved budget for Environment was £1.5m with actual expenditure for 2023/24 being £8.6m. The increase relates to new investment from retained business rates growth agreed in July 2023 and Mayoral reserve funding for ‘Greener’ schemes totalling £4.2m and an additional £3m external funding to support decarbonisation and other environment related programmes.

Expenditure in 2023/24 relates to:

- Green Spaces Fund – expenditure of £2m to support projects that enhance local green spaces or create new ones where they are most needed.
- District Low Carbon programme (Renewables and Retrofit) – expenditure of £1.6m to support Districts to deliver their Climate Emergency Declarations through upscaling the delivery of conurbation wide carbon reduction programmes.
- IGNITION project – grant funded expenditure of £1.2m to develop innovative financing solutions for investment in GM's natural environment, to help increase the city regions resilience against the increasingly extreme impacts of climate change.
- Local Energy Advice Demonstrator (LEAD)– Grant funded expenditure of £1m to test new and innovative approaches to providing in-person energy efficiency and clean heating advice to Greater Manchester residents, targeting hard-to-reach consumers and hard-to-treat homes, predominantly in urban areas.
- Five Year Environment Plan - expenditure of £0.6m to provide capacity to bid for capital and revenue funds, undertake research, communication, training, convene and co-ordinate delivery of the 5YEP utilizing GM's unique Mission Based Approach
- Natural Course – expenditure of £0.4m relating to an EU-funded LIFE Integrated Project to improve and protect the water quality of the North West over a ten year period.
- Other Environment projects with expenditure of £0.9m such as Local Nature Recovery Strategies, Sustainable Consumption and Production and Energy Innovation Agency.

Place

Place Directorate focuses on the development of individual places and all the elements that support prosperous and vibrant places in which GM residents can grow up, live and grow old. This has brought together Housing and Planning, Land and Property, Culture, Delivery and Infrastructure teams, each of which has a vital role to play in place development.

In 2022/23 the government announced local allocations for the UK Shared Prosperity Fund (UKSPF) as part of delivering the mission to 'Level Up' the UK by 2030. GMCA has been assigned by government as lead authority for the fund in Greater Manchester and is receiving the area's allocation to manage. GMCA has overall accountability for the funding and how it operates, working closely with local authorities and key stakeholders in this role. The Greater Manchester allocation for the three-year period 2022/23 – 2024/25 is £98m which will support the delivery of UKSPF priorities which align with priorities in the GMS. At 31 March 2024 over 90% of the allocation was spent, with the programme scheduled to conclude in March 2025.

The 2023/24 original approved budget for Place was £23.4m with actual expenditure for 2023/24 being £29m. The increase relates to expenditure on activity identified within 23/24 that has been funded by additional grant income and investment from retained business rates. Expenditure in 2023/24 relates to:

- UK Shared Prosperity programme - expenditure of £17.0m for the second year of the core programme focusing on investment in 'Communities and Place' and 'Local Business' interventions to boost pride in place.
- Cultural and Social Impact Fund of £4.3m the majority of which was funded from a GM local authorities' contribution and supported by retained business rates growth.
- Local Enforcement Pathfinder, expenditure of £1.1m, this is a new programme to improve enforcement in the private rented sector across Greater Manchester.
- The GM Delivery Team supports the delivery of GM's housing delivery objectives and priorities, this was a cost of £0.6m funded from earmarked reserves.
- Create Growth programme funded by Department of Culture, Media and Sport (DCMS) of £0.4m to support creative organisations in the region with a bespoke business support programme to attract investment to grow their business sustainably.
- Other Place Directorate expenditure totalling £5.6m in relation to the Planning and Housing team and Business, Innovation and Enterprise policy funded from a combination of local authority contributions, grant funding and internal recharges, this included activity in areas such as Good Landlord Scheme, Growth Locations and Flood Risk Management.

Public Service Reform

Public Service Reform (PSR) supports reform, innovation and social policy development across Greater Manchester with the overarching objective of addressing inequality and improving outcomes for all residents across the city region. It is made up of a number of thematic strands with lead responsibilities that include Early Years, Children and Young People, Troubled Families, Homelessness and Rough Sleeping, Asylum and Refugees, Armed Forces and Veterans, Gambling Harm Reduction and the GM Ageing Hub. The service performs a cross-cutting role across GM in collaboration with localities, other public service organisations and the VCSE sector to drive the implementation of unified public services for the people of Greater Manchester.

The 2023/24 original approved budget for PSR was £41.9m with actual expenditure for 2023/24 being £44.2m. The majority of the increase relates to additional funding for the Supporting Families Programme and the Homelessness Prevention Strategy. Expenditure in 2023/24 relates to:

- Supporting Families programme of £17.4m continuation of the programme funded from DLUHC grant.
- Homelessness and Rough Sleeping including:
  - A Bed Every Night (ABEN) of £6.7m expenditure funded from Mayoral Precept, partner contributions and government grant.
  - Housing First programme expenditure of £3.6m funded from government grant.
  - Rough Sleeper Initiative, Rough Sleeper Accommodation, Community Accommodation Youth Pathfinder and Refugee Transitions Outcomes programmes with expenditure of £9.3m.
- Changing Futures funding of £2m for 2023/24 which is the third year of a three year programme to improve outcomes for adults experiencing multiple disadvantages.
- PSR Directorate and other delivery resources for the overall programme of £2.2m.
- Other programmes including Children's Services, Children and Young People Plan, School Readiness, Special Educational Needs and Disability, GM

Safeguarding Alliance, Aging Better, Aging in Place Pathfinder and Creative Health with expenditure totalling £2.8m.

Education, Work and Skills

Education, Work and Skills works in partnership with local authorities, partners and businesses to deliver and performance manage programmes that support people to enter, progress and remain in work. The original 2023/24 budget was £141.1m with actual expenditure for 2023/24 being £140.1m supporting the following programmes:

- The Adult Education Budget (AEB) of £97.2m devolved to GM to support the city region's residents to develop skills needed for life and work, plus an additional £5.6m for the AEB National Skills Fund Adult Level 3 programme.
- European Social Fund (ESF) Skills for Growth Programme of £8.7m, with 2023/24 being the first of four years of funding to support business growth and deliver an integrated approach to employment and skills.
- Working Well services to support people experiencing or at risk of long-term unemployment, including the Work and Health Programme of £10.3m, the Individual, Placement and Support in Primary Care Programme of £.1.1m, Working Well Specialist Employment Support of £0.8m and the Work & Health: Pioneers Programme of £0.5m.
- European Social Fund (ESF) Not in Employment, Education or Training (NEET) prevention/reduction and youth employment programme of £3.7m.
- Delivery of the Skills Bootcamp programme which expended £4.9m in the year and is a tailored offer of skills provision and learning that is aligned to employer needs and directly linked to employment opportunities in priority sectors.
- Self-Employment Pilot of £0.6m to support GM self-employed residents to sustain and grow their business.
- UK Shared Prosperity Fund Adults' Multiply programme with expenditure of £3.8m in year two of the £14.4m allocation over three years.
- Other programmes including Greater Manchester Apprenticeship & Careers Service, Young Person's Guarantee, GM Careers Hub and Digital Skills with expenditure totalling £2.9m.

Business Rates Growth Retention Pilot

The GMCA General budget includes funding from the 100% business rates retention pilot which was introduced in 2017/18 as part of the Greater Manchester Devolution Deal with the stated intention of:

- Giving Greater Manchester authorities an incentive to grow local tax bases by ensuring they see long term rewards from growth.
- Maintaining a predictable income stream against which authorities can take long term investment decisions.
- Ensuring that Greater Manchester authorities can continue to provide a full range of local services, whilst recognising that decisions about spending priorities should be made locally by locally elected representatives accountable to local taxpayers.

Under the scheme the ten Greater Manchester local authorities retain 100% of business rates growth from the base year. The benefits are calculated applying a ‘no detriment’ formula which ensures Greater Manchester is no worse off financially than it would have been if it were not part of the pilot. The local agreement with local authorities is that the benefits of the scheme, to the extent that there should be any, are shared for investment both at individual local authority level and for Greater Manchester priorities. In 2020/21 during the peak of the financial impact from the pandemic, the full 100% benefit of the pilot was retained by local authorities to support their response.

In 2023/24, the benefits of the pilot continued to be split on the basis of 75% retained by local authorities and 25% for Greater Manchester priorities. This was an income of £18.7m for Greater Manchester wide initiatives which was held by GMCA in an earmarked reserve for specific programmes of work agreed by Greater Manchester leaders. In order to manage the risk around the unpredictability of business rates growth, the commitments are made in the year following the confirmed benefit and subsequent share for Greater Manchester priorities.

Mayoral General Services

The Mayoral budget includes Mayoral general functions as follows:

- Fire and Rescue
- Compulsory purchase of land
- Mayoral development corporations
- Development of transport policies
- Preparation, alteration and replacement of the Local Transport Plan
- Grants to bus service operators
- Grants to constituent councils
- Decisions to make, vary or revoke bus franchising schemes

The sources of funding for Mayoral functions, to the extent that they are not funded from other sources, are a precept or statutory contributions. The Mayoral Precept is part of the overall council tax paid by Greater Manchester residents and used to fund Greater Manchester wide services for which the Mayor is responsible. The Mayoral Precept for the financial year 2023/24 was £107.95 for a Band D property, with the fire service accounting for £76.20 and £31.75 for non-fire.

The Mayoral general budget has two parts:

- Mayoral General budget (excluding Fire and Rescue).
- Mayoral Fire and Rescue Service budget.

The provisional outturn in 2023/24 for the Mayoral general budget (excluding Fire and Rescue) was breakeven. The table below sets out the provisional outturn position against budget:

Mayoral Budget 2023/24 Provisional Outturn	**Original Budget**	**Provisional Outturn**	**Budget Variance**
	£000s	**£000s**	**£000s**
Mayor’s Office	526	668	142
Corporate Recharge	826	826	0
Mayoral Priorities	3,050	3,715	665
Mayoral Transport	135,336	123,924	(11,412)
Gross Expenditure	**139,738**	**129,133**	**(10,605)**

Mayoral Budget 2023/24 Provisional Outturn	**Original Budget**	**Provisional Outturn**	**Budget Variance**
Funded by:			
Mayoral Precept	(25,193)	(25,180)	13
Collection Fund Surplus /-Deficit	(1,059)	(896)	163
Bus Support Operators grant	(13,150)	(13,151)	(1)
Mayoral Capacity grant	(1,000)	(1,000)	0
Statutory charge	(86,700)	(86,700)	0
Use of Reserves	(11,786)	(2,205)	9,581
External Income	(850)	0	850
Total Funding	**(139,738)**	**(129,133)**	**10,605**
Net expenditure	**0**	**0**	**0**

The most significant variances relate to:

- Additional investment in Mayoral priorities of £0.7m due to the cost of the expansion of emergency accommodation provision, A Bed Every Night (ABEN) which has helped prevent more people sleeping on the streets. As a result, during the winter months Greater Manchester has recorded a significantly lower increase in rough sleeping compared to other parts of England.
- Underspend on Mayoral transport budget of £11.4m the majority of which relates to Bus Reform implementation costs which will be held in reserves until required.

The underspend is offset by:

- A shortfall in income to support the Our Pass pilot from colleges of £0.9m.
- Reduction in use of reserves due to lower than forecast bus franchising due to a review of cost allocation between capital and revenue.

Greater Manchester Fire and Rescue Service

GMFRS covers around 500m^2 and operates 41 fire stations, making it one of the largest Fire and Rescue Services outside London. With approximately 1,711 full-time equivalent staff, the Service works closely with the local community to enforce fire safety legislation and make Greater Manchester a safer place to live, work, and visit.

The third Annual Delivery Plan (2023/24) outlines GMFRS's improvement program, which includes multiple improvement projects aligned with the Mayor's Fire Plan (2021-

2025) to deliver better service. The programme prioritises investing in the Service and supporting activities to respond to findings in our His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection. The latest inspection of GMFRS by HMICFRS graded the Service as ‘Good’ in 10 of the 11 areas and ‘Adequate’ in one, demonstrating significant improvements. The Service has made remarkable progress, with four of the 11 areas moving from a ‘Requires Improvement’ grading to a ‘Good’ grading and one from ‘Requires Improvement’ to ‘Adequate’. HMICFRS identified two areas for improvement, one of which we have already addressed and closed. The activities to address these areas are being delivered alongside our improvement program. Additionally, HMICFRS recognised four areas of Positive Practice and two areas of Innovative Practice, which together, is the most any fire and rescue service has received in this round of inspections. It is worth noting that GMFRS is currently the most improved fire and rescue service in England, setting a high standard for other services to follow.

Over the last year there has been a focus on developing a culture of excellence, equality and inclusivity and significant progress has been made against six strategic priorities:

Priority 1: Provide a fast, safe, and effective response:

- Completed the four monitored recommendations of the Manchester Arena Inquiry and supported North West Fire Control (NWFC) in our response. Delivered “lessons learned” presentations to the National Fire Chiefs Council (NFCC) Operations Conference and other fire and rescue services nationally.
- Implemented a revised operational model to manage contaminants faced by firefighters during their duties. We are supporting the national workstream on contaminants, represent the region and lead nationally on an area of the work, consulting with the NFCC and partner FRS’s.
- Undertook a strategic review of our services call handling arrangements, remaining as partners with NWFC until 2033, leading on the procurement of a new NWFC mobilising system alongside our four partners.
- Continued work on implementing a new workforce fitness framework, with annual fitness testing and upgraded gyms and equipment available to the operational workforce.

- Conducted a thorough public consultation on our fire cover and special appliance arrangements and are implementing plans including increasing our operational fleet from 50 to 52 fire appliances to help respond to increased risks in and around the city centre due to growth.
- Commenced the implementation, improvement of our special appliance capabilities, introducing a new operating model for our technical rescue unit to improve its response to complex emergencies like road traffic collisions, trench rescues, and collapsed buildings. Additionally, trained staff at the enhanced rescue stations, which will continue throughout 2024.
- Added four specialist wildfire vehicles to our fleet to improve wildfire capabilities in the event of a moorland fire.
- Achieved an average response time to “life risk emergencies” of 7 minutes 32 seconds and an average response time to primary fires of 7 minutes 14 seconds, the 4th fastest in England.
- Started implementing an updated Gartan crewing system for our frontline staff, providing increased functionality and eliminating paper-based systems, making information accessible conveniently through mobile technology, improving our overall response.

Priority 2: Help people reduce the risk of fires and other emergencies:

- Introduced virtual reality headsets to provide immersive learning experiences in prevention education initiatives, conveying thematic messages, videos, and interactive content to a range of age groups.
- Developed a new Community Fire Cadet program for youth aged 14-16 years, providing an opportunity to acquire basic firefighting skills and personal and social skills for those at risk of fire, road or water-related incidents, struggling in mainstream education or involved in anti-social behaviour.
- Initiated a Prevention and Protection digital project to create an integrated digital recording system that captures information about buildings, places and prevention activities in one place, improving data recording and efficiency.
- Adopted the NFCC Early Intervention Framework and embedded a Level 1 qualification in 'Developing Resilience' via the Atlas Project to provide best practice programmes for young people and communities.

- Promoted and embedded StayWise as the primary education tool for GMFRS staff, providing training to support the delivery of education packages via the StayWise portal to ensure vital safety messaging is incorporated into everyday learning.
- Conducted targeted prevention messaging for residents living in high-rise buildings, engaging with housing providers and managing agents of the properties to improve building and resident safety.
- Collaborated with partners to recognise that additional support and prevention education is necessary for individuals and small groups. Adopting a targeted approach to provide bespoke interventions, the 'Safer Communities and Interventions Team' was established within the Prevention department, with a focus on delivering targeted interventions to reduce risk in communities from areas such as deliberate fire setting and violence-related themes.

Priority 3: Help protect the built environment:

- Our protection team received national recognition at the NFCC Prevention and Protection Awards ceremony, winning the 'Outstanding Contribution Award' and 'Team Award' for their exceptional contributions to building and fire safety.
- We worked with councils, housing associations, and managing agents to ensure compliance with the Fire Safety England Regulations and most of the Grenfell Tower Inquiry Phase 1 report recommendations, covering hundreds of properties in Greater Manchester. We conducted remote sessions, updated all fire safety correspondence and produced new leaflets for managing agents. Ongoing compliance activity will continue in 2024/25 with the release of further information from the Building Safety Regulator, and we conduct regular training exercises to prepare our firefighters for high-rise incidents.
- We expanded our fire safety training capability to develop Fire Safety Regulators and upskill frontline operational colleagues. We were the first Fire and Rescue Service in the UK to have our bespoke level 2 award in Fire Safety Checks accredited and fully rolled-out. Additionally, our level 4 diploma is awaiting accreditation, which will enable us to provide in-house training and ensure best value for money for Greater Manchester residents.

Priority 5: Develop a culture of excellence, equality, and inclusivity:

- On July 2023, the British Firefighter Challenge was successfully hosted by GMFRS at Manchester. Over 40 GMFRS staff participated in the event alongside the support of more than 70 volunteers, including food, live music, and showcasing firefighter equipment. We were immensely proud of Helena Brown, one of our Whitefield Station firefighters, who was crowned British Female Champion.
- After rolling out the Leadership Development Framework, GMFRS has boosted leadership and coaching training consistently, which aims to equip their current and future leaders with essential skills, knowledge, and competencies. "Diverse Leaders," a GMFRS program targeted at underrepresented groups, that will help candidates prepare for future selection and promotion processes.
- GMFRS boasts successful attraction and recruitment strategies in building a workforce that is fully representative of our communities. This is made possible by developing and launching our Promotion Pathway and providing a robust Volunteering Strategy.
- The successful Recognition and Rewards Framework of GMFRS remains intact. Six Long Service Good Conduct awards, representing 4,770 years of service for GMFRS colleagues, were held, and an awards panel, as well as a calendar of events, were established to recognise and celebrate staff achievements.
- In April 2024, the Women in the Fire Service event at Bury Training and Safety Centre was hosted by GMFRS, aiming to celebrate women's contributions across the Northwest. Leaders, mentors, and specialists joined forces to share experiences, network, and engage in interactive workshops and speeches.
- The Organisational Learning Framework project is underway, which will track learning outcomes and action plans that include learning outcomes of different GMFRS areas.
- A new system was implemented that allowed GMFRS to capture public feedback while attending incidents. This seeks to improve response rates even further to hear directly from the public for continuous improvement of our services.
- GMFRS aims to enhance our communication strategies to ensure a platform for every voice in the workforce is heard while updating employees and residents of their latest developments. Additionally, improvements to the Bullying and Harassment and Disciplinary Policies have been made to address negative behaviours that do not align with our values.

Priority 6: Integrate our services in every locality with those of partner agencies:

- Undertaken collaboration work with local partners has been undertaken to support serious violence reduction across Greater Manchester. As a service, we have developed a framework of programmes, interventions, and activities to support this work and have rolled out a learning package for our workforce.
- In the last 12 months, we have established a central digital platform where all three emergency services across Greater Manchester can access and contribute to a register to detail all collaboration activity that has taken place. The register is managed by the Local Resilience Forum ensuring joint contribution and learning.
- We have continued to embed the Framework for Integrated and Place Based Working, which outlines our commitment to work with our partners and communities to deliver services in a more integrated way, providing consistency and accountability and maximum value to our residents.
- As part of our Integrated Place Based Working arrangements, we have implemented a service wide digital approach to ensure activities that support the strategic priorities set out in the Fire Plan are recorded consistently with appropriate levels of detail to be shared with our partners.
- We have established a ‘What Works’ forum to enable us to work together with our partners to reduce fire and emergency incidents throughout Greater Manchester. The forum has been able to facilitate the capture and sharing of best practice amongst the Local Authorities and other partners to allow a more streamlined and efficient engagement approach.
- We have improved our engagement with local communities across social media platforms: X, Instagram, and Facebook to ensure they are informed about GMFRS activities, events, safety campaigns, and good news stories.

In addition to our improvement portfolio, GMFRS captures and utilises core activities and statistical information to facilitate targeted campaigns in problem areas, monitored through governance arrangements and key performance indicators to promote continual improvement in service delivery. In terms of our performance:

GMFRS attended 32,128 incidents (fires, false alarms and special service calls) during 2023/24, which is a decrease of 1% (305) when compared with 2022/23. The decrease is mainly associated with a reduction in fire incident types. The 1st appliance average response time to 'life risk' emergency incidents was 7 minutes 32 seconds in 2023/24 which is 14 seconds slower than the previous year. Sadly, sixteen people died as a result of fires in 2023/24 compared with fifteen fire related deaths in 2022/23. Of these, ten involved males, of which six were accidental in nature and four were deliberate. The Home Office reported in September 2023 ‘men had a greater likelihood of dying in a fire than women’.

There have been 135 injuries as a result of fires in 2023/24, which is a reduction of 33 when compared to 2022/23. The majority of injuries continue to be sustained in accidental dwelling fires, which continues to be a key area of focus for our prevention activities. 1,425 accidental dwelling fires were attended in 2023/24, which is 2% (26) more than 2022/23.

In 2023/24, 30,506 Home Fire Safety Assessments (HFSA) were delivered to homes across Greater Manchester compared to 23,889 in 2022/23. Since the launch of the new HFSA in early 2022, GMFRS have continued to embed the process and increase the number of HFSAs delivered, which is supported by the ‘High Risk Household List’ launched in July 2022 and is an important element of the blended approach to targeting households at risk.

We delivered 5,330 fire safety interventions during 2023/24, which is above our annual target of 5,000 and 10% (502) more than the previous year. This increase in interventions demonstrates the changing nature of Protection work including new requirements through changes in legislation and this is reflected in the range of interventions delivered.

In the last year there have been 1,349 pro-active Risk Based Inspection Programme jobs and 557 interventions delivered to support our Primary Authority Partners generating in the region of £70,000 - an area of work we continue to expand and improve.

<u>GMFRS Outturn</u>

The 2023/24 budget for GM Fire and Rescue Service (GMFRS) set in February 2023 was approved at £130.156m and, at quarter 1, was revised to £130.308m to reflect the changes in collection fund figures provided by Districts following the budget setting period. The draft outturn position is an underspend of £487k prior to a transfer of revenue funding to capital. The table below provides a summary of the position:

GM Fire & Rescue Service 2023/24 Provisional Outturn	Approved Budget £000s	Provisional Outturn £000s	Provisional Variance £000s
Expenditure:			
Employees	98,779	98,327	(453)
Indirect Employees	1,887	2,036	149
Premises	6,645	7,431	786
Transport	2,470	2,577	106
Supplies & Services	10,594	10,398	(196)
Support Services	8,272	7,465	(807)
Government Grants	(1,168)	(1,309)	(141)
Transfer to/from Provision	0	0	0
Other Grants & Contributions	(365)	(65)	300
Customer & Client Receipts	(1,730)	(2,752)	(1,022)
Capital Financing Costs	2,082	1,359	(723)
Revenue Contribution to Capital Outlay	0	757	757
Transfer to Earmarked Reserve	2,841	4,786	1,945
Total Expenditure	**130,308**	**131,011**	**702**
Funded by:			
Localised Business Rates	(10,743)	(10,717)	26
Baseline Funding	(43,275)	(43,544)	(269)
Section 31 - Business Rates	(1,296)	(1,296)	0
Section 31 - Pension Related	(7,707)	(7,327)	381
Precept Income	(5,605)	(5,605)	0
Collection Fund Deficit	(60,433)	(60,433)	0
Transfer from Earmarked Reserve	(479)	(505)	(26)
Total Funding	**(130,308)**	**(131,011)**	**(702)**
Net Expenditure	**0**	**0**	**0**

The main variances relate to:

- Employees pay and pensions is an underspend of £453k based on vacancies remaining at the year end. Costs include pay award, Bear Scotland v Fulton, pre-arranged overtime and detachments. Pre-arranged overtime and detachments are utilised to provide flexibility for training and maintaining ridership plus estimates of new starters based on the firefighter recruitment strategy. Indirect employee costs is broadly in line with budget with a minor variance mainly in relation to detached duty mileage payments. These costs are closely monitored and links to ensuring training can be accessed whilst maintaining fire cover.

- Premises related expenditure is an overspend of £786k predominantly in the area of repairs and maintenance, including transfers from capital to revenue where spend does not meet capital spend criteria. The information supporting this area of spend is being utilised to understand the needs against the estates strategy capital programme.
- Transport costs are £106k higher than budget due to increased lease costs of vehicles. Lease costs will cease within 2024/25 on receipt of purchased vehicles.
- Supplies, services and other expenditure is at an underspend of £196k. Included in the budget is an expected increase in costs for contract renewals not all of which was required within the financial year but has been maintained to provide for future increases.
- Following the 2022/23 capital outturn position, the attributable capital financing costs were re-calculated resulting in an underspend of £723k.
- Revenue contributions to capital outlay is made up of two elements, the transfer of income from partner agencies for the use of GMFRS buildings and the final outturn position of an underspend of £487k.
- Income has been overachieved by £862k due increased partnership working on specific schemes such as the Atlas project, Road Safety Partnership and other Prevention schemes. The income achieved also includes recharges for shared use of buildings and apprenticeship levy income.
- Transfers to reserves include a one-off £983k benefit of deposit interest attributable to GMFRS, future end point assessment estimate from apprenticeship levy income and earmarked funding towards the Prevention and Protection Digital Transformation project.

Waste and Resources

GMCA is the largest statutory waste disposal authority in England with responsibility for the management and disposal of municipal waste from Greater Manchester. The GMCA Waste and Resources team oversee the operation of the facilities through contract arrangements with Suez Recycling and Recovery (UK). This waste is produced by over a million households from the metropolitan areas of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside and Trafford (Wigan operate as a unitary authority and administers its own disposal arrangements).

Each of the local authorities are responsible for the collection of household waste. GMCA receives funding from a levy on the nine Greater Manchester local authorities to pay for the processing and disposal of this waste. The 2023/24 levy for the Waste and Resources service was set in February 2023 for a total of £169.0m represented by expenditure of £170.0m and a use of reserves of £1.0m. The 2023/24 budget was set using forecast levels of waste amounting to 1,055,297 tonnes of waste from local authorities and Household Waste Recycling Centres (HWRC). The forecasting of waste tonnages has continued to be unpredictable following the pandemic and changing work patterns which has affected the volumes of household 'kerbside' waste collections. The contracts with Suez have allowed GMCA to recycle over 50% of waste and achieve a landfill diversion rate in excess of 99%.

The table below shows the 2023/24 revenue provisional outturn position against the approved budget for Waste and Resources:

Waste and Resources Provisional Outturn 2023/24	**Approved Budget £000s**	**Provisional Outturn £000s**	**Provisional Variance £000s**
Operational Costs	108,555	94,551	(14,004)
Operational Financing	53,731	50,061	(3,670)
Office Costs	7,212	4,508	(2,704)
Non-Operational Financing	525	599	74
Total Expenditure	**170,023**	**149,719**	**(20,304)**
Levy Adjustment	0	1,023	1,023
Return to constituent authorities	0	37,000	37,000
Transfer (from)/to reserves	(1,000)	(18,719)	(17,719)
Total Funding (Levy)	**169,023**	**169,023**	**0**

The HWRC tonnages have also continued to be difficult to predict following the pandemic, as well as being impacted by the success of the implementation of the van permit policy which has been highly successful in driving illegal trade waste out of the sites. The revenue outturn for 2023/24 shows an underspend of £20.3m and is made up of:

- Residual Value Contract overspend of £1.8m from a lower than budgeted share of third party income derived from electricity and steam generation.
- Waste and Resources Management Services (WRMS) contract underspend of £12.7m due to an increase in income from the sale of recyclates, savings in expenditure on residual waste treatment and landfill due to lower tonnages of residual waste, and savings on processing of commingled waste due to lower than budget tonnages.
- Household Waste Recycling Centre Management Services (HWRCMS) contract underspend of £2.1m due to lower than budgeted residual waste treatment costs due to lower than budgeted tonnages.
- Biowaste Contracts underspend of £0.6m due to savings resulting from lower than budgeted tonnages.
- Operational financing underspend of £3.7m from lower than anticipated interest charges and some savings on Minimum Revenue Provision (MRP) costs due to capital projects being completed later than anticipated.
- Office cost underspend of £2.7m relates to consultancy fees due to works on Waste Compositional Analysis being reprofiled into 2024/25, spend on central recharges from wider GMCA functions was slightly lower and employee costs was slightly less than budget due to vacancy gaps between starters and leavers.

At the February 2023 meeting the GMCA approved a return of £27m to the nine Greater Manchester local authorities from an underspend in 2022/23. This return happened in 2023/24. A further return of £10m to the nine Greater Manchester local authorities was approved by GMCA in February 2024, a levy adjustment which reflects the changes in tonnages being delivered by local authorities and a transfer from reserves of the remaining £18.7m. In February 2024 GMCA approved a return of £20m from reserves to reduce the 2024/25 levy.

Police and Crime - Safer and Stronger Communities

The Mayor is responsible for the formal oversight of Greater Manchester Police (GMP), including provision of all funding, budget-setting, performance scrutiny and strategic policy development. The Mayor is also responsible for holding the Chief Constable to account for ensuring GMP is run efficiently and effectively. These responsibilities are carried out by the Mayor alongside Greater Manchester's Deputy Mayor for Policing, Crime, Criminal Justice and Fire. Operational decision-making on day-to-day policing matters and the employment of police staff remains the responsibility of the Chief Constable.

There have been significant improvements in the performance of Greater Manchester Police (GMP) in 2023/24 with support from the Mayor, the Deputy Mayor, and the police precept. The Chief Constable has brought about significant improvements in policing. This has been evidenced in GMP's recent inspection by His Majesty's Inspectorate for Police and Fire (HMICFRS), which demonstrates that GMP is now the most improved police force in the country. But, whilst this progress is welcome, there remains much more to do.

- Improved 999 and 101 call answering times. GMP are now 4th out of 43 police forces nationally for speed of answer for 999 calls – answering 999 calls in an average of just 4 seconds last month.
- Increased resources to front line policing resulting in GMP responding to 86% of emergency (Grade 1) incidents within the national target of 15 minutes, compared to 79% last year.
- Dedicated Neighbourhood Crime Teams and Prevention Hubs in each district have reduced recorded neighbourhood crime levels by 11.5% and residential burglary by 25%. Solved rates have improved significantly across all crime types. GMP also launched a new "Bee in the Loop" community messaging system.
- Increased specialist resources and investigators to detect neighbourhood crime and sex offending, including such offences against children. GMP have increased arrests for domestic abuse cases by 61%, almost doubled the number of arrests made for stalking and harassment and are solving 10% of rape cases compared to 6.7% last year.
- Targeted operations, such as Op Vulcan in Cheetham Hill and Strangeways and in Piccadilly Gardens to tackle organized criminality, as well as Operation Avro on

each district and the roads and transport system to crackdown on offences. As part of Operation Vulcan in Cheetham Hill and Strangeways alone GMP seized 1000 Tonnes of counterfeit items which have been repurposed and recycled, and £520,000 in cash, and violent crime and public order offences reduced by 50%.

For 2023/24 Greater Manchester received a core grant of £547.2m, which included a ring-fenced Police Uplift grant of £8.1m and pension grant of £6.6m. The Mayor approved an increase of £15 to the policing precept in January 2023, taking the annual precept for a Band D property to £243.30 in 2023/24 which provided locally raised precept income of £193.2m. This provided total revenue funding for 2023/24 of £742.1m of which £729m was delegated to GMP and a net £13.1m was retained by the OPCC, the majority relating to capital financing costs. Both the GMP and OPCC budgets are supplemented by specific grants received during the financial year.

The 2023/24 Police Fund breakeven position is a positive outcome for the financial year end, given the scale of improvement that has been delivered during the year. The significant financial challenges in 2023/24 related to police pay award and overtime. Whilst a significant proportion of the additional expenditure on overtime was funded from external income. Whilst pressure exists in this area, the overall pressure is being managed closely and overtime is at a much lower level than in previous years.

When the 2024/25 precept was agreed in January 2024 it was recognised that it was critically important to sustain the significant improvements made to date and to continue to strengthen public safety. The progress made in managing pressures during 2023/24 has provided some mitigation for risks continuing into 2024/25 which includes efficiencies and use of reserves to support the improvement programme.

In November 2019, the government announced a plan to recruit an additional 20,000 police officers over three years. This equated to a target of 1,155 additional GMP officers over the period to 2022/23, which was the final year of this initial uplift programme, supported by specific increases in annual grant funding along with £20m of infrastructure funding front-loaded into the 2020/21 settlement. In 2023/24, a further £5m of this was drawn from reserves to support the continuing costs of delivery. At the end of March 2023, GMP had achieved this uplift target in full, and with agreement of the Home Office had recruited an additional 125 officers to give a final headcount of 8,067 officers at the end of March 2023. During 2023/24, GMP has recruited a further 124 officers to give a final headcount of 8,191 officers at the end of March 2024. The majority of these additional officers have been in frontline policing roles, which have increased in each of the ten districts.

In 2023/24, the Deputy Mayor delegated a total of over £4m to Community Safety Partnerships (CSPs) to support their delivery of the Police and Crime Plan, collectively making communities safer and more resilient. Building on the work of previous years, the Deputy Mayor's funding means CSPs have been able to continue to work closely on both Greater Manchester and local priorities to support targeted work in neighbourhoods.

A summary of the types of schemes and initiatives that the Voluntary and Community Sector grants have funded are set out below:

- Tackling anti-social behaviour and improving behaviour through early intervention and diversionary work with young people
- Support for victims of domestic and sexual abuse, including victims from minority communities and provide prevention interventions in schools
- Advice and awareness regarding healthy relationships for young people
- Reducing the risk of exploitation of vulnerable young people
- Reducing the risk of offending and re-offending
- Community cohesion and hate crime
- Keeping children and young people safe
- Interventions and awareness to prevent serious violence and promote awareness of the consequences
- Supporting vulnerable adults and reducing isolation.

At the end of the 2023/24 financial year, the provisional expenditure on the capital programme was £25.3m against a revised budget of £44.9m. It should be noted that £13.7 million was built into the opening budget as expected slippage based on historical trends together with any known slippage at that time on specific schemes.

Further information on Police and Crime is provided in the Chief Constable's Statement of Accounts for 2023/24.

Highways and Transport Services

The GMCA oversees TfGM, who are in turn responsible for management of the network. The Greater Manchester Transport Strategy 2040 was published in 2017 and refreshed with a new Five-Year Transport Delivery Plan published in 2021 for the period up to 2026. The strategy is updated through a series of five-year delivery plans, which set out Greater Manchester's medium and shorter-term delivery priorities.

The Mayor is the Transport Portfolio holder for the GMCA. Supporting the Mayor with his transport portfolio is the Transport Commissioner, Vernon Everitt, who was appointed in April 2022 and is playing a leading role in the delivery of the Bee Network, Greater Manchester's London-style integrated transport network. The Mayor is also supported by an Active Travel Commissioner, Dame Sarah Storey. Dame Sarah champions and advises the Mayor on the delivery of the Bee Network Active Travel Mission.

The Mayor has committed to creating the 'Bee Network' a London-style transport system which includes buses and trams and active travel by 2025 and eight local commuter trains by 2028.

The Bee Network is already starting to transform the way people travel. Bus franchising is being rolled out across GM with buses coming back under public control and we are making it easier and more affordable to travel with our new multi modal tickets across bus and tram. We are delivering a world-class walking, wheeling and cycling network for Greater Manchester and are seeing levels of active travel grow alongside our infrastructure investments.

In the year ahead TfGM will continue to build on this momentum, improving our services and customer experience, including introducing a one hour hopper fare on buses, increasing value for money and introducing multi-modal capping. Capping will simplify travel, calculating and setting a cap on the fare paid, making it easier for customers to use public transport. As well as our work on fares and tickets, we are working hard to understand the challenges people face when using public transport and to help them overcome them, through the introduction of audio visual announcements on all services, real-time travel information, journey planning information, better communications in times of disruption and better access at stops, stations and interchanges, all under a single identifiable and trusted brand.

By delivering all of this, GMCA/TfGM will enable seamless, affordable, safe and sustainable journeys for all, connecting our people and our neighbourhoods, towns and cities to education and opportunities, making it easier for people to get where they want to go. The Bee Network will also help to contribute to our health, our air quality and our commitment to be carbon neutral by 2038, supporting our wider Greater Manchester Strategy ambitions.

Although with the start of bus franchising an increasing proportion of TfGM's revenues is now being derived from farebox income, most of TfGM's core operational activities are funded from the Transport Levy and the Mayoral Precept, as far as the latter relates to transport matters. The Transport Levy is provided by the GMCA from funding received from the ten Greater Manchester Local Authorities. The Transport Levy is set annually by the GMCA which approves the transport budget and the amount provided to TfGM. Certain activities which are Mayoral functions are funded from the Mayoral budget and the Mayoral Precept. This includes the costs associated with developing, updating and delivering the Local Transport Plan. In addition to the policies and activities which are directed by the GMCA transport vision, a number of TfGM activities are determined by government policy or legislation, including the English National Concessionary Travel Scheme.

The Transport revenue budget approved by GMCA was £307m funded from the Transport Levy and Statutory Charge, Mayoral Precept, grants and reserves. Transport provisional expenditure for 2023/24 was £295m which is a reduction compared to budget of £12m. The majority of the reduction related to the phasing of expenditure to future years. Transport revenue expenditure of £78m was retained by GMCA for capital financing costs for Metrolink and other programmes and £319m was budgeted to be provided to TfGM for transport delivery as set out below (outturn £288 million).

<u>Highways</u>

Greater Manchester's ten local authorities are responsible for the roads in their area, such as general maintenance and the planning of the work to deliver it. However TfGM has strategic oversight of the Key Route Network ("KRN"), making up over 650km of Greater Manchester's busiest roads. While this is just 7% of the total length of the highways network, it carries two-thirds of all peak-time traffic.

TfGM works closely with local authority partners and Highways England to coordinate day-to-day operations and deal with incidents and events on Greater Manchester's roads and motorways. This includes work aimed at tackling congestion such as managing signals to improve traffic flow, controlling pedestrian crossings, conducting long term planning and modelling and design, and installing and modifying new traffic signal junctions.

Metrolink

Metrolink is owned by TfGM and operated and maintained by Keolis Amey Metrolink (KAM) on a seven (plus three)year contract (with an option to extend up to 2027 which was exercised during the year) which began in July 2017. While KAM operates and maintains the network, TfGM is responsible for setting the price of tickets, renewing, enhancing and expanding the network and planning future development, as well as overseeing the operations and maintenance contract.

Metrolink services began operating in 1992 and since then the network has grown extensively and is now the largest light rail network in the UK. The system began to expand in 2010, with a c£2 billion expansion and extension programme; the latest extension being the Trafford Park Line which opened in March 2020. The network now has a total of 99 stops and 103km of track. Metrolink is one of the most accessible forms of transport with step-free access at all stops and level access from the platform to the tram. The system is powered by electricity produced from wind or solar power, making it zero-emission at street level.

This expansion of the Metrolink network was largely funded by the Greater Manchester Transport Fund (GMTF), which included a combination of central government and locally funded borrowings. As agreed by Association of Greater Manchester Authorities (AGMA)/GMCA, the original funding strategy for the local funding element was that all net revenues generated from Metrolink were ring fenced to fund the financing costs associated with the borrowings. However, the onset of COVID-19 and the subsequent post-pandemic period have impacted this funding strategy.

As at March 2024, whilst patronage had broadly recovered to the same levels experienced before the pandemic, this was lower than the projected growth in revenues in the original funding strategy. This reduction in farebox revenues, allied with severe inflationary pressures on the cost base, means that the network continues to face funding challenges over the coming period. These funding challenges have been largely mitigated over the post-pandemic period through exceptional DfT funding (including £18m of exceptional funding received in 2023/24) but this funding support has tapered off gradually over the period and there is currently no additional DfT funding planned to be made available for 2024/25. As such, TfGM has developed and updated a Financial Sustainability Plan (FSP) that sets out how TfGM will navigate the post-pandemic period and gradually return the network to a more stable funding environment.

Bus and Bus Reform

Greater Manchester's bus network plays a key role in keeping the city region moving by helping to reduce car journeys and easing congestion on roads.

Bus services were deregulated in 1986 under the Transport Act 1985. Consequently, before the introduction of bus franchising, there were currently two interacting bus markets in Greater Manchester: a commercial (deregulated) market and a subsidised (contracted) market. Over 80% of services were run commercially by bus companies who set the routes, timetables, fares, frequencies and quality standards. The remaining services formed the subsidised market, where bus operators compete to win contracts offered by TfGM. These contracts are for services, or parts of services (early morning or evening journeys) that are considered to be socially necessary and are funded by TfGM.

In March 2021, the Mayor of Greater Manchester, Andy Burnham took the decision to reform and regulate the bus network through implementation of bus franchising as part of plans for a joined-up and truly customer-focused transport network – the Bee Network. The delivery and roll out of Bus Franchising has commenced during 2023/24. It is being rolled out in three phases or 'tranches', consistent with geographic areas in

GM. Tranche 1 went live in September 2023, followed by Tranche 2 in March 2024. Tranches 1 and 2 represent c.50% of the network, with the remainder to be franchised from January 2025. In the franchised network improvements in reliability, service quality and integration are already beginning to be delivered as the franchised services are rolled out and as operators work to meet the new standards that they are contracted to deliver.

The implementation of bus franchising has coincided with the COVID-19 pandemic and its aftermath. At the onset of the pandemic, as with the Metrolink network, both bus patronage and revenue experienced significant declines. These lower farebox revenues, coupled with the rising costs of inflation (higher fuel, labour costs etc) have impacted the trading environment that is being inherited through franchising and subsequently has created funding challenges. As with the Metrolink network, exceptional DfT funding throughout the post-pandemic period has largely mitigated these challenges, including meeting the costs of replacing services that had been withdrawn in advance of franchising commencing. However, these sources of government funding have started to taper off and there remains uncertainty on the level of future year funding. For this reason, the TfGM Financial Sustainability Plan addresses the funding challenges on both the Metrolink and Bus network.

During the year, TfGM has also continued to implement initiatives which are being funded from DfT’s Bus Services Improvement Plan (BSIP). This funding allocation of £94.8 million is for the period from 2022/23 to 2024/25. As agreed by GMCA, TfGM has used most of the BSIP funding to introduce capped bus fares. These were introduced in September 2022 (singles and daily fares) and January 2023 (weekly fares). In the report to GMCA in June 2022 on the implementation of single and daily capped fares, it was recommended that these proposals should be introduced on an initial one-year basis, from September 2022 to August 2023, with a commitment to review the delivery by summer 2023. Following this review, in June 2023, GMCA agreed to the continuation of the capped fares scheme subject to a further review in summer 2024. BSIP Funding is also being used to partially support the network stabilisation activities referred to above.

TfGM also funds two Demand Responsive Transport services in Greater Manchester. Local Link allows passengers living in areas where the service is active, to ring and book a journey within the local area. The vehicles used on this service are minibuses and it is a multi-occupancy service. No age or disability restrictions apply to these services.

In addition, Ring and Ride operates across Greater Manchester and provides a door-to-door minibus service for people who find it difficult to use regular public transport. Eligible passengers and an accompanying adult can access free or low-cost journeys of six miles or less in Greater Manchester. The Ring & Ride service is operated by Greater Manchester Accessible Transport Ltd (GMATL) and is mainly funded via a grant from TfGM.

Rail

Greater Manchester places transport at the core of its growth agenda. Excellent transport connectivity is fundamental to our people, businesses, and communities, fulfilling their potential at the heart of a globalised and sustainable Northern Powerhouse economy.

At the heart of our vision for the Bee Network is a renewed policy focus on public transport integration. Rail, the missing piece to GM's integrated transport network, will need to play its part in achieving this concept and support our 'Right Mix' vision and ambitious plans for sustainable growth and economic prosperity.

In March 2023 the GMCA agreed terms with central government via the Department for Housing, Levelling Up and Communities (DHLUC) Trailblazer Deeper Devolution Deal which included more influence on regional rail services. The Trailblazer Deeper Devolution Deal is a major step forward in improving our railways and ensuring socio-economic prosperity is spread across the city region. It commits to fully integrating rail services into the Bee Network by 2030, through the delivery of:

- Full multi modal fares and ticketing integration across bus, Metrolink, rail and cycle hire (including fares simplification and capping) by 2030
- Bee Network co-branding across stations, designs, and standards
- Establishment of a North West Regional Business Unit to help support the management of the current Northern and TransPennine Passenger Service Contracts

- A commercial vehicle to drive land value capture and regeneration at GM stations
- Sponsorship of infrastructure and service enhancement schemes that impact GM
- A Greater Manchester-Great British Railways Partnership and in the interim a Greater Manchester Rail Board which will be responsible for the delivery of the Trailblazer Deal and Integration of Rail into the Bee Network prior to GBR stand-up.

Building on the above Trailblazer outputs and working extensively with the Department for Transport (DfT), Great British Railways Team (GBRTT), and wider rail industry partners, work has now progressed on developing a programme of activity for fully integrating rail into the Bee Network by 2028 and beyond. This work is being driven through the GM-GBR Partnership, with a high-level Programme and funding ask being developed for delivering Bee Network Rail Integration of the 8 priority corridors and a more detailed programme outlining full integration of rail into the Bee Network will be produced by December 2024. Work is also being progressed to develop TfGM’s rail reform plans and future target operating model.

Active Travel

Around a third of all trips by GM residents are made by active travel. Additionally, walking, wheeling and cycling form many people’s ‘first and last mile’ of longer journeys by all forms of public transport mode. By facilitating integration of active travel, other sustainable modes of transport can be made more resilient, provide better customer experience, improve operating revenues, and enhance the contribution that seamless door-to-door journeys can make to reducing congestion. Combined, active travel modes form almost a quarter of all trips on the network.

Walking underpins all public transport and private car journeys. Greater Manchester intends to at least double walking and double then double again cycling as modes of travelling, either as part of longer connected trips or as journeys in their own right. This is essential to achieve health, economic, clean air and decarbonisation targets in GM. These modes have the potential in many parts of GM to be the main form of transport, providing a resilient, cost effective and accessible means of travel for all. This is especially true for local trips to school, employment, leisure and nearby shopping. However, the main barriers to more people cycling are reported as being concerns about safety, access to safe routes, security and the fact that many households do not, still, have access to affordable (and in some cases accessible) bicycles. Yet without these modes GM cannot address the climate, obesity, ill health and economic inequalities experienced by many communities.

This will be achieved by ensuring that sufficient road space and modal priority is provided for walking, wheeling and cycling, and, that these changes to the transport network are built to standards that will provide effective alternatives to the car. That demands a clear and consistent vision and leadership to ensure that schemes are designed and delivered consistently across Greater Manchester.

The Active Travel Commissioner, Sarah Storey, has unveiled a refreshed active travel mission for Greater Manchester focusing on accessibility, behaviour change and clear communications.

Five key priorities have been identified to support these:

1. Infrastructure delivery (with four principles leading to a connected network).
2. Home to school travel.
3. Cycle hire and access to cycles.
4. Integration with public transport.
5. Road danger reduction.

To achieve these objectives, TfGM continues to manage, secure and distribute funding from multiple sources of capital and revenue to support the GM active travel ambitions. GM investment in Active Travel to date (March 2023) since 2020, has grown significantly, to over £170m of approved expenditure on the Active Travel elements of the Bee Network. CRSTS investment will begin to increase investment as all highway improvement schemes are obliged to accommodate active travel modes. The first phase of the newly named Starling Bank Bike Hire scheme of Greater Manchester has supported over 720,000 journeys since opening in November 2021 enabling 1.8 million kilometres of trips to be made in a safe and affordable manner.

Greater Manchester Clean Air Plan

The government has instructed many local authorities across the UK to take quick action to bring harmful nitrogen dioxide (NO2) air pollution levels within legal limits.

In Greater Manchester, the ten local authorities, with the support of Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), are working together to develop a Greater Manchester Clean Air Plan (GM CAP) to tackle NO2 exceedances at the roadside.

In June 2021 the GMCA endorsed a final GM Clean Air Plan and policy following a review of the information from the GM CAP consultation and wider data, evidence and modelling work. The plan was then agreed by the ten GM local authorities. This included a Greater Manchester-wide category C charging Clean Air Zone (CAZ), where only the most polluting vehicles which don't meet emission standards would have been charged to drive in the Zone.

It was originally intended that the CAZ would go live from 30 May 2022, affecting non-compliant HGVs, buses and non-GM-registered taxi and private hire vehicles. Work to install the CAZ signage and Automatic Number Plate Recognition (ANPR) cameras for monitoring the CAZ began in summer 2021, alongside the development of back office systems.

The CAZ was designed to comply with a legal direction from government issued before the coronavirus pandemic, to deliver compliance with NO2 legal limits on the local road network by 2024. However, since then there have been significant vehicle supply chain issues and the cost of living has increased leading to concerns about the availability of compliant vehicles and financial hardship for local people.

Late in 2021, Greater Manchester commissioned an independent review of emerging global supply chain issues and the impact this could have on the cost and availability of vehicles.
Based on this the Greater Manchester Mayor and Leaders determined that the original Clean Air Plan was unworkable. Government agreed in February 2022 to lift the previous legal direction requiring GM to achieve compliance with legal NO_2 limits by 2024.
Government gave Greater Manchester until July 2022 to present a revised plan to achieve compliance with legal levels of NO_2 on the local road network in the shortest time possible and by no later than 2026.
The 'Case for a new Greater Manchester Clean Air Plan' was submitted to the Secretary of State in July 2022.

In January 2023, government asked GM for additional evidence including modelling how its investment-led approach performs (in terms of delivering compliance with legal nitrogen dioxide levels) against the 'benchmark' of a charging clean air zone to address the nitrogen dioxide exceedances identified in central Manchester and Salford.
In April 2023, the government advised of a review of its bus retrofit programme as it had evidence that retrofitted buses have poor and highly variable performance in real-world conditions. Due to the bus retrofit review the requested evidence needed further work.

In December 2023, GM submitted an update to the Secretary of State on the Case for a new Greater Manchester Clean Air Plan and confirmed that an appraisal of GM's proposed investment-led plan has been undertaken against a benchmark charging Clean Air Zone (CAZ) in the centre of Manchester and Salford. GM's evidence shows that the investment-led, non-charging plan can achieve compliance in 2025. However, it is for government to determine what measures GM is to implement – only the Investment-led Plan complies with the requirement placed on the 10 GM local authorities to deliver compliance in the shortest possible time and by 2026 at the latest.

Further information on Transport is provided in the Transport for Greater Manchester Statement of Accounts for 2023/24.

GM Business Board (LEP)

The Authority acted as the accountable body for the Greater Manchester LEP until 31 March 2024, with funds such as, Growth Deal, LEP Capacity and Business Growth Hub being awarded to it. The tables below show Income and Expenditure activity within 2023/24, along with funds held in reserves on behalf of the LEP.

	Income £000s	**Expenditure £000s**	**Variance £000s**
Revenue Funds			
LEP Capacity	(250)	250	0
Business Growth Hub	(420)	420	0
Total Revenue	**(670)**	**670**	**0**
Capital Funds			
Growing Places Fund	(39,989)	39,989	0
Total Capital	**(39,989)**	**39,989**	**0**
Grand Total	**(40,659)**	**40,659**	**0**

LEP Reserves	**31 March 2023 £000s**	**Transfers in/out £000s**	**31 March 2024 £000s**
LEP Capacity	(457)	(3)	**(460)**
Business Rates (Enterprise Zones)	(340)	0	**(340)**
Total Reserves	**(797)**	**(3)**	**(800)**

The GM LEP evolved into the GM Business Board in October 2023, with responsibilities moving to the GMCA from 1 April 2024.

Treasury Management Performance in 2023/24

Borrowing and Borrowing Limits

In 2023/24, the Authority had an authorised limit for external debt of £2.631 billion, which compares to the actual level of debt outstanding at 31 March 2023 of £1.4 billion. Debt outstanding (including accounting adjustments) is made up of the following figures:

2022/23 £m		2023/24 £m
527.6	Public Works Loan Board (PWLB)	514.0
547.7	European Investment Bank (EIB)	543.5
106.2	Market	106.2
40.3	Temporary	5.1
165.5	DLUHC – HIF	168.3
28.1	Homes England	30.0
1,415.4	**Total**	**1,367.1**

Total borrowings show a net decrease during the year of £129.7m due to scheduled repayments to Public Works Loans Board (PWLB) and European Investment Bank (EIB) reduced temporary borrowing and other accounting adjustments.

Short Term Investments for Treasury Management Purposes

Whilst the Authority held short term borrowing at the end of the financial year, a level of short term cash is always held to cover unexpected cash flow requirements. Short term deposits (excluding bank current accounts) as at 31 March 2024 were £265.5m. This is made up of the following figures:

2022/23 £m		2023/24 £m
9.6	Bank Deposits	5.1
242.7	UK Government Backed Deposits	260.4
252.3	**Total**	**265.5**

Risks

In the last 12 to 18 months, like all organisations, GMCA has been adversely impacted by cost inflation and other cost and supply pressures. This includes but is not limited to service delivery costs which are largely staff and energy related costs and supplies for construction projects. The organisation continues to monitor and mitigate these costs as far as possible and is adjusting, as appropriate, its expenditure and funding budgets for this year to reflect this position.

Under current funding arrangements for GMCA the confirmation of government funding varies considerably depending upon the nature of the grant. Some programmes have confirmed or indicative funding over the current Spending Review period and others operate with short term grant funding confirmed on an annual basis. As such medium term financial planning for GMCA programmes is restricted to the information available at the time of setting the budget for the following year and will be updated throughout the financial year as part of the quarterly financial update reports.

In respect of Police and Crime and Fire and Rescue services, the 2021 Spending Review was for the three year period 2023/24 – 2024/25 which provided some clarity for planning purposes at the time. Subsequently, the 2023 Spending Review provided the funding for the PCC and Fire and Rescue Service settlement for 2024/25. The most significant pressure on the budget relates to the pay award for which additional grant funding was provided towards Police Officer pay in 2023/24 and pay award for Police staff and the Fire and Rescue Service has been met from local resources.

Implementation of GMP's improvement plan includes significant change and a commitment to fulfil promises made to the public to deliver an effective police service. The programme board overseeing the implementation brings forward change proposals with cost implications that requires revenue and capital investment over the medium term. There will be a need to ensure this is supported by a sustainable medium term financial plan incorporating use of non-recurrent resources and efficiency savings from within existing budgets and clear risk management process.

Outlook for the future – financial landscape.

The most recent Spending Reviews for PCCs and Fire and Rescue Services only cover the period up to 2024/25 and in December 2023 the government confirmed a one-year settlement in 2024/25. Medium term financial planning reflects estimated funding for the following two years, with very little certainty beyond that. The Home Office is undertaking a review of the funding formula for Police and Crime, which will consider all aspects of the funding formula and will include an evidence-based assessment of the demands facing each police force, as well as the impact of local factors on the resources required to meet demand.

There is an inherent financial risk across all areas of the GMCA with inflation as a consequence of the challenging global economic environment, the cost-of-living crisis and pandemic recovery impacting particularly on transport revenues. The outcome of pay negotiations is difficult to predict and the availability of government funding to meet pressures is not confirmed.

Capital schemes and associated expenditure profiles have been impacted by global pressures on construction materials availability, associated pricing and inflationary pressures. It is anticipated that these impacts will continue in the medium term. The organisation has responded to this by TfGM and local authority partners bringing together all planned infrastructure expenditure with revenue and capital funding requirements up to the end of March 2027 to support prioritisation and contingency planning within available resources.

The current Business Rates Growth Retention Pilot includes a proportion retained by GMCA to support GMS priorities, which will be impacted by a business rates baseline reset expected by 2025/26. Whilst a ‘partial reset’ is expected to provide scope for Greater Manchester local authorities to retain some of the local growth under the pilot, the details of this are still to be determined.

On a positive note as part of the ‘Trailblazer Devolution Deal’ the government has recently announced a longer-term commitment on the retention of the growth in Business Rates for ten years and new ‘Growth Zones’ in addition to ‘Investment Zones’ where business rates growth above an agreed baseline can be retained for 25 years. Furthermore, the single settlement should provide a consolidated, long term budget for GMCA set at spending reviews and based on thematic functions to replace the complexity of numerous different grants projects and programmes.

What is in the Statements of Accounts?

The Accounts are prepared using International Financial Reporting Standards (IFRS). These are the same standards that a large company would use in preparing its financial statements. The following paragraphs give a brief explanation of the purpose and relationship between each of the main statements, which make up the Authority's Annual Statement of Accounts.

Statement of Responsibilities for the Statement of Accounts

The statement confirms the responsibilities of the Authority and the Treasurer for the production and content of the Annual Statement of Accounts

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves. It shows how the deficit for the year in the Comprehensive Income and Expenditure Statement is adjusted by the costs that are not a charge to local taxpayers.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards (IFRS), rather than the amount to be funded by local taxpayers.

Balance Sheet (BS)

The balance sheet shows the value as at the balance sheet date of the Authority's recognised assets and liabilities.

Cash Flow Statement

This statement shows the changes in cash and cash equivalents held by the Authority during the reporting period.

Expenditure and Funding Analysis

This analysis shows how annual expenditure is used and funded from resources (government grants, precept and levy) by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices.

Accounting Policies and Concepts

These are the specific principles, bases, conventions, rules and practices applied by the Authority in preparing and presenting the financial statements.

Notes to the Financial Statements

These include information required by the Code and additional material items of interest to assist the reader's understanding of the reported figures.

Events after the reporting period and authorised for issue date

This summarises any major events that happened between the year end and the authorised for issue date. Events coming to light after the authorised for issue date will not be included in the financial statements.

Group Accounts

These include the accounts of the entities listed earlier in this narrative:

Transport for Greater Manchester, Chief Constable of Greater Manchester Police, NW Evergreen Holdings Limited Partnership, GM Fund of Funds Limited Partnership and Greater Manchester Evergreen 2 LP.

Glossary of financial terms

The nature of this document means that technical words are unavoidable. The glossary found at the end of the document is intended to simplify and explain such words.

Steve Wilson

Greater Manchester Combined Authority

Statement of Responsibilities for the Statement of Accounts

This statement confirms the responsibilities of the Greater Manchester Combined Authority (the Authority) and the Treasurer for the production and content of the Annual Statement of Accounts.

Further Information

Further information about the Authority’s Annual Statement of Accounts is available upon request from the following address:

Greater Manchester Combined Authority,
Finance Department
1st Floor, Broadhurst House
56 Oxford Street
Manchester
M1 6EU

This and previous year’s Annual Statement of Accounts can be viewed on the Greater Manchester Combined Authority’s website: www.greatermanchester-ca.gov.uk

The Authority’s Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the authority'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 Treasurer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code.

The Treasurer has also:

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

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

Steve Wilson
Greater Manchester Combined Authority Treasurer

Greater Manchester Combined Authority Single Entity Accounts

Financial Statements

Comprehensive Income and Expenditure Statement

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

Gross Expenditure 2022/23 £000s	Gross Income 2022/23 £000s	Net Expenditure 2022/23 £000s	Comprehensive Income and Expenditure Statement	Note	Gross Expenditure 2023/24 £000s	Gross Income 2023/24 £000s	Net Expenditure 2023/24 £000s
			Transport, Waste, Economic Development and Regeneration				
336,736	(95,522)	241,214	Highways and Transport Services		458,672	(81,466)	377,206
322,179	(212,115)	110,065	Economic Development and Regeneration		332,238	(213,840)	118,398
87,164	(154)	87,009	Waste Disposal		110,887	(125)	110,762
746,079	**(307,791)**	**438,288**	**Total**		**901,797**	**(295,431)**	**606,366**
			Mayoral General Fund Services				
106,808	(14,529)	92,280	Fire and Rescue Services		93,534	(19,462)	74,071
126,051	(100,851)	25,200	Mayor's Office		126,360	(100,852)	25,508
232,859	**(115,379)**	**117,480**	**Total**		**219,894**	**(120,315)**	**99,579**
			Mayoral Police Fund Services				
36,473	(138,411)	(101,937)	Mayoral Policing Services		39,732	(180,070)	(140,337)
834,487	0	834,487	Funding provided by the Mayor to the Chief Constable to fund Police and Crime		919,753	0	919,753
870,961	**(138,411)**	**732,550**	**Total**		**959,485**	**(180,070)**	**779,416**
1,849,899	**(561,581)**	**1,288,318**	**Total Cost of GMCA Operations**		**2,081,176**	**(595,816)**	**1,485,360**
1,299	(524)	775	(Gains) / Losses on Disposal of Non Current Assets		12,611	(911)	11,699
121,907	(24,873)	97,034	Financing and Investment Income and Expenditure	15	133,383	(44,975)	88,408
0	(1,487,951)	(1,487,951)	Taxation and Non Specific Grant Income	16	0	(1,476,347)	(1,476,347)
109,065	(109,065)	0	Home Office grant payable towards the cost of Police retirement benefits		107,028	(107,028)	0
2,082,170	**(2,183,993)**	**(101,823)**	**(Surplus) / Deficit on Provision of Services**		**2,334,198**	**(2,225,076)**	**109,122**
			Items that will not be subsequently classified in deficit on provision of services				
		(551,952)	Re-measurement of the net defined benefit liability				2,484
		(58,162)	(Surplus) / Deficit on revaluation of non current assets				(15,012)
		4,158	(Surplus) / Deficit on revaluation of equity investments designated at Fair Value through Other Comprehensive Income				2,910
		(605,956)	**Other Comprehensive (Income) & Expenditure**				**(9,618)**
		(707,779)	**Total Comprehensive (Income) and Expenditure**				**99,504**

Steve Wilson

Greater Manchester Combined Authority Treasurer

Date: 31 June 2024

Movement in Reserves Statement

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

	General Fund Balances £000s	Capital Grants Unapplied Reserve £000s	Capital Receipts Reserve £000s	**Total Usable Reserves £000s**	**Total Unusable Reserves £000s**	**Total Authority Reserves £000s**
Balance as at 31 March 2022	**(524,787)**	**(35,653)**	**(68,572)**	**(629,012)**	**3,318,280**	**2,689,268**
Movement in Reserves during 2022/23						
(Surplus) or deficit on the provision of services	**(101,823)**	0	0	**(101,823)**	0	**(101,823)**
Total Comprehensive Income and Expenditure	**0**	0	0	**0**	(605,956)	**(605,956)**
Total Adjustments between accounting basis & funding basis under	**10,575**	16,112	(7,705)	**18,982**	(18,982)	**(0)**
Transfers to or from Earmarked Reserves	**0**	0	0	**0**	0	**0**
(Increase) / decrease in year	**(91,248)**	**16,112**	**(7,705)**	**(82,841)**	**(624,938)**	**(707,779)**
Balance as at 31 March 2023	**(616,035)**	**(19,541)**	**(76,277)**	**(711,852)**	**2,693,342**	**1,981,490**
Movement in Reserves during 2023/24						
(Surplus) or deficit on the provision of services	**109,122**	0	0	**109,122**	0	**109,122**
Total Comprehensive Income and Expenditure	**0**	0	0	**0**	(9,618)	**(9,618)**
Total Adjustments between accounting basis & funding basis under	**(92,387)**	5,740	(92,730)	**(179,377)**	179,377	**(0)**
Transfers to or from Earmarked Reserves	**0**	0	0	**0**	0	**0**
(Increase) / decrease in year	**16,735**	**5,740**	**(92,730)**	**(70,255)**	**169,759**	**99,504**
Balance as at 31 March 2024	**(599,300)**	**(13,800)**	**(169,008)**	**(782,108)**	**2,863,102**	**2,080,994**

Balance Sheet

The Balance Sheet shows the value of assets and liabilities recognised by the Authority. The net assets/liabilities are matched by the usable and unusable reserves held. Usable reserves can be utilised to fund services whereas unusable reserves are accounting reserves held to reconcile the position between the accounting cost of services and the cost set out in legislation that is chargeable to precepts and taxation.

Further details of balance sheet items can be found in the relevant associated notes.

31 March 2023 £000s	**Balance Sheet**	**Note**	**31 March 2024 £000s**
	Non Current Assets		
720,734	Property, Plant and Equipment	20	750,011
83	Heritage Assets		83
64	Investment Property		68
28,261	Intangible Assets	21	14,419
86,575	Long Term Debtors and Payments in Advance	22	83,452
42,286	Long Term Investments	10	40,839
6	Net Pension Asset	33	0
878,009	**Total Non Current Assets**		**888,872**
	Current Assets		
580	Short Term Assets Held for Sale		0
3,693	Inventories and Stocks		4,889
372,809	Short Term Debtors and Payments in Advance	22	242,277
236,707	Cash and Cash Equivalents	23	257,266
10,004	Short Term Investments		5,013
623,793	**Total Current Assets**		**509,445**
	Current Liabilities		
(113,952)	Short Term Borrowing	29	(104,344)
(249,046)	Short Term Creditors and Receipts in Advance	24	(258,757)
(190,091)	Capital Grants Receipts in Advance	14	(279,392)
(35,418)	Revenue Grants Receipts in Advance	14	(21,434)
(6,153)	Short Term Provisions	25	(6,912)
(3,678)	Short Term Lease Liability	26	(4,354)
(598,338)	**Total Current Liabilities**		**(675,193)**
	Long Term Liabilities		
(1,301,444)	Long Term Borrowing	29	(1,262,838)
(10,790)	Long Term Provisions	25	(13,327)
(32,998)	Long Term Lease Liability	26	(28,644)
(156,232)	Long Term Capital Grants Receipts in Advance	14	(104,198)
(1,383,490)	Net Pension Liability	33	(1,395,111)
(2,884,954)	**Total Long Term Liabilities**		**(2,804,118)**
(1,981,490)	**Net Assets (Liabilities)**		**(2,080,994)**
	Financed by:		
(711,852)	Usable Reserves	9,10	(782,108)
2,693,342	Unusable Reserves	28	2,863,102
1,981,490	**Total Reserves**		**2,080,994**

Steve Wilson

Greater Manchester Combined Authority Treasurer

Date: 31 June 2024

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2022/23 £000s	Cash Flow Statement	Note	2023/24 £000s
(101,823)	**Net (surplus) / deficit on the provision of continuing operations**		**109,122**
(25,543)	Adjustments to net surplus on the provision of services for non cash movements	32a	(165,805)
297,068	Adjust for items included in the net surplus on the provision of services that are investing and financing activities	32a	266,478
169,702	**Net Cash Flows from Operating Activities**		**209,795**
(192,699)	Investing Activities	32b	(295,153)
16,218	Financing Activities	32c	64,799
(6,779)	**(Increase) / Decrease in Cash and Cash Equivalents**		**(20,559)**
229,927	**Cash and cash equivalents at 1 April**		**236,707**
236,707	**Cash and cash equivalents at 31 March**	23	**257,266**

Single Entity Accounts

Notes to the Financial Statements

1 Accounting Concepts and Policies

1.1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. These regulations require the Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003.

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.

1.2. Accounting Concepts

The accounts are prepared on a going concern basis. This assumes that the functions of the authority will continue in operational existence for the foreseeable future.

As a combined authority, the GMCA has to operate within its powers. The services provided by the GMCA include waste disposal functions, fire and rescue functions, police and crime commissioner, transport, economic development and regeneration. These services are funded by levies paid by the ten Greater Manchester authorities, precepts collected by the ten Greater Manchester authorities and grants provided by central government. The Authority does not anticipate that these levies, precepts or grants will cease in the foreseeable future given the statutory requirements placed on the GMCA to provide these services.

The group includes TfGM, which provides the transport network across Greater Manchester, and although transport related borrowing sits on the GMCA - Single Entity balance sheet, all the transport assets sit on TFGM's balance sheet within the GMCA - Group accounts. GMCA carries sufficient reserves in respect of each of its functions to provide resilience in the event of volatility in its various funding sources.

1.3. Accruals of Income and Expenditure

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

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet;
- Expenses relating to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than on the basis of the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance sheet.

1.4. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions and local authorities, repayable without penalty on notice of no more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

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

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

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

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. If material errors are discovered in a prior period, figures are corrected retrospectively, by amending opening balances and comparative amounts for the prior period.

1.6. Charges to Revenue for Non-Current Assets

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;
- Amortisation of intangible non-current assets attributable to the service.

The Authority is not required to raise precepts, levies or GM authority contributions to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to a minimum revenue provision (MRP) amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.7. Termination Benefits

Termination benefits are amounts payable, as a result of a decision by the Authority, to terminate an Officer's employment or an Officer's decision to accept voluntary redundancy in exchange for those benefits. These are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy.

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

1.8. Post-Employment Benefits – Pensions

Employees of the Authority are divided between two separate pension schemes: The Firefighters' Pension Scheme for its uniformed firefighters and the Local Government Pension Scheme for all other staff.

In accordance with proper practices the Authority has fully complied with the International Accounting Standard IAS19 (Employee Benefits). All Pension schemes are classified as 'defined benefit' schemes under IAS19 and the accounting principles and their effect on the financial statements are explained below.

1.8.1. The Firefighters' Pension Scheme

This is a defined benefit scheme, the rules of which are set out in the Firefighters' Pension Regulations. The scheme is wholly unfunded. No investment assets have been built up to meet liabilities and cash has to be generated from employee and employer contributions to meet actual pension payments as they fall due.

The Combined Authority as an employer, and firefighters as members, pay pension contributions based on a percentage of pensionable pay into the Firefighters' Pension Fund Account. Pension benefits are paid out of the Pension Fund Account.

The amounts payable into and out of the Pension Fund Account are specified by regulations. Any surplus or deficit on the Pension Fund Account must be transferred to or from the Authority and ultimately repaid to or received from the Home Office.

Injury awards are not part of the pension scheme and are charged directly to the Comprehensive Income and Expenditure Statement. However, liabilities in respect of injury awards are disclosed as part of the overall pensions liability.

Other than references to assets, these schemes are accounted for in the same way as the Local Government Pension Scheme set out below.

1.8.2. Local Government Pension Scheme

The Local Government Pension Scheme is a defined benefits scheme. Both employer and employees pay pension contributions based on a percentage of pensionable pay into the scheme.

- The liabilities of the Greater Manchester Pension Fund (GMPF) attributable to the authority are included in the balance sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projected earnings for current employees

- Liabilities are discounted to their value at current prices, using a discount rate based on the rate of return on high quality corporate bonds constructed on the constituents of the iBoxx AA corporate bond index. The discount rate reflects the weighted average duration of the benefit obligation
- The assets of GMPF attributable to the authority are included in the balance sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value.

1.8.3. Net Pensions Liability

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

1.8.3.1. Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the comprehensive income and expenditure statement to the services for which the employees worked;
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement; and
- Net interest on the net defined benefit liability, i.e. net interest expense for the authority, – the change during the period in the net defined benefit liability that arises from the passage of time charged to the financing and investment income and expenditure line of the comprehensive income and expenditure statement –

this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

1.8.3.2. Remeasurements comprising:

- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the pensions reserve as other comprehensive income and expenditure;
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure; and
- Contributions paid to the GMPF – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

1.8.4. Discretionary benefits

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

1.9. Property, Plant and Equipment and Assets under Construction

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

1.9.1. 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 authority and the cost of the item can be measured reliably. The authority has a £20,000 de minimis level for the recognition of property, plant and equipment. Exceptions to this are traffic signals and vehicles, which are capitalised with no minimum level.

Expenditure that maintains but does not add to an asset’s potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

1.9.2. 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; and

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

The authority does not capitalise borrowing costs incurred while assets are under construction.

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income line of the comprehensive income and expenditure statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the comprehensive income and expenditure statement, they are reversed out of the general fund balance to the capital adjustment account in the movement in reserves statement.

Assets are then carried in the balance sheet using the following measurement bases:

- assets under construction, infrastructure assets and standard plant, vehicle and equipment assets – depreciated historical cost;
- surplus assets – fair value, estimated at highest and best use from a market participants perspective; and
- land and buildings and specialist waste equipment – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

Assets included in the balance sheet at current value are revalued sufficiently regularly, as a minimum every five years, to ensure that their carrying amount is not materially different from their current value at the year-end. Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.

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

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the comprehensive income and expenditure statement.

The revaluation reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

1.9.3. Impairment

Assets are assessed at each year-end as to whether there are indications that an asset may be impaired. Where reliable indications exist and differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the comprehensive income and expenditure statement.

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

1.9.4. Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- infrastructure assets – straight-line allocation over the useful life of the assets (11 years) as estimated by a relevant expert;
- buildings – straight-line allocation over the useful life of the property (5 to 100 years) as estimated by the valuer; and
- vehicles, plant and equipment – straight-line allocation over the useful life of the asset (5 to 30 years) as advised by a suitably qualified officer.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Where there is more than one significant part of the same asset that has the same useful life and depreciation method, such parts may be grouped in determining the depreciation charge. In practice, this can be achieved by only separately accounting for significant components that have different useful lives. The requirement for componentisation for depreciation purposes is applicable to enhancement and acquisition expenditure incurred and revaluations carried out from 1 April 2010.

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

1.9.5. Non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the comprehensive income and expenditure statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on provision of services. Depreciation is not charged on assets held for sale.

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

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

1.9.6. Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the comprehensive income and expenditure statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal of £10,000 or more are categorised as capital receipts and credited to the Capital Receipts Reserve (CRR). They can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Mayoral or GMCA CRR from the relevant Mayoral or GMCA balances in the movement in reserves statement.

The written-off value of disposals is not a charge against statutory funding, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the relevant general fund balance in the movement in reserves statement.

1.10. Highways Infrastructure Assets

Highways infrastructure assets include traffic signals, tram networks, bus interchanges and bus stations, guided busways and cycle hubs.

1.10.1. Recognition

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

1.10.2 Measurement

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost. Opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994 England and Scotland, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

1.10.3 Depreciation

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

Annual depreciation is the depreciation amount allocated each year and the useful life of a Traffic Signal is estimated to be 11 years.

1.10.4 Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the ‘Other operating expenditure’ line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals are not a charge against the general fund, as the cost of non-current assets are fully provided for under separate arrangements for capital financing. Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement

1.11. Intangible Assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised). Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant area in the Comprehensive Income and Expenditure Statement.

An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant area in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves

Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.13. Fair Value

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

- In the principal market for the asset; or
- In the absence of a principal market, in the most advantageous market for the asset.

The Authority uses valuers to provide a valuation of its assets and liabilities in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant in terms of pricing (assuming those market participants were acting in their economic best interest).

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

Unquoted Equity Investments are recognised on the trade date, i.e. the date the Authority becomes committed to the purchase and would not be able to avoid acquiring it without breaking the contract, rather than the date the settlement takes place, if this is a later date.

If there is no quoted market price for the asset, then a reliable valuation technique should be applied. This could be a discounted cash flow analysis of dividends received or a valuation of the Authority's share of the company.

Where financial liabilities and financial assets are carried in the balance sheet at amortised cost, they are shown below. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans from the PWLB, new borrowing rates from the PWLB have been applied to provide the fair value;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value;
- The fair value of trade and other receivables and creditors is taken to be the invoiced or billed amount.

The Authority uses appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

- Level 1 inputs – quoted prices in active markets for identical assets that the Authority can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset or liability where market data is not available.

1.14. Revenue Expenditure Funded by Capital Under Statute

Revenue Expenditure Funded by Capital under Statute (REFCUS) is expenditure of a capital nature that does not result in the creation of a non-current asset on the Balance Sheet. Expenditure is charged to the Deficit / (Surplus) on the Provision of Services as the expenditure is incurred. This is reversed out through the Movement in Reserves Statement and a transfer made to the Capital Adjustment Account.

1.15. Minimum Revenue Provision

The Authority is required to make a provision for the repayment of an element of the accumulated capital expenditure each year, financed by borrowing, through a revenue charge, in accordance with the Minimum Revenue Provision (MRP) requirements. Regulations have replaced the detailed formula for calculating MRP with a requirement to be prudent. The MRP policy is included within the annual Treasury Management Strategy agreed by the Authority, which details the guidance and options for the basis of the provision. The GMCA has adopted the following policy:

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, MRP will be calculated using an Asset Life annuity basis over 50 years;
- For capital expenditure incurred from 1 April 2008 for all unsupported borrowing (including PFI and finance leases), MRP will be calculated on an Asset Life annuity basis. The interest rate applied will be linked to PWLB interest rates and the useful life of the asset;
- MRP will generally commence in the financial year following the one in which the expenditure was incurred. However, for long life assets, the Authority will postpone the commencement of MRP until the financial year following the one in which the asset becomes operational.

1.16. Capital and Revenue Grants and Contributions

1.16.1. Revenue Grants and Contributions

Revenue grants and contributions received by the Authority can either be classified as non-specific for general purposes or specific for use in relation to a service and/or function. Where conditions have been met, specific revenue grants and contributions are credited to the relevant service line within Cost of Services; non-specific grants are credited to Taxation and Non-Specific Grant Income.

When the expenditure relating to specific grants has not been incurred, the Authority has elected to make a contribution equivalent to the unspent amount of grant to an earmarked reserve. This reserve will be released in future financial years when the expenditure to which the grant relates is incurred.

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

1.16.2. Capital Grants and Contributions

Where conditions have been met, capital grants and contributions are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement. The balance of the grant or contribution that has not been used to finance expenditure is transferred to the Capital Grants Unapplied Account via the Movement in Reserves Statement. The amount of grant or contribution that has been used to finance expenditure is transferred to the Capital Adjustment Account via the Movement in Reserves Statement. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account when they have been applied to fund capital expenditure.

1.16.3. Grants and Contributions relating to Revenue Expenditure funded by Capital under Statute (REFCUS)

Where conditions have been met, grants and contributions to fund expenditure not attributable to assets owned by the Authority (Revenue Expenditure Funded by Capital Under Statute) are credited to the non-specific income line within the Cost of Services.

They are then transferred to the Capital Adjustment Account when the related expenditure has been incurred via the Movement in Reserves Statement. If the grant is not spent, it goes to the Capital Grants Unapplied Reserve via the Movement in Reserves Statement. When spent, it is transferred from the Capital Grants Unapplied Reserve to the Capital Adjustment Account.

1.17. Local Taxation

1.17.1. Council Tax

Following the abolishment of GM Fire and Rescue Authority and GM Office for the Police and Crime Commissioner, the Mayor now collects funds via the Mayoral General Fund and the Mayoral Police Fund respectively.

In their capacity as billing authorities the ten GM Authorities act as agents: they collect and distribute council tax income on behalf of the major preceptors and themselves. The cash collected by the billing authorities from council tax debtors belongs proportionately to the billing authorities and the major preceptors. There will therefore be a debtor/creditor position between the billing authorities and GMCA to be recognised since the net cash paid to GMCA in the year will not be its share of cash collected from council taxpayers.

1.17.2. Business Rates

From 1 April 2013 the ten GM Authorities as billing authorities of Greater Manchester have acted as agents; they have collected business rates income on behalf of Central Government, the GMCA and themselves.

The business rates income distributed to each of the parties is the amount after deducting an allowance for the GM Authorities’ cost of collection. The business rates cash collected by the billing authorities through the national scheme belongs proportionately to Central Government, the GM Authorities and GMCA; there will therefore be a debtor/creditor position between these parties to be recognised since the net cash paid in the year to each party will not be their share of the cash collected from business ratepayers.

In 2023/24 GM continues to be a pilot area for the 100% Business Rates Retention Scheme.

For both council tax and business rates, the income reflected in the CIES in 2023/24 is the GMCA's share of the income relating to that year. However, the amount of council tax / business rates income that can be credited to the General Fund for the year is determined by statute and may be different from the accrued income position shown in the CIES. An adjustment is made via the Movement in Reserves Statement for the difference between the income due under proper accounting practice and the income per statute.

1.18. Financial Assets

Financial Assets such as investments (excluding those in companies included in the Authority's group accounts) and debtors are classified into three types; amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL).

The categorisation of financial assets into these types is dependent on the reason for holding the assets, which can be to collect cash flows, to sell assets or achieve objectives by other means.

Financial assets are introduced onto the balance sheet at fair value when the Authority becomes a party to any contractual provision.

1.18.1. Amortised Cost

These assets relate to financial instruments where the amounts received are solely principal and interest and they are held in a hold to collect business model (e.g. investments of surplus cash with the government's debt management office or loans to third parties).

The interest received on these assets is measured using the Effective Interest Rate model.

1.18.2. Fair Value through Other Comprehensive Income (FVOCI)

These assets relate to financial instruments where the amounts received are solely principal and interest, but they are held to collect cash and have the ability sell the assets (e.g. money market funds).

The interest received on these assets is measured using the Effective Interest Rate model.

All gains and losses due to changes in the fair value of these assets are accounted for through an unusable reserve (the Financial Instruments Revaluation Reserve) and charged to Other Comprehensive Income and Expenditure.

The cumulative gain or loss is debited or credited to the surplus/deficit on provision of services when an asset is disposed of.

1.18.3. Fair Value through Profit and Loss (FVPL)

These assets relate to financial instruments where the amounts received are not principal and interest (e.g. equity investments).

Changes in fair value are charged to the surplus / deficit on the net provision of services as they occur.

Under capital accounting regulations where these assets were treated as capital expenditure the gain or loss is reversed through the Movement in Reserves Statement and charged to the Capital Adjustment Account, which is an unusable reserve.

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

1.18.4. Credit loss

The Authority will recognise a loss allowance for expected credit losses, if applicable, on assets where cash flows are solely principal and interest (i.e. financial instruments measured at amortised cost or FVOCI). This does not apply where the counterparty is Central Government or another local authority.

At each year end, the loss allowance for a financial instrument is calculated as equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If at the year end, the credit risk has not increased significantly since initial recognition the loss allowance is measured at an amount equal to twelve month expected credit losses.

Where the financial asset was treated as capital expenditure, any losses will be reversed via the Movement in Reserves Statement to the Capital Adjustment Account.

1.19. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus accrued interest. The interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

For Lender Option Borrower Option (LOBO) loans, the effective interest rate has been calculated over the life of the loan. This is an average and differs from the amounts actually paid in the year. The difference between the calculated interest charge and interest paid has been adjusted in the carrying amount of the loan and the amount charged in the Comprehensive Income and Expenditure Statement is the effective interest rate for the life of the loan rather than the amount payable per the loan agreement. A statutory over-ride allows the reversal of this difference through the Movement in Reserves Statement in order to charge the actual interest payable to the General Fund.

1.20. Impairment of non-financial assets

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

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

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

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

1.21. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

1.22. Reserves and Balances

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and they do not represent usable resources for the Authority.

The Authority produces memorandum accounts to hold the ring-fenced reserves and balances relating to the Mayoral General Fund and the Mayoral Police Fund.

1.23. Revenue

Revenue is a sub-set of income and is defined as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net worth.

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the

relevant financial instrument rather than the cash flows fixed or determined by the contract.

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

Rentals receivable under operating leases and secondary rentals received and retained by the group under finance leases are credited to income as they arise. Any premia or incentives within the lease are recognised within income on an equal basis over the term of the lease.

1.24. Contingent assets

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

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

1.25. Contingent liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.26. Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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 as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

1.27. Events after the Reporting Period

Events after the reporting period are those events that occur between the balance sheet date and the date when the Statement of Accounts is authorised for issue.

Where these provide evidence of conditions in existence at the balance sheet date, the amounts recognised in the accounts are adjusted.

Where these are indicative of conditions that arose after the balance sheet date the amounts in the accounts are not adjusted. This is known as a non-adjusting event and is disclosed as a note to the accounts.

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

1.28. Interests in Companies and Other Entities - Group Accounts

The Authority is required to produce group accounts where it has interests in subsidiaries, associates and/or joint ventures unless interest is considered not material. The group boundary is dependent upon the extent of the Authority's control or significant influence over the entity, which is based on the requirements of IFRS10, IFRS11 and IAS 28.

Inclusion in the group is dependent upon the extent of the Authority's interest and power to influence an entity. The Authority is considered to control an entity if it has power over the entity, exposure or rights to variable returns from its interest with the entity and the ability to use its power to affect the level of returns. The determining factor for assessing the extent of interest and power to influence is either through ownership of an entity, or representation on an entity's board of directors/trustees.

An assessment of all the Authority's interests has been carried out during the year, in accordance with the Code of Practice, to determine the relationships that exist and whether they should be included within the Authority's group accounts. As such, group accounts have been prepared for the Authority to include Transport for Greater Manchester, Greater Manchester Police, NW Evergreen Holdings LP, GM Fund of Funds LP and Greater Manchester Evergreen 2 LP.

1.29. Discretionary Benefits

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

1.30. Benefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense for services in the year in which employees render service to the Authority.

In 2018/19, the Authority adopted a policy of not accruing for employee benefits if the value of the adjustment was considered immaterial. An annual assessment will be made each year and should this result in an adjustment that would be material then these benefits will be accrued. In the 2023/24 accounts the employee benefit accrual was calculated and considered not to be material, therefore the accounts have not been adjusted.

1.31. Private Finance Initiative (PFI)

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

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. When establishing the recognition point of an asset, the Authority considers when probable and future benefits of the asset will flow to it and the extent to which the cost of the asset can be reliably measured.

PFI and similar contracts recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

The amounts payable to the PFI operators each year are analysed into the following elements:

- **Fair value of the services received during the year** – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- **Finance costs** – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **Contingent Rents** – Increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **Payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease);
- **Lifecycle replacement costs** – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

The Authority is deemed to control the services provided under its PFI arrangement for the Stretford Fire Station site. The Authority also has a PFI contract for the construction and maintenance of 17 police stations across GM whereby the contractor will operate and service the stations for 25 years after which ownership will revert to the Mayor of GM for nil consideration. The accounting policy for PFIs and similar arrangements has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Balance Sheet.

2 Critical Accounting Judgements

In applying the accounting policies set out in the notes to the accounts, the Authority has had to make certain judgements about complex in year transactions or those involving uncertainty about future events. The following are significant management judgements made in applying the accounting policies of the Authority that have the most significant effect on the Statement of Accounts. Material estimation uncertainties are described in the notes to the accounts.

Government Funding

There is an inherent degree of uncertainty about future levels of funding for major government programmes devolved to GMCA and Local Government funding as a whole. Where necessary the Authority would have to consider a range of options on how to continue to provide some elements of its services with a reduced level of funding.

The asset base across Police and Crime, Fire and Rescue and Transport functions is considered as part of the financial planning process and there is not currently a sufficient indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

Private Finance Initiative (PFI)

The Authority has entered into Private Finance Initiative (PFI) agreements for the Stretford Fire Station and 17 new Police Stations across 16 sites. The ownership of the buildings is determined by who holds the balance of control in line with accounting standards. The Authority considers the buildings and equipment associated with these sites should be included on its Balance Sheet because:

- The reversion clause within the PFI agreement results in the Authority having a residual interest in the buildings at the end of the agreement;
- The services provided and the use of the building is controlled by the Authority through the PFI agreement; and
- The PFI agreement is between the PFI contractor and the Authority.

Group Boundary

The GMCA has interests in a number of external companies either as a direct owner or in partnership with other organisations. The nature of these relationships has been assessed under IFRS 11, IAS 27 and IAS 28 (Accounting for Joint Arrangements, Subsidiaries and Associates).

These Accounts contain a set of group statements and supporting notes to reflect the nature and value of the Authorities' interests in other entities. Where the Authority is considered to have control or significant influence over another entity, they are deemed to be within the group boundary and are assessed for inclusion in the group accounts.

Consolidation of entities considered for inclusion in the group account is dependent on several factors, including the extent of the Authorities' interest and power to influence and control, materiality, investment, and transparency; where these factors are not considered material those members of the Group have not been consolidated.

Group Accounts Considerations

A review of the entities related to the Authority in 2023/24 has taken place and the conclusions are provided below:

Chief Constable of Greater Manchester Police (GMP)

GMP is included in the Authority's group accounts from 8 May 2017. The Mayor is responsible for the formal oversight of GMP, including provision of all funding, budget setting, performance scrutiny and strategic policy development, and for ensuring GMP is run efficiently and effectively. Operational decision-making on day-to-day policing including the employment of police staff remains the responsibility of the Chief Constable.

Under the legislative framework and local arrangements, the Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund. Details of the Mayoral Police Fund are disclosed in the notes to the accounts.

Transport for Greater Manchester (TfGM)

TfGM will continue to be included in the Authority's group accounts. The Authority and/or the Mayor sets local public transport policy and is responsible for deciding how funds are spent on supporting and improving GM's public transport network. The decisions of the Authority and/or the Mayor are implemented by TfGM and TfGM is responsible for implementing the policies of the Authority. TfGM's net expenditure after taking into account all sources of income and expenditure is financed by way of a Revenue Grant from the Authority. TfGM's corporate objectives are derived from the Authority's policy priorities, stakeholder consultation and its principal statutory obligations. Strategic objectives and targets are set out in the Authority/TfGM Business and Performance Plan.

For information, details of transactions with TfGM will be included within the related parties note.

Greater Manchester Fund of Funds Limited Partnership (FoFLP)

In November 2016 the Authority established FoFLP to act as a holding fund for ERDF funding. The Company registration number is 10482059. As at 31 March 2023, the fund had drawn down £90m (2023: £45m) of ERDF funding from Department for Levelling Up, Housing and Communities. FoFLP invest in sub-funds that seek to support the shift towards a low carbon economy and for research and innovation workspace. FoFLP is wholly owned and controlled by the GMCA and **will continue to be included** in the group accounts.

NW Evergreen Holdings Limited Partnership (NWEH)

In September 2016 the Authority established NWEH to act as a holding fund for the ERDF funding attributed to the North West Evergreen Fund, an urban development fund established under the 2007-13 European Operational Programme. The Company registration number is LP017585. NWEH received over £60m of funding from ERDF and matched funding sources and invests via its sub-fund in commercial development projects in the North West of England. **NWEH will continue to be included** in the Authority's group accounts.

Greater Manchester Evergreen 2 Limited Partnership (GME2LP)

Evergreen 2 was incorporated on 20 February 2017 under England's 2014-20 ERDF Operational Programme and is solely a Greater Manchester fund. The Company registration number is LP017867. It has been decided that the **GM Evergreen 2 LP will continue to be Included** in the group accounts.

Greater Manchester Low Carbon UDF Limited Partnership

The GM Low Carbon UDF LP was incorporated on 20 February 2017, Company registration number LP017868. The GM FOF LP is supplying a loan facility of £15m to the GM Low Carbon UDF LP under a Contingent Loan Facility. The GM Low Carbon UDF LP is to use the funds to increase small scale renewable energy schemes. On the grounds of immateriality, it has been decided that the **GM Low Carbon UDF LP will not be Included** in the group accounts.

NW Fire Control Company

NW Fire Control Limited (NWFCC) is a Company limited by Guarantee with the responsibility for Fire and Rescue services mobilisation for the North West Region. The Company registration number is 06314891. The company has four equal partners namely: GMCA, Cheshire, Cumbria County Council and Lancashire Fire and Rescue Authorities (the FRAs).

NWFCC became operational during 2014/15 and it meets with the definition of a Joint Operation for group accounts purposes. The Company is governing by unanimous consent for all key decisions, with each member having equal voting rights. The liability of each member in the event of the company being wound up is limited and shall not exceed £1. Each member of the company has the right to appoint two directors, who are Councillors appointed to their respective FRAs. In 2014 all four services transferred their

Control Room functions into the regionalised service provided by NW Fire Control Limited. The cost of the service is charged out to the four FRAs on an agreed pro rata basis set out in a Service Level Agreement.

However, on the grounds of immateriality **NWFCC will not be Included** the group accounts.

For information, details of transactions with NWFCC will be included within the related parties note.

Greater Manchester Accessible Transport Limited (GMATL)

GMATL is a private company limited by guarantee without share capital. The Company registration number is 02483763. The Authority is the person with significant control and has previously included GMATL in its group accounts. On the grounds of immateriality, it has been decided that **GMATL will not be included** in the group accounts.

Manchester Investment and Development Agency Service (MIDAS)

MIDAS is a private company limited by guarantee without share capital. The Company registration number is 03323710. The Authority is the person with significant control and has previously included MIDAS in its group accounts. The balance sheet value is approximately £0.7m. On the grounds of immateriality, it has been decided that **MIDAS will not be included** in the group accounts.

For information, details of transactions with MIDAS will be included within the related parties note.

HIVE Homes

HIVE Homes is a joint venture with ten Registered Housing providers and has been incorporated to acquire sites in GM and then develop them for sale as residential use. The Company registration number is OC425196. From March 2019 the Authority has a 20% share within the company, and £2m has been invested to date. On the grounds of immateriality, it has been decided that **HIVE Homes will not be included** in the group accounts.

Resonance Supported Homes Fund Limited Partnership

Resonance Supported Homes Fund was incorporated in July 2020 to house adults with learning disabilities, autism and mental health issues living in inappropriate housing such as long-term hospital inpatient facilities, or on long waiting lists awaiting the right housing for their needs. The Company registration number is LP021031. The GMCA is a limited Partner and as such does not have the authority to legally bind the partnership. Due to a lack of control / significant influence and the partnership's immateriality, it has been decided that **Resonance Supported Homes Fund will not be included** in the group accounts.

The GM & Cheshire life Sciences Fund Limited Partnership (Life Science 1)

The GM & Cheshire Life Sciences Fund was incorporated in September 2015 as a seed and early-stage venture capital fund for life sciences businesses located in the Greater Manchester and Cheshire and Warrington region. The Fund came to the end of its new investment period in mid-2021, by which time it had made a range of seed, early-stage and growth investments into 42 companies. The Fund will continue to support its portfolio and carry out follow-on funding until at least 2030. The Company registration number is LP016834. The GMCA is a Limited Partner and as such does not have the authority to legally bind the partnership. Due to a lack of control / significant influence and the partnership's immateriality, it has been decided that **The GM & Cheshire Life Sciences Fund Limited Partnership will not be included** in the group accounts.

GMC Life Sciences Fund Limited Partnership (Life Sciences 2)

GMC Life Sciences Fund Limited Partnership was incorporated in May 2022.The Company registration number is LP022594. The Principal activity of this partnership is to invest in seed and early-stage life sciences businesses, located in or relocating to Greater Manchester and Cheshire & Warrington. The GMCA is a Limited Partner and as such does not have the authority to legally bind the partnership. Due to a lack of control / significant influence and the partnership's immateriality, it has been decided that **The**

GMC Life Sciences Fund Limited Partnership will not be included in the group accounts.

INTERCHANGE HOMES LLP

Interchange Home LLP was incorporated in October 2021 as a special purpose vehicle (SPV) for the town centre residential accommodation development at Stockport Interchange. The company registration number is OC439564. On the grounds of immateriality, it has been decided that **Interchanges Homes LLP will not be included** in the group accounts.

3 Key Sources of Estimation and Uncertainty

In preparing the annual Accounts there are areas where estimates are made. These include:

3.1 Valuation of PPE

The valuation of GMCA's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. There is a risk of material adjustment to the carrying value of PPE within the next financial year, if the actual values differ from the assumptions used to value PPE. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss in the Comprehensive Income and Expenditure Statement. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain in the Comprehensive Income and Expenditure Statement. For instance, the impact of a 10% change in the valuation of GMCA's operational land and buildings would be £57m. Note 20 to the accounts sets out the Authority's approach to the valuation of its PPE.

3.2 The liability for future pension payments which is estimated by qualified actuaries

This is estimated by the actuary and a sensitivity analysis undertaken by them for the firefighters' pension scheme and local government pension scheme. Details can be found in Note 33 – Defined Benefit Pension Schemes.

4 Impact of Accounting Standards issued but not yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Authority to disclose 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 Code.

The standards introduced by the 2024/25 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:

- IFRS 16 Leases issued in January 2016.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
    - specify that an entity's right to defer settlement must exist at the end of the reporting period
    - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
    - clarify how lending conditions affect classification, and
    - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
    - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
    - targeted disclosure requirements for affected entities.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new

requirements to provide users of financial statements with information to enable them to:

- assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

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

5 Events After the Reporting Period

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

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

There are no events after the end of the reporting period and up to the date of authorisation for issue of the draft Statement of Accounts.

6 Authorisation for the Issue of the Statement of Accounts

The 2023/24 Unaudited Statement of Accounts were authorised for issue by the Treasurer on the 31 July 2024.

7a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Authority in comparison to those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how the expenditure is allocated between services. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23				2023/24		
Net expenditure chargeable to the General Fund Balance £000s	Adjustments between Funding and Accounting Basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s		Net expenditure chargeable to the General Fund Balance £000s	Adjustments between Funding and Accounting Basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s
			Continuing Services			
243,698	(2,484)	241,214	Highways and Transport Services	297,083	80,123	377,206
131,287	(21,222)	110,065	Economic Development and Regeneration	105,567	12,831	118,398
115,740	(28,731)	87,009	Waste Disposal Services	146,081	(35,319)	110,762
136,428	(18,948)	117,480	Mayoral General Fund Services	138,605	(39,026)	99,579
718,960	13,590	732,550	Mayoral Police Fund Services	764,429	14,986	779,416
1,346,113	**(57,794)**	**1,288,318**	**Cost of Services**	**1,451,765**	**33,596**	**1,485,360**
(1,437,360)	47,219	(1,390,141)	Other Income and Expenditure	(1,435,030)	58,791	(1,376,239)
(91,248)	**(10,575)**	**(101,823)**	**(Surplus)/Deficit**	**16,735**	**92,387**	**109,122**
524,788			**Opening General Fund Balance and Earmarked Reserves Continuing Services**	**616,036**		
91,248			Surplus / (Deficit) on General Fund Balance in year	(16,735)		
616,036			**Closing General Fund Balance at 31 March**	**599,300**		

7b Note to the Expenditure and Funding Analysis

2022/23					2023/24			
Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s		Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s
				Continuing Services				
(2,484)	0	0	(2,484)	Highways and Transport Services	80,123	0	0	80,123
(25,994)	4,772	0	(21,222)	Economic Development and Regeneration	13,812	(981)	0	12,831
(29,053)	322	0	(28,731)	Waste Disposal Services	(35,261)	(58)	0	(35,319)
5,274	(24,221)	0	(18,948)	Mayoral General Fund Services	10,299	(49,325)	0	(39,026)
13,233	357	0	13,590	Mayoral Police Fund Services	15,059	(72)	0	14,986
(39,024)	**(18,770)**	**0**	**(57,794)**	**Net Cost of Services**	**84,033**	**(50,437)**	**0**	**33,596**
(3,000)	50,219	0	47,219	**Other Income and Expenditure**	(789)	59,580	0	58,791
(42,024)	**31,449**	**0**	**(10,575)**	**Difference between General Fund Surplus and CIES Deficit on the Provision of Services**	**83,244**	**9,143**	**0**	**92,387**

a) 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.

b) Net Change for the Pensions Adjustments - 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.

c) Other Differences - 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 NDR 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.

8 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 Authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an Authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Authority has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2022/23					2023/24			
General Fund Balance £000s	**Capital Receipts Reserve £000s**	**Capital Grants Unapplied £000s**	**Movement in Unusable Reserves £000s**		**General Fund Balance £000s**	**Capital Receipts Reserve £000s**	**Capital Grants Unapplied £000s**	**Movement in Unusable Reserves £000s**
				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:				
(31,449)	0	0	31,449	Pension cost (transferred to (or from) the Pensions Reserve)	(9,143)	0	0	9,143
(1,593)	0	0	1,593	Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(4,161)	0	0	4,161
2,554	0	0	(2,554)	Council tax and NDR (transfers to or from the Collection Fund)	(594)	0	0	594
(39,881)	0	0	39,881	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)	(177,191)	0	0	177,191
(70,370)	**0**	**0**	**70,370**	**Total Adjustments to Revenue Resources**	**(191,088)**	**0**	**0**	**191,088**
				Adjustments between Revenue and Capital Resources				
104	(54,772)	0	54,668	Transfer of capital income to the Capital Receipts Reserve	1,019	(183,366)	0	182,348
2,246	0	0	(2,246)	Movement in Capital Provision for Expected Credit Loss	775	0	0	(775)
88,855	0	0	(88,855)	Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	94,861	0	0	(94,861)
4,509	0	0	(4,509)	Capital receipts applied (transfer to the Capital Adjustment Account)	2,693	0	0	(2,693)
1,343	0	0	(1,343)	Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,094	0	0	(5,094)
97,057	**(54,772)**	**0**	**(42,285)**	**Total Adjustments between Revenue and Capital Resources**	**104,442**	**(183,366)**	**0**	**78,925**
				Adjustments to Capital Resources				
0	47,067	0	(47,067)	Use of the Capital Receipts Reserve to finance capital expenditure	0	90,636	0	(90,636)
(16,112)	0	16,112	0	Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(5,740)	0	5,740	0
(16,112)	**47,067**	**16,112**	**(47,067)**	**Total Adjustments to Capital Resources**	**(5,740)**	**90,636**	**5,740**	**(90,636)**
10,575	**(7,705)**	**16,112**	**(18,982)**	**Total Adjustments**	**(92,387)**	**(92,730)**	**5,740**	**179,377**

9 Transfers to/from Reserves

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

Earmarked Reserves and Balances	**31 March 2023 £000s**	**Transfers in/out £000s**	**31 March 2024 £000s**
Economic Development and Regeneration (EDR)			
Life Chances	**(2,953)**	1,490	**(1,463)**
Growing Places Fund	**(1,554)**	1,554	**0**
RGF/GPF Interest and Arrangement Fees	**(8,248)**	(624)	**(8,872)**
Adult Education Budget Devolution	**(25,218)**	(6,402)	**(31,620)**
Business Rates Growth Pilot & Levy	**(45,740)**	(9,696)	**(55,437)**
HIF Interest and Arrangement Fees	**(11,843)**	(5,659)	**(17,502)**
Work & Skills - Working Well Reserve	**(2,047)**	840	**(1,207)**
GMICB- Improving School Readiness	**(2,000)**	0	**(2,000)**
Churchgate House Accommodation	**(3,706)**	421	**(3,285)**
GM Trailblazer Devolution	**(3,000)**	(2,119)	**(5,119)**
Work & Skills - Central Reserve	**(6,116)**	1,266	**(4,850)**
Low Carbon Resource	**(1,108)**	(164)	**(1,272)**
Brownfield Fund	**(845)**	549	**(295)**
Other ED&R Reserves	**(11,865)**	137	**(11,728)**
Total EDR Earmarked Reserves	**(126,244)**	**(18,408)**	**(144,651)**
Transport			
Active Travel Fund	**(5,699)**	806	**(4,893)**
City Region Sustainable Transport Settlements (Revenue)	**(1,770)**	(4,434)	**(6,203)**
Integrated Ticketing Reserve	**(8,829)**	1,762	**(7,067)**
Business Rates Top Up	**(55,560)**	(16,074)	**(71,634)**
Capital Programme Reserve	**(101,189)**	14,630	**(86,559)**
Clean Air Plan	**(11,672)**	137	**(11,535)**
Earnback Revenue	**(32,491)**	(4,314)	**(36,805)**
Local Transport Fund	**(10,047)**	3,624	**(6,423)**
Capability Fund	**(990)**	977	**(13)**
BSOG+	**0**	(3,927)	**(3,927)**
LEVI Capability Fund	**0**	(773)	**(773)**
Other Transport Reserves	**(453)**	(4)	**(457)**
Total Transport Earmarked Reserves	**(228,700)**	**(7,589)**	**(236,289)**
Waste			
National Waste Strategy	**(2,500)**	0	**(2,500)**
Waste Disposal Insurance Reserve	**(12,694)**	0	**(12,694)**
Waste Interest Rate Reserve	**(2,000)**	0	**(2,000)**
Waste Pension Deficit Funding Reserve	**(812)**	0	**(812)**
Waste MTFP Funding Reserve	**(41,810)**	18,719	**(23,090)**
Waste Optimisation and Efficiency	**(6,000)**	0	**(6,000)**
Waste Composition Analysis	**(1,000)**	0	**(1,000)**
Waste MRF Redevelopment	**(20,000)**	0	**(20,000)**
Wastre Reprocurement	**(7,000)**	0	**(7,000)**
Waste Lifecycle Reserve	**(5,722)**	0	**(5,722)**
Total Waste Earmarked Reserves	**(99,537)**	**18,719**	**(80,818)**
Total Earmarked Reserves	**(454,481)**	**(7,277)**	**(461,758)**
EDR General Fund Balances	**(4,273)**	0	**(4,273)**
Transport General Fund Balances	**(1,085)**	0	**(1,085)**
Waste General Fund Balance	**(12,132)**	0	**(12,132)**
Total General Fund Reserves	**(17,490)**	**0**	**(17,490)**
Usable Capital Receipts Reserve	**(76,277)**	(92,730)	**(169,007)**
Capital Grants Unapplied Reserve - ED&R	**0**	(268)	**(268)**
Capital Grants Unapplied Reserve - Transport	**(19,528)**	5,996	**(13,532)**
Total Transport, ED&R and Waste Reserves	**(567,777)**	**(94,279)**	**(662,056)**

Earmarked Reserves and Balances	31 March 2024 £000s	Transfers in/out £000s	31 March 2024 £000s
Mayoral General Fund			
Capital Reserve	**(10,870)**	(2,516)	**(13,386)**
Mayoral Reserve (Our Pass Reserve)	**(3,553)**	2,837	**(715)**
A Bed Every Night	**(2,511)**	24	**(2,488)**
Other Earmarked Budgets Reserves	**(2,011)**	(369)	**(2,379)**
Corporate Support	**0**	(2,213)	**(2,213)**
Bus Service Operators Grant	**(4,049)**	(656)	**(4,705)**
Other Revenue Grants Unapplied	**(2,783)**	1,165	**(1,619)**
Insurance Reserve	**(2,600)**	473	**(2,128)**
Business Rates Reserve	**(1,128)**	258	**(870)**
Restructuring Reserve	**(418)**	0	**(418)**
Innovation and Partnership CYP	**(127)**	0	**(127)**
Transformation Fund	**(3,604)**	0	**(3,604)**
Total Earmarked Reserves	**(33,655)**	**(997)**	**(34,652)**
Mayoral General Fund Balance	**(12,093)**	0	**(12,093)**
Capital Grants Unapplied Reserve	**(12)**	12	**0**
Total Mayoral General Fund Reserves	**(45,760)**	**(985)**	**(46,745)**

Earmarked Reserves and Balances	31 March 2023 £000s	Transfers in/out £000s	31 March 2024 £000s
Mayoral Police Fund			
Revenue Expenditure Reserve	**(21,275)**	4,388	**(16,887)**
Insurance Reserve	**(13,743)**	603	**(13,140)**
Police and Crime Commissioner Earmarked Reserves	**(38,997)**	18,978	**(20,018)**
PFI Reserve	**(8,926)**	1,019	**(7,908)**
Total Earmarked Reserves	**(82,941)**	**24,988**	**(57,952)**
Mayoral Police Fund Balances	**(15,375)**	21	**(15,354)**
Total Mayoral Police Fund	**(98,316)**	**25,009**	**(73,306)**

Earmarked Reserves and Balances	31 March 2023 £000s	Transfers in/out £000s	31 March 2024 £000s
Combined			
Earmarked Reserves	**(571,077)**	16,714	**(554,363)**
General Fund Balances	**(44,958)**	21	**(44,937)**
Usable Capital Receipts Reserve	**(76,277)**	(92,730)	**(169,007)**
Capital Grants Unapplied Reserve	**(19,540)**	5,740	**(13,800)**
Total Usable Reserves	**(711,852)**	**(70,255)**	**(782,108)**

9a Purpose of Earmarked Reserves

The purpose and operation of the reserves are as follows:

Economic Development and Regeneration Reserves	
Earnback Revenue Reserve	Funding from the devolution deal to be used for infrastructure investment.
Life Chances Reserve	Funding to help people in society who face the most significant barriers to leading happy and productive lives.

	It will provide top-up contributions to outcomes-based contracts involving social investment e.g. SIB's.
GM Clean Air Plan Reserve	Funding to support the work to improve air quality across GM and to develop a local plan to ensure the UK achieves compliance with legal limits for nitrogen dioxide in the shortest possible time.
Capability Fund	Funding to increase the capabilities of Local Authorities to plan active travel infrastructure (walking and cycling), including building more expertise and undertaking more evidence- based planning.
Growing Places Fund Reserve	Funding to establish revolving investment funds, promoting a long term locally led solution to local infrastructure constraints.
GPF-RGF Interest and Arrangement Fees Reserve	Interest earned on income received in advance will be re-invested within the fund as per grant conditions and arrangement fees may be off set against specific costs associated with the making of the loans.
Churchgate Accommodation Reserve	Earmarked funding to manage risk with shared accommodation in the Tootal Building and to develop the repurposing of the building.
Adult Education Budget Devolution	Funds adult further education (all 19yrs+ provision with the exception of apprenticeships/traineeships), community learning and discretionary learner support. Supports the local labour market and economic development; in particular, it focuses on ensuring that adults have the core skills that they need for progression in learning and work, including guaranteeing a number of statutory entitlements relating to English, Maths and digital skills, as well as first level 2 and 3 qualifications and English for Speakers of Other Languages (ESOL).
Capital Programme Reserve	Surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.

Business rates Growth Pilot & Levy	Revenue funding to support Greater Manchester strategic priorities, particularly for revenue expenditure on scheme development costs not able to be capitalised.
Housing Investment Fund (HIF) Interest and Arrangement Fees	Interest, arrangement fees and other income earned from loans funded by the funding agreement with Department for Levelling Up, Homes and Communities. With the surplus to be used to support the GM housing strategy.
Low Carbon Resource	Funding to manage short term funding risk and support various Low Carbon Programmes.
Work & Skills - Working Well Reserve	To support the Work & Health Programme which helps those in long term unemployment and with disabilities into work.
Youth Contract Reserve	Funding to be used on initiatives to tackle youth unemployment for 18-24 year-olds.
A Bed Every Night	Funding to support GM Mayor's Charity A Bed Every Night scheme. Works to assist those who are sleeping rough in Greater Manchester into warm, safe, and supported accommodation.
Ageing Well Programme	Funding to support the Ageing Well Programme.
GM Covid Fund	Funding to support GMCA Corporate costs as a result of COVID-19.
Work & Skills - Central Reserve	Funding to support various Work & Skills programmes (such as Skills Advisory Panels and the Future Workforce Fund).
GMICB - Improving School Readiness	Funding to support School Readiness programmes. Aim to improve early years outcomes and to invest in our early years workforce to ensure they have the right skills and competencies to help children achieve their potential.
GM District Transformation Schemes	Resource to support GM-wide budget transformation and efficiency programmes led by Deputy Chief Executives.

GM Trailblazer Reserve	3-year project funding for homelessness prevention schemes, working closely with the DLUHC to improve homelessness data and evidence base.
Brownfield Fund	Funding to support the construction of housing on brownfield land.

Transport Reserves	
Active Travel Fund	Funding to support local transport authorities with delivering cycling and walking facilities. Tranche 1, to support the installation of temporary projects as part of emergency COVID-19 response measures; and tranche 2, for the creation of longer-term projects as part of the longer-term recovery.
Our Pass Reserve	Funding to support Our Pass. Membership scheme for young people who live in Greater Manchester and supports both school and care leavers. Allows young people access opportunities with free bus travel throughout Greater Manchester.
City Region Sustainable Transport Settlements (Revenue)	To support the development of CRSTS capital investment programme and build longer-term local transport planning and delivery capacity.
Integrated Ticketing Reserve	Funding to support the integrated ticketing scheme.
Local Transport Fund	Funding provided to Local Transport Authorities for the provision of bus services which require local authority support, including tendered bus services and light rail/tram services.
BR (Highways Capital)	Funding settlement directly from government as part of the single pot allocations to support GMCA services.

Waste Reserves	
National Waste Strategy	This reserve has been established to support with costs with providing responses to and implementation of the National Waste Strategy.
Waste Disposal Insurance Reserve	This reserve has been established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases. The Reserve is now also enhanced as a buffer to satisfy any future insurance claims that may arise from an unforeseen event due to failure to secure selected insurance from the market.
Waste Interest Rate Reserve	To enable the Waste & Resources service to meet the additional cost of funding future increases in the margin chargeable on borrowings, arising from the current policy of not taking longer term debt.
Waste Pension Deficit Funding Reserve	To meet the cost of funding potential future deficit arising on transfer of former Greater Manchester Waste Limited employees into the Authority’s pension fund on commencement of the Contract, and to take account of possible further efficiencies arising from austerity challenges.
Waste Medium Term Financial Plan Funding Reserve	Reserve to support the delivery of objectives in the Waste & Resources service Medium Term Financial Plan.
Waste Optimisation Reserve	This reserve has been set up to allow a further capital contribution to be made (if required), so that the Authority can realise longer term financial and operational benefits from the approach to minimising the amount of waste sent to landfill.

Waste Compositional Reserve	This reserve provides the cost of conducting a review of waste arisings to be spread over several years. The review enables us to gauge whether our residents are recycling, and in so doing, better target limited behavioural change resources.
Waste MRF Redevelopment	Reserve funding to allow for redevelopment works at the MRF at Sharston.
Waste Re-procurement	Reserve funding to allow for expenditure to be incurred with reprocuring waste management contracts.
Waste Lifecycle Reserve	Reserve created to allow funding of lifecycle / maintenance needs at the operational sites now under Authority control.

Mayoral General Fund	
Capital Reserve	Surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.
Earmarked Budgets Reserve	Funding to be utilised to meet the costs of future projects as part of the budget strategy.
Revenue Grants Unapplied Reserves	Accumulated unspent grant funding which is required to meet costs in future years.
Insurance Reserve	Reserve established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases.
Business Rates Reserve	Funding to mitigate the impact of potential significant deficits on the ten Greater Manchester Council respective Collection Funds, of which the Authority is liable for 1%.

Restructuring Reserve	Reserve created to provide funds towards the costs of service transition.
Innovation and Partnership CYP Reserve	Funding for future partnership and innovation schemes and to support Children's and Young People's initiatives.
Projects Reserve	Funding to support project work within the Authority.
Transformation Reserve	New reserve set up as part of the Budget Strategy to be used by the mayor to promote collaboration and transformation in blue light services.
Mayoral General Fund Balances	Funding to support The Mayoral General fund.
Capital Grants Unapplied Reserve	Fund to hold capital grants which have been received and credited to income but not yet spent on the acquisition of non-current assets.

Mayoral Police Fund	
Revenue Expenditure Reserve	Funding to be utilised to meet costs of existing projects which span years.
Insurance Reserve	Insurance Reserve - this reserve has been established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases.
PCC Earmarked Reserves	Funding to be utilised to meet costs of future projects which support the delivery of the Police and Crime Plan.
PFI Reserve	This reserve holds that balance of the PFI grant paid by the Home Office. It is used to support the future costs arising from the PFI Scheme.

Usable Capital Receipts Reserve	Fund to hold proceeds from the sale of non-current assets which can be used to either finance future additions or to repay external debt.
Mayoral Police Fund Balances	Funding to support The Mayoral Police Fund.

10 Long Term Investments

31 March 2023 £000s	Long Term Investments	31 March 2024 £000s
9,300	Interchange Homes LLP	9,300
7,677	National Homelessness Property 2 Ltd Partnership	7,677
7,001	GM & Cheshire Life Sciences Fund Ltd Partnership (Tranche 1)	6,100
5,000	Resonance Supported Homes Fund Ltd Partnership	5,000
2,594	GM & Cheshire Life Sciences Fund Ltd Partnership (Tranche 2)	2,594
4,000	Social and Sustainable Housing II Ltd Partnership	2,500
2,000	Hive Homes LLP	2,000
1,038	Bankifi Technology Ltd	1,038
0	Beryl	1,000
1,000	Social and Sustainable Housing Ltd Partnership	931
2,676	Other Long term investments	2,699
42,286	**Total Long Term Investments**	**40,839**

The Authority holds £40.839m of equity investments for a number of businesses that previously held loans plus other direct investments. The Authority has made the irrevocable election to designate these assets as Fair Value through Other Comprehensive Income in accordance with IFRS 9 Financial Instruments. They meet the requirements of the CIPFA code to be designated this way as they are all strategic investments and not held for trading purposes.

The shares or limited partnership interests held are not traded in active markets and are valued based on level 2 - observable input data from the companies, such as latest filed accounts and management accounting reports. There have been no transfers between input levels or changes in valuation techniques during 2023/24 for this class of asset.

Of the 20 equity investments held; the largest balances relate to:

- **Interchange Homes LLP (£9.3m)** – this is an investment to support the construction of 196 apartments at Stockport Bus Interchange. The analysis is based upon GMCA intention to hold the patient equity stake over a long term and therefore to be held at cost.

- **National Homelessness Property (£7.7m)** – this is an investment into National Homelessness Property Fund 2, for the acquisition and refurbishment of properties, providing people at risk of homelessness with a settled home. The valuation is based upon the latest National Homelessness Property 2 Trust investment report, including the property valuations and forecast yield.

- **Life Sciences 1 (£6.1m)** – this is an investment into a fund that provides seed and early-stage venture capital investment for life sciences businesses. Investments are valued by the Manager in line with the requirements of FRS 102 and according to the International Private Equity and Venture Capital Valuation Guidelines.

- **Life Sciences 2 (£2.6m)** – this is an investment into a fund that provides seed and early-stage funding to life sciences businesses. The Fund Manager have reviewed each investment and considered the value based on performance and market comparables in line with the Accounting Standards including FRS 102. The Fund Manager concluded that the value of the total portfolio is in line with the capital invested.

- **Bankifi Technology Limited (£1.0m)** – this is an investment into Bankifi which sells software services to banks, allowing their customers to get paid quickly using open banking. The business has cut costs to conserve cash and is launching a new product and key partnership. It has healthy cash balances and aims to increase ARR during the course of the year.

- **Hive Homes LLP (£2.0m)** – Hive Homes is a joint venture between GMCA based registered housing providers to develop homes for sale across the city region. The current analysis is estimating a return on an investment and is held at cost.

- **Resonance Supported Homes Fund Ltd Partnership (£5.0m)** – This social impact fund acquires and substantially refits apartments for adults with learning disabilities/autism, with the homes then being leased on to charities. The latest yield is in line with the original forecast. The investment is held at cost.

- **Social and Sustainable Housing I Ltd Partnership (£0.9m) & Social and Sustainable Housing II Ltd Partnership (£2.5m)** – These social impact funds on-lend to charities and similar organisations to acquire, refurbish or build property for vulnerable people including homeless, domestic violence victims and care leavers. The investment is held at cost.

- **SMIDSY Limited (£1.0m)** – SMIDSY Limited, trading as Beryl, is a provider of mobility-share schemes, offering bike and escooters to towns and cities across the UK. The company is continuing to win new bids and in the process of conducting fundraise from existing investors. This early-stage investment is held at cost.

- **Other Investments (£2.7m)** – This covers all other equity investments made into various sectors covering Digital & Creative, Social fund, Technology and Innovation. The investment is made in line with the investment strategy to maximise the growth opportunities of the designated businesses and companies in the region. The basis of valuation varies depending on several factors, including the nature of the investment.

11 Expenditure and Income Analysed by Nature

This table shows the underlying nature of the income and expenditure of the Authority:

2022/23 £000s	Nature of Expenditure and Income	2023/24 £000s
	Expenditure	
113,877	Employee Costs	90,942
58,293	Pension Interest Costs	74,097
109,065	Cost of Police Officer retirement benefits	107,028
381,743	Grants Expenditure	425,871
834,487	Funding set aside for the Chief Constable	919,753
206,592	Other Service Expenditure	246,818
23,762	Capital Charges including Depreciation and Impairment	23,478
63,614	Financing and Investment Expenditure	59,286
289,438	Revenue Expenditure Funded from Capital Under Statute	374,314
1,299	Loss on Disposal of Non-current Assets	12,611
2,082,170	**Total Expenditure**	**2,334,198**
	Income	
(24,873)	Financing and Investment Income	(44,975)
(143,699)	Fees, charges and other service income	(165,714)
(109,065)	Home Office grant payable towards the cost of retirement benefits	(107,028)
(339,591)	Income from Council Tax and Business Rates	(361,450)
(524)	Gain on Disposal of Non-current assets	(911)
(259,051)	Transport and Waste Levy Income	(244,472)
(1,307,191)	Government Grants and Contributions	(1,300,526)
(2,183,993)	**Total Income**	**(2,225,076)**
(101,823)	**Deficit / (Surplus) on the Provision of Services**	**109,122**

12 Revenue Expenditure Funded from Capital under Statute

Capital grants payable to TfGM/GM Authorities and other bodies delivering economic development and regeneration projects are charged to the Comprehensive Income and Expenditure Statement as expenditure incurred and they are then reversed out in the Movement in Reserves Statement.

2022/23 £000s	REFCUS	2023/24 £000s
190,197	Highways and Transport Services	277,214
98,756	Economic Development and Regeneration Services	96,693
287	Fire Services	408
197	Police and Crime Commissioner	0
289,438	**REFCUS Total**	**374,314**

13 Grants and Contributions Credited to Comprehensive Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement:

2022/23 £000s	Grants and Contributions	2023/24 £000s
	Highways and Transport Services	
(4,468)	Active Travel Fund	(1,698)
(1,416)	Better deal 4 buses	0
(5)	Home to School and College Transport	0
(12,140)	GM Clean Air Plan	(8,102)
(2,497)	Light Rail funding	0
(11,094)	COVID-19 Bus Services Support Grant	0
0	Bus Service Operators Grant	(6,500)
(2,489)	Bus Recovery Scheme Grant	(234)
(34,886)	Local Transport Fund Grant	(5,776)
(10,911)	City Region Sustainable Transport Settlements Grant	(1,757)
(14,908)	Bus Service Improvement Plan	(37,982)
0	Extraordinary Revenue Support Grant	(18,000)
0	LEVI Capability Fund	(850)
(94,813)		**(80,898)**
	Economic Development and Regeneration Services	
(103,290)	Adult Education Budget	(106,615)
(426)	Business Support Grants & Contributions	(465)
(8,641)	District Contributions to ED&R Functions	(9,452)
(1,615)	UK Community Renewal Fund	0
(814)	Environment & Low Carbon Grants & Contributions	(1,616)
(4,594)	External Contributions and Income Towards ED&R	(1,022)
(1,451)	Future Workforce Fund	0
(3,659)	Homelessness Grants - CLG	(3,631)
(5,644)	European Social Fund	(3,659)
(435)	UIA Ignition Project	(1,262)
(2,792)	DFE Digital Boot Camps	(4,927)
(2,511)	Other Grants	(3,318)
(2,773)	Made Smarter Adoption North West	(1,982)
(2,446)	Rough Sleeping Initiative	(2,356)
(1,346)	Self Employment Pilot Programme	6
(15,185)	Troubled Families - CLG	(17,402)
(3,486)	Public Service Reform Other Grants	(948)
(2,743)	GM Community Accommodation Services	(3,657)
(6,940)	Working Well JETS	0
(10,606)	Works & Skills Grants & Contributions	(11,206)
(12,755)	ESF Skills for Growth Grant	(8,258)
(564)	AGMA District Contribution	(869)
(34)	AGMA Other Contribution	46
(625)	Levelling Up LUF Grant	(390)
(8,196)	UK Shared Prosperity Fund Grant	(16,834)
(805)	Refugee Transitions Outcome Fund	(663)
(2,000)	A Bed Every Night Contributions	(2,360)
(1,818)	Changing Futures Grant	(1,561)
0	WHP Pioneers Grant	(520)
0	Individual Placement & Support in Primary Care Grant	(1,099)
1,596	Benefit of concessionary loan received and future years write back*	4,165
(206,599)		**(201,854)**
	Mayoral General Fund Services	
(14,151)	Mayor's Office	(14,151)
(10,832)	Business Rates Top-Up Grant	(7,327)
(2,166)	Fire Service Specific Grants and Contributions	(8,023)
0	Fire Service Non-Specific Grants	(1,296)
0	Fees, charges and other service income	(41)
(27,149)		**(30,837)**
	Mayoral Police Fund Services	
(36,865)	CTU grant	(39,363)
(11,138)	Police other Contributions	(10,580)
(5,804)	GMIRS Grants	(8,574)
(6,230)	Specific Violence Based Grants	(4,776)
(18,933)	Other revenue grants	(42,716)
(5,036)	Grant: Asset Incentivisation	(5,188)
(5,315)	PFI grant	(5,315)
(89,321)		**(116,513)**
(417,883)	**Total Grants and Contributions Credited to Net Cost of Services**	**(430,102)**

2022/23 £000s	Grants and Contributions	2023/24 £000s
	Non-Specific Grants and Contributions	
(292,558)	Non-Specific Capital Grant	(263,785)
(20,000)	Earnback Revenue Grant	(20,000)
(35,707)	Business Rates Top Up Grant	(35,707)
(3,319)	Contributions to Traffic Signals Repairs / S278	(1,557)
(375)	Growth Deal Grant (LEP)	(250)
(537,349)	Police Grant	(549,125)
(889,309)	**Total Non-Specific Grants and Contributions**	**(870,424)**
(1,307,191)	**Total Grants and Contributions Credited to Comprehensive Income and Expenditure**	**(1,300,526)**

*The full benefit of the saving from a loan provided at below market rate interest is treated as a grant in the year the loan funds are received. In future years the benefit is reduced annually over the remaining years of the loan term using a fair value effective interest rate.

14 Grants and Contributions Received in Advance

The Authority received the following grants and contributions in advance. These were not credited to the Comprehensive Income and Expenditure Statement as they have conditions that have not yet been met.

31 March 2023 £000s	Grants Received in Advance	31 March 2024 £000s
	Capital Grants Receipts in Advance	
(31)	Clean Bus Technology Grant	(26)
(7,921)	Cross City Bus Package	(7,853)
(48)	Cycle City Ambition Grant 2	(41)
(368)	Stockport Town Centre Access	(368)
(595)	Early Measure (GM Clean Air Plan)	(537)
(1,542)	Cycle Safety Grant	0
(104,078)	Clean Air Charging Zone	(103,151)
(2,142)	Rough Sleeping Accomodation Programme (RSAP)	(1,756)
(37,552)	Transforming Cities - Metrolink	(14,925)
(350)	Air Quality (Capital)	(164)
(1)	Brownfield Fund	0
(14,007)	Earnback Grant (Capital)	0
(10,179)	Social Housing Decarbonisation	(1,077)
(15,673)	Zero Emissions Buses	(14,619)
(113,609)	City Region Sustainable Transport Settlements	(179,901)
(37,192)	Active Travel Fund	(37,278)
(1,018)	UK Shared Prosperity Fund	0
0	Social Housing Decency Fund	(1,655)
0	5G Innovation Regions Programme	(69)
0	Local Electric Vehicle Charging Infrastructure	(14,542)
0	Green Light Fund	(627)
0	Traffic Signals Obsolescence Grant	(5,000)
(17)	Police Capital Grants	0
(346,323)	**Total Capital Grants RIA**	**(383,591)**
(190,091)	Due to be recognised within 1 year	(279,392)
(156,232)	Due to be recognised over 1 year	(104,198)
	Revenue Grants Receipts in Advance	
(5,015)	Work and Health Programme	(1,669)
(718)	UIA Ignition Project	0
(729)	Early Years Transformation Fund	(342)
(9,460)	AEB -National Skills Fund Level 3 Adult Offer	(5,534)
(165)	FIM	0
(106)	GRIR Well Being	0
(3,448)	Adult Education Budget - Multiply Grant	(1,577)
(1,346)	Skills Bootcamp (Wave 3)	0
(1,002)	UK Shared Prosperity Fund	(1,874)
(5,222)	Bus Service Improvement Plan	0
(515)	Local Data Accelerator Fund	(229)
0	Mockingbird Grant	(571)
0	Active Travel Capability Fund (Revenue)	(3,075)
0	GM Fostering Programme	(1,509)
0	Gambling Treatment and Care Pathway	(628)
(1,863)	Other revenue grants receipts in advance	(1,198)
(3,621)	Mayoral Police Fund Asset Incentivisation	(2,417)
(2,130)	Mayoral Police Fund Other	(813)
(35,418)	**Total Revenue Grants RIA**	**(21,434)**
(35,418)	Due to be recognised within 1 year	(21,434)
0	Due to be recognised over 1 year	0

15 Financing and Investment Income and Expenditure

2022/23 £000s	Financing and Investment Income	2023/24 £000s
(7,805)	Interest receivable on deposits	(18,485)
(8,857)	Interest receivable on loans	(11,973)
(136)	Disposal of Equity Investments	0
(8,074)	Interest on Plan Assets	(14,517)
(24,873)	**Total Financing and Investment Income**	**(44,975)**

2022/23 £000s	Financing and Investment Expenditure	2023/24 £000s
24,889	PWLB	24,365
18,950	European Investment Bank	18,034
13,220	Others	11,302
6,555	Interest Element of PFI Unitary Charge	5,584
58,293	Interest on Plan Liablities	74,097
121,907	**Total Financing and Investment Expenditure**	**133,383**

16 Taxation and Non-Specific Grant Income

2022/23 £000s	Taxation and Non Specific Grant Income	2023/24 £000s
	Income from Levies	
(105,772)	Transport Levy from the GM Authorities	(113,472)
(153,279)	Waste levy from the GM Authorities	(131,000)
	Income from Council Tax and Business Rates	
(181,047)	Council Tax Police Precept Income	(194,546)
(81,619)	Council Tax Mayoral Precept Income (inc Fire)	(86,319)
(76,925)	Non Domestic Rates Income	(80,585)
	Income from Revenue Grants	
(35,707)	Business Rates Top up Grant	(35,707)
(537,349)	Police Grant	(549,125)
(375)	Growth Deal Grant (LEP)	(250)
(20,000)	Earnback Grant	(20,000)
	Income from Capital Grants	
(3,319)	Capital Contributions Receivable for Traffic Signal Schemes	(1,557)
(20,057)	Zero Emmissions Bus Regional Areas	(1,054)
(3,610)	Earnback	(24,007)
(52,459)	Public Sector Decarbonisation Scheme	(2,057)
(18,999)	Clean Air	(985)
(11,450)	Green Homes	0
(46,157)	Transforming Cities	(22,627)
0	Trailblazer	(5,000)
0	Pot Hole Funding	(6,210)
0	Highways Maintenance	(4,438)
0	Social Housing Decarbonisation	(7,151)
0	Social Housing Quality Fund	(14,887)
(22,300)	Transport City Deal	0
(58,661)	City Region Sustainable Transport	(113,506)
(20,000)	GMCA Capital Funding (2023) Grant	0
(112)	Cycle City Ambition Grant	(6)
(43,504)	Brownfield Land Fund	(52,521)
13,066	Emergency Active Travel Fund	(3,741)
(545)	Full Fibre	0
(419)	Clean Bus Technology Grant	(5)
(3,900)	Homelessness Accommodation Leasing Fund	0
0	Rough Sleepers	(387)
0	UK Shared Prosperity Fund	(3,663)
(1,593)	Police Capital Grants	(823)
(1,857)	Other capital grants and contributions	(716)
(1,487,951)	**Total Taxation and Non Specific Grant Income**	**(1,476,347)**

17 External Audit Fees

The Authority has incurred the following External Audit costs in relation to the audit of the Statement of Accounts.

2022/23 £000s	External Audit Fees	2023/24 £000s
123	Fees payable to Mazars with regard to external audit services carried out by the appointed auditor	272
123	**Total External Audit Fees**	**272**

18 Officer Remuneration

Officers with Remuneration above £50,000

The number of employees (including senior employees) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were as follows**:**

Staff who have not received severance 2022/23	Staff who have received severance 2022/23	Number of Employees 2022/23	Salary Range			Staff who have not received severance 2023/24	Staff who have received severance 2023/24	Number of Employees 2023/24
138	0	138	£50,000	to	£54,999	223	0	223
76	0	76	£55,000	to	£59,999	130	0	130
40	0	40	£60,000	to	£64,999	48	0	48
27	0	27	£65,000	to	£69,999	50	0	50
20	0	20	£70,000	to	£74,999	33	0	33
12	0	12	£75,000	to	£79,999	18	0	18
5	0	5	£80,000	to	£84,999	12	0	12
1	0	1	£85,000	to	£89,999	3	0	3
7	0	7	£90,000	to	£94,999	7	0	7
8	0	8	£95,000	to	£99,999	5	0	5
1	0	1	£100,000	to	£104,999	7	0	7
0	0	0	£105,000	to	£109,999	2	0	2
2	0	2	£110,000	to	£114,999	1	0	1
0	0	0	£115,000	to	£119,999	1	0	1
0	0	0	£120,000	to	£124,999	0	0	0
1	0	1	£125,000	to	£129,999	0	0	0
0	0	0	£130,000	to	£134,999	2	0	2
1	0	1	£135,000	to	£139,999	0	0	0
1	0	1	£140,000	to	£144,999	0	0	0
1	0	1	£145,000	to	£149,999	3	0	3
0	0	0	£150,000	to	£154,999	0	0	0
0	0	0	£155,000	to	£159,999	0	0	0
0	0	0	£160,000	to	£164,999	1	0	1
0	0	0	£165,000	to	£169,999	0	0	0
0	0	0	£170,000	to	£174,999	0	0	0
1	0	1	£175,000	to	£179,999	0	0	0
0	0	0	£180,000	to	£184,999	0	0	0
0	0	0	£185,000	to	£189,999	0	0	0
0	0	0	£190,000	to	£194,999	0	0	0
0	0	0	£195,000	to	£199,999	0	0	0
0	0	0	£200,000	to	£204,999	0	0	0
0	0	0	£205,000	to	£209,999	0	0	0
0	0	0	£210,000	to	£214,999	0	0	0
0	0	0	£215,000	to	£219,999	1	0	1
0	0	0	£220,000	to	£224,999	0	0	0
0	0	0	£225,000	to	£229,999	0	0	0
1	0	1	£230,000	to	£234,999	1	0	1
0	0	0	£235,000	to	£239,999	0	0	0
343	**0**	**343**				**548**	**0**	**548**

Senior Employees Remuneration

Employees are classed as senior employees when they received a salary in excess of £150,000 (disclosed by name) or received a salary in excess of £50,000 and reported to the Head of Paid Service for the Authority. In addition, the salaries for the Mayor and the Deputy Mayor for Police and Crime are disclosed.

Note	Post Title	2022/23				2023/24			
		Salary (including fees and allowances)	Expenses	Employer's Pensions Contribution	Total Remuneration	Salary (including fees and allowances)	Expenses	Employer's Pensions Contribution	Total Remuneration
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
	Mayor of Greater Manchester (Andy Burnham)	114	0	0	**114**	118	0	0	**118**
A	Deputy Mayor for Police and Crime (Katherine Green)	21	0	4	**25**	90	0	18	**108**
B	Deputy Mayor for Police and Crime / Assistant Deputy Mayor (Baroness Beverley Hughes)	82	0	0	**82**	0	0	0	**-**
	Director - Mayor's Office	84	0	18	**101**	87	0	18	**104**
C	Chief Executive - GMCA and TfGM (Eamonn Boylan)	231	0	0	**231**	231	0	0	**231**
	Chief Fire Officer (David Russel)	173	8	50	**230**	214	3	58	**274**
	Treasurer (Steve Wilson)	150	0	0	**150**	135	0	0	**135**
	Chief Investment Officer (William Enevoldson)	69	0	15	**84**	71	0	14	**86**
	Deputy Chief Executive	144	0	31	**175**	149	0	30	**180**
D	Solicitor and Monitoring Officer	58	0	8	**66**	0	0	0	**-**
E	Solicitor and Monitoring Officer	68	0	14	**82**	133	0	27	**160**
	Total	**1,193**	**8**	**140**	**1,340**	**1,228**	**3**	**164**	**1,395**

A Post holder commenced 9th January 2023. (2022/23: FTE salary £89,900)

B Post holder left 8th January 2023.

C The GMCA received a contribution of £115,682.88 in 2023/24 (50% of Basic Pay and Employers NI) for the Chief Executive also performing the duties of Chief Executive at Transport for Greater Manchester (£114,720 in FY 22/23).

D Post holder left post 31st July 2022

E Post holder commenced 26th September 2022. (2023/24: FTE salary £136,542.36)

Exit Costs

Exit payments are made as a result of the departure of staff from the Authority. The total cost per band and the total cost of compulsory and other redundancies are set out in the table below:

Exit package cost band	Number of compulsory departures		Number of other departures		Total number of exit package by cost band		Total cost of exits £000s	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
£0 - £20,000	0	0	1	2	1	2	9	8
£20,001 - £40,000	0	0	0	1	0	1	0	32
£40,001 -£60,000	0	0	0	1	0	1	0	50
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
Total	**0**	**0**	**1**	**4**	**1**	**4**	**9**	**90**

19 Capital Expenditure and Capital Financing

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

2022/23 £000s	Capital Financing Requirement (CFR)	2023/24 £000s
2,061,889	Opening CFR - General Fund	2,032,276
26,905	Opening CFR - Mayoral General Fund	34,698
271,444	Opening CFR - Mayoral Police Fund	279,000
2,360,238	**Opening CFR**	**2,345,974**
	Capital Investment In Year	
289,438	Revenue Expenditure Funded from Capital Under Statute	374,314
58,566	Property, Plant and Equipment Assets	67,616
11,183	Intangible Assets	3,861
68,364	Loan Advances	83,073
5,840	Equity Investments	3,025
	Sources of Finance	
(311,978)	Government Grants & Other Contributions	(271,082)
(44,244)	Short / Long Term Debtor financed from Capital Receipts	(90,252)
(1,343)	Revenue Contributions	(5,094)
(1,235)	Useable Capital Receipts	(1,520)
(87,712)	Minimum Revenue Provision	(93,656)
(1,143)	PFI and finance lease repayments	(1,205)
2,345,974	**Closing Capital Financing Requirement**	**2,415,054**
	Explanation of movements in year	
(14,265)	Increase / (decrease) in underlying need to borrow	69,080
(14,265)	**Increase in Capital Financing Requirement**	**69,080**

2022/23	Increase/decrease in CFR	2023/24
(29,613)	Authority Operations	57,801
7,793	Mayoral General Fund	7,484
7,556	Mayoral Police Fund	3,794
(14,265)	**Total**	**69,080**

2022/23	Closing CFR Analysed by Fund	2023/24
2,032,276	General Fund	2,090,077
34,698	Mayoral General Fund	42,183
279,000	Mayoral Police Fund	282,794
2,345,974	**Total**	**2,415,054**

Many capital schemes take two or more years to complete. At the Balance Sheet date the main contractual commitments relating to ongoing schemes were as follows:

2022/23 £000s	Capital Commitments	2023/24 £000s
805	Traffic Signals	799
3,572	Fire Programme related	15,568
4,216	Police Programme related	9,590
0	Waste Programme related	0
417	IT Programme related	2,847
9,011	**Total Capital Commitments**	**28,804**

20 Property, Plant and Equipment Including Disposals

Full details of how assets are capitalised, valued, depreciated, impaired, and disposed of are provided in the accounting policies note.

The Authority carries out a rolling programme to ensure that all property required to be measured at current value is revalued at least every 5 years. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. All valuations were carried out externally.

Waste Assets

- Valuations were carried out by Avison Young, an independent valuer, for all land, buildings and infrastructure revaluations, in accordance with the provisions of the professional standards of the Royal Institute of Chartered Surveyors.

- Hilco Appraisals Limited carried out plant and machinery valuations.

Other Assets

- Valuations of the Authority's Fire Properties have been carried out by Montagu Evans, in accordance with the provisions of the professional standards of the Royal Institute of Chartered Surveyors.
- Salford City Council Property Services carried out valuations of the Authority's Police assets.

	Land and Buildings £000s	**Vehicles, Plant, Furniture and Equipment £000s**	**Surplus Assets £000s**	**Assets Under Construction £000s**	**Total £000s**
Carried at Historic Cost:	0	273,659	0	33,221	**306,879**
Valued at Current Value:					**0**
2023/24	212,931	28,302	0	0	**241,233**
2022/23	223,225	0	0	0	**223,225**
2021/22	49,434	0	0	0	**49,434**
2020/21	49,082	0	0	0	**49,082**
2019/20	36,095	0	0	0	**36,095**
Valued at Fair Value in 2023/24:	0	0	6,554	0	**6,554**
	570,766	**301,961**	**6,554**	**33,221**	**912,502**

Property, Plant and Equipment 2023/24	**Land and Buildings £000s**	**Vehicles, Plant, Furniture and Equipment £000s**	**Surplus Assets £000s**	**Assets under Construction £000s**	**Total Property Plant and Equipment £000s**	**PFI in PPE £000s**
Cost or Valuation						
Asset values brought forward at 1 April 2023	564,729	332,057	2,740	19,839	919,365	88,065
Additions	5,879	16,280	0	18,942	41,101	0
Accumulated depreciation and impairment written off to cost or valuation	(11,695)	(3,639)	0	0	(15,334)	0
Revaluation increases/decreases recognised in the Revaluation Reserve	17,549	(2,541)	0	0	15,008	0
Revaluation increases/decreases recognised in the Surplus or Deficit on the Provision of Services	(630)	(12)	0	0	(642)	0
Derecognition - disposals	(403)	(45,303)	0	(55)	(45,761)	0
Derecognition - other	(195)	(284)	0	(53)	(532)	0
Assets reclassified to/from assets under construction	(654)	5,403	0	(5,452)	(703)	0
Assets reclassified to/from surplus	(3,814)	0	3,814	0	0	0
Cost or Valuation at 31 March 2024	**570,766**	**301,961**	**6,554**	**33,221**	**912,502**	**88,065**
Accumulated Depreciation & Impairment						
Accumulated depreciation values brought forward at 1 April 2023	(18,117)	(199,861)	0	0	(217,978)	(3,412)
Accumulated depreciation and impairment written off to cost or valuation	11,695	3,639	0	0	15,334	0
Depreciation Charge	(18,061)	(29,062)	(186)	0	(47,309)	0
Derecognition - disposals	341	44,159	0	0	44,500	0
Closing value - depreciation	**(24,142)**	**(181,125)**	**(186)**	**0**	**(205,453)**	**(3,412)**
Net Book Value at 31 March 2023	**477,702**	**117,734**	**3,283**	**38,714**	**637,433**	**73,604**
Net Book Value at 31 March 2024	**546,624**	**120,836**	**6,368**	**33,221**	**707,049**	**84,651**
Net Book Value at 31 March 2024						
Assets deployed for GMCA activity	12,604	0	0	16,005	28,609	0
Assets deployed for Mayoral General activity	118,803	16,485	0	4,867	140,155	3,497
Assets deployed for Mayoral Police activity	269,484	69,922	6,368	12,349	358,123	81,154
Assets deployed for Waste activity	145,733	34,429	0	0	180,162	0
At 31 March 2024	**546,624**	**120,836**	**6,368**	**33,221**	**707,049**	**84,651**

Property, Plant and Equipment 2022/23	**Land and Buildings £000s**	**Vehicles, Plant, Furniture and Equipment £000s**	**Surplus Assets £000s**	**Assets under Construction £000s**	**Total Property Plant and Equipment £000s**	**PFI in PPE £000s**
Cost or Valuation						
Asset values brought forward at 1 April 2022	509,126	299,828	3,320	38,714	850,988	79,814
Additions	20,944	20,104	0	14,059	55,107	11,645
Accumulated depreciation and impairment written off to cost or valuation	(27,936)	(995)	(43)	0	(28,974)	(4,943)
Revaluation increases/decreases recognised in the Revaluation Reserve	49,712	8,395	43	0	58,150	10,679
Revaluation increases/decreases recognised in the Surplus or Deficit on the Provision of Services	(9,854)	(17)	0	0	(9,871)	(9,318)
Derecognition - disposals	(1,102)	(3,633)	0	(50)	(4,785)	0
Derecognition - other	0	0	0	0	0	0
Assets reclassified to/from held for sale	0	0	(580)	0	(580)	0
Assets reclassified to/from assets under construction	23,839	8,375	0	(32,884)	(670)	0
Assets reclassified to/from surplus	0	0	0	0	0	0
Other movements in cost or valuation	0	0	0	0	0	188
Cost or Valuation at 31 March 2023	**564,729**	**332,057**	**2,740**	**19,839**	**919,365**	**88,065**
Accumulated Depreciation & Impairment						
Accumulated depreciation values brought forward at 1 April 2022	(31,424)	(182,094)	(38)	0	(213,556)	(6,210)
Accumulated depreciation and impairment written off to cost or valuation	27,936	995	43	0	28,974	4,943
Depreciation Charge	(14,702)	(21,604)	(8)	0	(36,314)	(2,319)
Derecognition - disposals	71	2,843	2	0	2,916	0
Other adjustment - depreciation	0	0	0	0	0	174
Closing value - depreciation	**(18,119)**	**(199,860)**	**(1)**	**0**	**(217,980)**	**(3,412)**
Net Book Value at 31 March 2022	**477,702**	**117,734**	**3,283**	**38,714**	**637,433**	**73,604**
Net Book Value at 31 March 2023	**546,610**	**132,197**	**2,739**	**19,839**	**701,385**	**84,651**
Net Book Value at 31 March 2023						
Assets deployed for GMCA activity	12,852	0	0	14,153	27,005	0
Assets deployed for Mayoral General activity	118,454	12,843	0	2,737	134,034	3,497
Assets deployed for Mayoral Police activity	272,984	78,263	2,739	2,949	356,935	81,154
Assets deployed for Waste activity	142,320	41,091	0	0	183,411	0
At 31 March 2023	**546,610**	**132,197**	**2,739**	**19,839**	**701,385**	**84,651**

Movements on balances

In accordance with the temporary relief offered by the Update to the Code of Practice on infrastructure assets, this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

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

	2022/23 £000s	**2023/24 £000s**
Net book value at 1 April (for modified historical cost - see below)	**18,058**	**19,349**
Additions	3,458	27,017
Derecognition	(96)	(106)
Depreciation Impairment	(3,287)	(4,001)
Other movements in cost	1,216	703
Net book value at 31 March	**19,349**	**42,962**

Balance Sheet reconciling note:

	2022/23 £000s	**2023/24 £000s**
Infrastructure assets (Net)	19,349	42,962
Other PPE assets	701,385	707,049
Total PPE assets	**720,734**	**750,011**

The authority has determined in accordance with the England amendment of the Local Authorities Capital Finance and Accounting Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

21 Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets are purchased licenses.

All software is given a finite useful life, based on assessments of the period that the software is expected to be used by the Authority. The useful lives assigned to the major software suites used by the Authority are:

Assets attributable to the Fire and Rescue Services	3 to 10 years
Assets attributable to the Policing Service	5 years
Assets attributable to the Waste Disposal Services	5 years

The carrying amounts of intangible assets is amortised on a straight-line basis. Amortisation has been charged to service headings in the cost of services as follows:

	£000s
Fire and Rescue Service	(19)
Policing Service	(6,826)
Waste disposal service	0
	(6,845)

The movement on intangible asset balances during the year is as follows:

2022/23 Intangible Operational £000s	2022/23 Intangible Assets Under Construction £000s	2022/23 Intangible Total £000s	Intangible Fixed Assets	2023/24 Intangible Operational £000s	2023/24 Intangible Assets Under Construction £000s	2023/24 Intangible Total £000s
			Balance at start of year			
34,400	4,698	39,097	Gross carrying amount	37,893	12,359	50,252
(15,610)	0	(15,610)	Accumulated amortisation	(21,991)	0	(21,991)
18,790	**4,698**	**23,487**	**Net carrying amount at 1 April**	**15,902**	**12,359**	**28,261**
			Additions:			
3,521	0	3,521	Purchases	3,861	0	3,861
0	7,662	7,662	Additions to assets under construction	0	0	0
0	0	0	Reclassified from assets under construction to operational	1,395	(1,395)	0
0	0	0	Disposals	(153)	(10,858)	(11,011)
(28)	0	(28)	Other Changes	0	0	0
(6,381)	0	(6,381)	Amortisation for the year	(6,845)	0	(6,845)
0	0	0	Amortisation and impairment derecognised on disposal	153	0	153
15,902	**12,359**	**28,261**	**Net carrying amount at 31 March**	**14,313**	**106**	**14,419**
			Comprising			
37,893	12,359	50,252	Gross carrying amounts	42,996	106	43,102
(21,991)	0	(21,991)	Accumulated amortisation	(28,683)	0	(28,683)
15,902	**12,359**	**28,261**	**Balance at 31 March**	**14,313**	**106**	**14,419**

There is one capitalised software suite that is individually material to the financial statements: The Information Services Transformation Programme had a gross carrying amount of £25.306m at 31 March 2024 and a remaining amortisation period of 3 1 year.

22 Short and Long Term Debtors

Short Term Debtors

These are amounts owed to the Authority, which will be repaid within a year.

31 March 2023 £000s	Short Term Debtors	31 March 2024 £000s
120,370	Central Government Bodies	85,227
111,293	Other Local Authorities and Police and Crime Commissioners	125,622
12,970	NHS Bodies	6,348
910	Public Corporations	1,185
13,177	Payments in Advance	23
161,190	Other entities and individuals	70,869
(47,102)	Impairment Allowance	(46,997)
372,809	**Total Short Term Debtors**	**242,277**

Other entities and individuals include the following short term debtors:

- £21.7m where Housing Investment Fund loans have been provided to support GM's economic growth by supporting the delivery of new homes (£128.0m in 22/23).
- £5.6m where Regional Growth Fund and Growing Places Fund (GPF) monies have been recycled and loans provided for investment in businesses and commercial property projects (£10.8m in 22/23).

Long Term Debtors

These are amounts owed to the Authority, which are being repaid over various periods longer than one year.

31 March 2023 £000s	Long Term Debtors	31 March 2024 £000s
	Other entities and individuals	
90,720	Gross Book Value	89,107
(4,145)	Impairment Allowance	(5,654)
86,575	**Total Long Term Debtors**	**83,452**

Ageing Analysis of Trade Debtors

At 31 March 2024, trade debtors at a nominal value of £111,000 (2023: £194,000) were impaired.

As at 31 March 2024, the ageing analysis of trade debtors net of the provision for impairment was as follows:

	Total £000s	1-30 days £000s	31-60 days £000s	61-90 days £000s	91-120 days £000s	over 120 days £000s
31 March 2024	36,844	33,045	343	61	403	2,992
31 March 2023	23,779	20,791	1,228	190	711	859

23 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

- Cash is represented by operating bank accounts (shown net of bank overdrafts), deposits with financial institutions for less than three months, cash in hand and petty cash balances.

- Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with an insignificant risk of change in value. These include interest bearing call accounts and money market funds with institutions that meet our required credit ratings.

31 March 2023 £000s	Cash and Cash Equivalents	31 March 2024 £000s
(6,370)	Bank current accounts	(3,898)
9,580	Bank call accounts	5,129
562	Cash held by the Authority	608
232,935	Short term deposits with central government and other institutions	255,427
236,707	**Total Cash and Cash Equivalents**	**257,266**

24 Short and Long Term Creditors

Short Term Creditors

The table below shows the amounts owed by the Authority but not yet paid:

31 March 2023 £000s	Creditors	31 March 2024 £000s
(25,917)	Central Government Bodies	(34,191)
(91,935)	Other Local Authorities and Police and Crime Commissioners	(71,130)
(1,632)	NHS Bodies	(3,541)
(49,455)	Public Corporations	(45,725)
(58,562)	Other entities and individuals	(78,164)
(12,928)	Prepaid Income / Receipt in Advance	(11,565)
(8,618)	Seized Cash	(14,441)
(249,046)	**Total Creditors**	**(258,757)**

25 Short and Long Term Provisions

Provisions are amounts set aside by the Authority to meet the cost of a future liability, for which, the timing of payment is uncertain. In line with the Code of Practice, the provision is charged to the service revenue account in the year it is established; when liability falls due it is charged directly to the provision.

Provisions	1 April 2023 £000s	Top Up of Provision in year £000s	Amounts released in year £000s	Use of Provision in year £000s	31 March 2024 £000s	Short Term Provision £000s	Long Term Provision £000s	31 March 2024 £000s
GMCA								
Bad Debt Provision	0	34	0	0	**34**	34	0	**34**
	0	**34**	**0**	**0**	**34**	**34**	**0**	**34**
Mayoral General Fund								
Insurance Provision	663	22	0	0	**685**	132	553	**685**
Business Rates Appeals Provision	2,510	0	(378)	0	**2,132**	2,132	0	**2,132**
Bear Scotland v Fulton Provision	58	0	(58)	0	**(0)**	(0)	0	**(0)**
	3,232	**22**	**(436)**	**0**	**2,817**	**2,264**	**553**	**2,817**
Mayoral Police Fund								
Insurance Provision	13,207	6,860	0	(3,692)	**16,375**	3,601	12,774	**16,375**
Police Pension Lump Sum Provision	224	0	0	0	**224**	224	0	**224**
Capital Project Retentions Provision	281	789	0	(281)	**789**	789	0	**789**
	13,712	**7,649**	**0**	**(3,974)**	**17,388**	**4,614**	**12,774**	**17,388**
Total	**16,944**	**7,705**	**(436)**	**(3,974)**	**20,239**	**6,912**	**13,327**	**20,239**

The provisions held by the Authority are described below:

Mayoral General Fund

a) Insurance Provision - This provision represents the value of an actuarial assessment of the remaining liability for all self-insured claims occurring in 2023/24, all prior policy years and a prudent margin added for emerging claim types.

b) Business Rates Appeals Provision - This is the estimated amount required to cover the cost of successful appeals against local non-domestic rateable values, where the cost of these appeals is required to be met locally.

c) Bear Scotland v Fulton - The Employment Appeals Tribunal has ruled in this case that non-contractual overtime needs to be included when calculating holiday pay paid to firefighter employees. This provision is the estimated amount required to pay backdated claims.

Mayoral Police Fund

d) Insurance Provision - This provision represents the value of an actuarial assessment of the remaining liability for all self-insured claims occurring in 2023/24, all prior policy years and a prudent margin added for emerging claim types.

e) Police Pension Lump Sum Provision - The Pensions Ombudsman determined there was an underpayment of lump sums, to pension scheme members who retired between December 2001 and August 2006. The Ombudsman concluded that commutation formulas to convert annual pensions payments to lump sums should have been updated between 2001 and 2006 and as a result, additional payments are due to those members who chose to commute pension for lump sum at retirement during these years.

f) Capital Project Retentions Provision - This is a provision to hold a percentage of a projects total funding, which is retained during the contractual defects period

26 Short and Long Term Leases including PFI

Fire Station

2023/24 was the twenty fifth year of a 25-year PFI contract (ending October 2024) for the construction, maintenance and provision of a Fire Station at Stretford, along with associated equipment.

The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The building and equipment will be transferred to the Authority at the end of the 25-year contract at nil value.

Over the remaining term of the contract, the Authority is committed to making gross payments of £0.4m. However, the net cost to the Authority after income from specific government grant is estimated at £0.1m.

Police Stations

2023/24 was the twenty first year of a Private Finance Initiative (PFI) contract (ending in 2030) for the construction and maintenance of 17 Police stations across the GM area. The contractor will operate and service the stations for 25 years after which ownership will revert to the Authority, to be held on behalf of the Mayor, for nil consideration.

Over the remaining term of the contract, the Authority is committed to making gross payments of £109.4m (average payment per year is £18.3m). However, the net cost to the Authority after income from specific government grant is estimated at £77.5m (average payment per year is £12.9m).

Property Plant and Equipment

The Stations and Equipment provided under the contracts are recognised on the Authority's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property Plant and Equipment balance in the notes to the Balance Sheet.

Outstanding Liability

The PFI liability represents the current outstanding long term liability to the contractor for capital expenditure. A fair value disclosure has also been provided for the PFI liabilities in the Financial Instruments note. The current value of the liability held under each PFI arrangement is as follows:

2023/24:

	PFI Arrangement Fire £000s	PFI Arrangement Police £000s	Total £000s
Balance outstanding at 1 April 2023	551	36,125	36,676
Payments during the year	(337)	(3,342)	(3,678)
Balance outstanding at 31 March 2024	**214**	**32,784**	**32,998**

2022/23:

	PFI Arrangement Fire £000s	PFI Arrangement Police £000s	Total £000s
Balance outstanding at 1 April 2022	852	39,906	40,758
Payments during the year	(301)	(3,781)	(4,082)
Balance outstanding at 31 March 2023	**551**	**36,125**	**36,676**

Central Government Grant Subsidy

The grant received in the form of Central Government Subsidy to partly offset the cost of each PFI is credited to revenue accounts in the year of receipt.

Payments due under the PFI Contracts

The Authority makes monthly payments which comprise of a service charge, a repayment of liability and interest charge, a payment in respect of business rates and a payment to provide for lifecycle replacement costs (known as the 'Sinking Fund'). The payments into the sinking fund are treated initially as a prepayment by the Authority. The Service Provider throughout the contractual term will utilise the sinking fund for the repair and replacement of the premises, and fixture and fittings with the consent of the Authority. All payments made, other than the liability and interest charge, are subject to annual inflation increases and can be reduced if the contractor fails to meet availability and performance standards in any year. The Authority on behalf of the Mayor has the right to terminate the contact only if the contractor is compensated in full for costs incurred and lost future profits.

Future payments remaining to be made under the contracts (including an estimate of future inflation) are as follows:

Reimbursement of Capital Expenditure

	PFI Arrangement Fire £000s	PFI Arrangement Police £000s	Total £000s
Payable within one year	214	4,139	4,354
Payable within two to five years	0	22,060	22,060
Payable within six to ten years	0	6,585	6,585
Total	**214**	**32,784**	**32,998**

Interest

	PFI Arrangement Fire £000s	PFI Arrangement Police £000s	Total £000s
Payable within one year	8	5,518	5,526
Payable within two to five years	0	26,284	26,284
Payable within six to ten years	0	4,943	4,943
Total	**8**	**36,745**	**36,753**

Payment for Services

	PFI Arrangement Fire £000s	PFI Arrangement Police £000s	Total £000s
Payable within one year	218	7,912	8,130
Payable within two to five years	0	24,545	24,545
Payable within six to ten years	0	7,381	7,381
Total	**218**	**39,838**	**40,056**

27 Contingent Liability

Special Retained Firefighters – Matthews Case

In November 2018 a ruling on the legal case involving part time judges (O’Brien v Ministry of Justice) has a direct impact on the equivalent case for retained firefighters (Matthews). Home Office Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact a remedy in this case. The option exercise is expected to open sometime during or shortly after 2022/23. This options exercise will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters.

As at the 31 March 2023 the Government Actuary Department has calculated an estimate, of £0.5m based on the 2022/23 accounting assumptions for the potential additional liability which could arise following this options exercise.

However, there is very significant uncertainty in this additional liability estimate and it is very likely that actual experience for the authority will be different to the assumptions made and may be very different from the actual impact of the options exercise once it has concluded. On that basis no liability has been recognised in the 2022/23 accounts

28 Unusable Reserves

31 March 2023 £000s	Unusable Reserves	31 March 2024 £000s
1,550,278	Capital Adjustment Account	1,705,518
(15,201)	Financial Instruments Adjustment Account	(11,040)
1,383,484	Pensions Reserve	1,395,111
(228,765)	Revaluation Reserve	(233,538)
6,587	Financial Instruments Revaluation Reserve	9,497
(3,040)	Collection Fund Adjustment Account	(2,446)
2,693,342	**Total Unusable Reserves**	**2,863,102**

The Capital Adjustment Account (CAA) 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 CAA is debited with the cost of the capital grants payable to TfGM, GM Authorities and other external organisations, the annual depreciation charge and any loss on disposal of assets. The CAA is credited with both the capital grants and contributions receivable and the amounts set aside by the Authority to directly finance the capital costs of acquisition, construction and enhancement of assets.

31 March 2023 £000s	Capital Adjustment Account	31 March 2024 £000s
1,609,004	**Balance brought forward 1 April**	**1,550,278**
39,056	Charges for depreciation and impairment of non-current assets	51,310
9,871	Revaluation (gains) / losses on non-current assets	642
6,409	Amortisation of intangible assets	6,845
289,438	Revenue expenditure funded from capital under statute	374,314
1,965	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12,835
346,739	**Reversal of items related to property, plant and equipment debited or credited to the Comprehensive Income and Expenditure Statement**	**445,946**
(1,215)	Revaluation gains / losses on equity investments	0
(1,215)	**Reversal of items related to equity investments debited or credited to the Comprehensive Income and Expenditure Statement**	**0**
(2,246)	Expected Credit Loss Provision movement for capital loans	(775)
0	Loan novations	299
0	Amounts of Capital Financial Assets written off on realisation of credit loss, conversion of asset class as part of the gain/loss to the CIES	471
(2,246)	**Reversal of items related to capital loans debited or credited to the Comprehensive Income and Expenditure Statement**	**(5)**
343,278	**Total reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement**	**445,941**
(6,194)	Adjusting Amounts written out of the Revaluation Reserve	(10,239)
337,084	**Net written out amount of the cost of non-current assets consumed in the year**	**435,702**
	Capital financing applied in year	
(47,067)	Use of Capital Receipts Reserve to finance new capital expenditure	(90,636)
(1,235)	Use of Capital Receipts received and applied in year to finance new capital expenditure	(1,136)
(311,978)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(265,342)
0	Use of the Capital Grants and Contributions Unapplied Reserve to finance new capital expenditure	(5,740)
(88,855)	Statutory provision for the financing of capital investment charged against the General Fund balance	(94,861)
(1,343)	Capital expenditure charged against the General Fund balance	(5,094)
(450,478)	**Capital financing applied in year**	**(462,809)**
54,342	Capital Receipts debited to the Capital Adjustment Account on Repayment of loans	180,701
326	Disposal of Equity Investments	1,647
1,550,278	**Balance carried forward 31 March**	**1,705,518**

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

31 March 2023 £000s	Financial Instruments Adjustment Account	31 March 2024 £000s
(16,794)	**Balance brought forward 1 April**	**(15,201)**
1,593	Proportion of interest incurred to be charged against the General Fund Balance in accordance with statutory requirements	4,161
1,593	**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**	**4,161**
(15,201)	**Balance carried forward 31 March**	**(11,040)**

The movement in year is due to the Authority being in receipt of two loans from central government that are interest free for the purposes of HIF and City Deal. In accordance with statutory accounting requirements an effective interest rate has been calculated to enable the value of the financial assistance being provided to the GMCA on a net present value basis to be separated from the financing costs of the loan.

The effect of this in the accounts is to discount the value of the loans received using an interest rate at which the Authority could borrow from the Public Works Loan Board for a loan with similar terms. This will result in a lower figure for the fair value of the loan when it is initially recognised as received but each year an element of the full fair value discount will be written back. Thereby increasing the loan value on the balance sheet annually over the loan term. This will continue until the full loan value advanced is reflected in the balance sheet, which is the year repayment of the loan falls due.

The Pension Reserve relates to the net pension asset as at 31 March 2024 in accordance with the actuary's report.

31 March 2023 £000s	Pension Reserve	31 March 2024 £000s
1,903,987	**Balance brought forward 1 April**	**1,383,484**
(551,952)	Remeasurements of the net defined benefit liability / (asset)	2,484
(65,422)	Employer's pension contributions and direct payments to pensioners payable	(70,808)
96,871	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.	79,951
1,383,484	**Balance carried forward 31 March**	**1,395,111**

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of Property, Plant and Equipment. The balance reduces when assets with accumulated gains are reduced through revaluation, impairment and depreciation or are disposed of.

31 March 2023 £000s	Revaluation Reserve	31 March 2024 £000s
(176,797)	**Balance brought forward 1 April**	**(228,765)**
(63,378)	Upward revaluation of assets	(22,506)
5,216	Downward revaluation and impairment losses not charged to the Surplus/Deficit on the Provision of Services	7,493
(58,162)	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services**	**(15,012)**
	Adjusting amounts written out of the revaluation reserve	
5,470	Difference between fair value depreciation and historical cost depreciation	9,566
723	Accumulated gains on assets sold or scrapped	580
0	Other adjustments	93
6,194	**Amount written off to the Capital Adjustment Account**	**10,239**
(228,765)	**Balance carried forward 31 March**	**(233,538)**

The Financial Instruments Revaluation Reserve contains the gains made by the Authority arising from increases in the fair value of its investments that are measured at fair value through other comprehensive income.

The balance is reduced when investments with accumulated gains are:

- Revalued downwards, or impaired and gains are lost;
- Disposed of and the gains are realised.

31 March 2023 £000s	Financial Instruments Revaluation Reserve	31 March 2024 £000s
(599)	**Balance brought forward 1 April**	**6,587**
2,856	Prior year downward revaluation of investments, previously treated as impairment	0
(15)	Upward revaluation of investments	0
4,173	Downward revaluation of investments	2,910
172	Accumulated gains or losses on assets sold and maturing assets written out to the General Fund balances for financial assets designated to fair value through other comprehensive income	0
6,587	**Balance carried forward 31 March**	**9,497**

The Collection Fund Adjustment Account manages the differences arising from the recognition of the Authority’s portion of council tax income and national non-domestic rates income in the CIES as it falls due from payers compared with statutory arrangements for paying across amounts due to the Authority from billing authorities.

31 March 2023 £000s	Collection Fund Adjustment Account	31 March 2024 £000s
(486)	**Balance brought forward 1 April**	**(3,040)**
(2,554)	Amount by which precept income and non-domestic rates income credited to the CIES is different from council tax income and non-domestic rates income calculated for the year in accordance with statutory requirements	594
(3,040)	**Balance carried forward 31 March**	**(2,446)**

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which the cash settlement has yet to take place.

31 March 2023 £000s	Deferred Capital Receipts Reserve	31 March 2024 £000s
(33)	**Balance brought forward 1 April**	**0**
33	Transfer to the Capital Receipts Reserve upon receipt of cash	0
0	**Balance carried forward 31 March**	**0**

29 Financial Instruments

Financial Instruments include the financial assets and liabilities of the Authority. These appear in different sections of the Balance Sheet depending on their characteristics.

Categories of Financial Instruments

The Authority is required to classify its financial assets into one of three categories.

- Financial Assets held at amortised cost. These assets relate to instruments where the amount received relating to them are solely principal and interest and they are held to generate cashflows. The amount presented in the balance sheet represents the outstanding principal plus any accrued interest. Interest credited to CIES is the amount receivable as per the instrument’s agreement.

- Fair Value through Other Comprehensive Income (FVOCI). Amounts received relate to principal and interest but the business model for holding the asset includes the possibility of sale. These assets are measured and carried at fair value. All gains and losses due to changes in fair value are accounted for through a reserve account (the

Financial Instruments Revaluation Reserve), with the balance debited or credited to CIES when the asset is disposed of.

- Fair Value Through Profit and Loss (FVPL) – all other instruments where the amounts received relating to them are not principal and interest, for example dividends as part of equity instruments. 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 in the CIES as they occur.

The following tables show the categories of financial instruments which are carried in the Balance Sheet:

	Non-Current Financial Assets				
	Investments		Debtors		Total
	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2024 £000s
Amortised cost - soft loans	0	0	6,726	6,863	6,863
Amortised cost	0	0	79,662	76,441	76,441
Fair value through other comprehensive income - designated equity instruments	42,286	40,839	0	0	40,839
Total financial assets	**42,286**	**40,839**	**86,389**	**83,303**	**124,142**
Non-financial assets	0	0	186	149	149
Total	**42,286**	**40,839**	**86,575**	**83,452**	**124,291**

	Current Financial Assets						
	Investments		Debtors		Cash		Total
	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2024 £000s
Amortised cost - soft loans	0	0	0	191	0	0	**191**
Amortised cost - other	10,004	5,013	324,188	204,109	236,707	257,266	**466,387**
Total financial assets	**10,004**	**5,013**	**324,188**	**204,300**	**236,707**	**257,266**	**466,579**
Non-financial assets	0	0	53,510	37,977	0	0	**37,977**
Total	**10,004**	**5,013**	**372,809**	**242,277**	**236,707**	**257,266**	**504,556**

	Non-Current Financial Liabilities						
	Borrowings		Creditors		Other Long-Term Liabilities		Total
	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2024 £000s
Amortised cost	(1,301,444)	(1,262,838)	0	0	0	0	**(1,262,838)**
Amortised cost - PFI	0	0	0	0	(32,998)	(28,644)	**(28,644)**
Total financial liabilities	**(1,301,444)**	**(1,262,838)**	**0**	**0**	**(32,998)**	**(28,644)**	**(1,291,482)**
Non-financial liabilities	0	0	0	0	(167,022)	(117,526)	**(117,526)**
Total	**(1,301,444)**	**(1,262,838)**	**0**	**0**	**(200,020)**	**(146,170)**	**(1,409,008)**

	Current Financial Liabilities						
	Borrowings		Creditors		Other Short-Term Liabilities		Total
	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2023 £000s	31 March 2024 £000s	31 March 2024 £000s
Amortised cost	(113,952)	(104,344)	(190,172)	(195,990)	(564)	(1,048)	**(301,382)**
Amortised cost - PFI	0	0	0	0	(3,678)	(4,354)	**(4,354)**
Total financial liabilities	**(113,952)**	**(104,344)**	**(190,172)**	**(195,990)**	**(4,242)**	**(5,402)**	**(305,735)**
Non-financial liabilities	0	0	(58,874)	(62,767)	(231,099)	(306,692)	**(369,458)**
Total	**(113,952)**	**(104,344)**	**(249,046)**	**(258,757)**	**(235,341)**	**(312,093)**	**(675,194)**

The Authority provided two loans to the Growth Company in 2020/21 at less than market rates of interest (these are known as soft loans). A further soft loan was issued in 2022/23:

- a £1.5m loan for the Coronavirus Business Interruption Scheme (CBILS);
- a £6m loan for the Bounceback Loan Scheme, where the Growth Company Business Finance division are administering financial support to businesses as an accredited loan provider; and
- a £0.2m business fund loan was issued.

Soft Loans made by the Authority	31 March 2023 £000s	31 March 2024 £000s
Opening balance	6,584	6,727
Nominal value of new loans granted in the year	200	0
Loans repaid	0	0
Increase in discounted amount	0	0
Other changes	(58)	328
Closing balance at end of year	6,727	7,054
Nominal value at 31 March	**7,309**	**7,309**

When the loans are made the amount of interest forgone over the life of the loan is charged to the CIES (debited to the appropriate service line) and the outstanding principal is reduced on the Balance Sheet. This represents the present value of the interest that will be forgone over the life of the loan agreement. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable in the year, so the amount of foregone interest is managed by a transfer from the Financial Instruments Adjustment Account to the Movement in Reserves Statement.

Income, Expenses, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are summarised in the table below:

Income, Expenses, Gains and Losses				
	31 March 2023		31 March 2024	
	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income and Expenditure £000s	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income and Expenditure £000s
Net gains/losses on:				
Financial assets measured at amortised cost	4,529	0	2,897	0
Investments in equity instruments designated at fair value through other comprehensive income	0	7,186	0	2,910
Total net gains/losses	**4,529**	**7,186**	**2,897**	**2,910**
Interest revenue:				
Financial assets measured at amortised cost	(16,662)	0	(30,458)	0
Total interest revenue	**(16,662)**	**0**	**(30,458)**	**0**
Interest expense	**63,614**	**0**	**133,383**	**0**

Fair Value of Assets & Liabilities

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

Assets and liabilities are carried at amortised cost where part of their carrying amount (as per the balance sheet) will either be written down or written up via the Comprehensive Income and Expenditure Statement over the term of the financial instrument.

For the purposes of the notes to the accounts, all assets and liabilities are given a fair value, although this is only shown in the balance sheet for available for sale assets. For many financial instruments the fair value will be the same as the outstanding principal amount, but for others there could be a significant difference.

Fair Value Hierarchy

Inputs to the valuation techniques in respect of the Authority’s fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

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

Set out below is a comparison by class of the carrying amounts and fair value of the Authority's financial assets and financial liabilities:

31 March 2023			31 March 2024	
Carrying Amount £000s	**Fair Value £000s**		**Carrying Amount £000s**	**Fair Value £000s**
		Financial Assets		
42,286	42,286	Equity Investments	40,839	40,839
10,004	10,004	Other Investments	5,013	5,013
410,577	409,721	Debtors	287,603	287,301
236,707	236,707	Cash	257,266	257,266
699,573	**698,717**	**Total Financial Assets**	**590,720**	**590,418**
		Financial Liabilities		
(527,601)	(585,113)	PWLB Debt	(514,027)	(537,022)
(887,795)	(857,108)	Non-PWLB debt	(853,154)	(833,272)
(36,676)	(36,676)	PFI Liability	(32,998)	(32,998)
(564)	(564)	Other Liabilities - Provisions (contactual based)	(1,048)	(1,048)
(190,172)	(190,172)	Creditors	(195,990)	(195,990)
(1,642,808)	**(1,669,633)**	**Total Financial Liabilities**	**(1,597,217)**	**(1,600,330)**

The fair values disclosed in the table above have been assessed using the following assumptions:

- The Authority holds £40.839m in equity investments for a number of businesses that previously held loans plus other direct investments in 2023/24. These shares are not traded in active markets. The shares are valued based on level 2 - observable input data from the companies, such as latest filed accounts and management accounting reports.
- Equity investments are held at Fair Value through Other Comprehensive Income; they meet the requirements of the CIPFA code to be designated this way as they are strategic investments and not held for trading purposes.
- There have been no transfers between input levels or changes in valuation techniques during 2023/24 for this class of asset.

- The fair value of cash and cash equivalents, short term debtors and short term creditors is taken to be their carrying amount as this is deemed to provide a reasonable approximation in accordance with the CIPFA Code of Practice.
- The fair value of soft loan short term and long term debtors has been calculated using an interest rate arrived at by taking the Authority's prevailing cost of borrowing and adding an allowance for the risk that the loans might not be repaid.
- The fair value of other long term debtors has been evaluated and where these relate to loan advances greater than £3m, prevailing benchmark market rates have been applied to provide the fair value. All other long term debtors are included at their carrying value.
- Fair value for PFI schemes cannot be obtained as there is no comparable information available, and these have therefore been shown at cost.
- PWLB loans – premature repayment loan rates from the PWLB have been applied to provide the fair value. In comparison, by applying PWLB new loan rates their fair value would be £493.962m.
- Non-PWLB loans – premature repayment loan rates from the PWLB have been applied to provide the fair value. In comparison, by applying PWLB new loan rates their fair value would be £744.340m.

- The valuation techniques used for PWLB and non-PWLB debt are level 2 – observable inputs. There have been no changes in valuation technique during the financial year.

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value, which includes accrued interest as at the balance sheet date. The Authority has therefore included accrued interest in the fair value calculation.

The discount rates used for the evaluation were obtained by the Authority from Link Asset Services. The Link Asset Group is a leading and independent provider of capital financing, treasury advisory and strategic advisory consulting services to the public sector.

Assumptions used, which do not have a material effect on the fair value evaluation are: interest is calculated using a 365 day basis; interest is paid on the maturity date; no adjustment is made to the interest value and date where a relevant date occurs on a non-working day.

Loans and Borrowings are set out by type of loan and by maturity in the table below:

Borrowings	Range of interest rates payable in 2023/24 from %	to %	Average Interest 2022/23 %	Average Interest 2023/24 %	Total Outstanding 31 March 2023 £000s	Total Outstanding 31 March 2024 £000s
a) Analysis of loans by type:						
Public Works Loans Board	1.44	9.75	4.71	4.76	(522,804)	(508,814)
Other Loans	0.00	4.58	2.85	2.83	(845,423)	(837,728)
TfGM - Interbank					(40,269)	(5,137)
Accrued Interest Payable:						
PWLB					(4,797)	(5,214)
Others					(2,103)	(10,289)
Total as at 31 March					**(1,415,396)**	**(1,367,181)**
b) Analysis of loans by maturity						
Maturing:						
Due within 1 year: accrued interest payable						
PWLB					(4,797)	(5,214)
Others					(2,103)	(10,289)
Due within 1 year: principal						
PWLB					(19,833)	(32,795)
Others					(46,949)	(50,909)
Due within 1 year: TfGM - Interbank					(40,269)	(5,137)
Due within 1 year					**(113,952)**	**(104,344)**
In 1 to 2 years					(46,477)	(44,115)
In 2 to 5 years					(152,791)	(192,311)
In 5 to 10 years					(362,219)	(375,692)
In over 10 years					(739,957)	(650,720)
Due over 1 year					**(1,301,444)**	**(1,262,838)**
Total as at 31 March					**(1,415,396)**	**(1,367,181)**

30 Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks, the key risks are:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates or stock market movements.

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

The procedures for risk management are set out through a legal framework, based on the Local Government Act 2003 and associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- by approving annually in advance prudential indicators for the following three years limiting:
    - The Authority's overall borrowing;
    - Its maximum and minimum exposures in the maturity structure of its debt;
    - Its management of interest rate exposure:
    - Its maximum and minimum exposures to investments maturing beyond a year.

- by approving an investment strategy for the forthcoming year, setting out its criteria for both investing and selecting Investment counter parties in compliance with the Government Guidance.

These are required to be reported and approved at or before the Authority's annual setting of the budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy which incorporates the prudential indicators was approved by the Combined Authority in March 2023 and is available on the GMCA website.

Risk management is carried out by a central treasury team, under policies approved by the Authority in the annual treasury management strategy. The Authority maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Specified Investments

Specified Investments are investments in sterling denomination, with maturities up to a maximum of 1 year. All specified investments meet the minimum 'high' ratings criteria where applicable.

- Term deposits – Other local authorities: Credit Criteria high security;
- Term deposits – Banks and building societies; Credit Criteria Minimum of A-;
- Debt Management Agency Deposit Facility & UK Nationalised Banks – UK Government Backed;
- Certificates of deposits issued by banks and building societies covered by UK Government guarantees – UK Government explicit guarantee;

- Money Market Funds, credit criteria AAA;
- Non-UK Banks / Building Societies – Domiciled in a country which has a minimum sovereign Long Term rating of AAA;
- Treasury Bills – UK Government backed;
- Covered Bonds – Credit Criteria AAA.

Non-Specified Investments

Non-specified investments are any other type of investment not defined as specified above. Any proposals to use any non-specified investments will be reported to members for approval.

Investment Limits

The financial investment limits applying to institutions or investment vehicles are as follows:

• Banks and Building Societies	£25m
• CD's or Corporate Bonds with Banks and Building Societies	£25m
• Debt Management Office	Unlimited
• Money Market Funds	£25m
• Other local authorities	£25m

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. All investments held as at 31 March 2023 were with the HM Treasury Debt Management Office, other local authorities or UK banks and building societies.

The Authority has not used any non-credit rated institutions (for instance smaller building societies or bank subsidiaries where the parent has a satisfactory rating). In these circumstances, these investments would have been classified as other counterparties.

The following significant inputs, assumptions and estimation techniques have been used in calculating impairment loss allowances:

- The Authority assesses each loan it provides individually in terms of likelihood and quantum of recovery, taking a forward-looking approach to the assessment from two different aspects:
  - Performance - reviewing portfolio and management information to assess business risk from a performance perspective.
  - Security - reviewing the strength of the Authority's security in a loan recovery situation to allow this to be factored into the loss allowance assessment.

Loss Allowance by Asset Class: Amortised Cost	12 month expected credit loss £000s	Lifetime expected credit losses – credit impaired £000s	Purchased or originated credit impaired financial assets £000s	Total £000s
Opening Balance as at 1 April 2023	**431**	**4,264**	**0**	**4,695**
New financial assets originated or purchased	102	3,231	0	3,333
Amounts written off	0	(1,139)	0	(1,139)
Financial assets that have been derecognised	0	(761)	0	(761)
Changes in models/risk parameters	0	521	0	521
As at 31 March 2024	**533**	**6,115**	**0**	**6,648**

- The Authority's debtors relate primarily to claims on central and local government departments. Other non-trade debtors include HMRC and RGF/GPF, HIF, City Deal and Growth Deal loans.

  The RGF/GPF, HIF, City Deal, Growth Deal and other stand-alone loans have had individual risk profiles assessed, resulting in a 'lifetime expected loss allowance' of £6.115m being included within the accounts, as per the table above.

  Of the total debtors past their due date for payment, the estimated exposure to default for trade debtors is £0.1m.

- The Authority's trade creditors relate primarily to capital and revenue amounts payable in relation to Waste Disposal and Police Fund.

Credit Ratings Used:

Banks and Building Societies - as a minimum, institutions must have the following Fitch (or equivalent) credit ratings (where rated):

- Long Term - Fitch A1
- Short Term - Fitch F1 or higher

Monitoring of credit ratings:

This Authority will not use the approach of using the lowest rating from all three rating agencies to determine creditworthy counterparties. The Link Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link Asset Services creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately;
- In addition to the use of Credit Ratings, the Authority will be advised of information in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in the downgrade of an institution or removal from the Authority's lending list;
- Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Liquidity Risk

The Authority 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 Code of Practice. This seeks to ensure that cash is available as needed.

If unexpected movements happen, the Authority has ready access to borrowings from the money market and the Public Works Loans Board. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

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

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

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

The Authority has £50m lender option borrower option (LOBO) loans. These have fixed rates of interest, but the lender may seek to increase interest rates at which point the Authority has the option to repay the loan. As there is no certainty as to whether these loans will be repaid early, the Authority has treated them as fixed loans which will run to maturity. In forming this judgement the Authority has taken account of its ability to refinance through PWLB.

The table below shows the liquidity risk to the Authority based on maturity analysis:

Liquidity Risk	**31 March 2023 £000s**	**31 March 2024 £000s**
Less than one year	107,052	88,841
Between one and two years	46,477	44,115
Between two and five years	152,791	192,311
More Than 5 Years	362,219	375,692
More Than 10 years	739,957	650,720
	1,408,495	**1,351,679**

Refinancing and maturity risk

The Authority maintained a significant debt and investment portfolio. Whilst the cash flow procedures were considered against the refinancing risk procedures, longer term risk to the Authority related to managing the exposure to replacing financial instruments as they mature.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved treasury and investment strategies address the main risks, these include:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of existing debt;
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs;
- All trade creditors are due to be paid in less than one year.

Market Risk

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

- Borrowings at variable rates – The interest expense charged to the Deficit / (Surplus) on the Provision of Services will rise;
- Borrowings at fixed rates - The fair value of the borrowing liability will fall;
- Investments at variable rates - The interest income credited to the Deficit / (Surplus) on the Provision of Services will rise; and
- Investments at fixed rates - The fair value of the assets will fall.

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 Deficit / (Surplus) 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 Deficit on the Provision of Services and effect the General Fund Reserve.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Authority’s prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy, a prudential indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market interest rates and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns.

The Authority tries to maximise its income on temporary investment and minimise its interest costs on temporary and long term borrowing.

The maximum interest rate increase that could be expected in the current climate is assessed at 2%. This would only apply to our net short term investments. The Authority also has a number of LOBO loans that can be called at periods. There is the risk that these may have to be refinanced at a higher rate. The financial effect of these variable rate changes would be:

Market Risk - Interest Rate Risk	**31 March 2023 £000s**	**31 March 2024 £000s**
	2% movement	**2% movement**
Increase in interest payable on variable rate borrowings	2,731	1,193
Increase in interest receivable on variable rate investments	(120)	(26)
Increase in LOBO risk (loans with call options within 12 months)	188	125
Impact on Surplus or Deficit on the Provision of Services	**2,799**	**1,292**

31 Related Party Transactions

The Authority is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority 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 Authority. In this context the organisations in which members (The Mayor and leaders of the GM Authorities) and chief officers of the Authority have an influence or interest include;

- Central Government
- GM Authorities
- Transport for Greater Manchester
- Greater Manchester Police
- North West Fire Control
- Manchester Investment and Development Agency Service Limited
- Halle Concert Society
- Greater Manchester Fund of Funds Limited Partnership
- NW Evergreen Holdings Limited Partnership
- Hive Homes LLP
- National Homelessness Property 2
- Manchester Camerata
- Interchange Homes LLP

- The Lowry Centre Trust
- Greater Manchester Evergreen 2 Limited Partnership

Members and Chief Officers

Members of the Authority (the Mayor and leaders of the GM Authorities) have direct control over the Authority's financial and operating policies.
No members allowances are payable; the remuneration of the Mayor and Deputy Mayor for Police and Crime are disclosed in Senior Employees Remuneration note.
Details of member's interest, both pecuniary and non-financial are recorded in the register of member’s interest (available for public inspection).
During the year the Authority reported material transactions with Halle Concerts Society, Manchester Camerata and the Lowry Centre Trust. All are related parties by virtue of common director. See below related parties’ disclosure for more detail.

Central Government

Central Government has effective control over the general operations of the Authority. It is responsible for providing the framework within which the Authority operates and provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties.

2022/23 £000s	Central Government	2023/24 £000s
(1,582,584)	Income	(1,649,733)
8,948	Expenditure	7,254
(24,739)	Creditors / Receipts in Advance	(33,899)
(27,498)	Borrowings	(28,934)
44,191	Debtors	54,328
(1,581,681)	**Total**	**(1,650,983)**

GM Authorities

2022/23 £000s	Greater Manchester Authorities	2023/24 £000s	Manchester £000s	Bolton £000s	Bury Council £000s	Oldham £000s	Rochdale £000s	Salford City £000s	Stockport £000s	Tameside £000s	Trafford £000s	Wigan £000s
(656,769)	Income	(663,679)	(68,999)	(46,262)	(122,157)	(53,584)	(52,092)	(66,940)	(76,415)	(54,275)	(61,434)	(61,521)
212,034	Expenditure	172,115	15,094	13,019	42,182	18,488	9,405	10,871	18,799	10,086	13,038	21,131
85,865	Debtors	72,799	7,544	1,120	7,532	23,482	2,566	4,631	18,200	3,047	2,250	2,426
(96,289)	Creditors	(72,891)	(9,271)	(3,688)	(15,044)	(5,030)	(3,308)	(11,304)	(4,098)	(7,289)	(5,598)	(8,261)
(455,159)	**Total**	**(491,656)**	**(55,631)**	**(35,810)**	**(87,488)**	**(16,644)**	**(43,429)**	**(62,742)**	**(43,514)**	**(48,431)**	**(51,743)**	**(46,225)**

Transport for Greater Manchester

The decisions of the Authority are implemented by TfGM. The net expenditure of TfGM after taking into account all sources of income and expenditure is financed by way of a revenue grant from the Authority. The corporate objectives of TfGM are derived from the Authority's policy priorities, stakeholder consultation and its principal statutory obligations.

TfGM also manage the maintenance, repair and schemes of the Authority traffic signals asset base on behalf of the Authority. These transactions appear as related party expenditure and income, along with the end of year balances, which are reported as follows:

2022/23 £000s	Transport for Greater Manchester	2023/24 £000s
331,074	Expenditure	451,917
(945)	Income	(1,378)
(10,161)	Debtors	(12,696)
61,028	Creditors	57,570
40,268	Borrowings	5,137

Greater Manchester Police

2022/23 £000s	Greater Manchester Police	2023/24 £000s
24	Expenditure	17
(36)	Income	(2)
11	Debtors	0
(8)	Creditors	6
0	Borrowings	0

Under the legislative framework and local arrangements, the Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund.

North West Fire Control Limited

The Authority has the right to appoint two directors, who are councilors appointed to their respective FRAs. It has been determined that the company is governed by joint control as each authority has equal voting rights and unanimous consent exists for key decisions.

In 2014 The Greater Manchester Combined Authority, Cheshire Fire Authority, Cumbria County Council and Lancashire Combined Fire Authority transferred their Control Room functions into the regionalised service provided by NW Fire control Limited. The cost of the service is charged out to the four FRAs on an agreed pro rata basis. Related party expenditure, income and end of year balances are reported as follows:

2022/23 £000s	North West Fire Control	2023/24 £000s
3,725	Expenditure	4,258
(168)	Income	(172)
202	Debtors	(111)
(32)	Creditors	(13)
0	Borrowings	0

Manchester Investment and Development Agency Service Limited

The Authority has direct control over the company’s financial and operating policies. The company is a related party by virtue of common directors. Related party expenditure, income and end of year balances are reported as follows:

2022/23 £000s	MIDAS	2023/24 £000s
1,264	Expenditure	2,400
(3)	Income	(6)
0	Debtors	0
(31)	Creditors	(9)
0	Borrowings	0

Halle Concert Society

The company is a related party by virtue of common directors (Nominated by the GMCA). Related party expenditure, income and end of year balances are reported as follows:

2022/23 £000s	Halle Concert Society	2023/24 £000s
749	Expenditure	749
0	Income	0
0	Debtors	0
0	Creditors	0
0	Borrowings	0

Greater Manchester Fund of Funds Limited Partnership

2022/23 £000s	GM Fund of Funds Limited Partnership	2023/24 £000s
0	Expenditure	150
0	Income	0
0	Debtors	0
0	Creditors	0
0	Borrowings	0

NW Evergreen Holdings Limited Partnership

2022/23 £000s	NW Evergreen Holdings Limited Partnership	2023/24 £000s
0	Expenditure	335
(404)	Income	(150)
404	Debtors	0
0	Creditors	0
701	Borrowings	0

Hive Homes LLP

2022/23 £000s	Hive Homes LLP	2023/24 £000s
3,405	Expenditure	0
0	Income	(286)
0	Debtors	0
0	Creditors	0
4,175	Borrowings	(4,175)

National Homelessness Property 2

2022/23 £000s	National Homelessness Property 2	2023/24 £000s
1,342	Expenditure	0
0	Income	0
0	Debtors	0
0	Creditors	0
0	Borrowings	0

Manchester Camerata

2022/23 £000s	Manchester Camerata	2023/24 £000s
57	Expenditure	70
0	Income	0
0	Debtors	0
5	Creditors	(30)
0	Borrowings	0

Interchange Homes LLP

2022/23 £000s	Interchange Homes LLP	2023/24 £000s
0	Expenditure	0
0	Income	(363)
15,784	Debtors	2
0	Creditors	0
0	Borrowings	0

The Lowry Centre Trust

2022/23 £000s	The Lowry Centre Trust	2023/24 £000s
237	Expenditure	232
0	Income	0
0	Debtors	0
10	Creditors	0
0	Borrowings	0

Greater Manchester Evergreen 2 Limited Partnership

There were no transactions between the Authority and Greater Manchester Evergreen 2 Limited Partnership during the 22/23 financial year.

32a Cash Flow Statement - Adjustments to Net Cash Flows from Operating Activities

2022/23 £000s	Operating Activities	2023/24 £000s
(1,715)	Finance Costs calculated in accordance with the code	(4,309)
0	Impairment of Equity Investment	
76,393	Increase / (Decrease) in Debtors (less capital)	(34,585)
(17,008)	Decrease / (Increase) in Creditors (less capital)	(30,914)
2,375	Decrease / (Increase) in Provisions	(3,295)
(9,871)	Revaluation adjustment	(642)
824	Increase / (Decrease) in Inventories	1,196
0	(Increase) in impairment of debt	
(1,994)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(13,337)
(45,437)	Annual depreciation and amortisation charge	(58,155)
(31,449)	Pensions Liability	(9,143)
2,247	(Increase) / Decrease in Interest Debtors	(4,024)
91	Increase / (Decrease) in Interest Creditors	(8,598)
0	Other non-cash movements	0
(25,543)	**Adjustments to net surplus / deficit on the provision of services for non-cash movements**	**(165,805)**
295,865	Capital grants and contributions receivable	265,342
1,202	Proceeds from the sale of Property, Plant & Equipment	1,136
297,068	**Adjust for items included in the net deficit on the provision of services that are investing and financing activities**	**266,478**

32b Cash Flow Statement - Investing Activities

2022/23 £000s	Investing Activities	2023/24 £000s
102,036	Purchase of Property, Plant and Equipment	69,900
676	Purchase of Long Term Investments	(3,528)
1,656	Loan Debtors	(95,047)
(1,202)	Proceeds from the sale of property plant and equipment	(1,136)
(295,865)	Capital grants and contributions received	(265,342)
(192,699)	**Net Cash Inflow / (Outflow) from Investing Activities**	**(295,153)**

32c Cash Flow Statement - Financing Activities

2022/23 £000s	Financing Activities	2023/24 £000s
0	Repayment of inherited debt	
4,082	Reduction of the outstanding liability relating to a finance lease and on-balance sheet PFI contracts	3,678
(336,258)	Cash receipts of short and long term borrowing	(385,612)
348,395	Repayments of short and long term borrowing	446,733
16,218	**Net Cash Inflow / (Outflow) from Financing Activities**	**64,799**

32d Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

Financing Activities	1 April 2023	Financing cash flows	Non-cash changes		31 March 2024
			Acquisition	Other non-cash changes	
	£000s	£000s	£000s	£000s	£000s
Long term borrowing	(1,301,444)	25,990	0	12,616	(1,262,838)
Short term borrowing	(113,952)	35,131	0	(25,522)	(104,344)
On balance sheet PFI liabilities	(36,676)	3,678	0	0	(32,998)
Total liabilities from financing activities	**(1,452,072)**	**64,799**	**0**	**(12,906)**	**(1,400,179)**

Financing Activities	1 April 2022	Financing cash flows	Non-cash changes		31 March 2023
			Acquisition	Other non-cash changes	
	£000s	£000s	£000s	£000s	£000s
Long term borrowing	(1,338,733)	32,114	0	5,175	(1,301,444)
Short term borrowing	(87,176)	(19,978)	0	(6,799)	(113,952)
On balance sheet PFI liabilities	(40,759)	4,082	0	0	(36,676)
Repayment of former GMC Debt	0	0	0	0	0
Total liabilities from financing activities	**(1,466,667)**	**16,218**	**0**	**(1,623)**	**(1,452,072)**

33 Defined Benefit Pension Schemes

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

Employees of the Authority are divided between two separate defined benefit pension schemes:

The Firefighters' Pension Scheme for its uniformed firefighters - this is an unfunded scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Local Government Pension Scheme for its other employees - this is a funded scheme, meaning that the Authority and employees pay its contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against grant and precept income is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Account in the Movement in Reserves Statement.

The Authority also has responsibility for the Police Pension Scheme for police officers although this scheme is administered by the Chief Constable (Greater Manchester Police) on behalf of the Authority. The entries related to this scheme are disclosed in the group accounts.

In accordance with proper practices, the Authority has fully complied with the International Financial Reporting Standard IAS19 (Employee Benefits). Both Pension schemes are classified as 'defined benefit' schemes under IAS19 and the accounting principles and their effect on the Financial Statements are explained below.
Employer contribution rates for the current and next year for both schemes are provided below:

Employer Contribution Rates	**2022/23**	**2023/24**
Firefighters Pension Scheme		
2015 Scheme	28.8%	28.8%
Local Government Pension Scheme	21.2%	21.2%

The Local Government Pension Scheme

The Authority pays an employer's contribution into the GMPF, which is a fully funded defined benefits scheme administered by Tameside Metropolitan Borough Council from whom an Annual Report is available.

The liabilities of the GMPF attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, (based on the indicative rate of return on high quality corporate bonds).

The assets of the GMPF attributable to the Authority are included in the Balance Sheet at their fair value, as follows:

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

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

1. **Current service cost** – the increase in liabilities as a result of years of service earned this year. This is allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
2. **Past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. This is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.
3. **Interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. This is debited to Financing and Investment Income and Expenditure Line in the Comprehensive Income and Expenditure Statement.
4. **Gains/losses on settlements and curtailments** – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees. This is debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.
5. **Interest on scheme assets** – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long term return. This is credited to Financing and Investment Line in the Comprehensive Income and Expenditure Statement.

6. **Actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve.
7. **Contributions paid to the pension fund** – cash paid as employer's contributions to the fund.
8. **Asset ceiling** – the asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Following the pensions by Hymans, the fair value of our pension plan assets outweighed the present value of plan obligation at 31 March 2024. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus identified in the plan, or
- The asset ceiling.

Hymans Robertson LLP as our actuary have carried out the asset ceiling calculation for the 2022/23 accounts on the following basis:

Net present value of (employer) future service costs over the future working lifetime
'less'
Net present value of (employer) future contributions over the future working lifetime

The impact of the above has resulted in an £102m adjustment to the accounts by applying the asset ceiling, resulting in a move from a surplus net asset to a net pension liability of £6.2m.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Under IAS19 any obligation arising from other long term employee benefits that depend on length of service need to be recognised when service is rendered, which for the Authority now includes Injury Awards.

The McCloud / Sargeant Judgement

Firefighters Scheme

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud / Sargeant legal case (referred to as “McCloud”) and the Court of Appeal handed down its judgement of this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions.

The treatment of the deferred choice underpin as a member cost for cost cap purposes, along with the four year spreading period, was challenged in a judicial review which was heard in early 2023. The claims made in the Judicial Review were dismissed by the High Court, in a judgement handed down on Friday 10 March 2023. No allowance has therefore been made in our accounting disclosures as at 31 March 2024.

McCloud Remedy

The McCloud remedy window ran from 01 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures we expect the majority of eligible members to elect to take legacy scheme (1992 Scheme or 2006 Scheme) benefits for the remedy period.

An allowance for the McCloud remedy was first included in 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1992 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window is closed all McCloud related liabilities for eligible members for the period 2019 to 2022 have been moved to the associated legacy scheme. This means all McCloud liabilities are held with the legacy scheme we expect benefits to be paid from. In the 2022/23 disclosure, this led to a past service cost in the 1992 Scheme and 2006 Scheme and a past service gain in the 2015 Scheme.

Contribution adjustments are now being carried out by administrators to ensure affected members have paid the correct contributions for this portion of service. Thes adjustments can be positive or negative, depending on which schemes a member is moving between. In the accounting disclosure at 31 March 2024, we have allowed for any contributions adjustment made during 2023/24 as a past service cost or gain.

Local Government Schemes

The Actuary has allowed for the McCloud judgement in the calculation of the latest triennial funding valuation results as at 31 March 2022. The Employer’s triennial funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the balance sheet.

Comprehensive Income and Expenditure Statement

2022/23 ; s	**2022/23 Fire £000s**	**2022/23 Total £000s**		**2023/24 LGPS £000s**	**2023/24 Fire £000s**	**2023/24 Total £000s**
			Cost of Services:			
14,015	32,550	**46,565**	Current service cost	5,814	14,430	**20,244**
87	0	**87**	Past service cost (including curtailments)	127	0	**127**
14,102	**32,550**	**46,652**	**Total Service Cost**	**5,941**	**14,430**	**20,371**
			Financing and Investment Income & Expenditure:			
(8,074)	0	**(8,074)**	Interest income on plan assets	(14,517)	0	**(14,517)**
8,923	49,370	**58,293**	Interest cost on defined benefit obligation	10,897	63,200	**74,097**
849	**49,370**	**50,219**	**Total Net Interest**	**(3,620)**	**63,200**	**59,580**
14,951	**81,920**	**96,871**	**Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services**	**2,321**	**77,630**	**79,951**
			Remeasurements of the Net Defined Liability Comprising:			
2,818	0	**2,818**	Return on assets excluding amounts included in net interest	(7,417)	0	**(7,417)**
(2,200)	(65,520)	**(67,720)**	Actuarial gains/losses arising from changes in demographic assumptions	(1,524)	0	**(1,524)**
(131,360)	(556,410)	**(687,770)**	Actuarial gains/losses arising from changes in financial assumptions	(13,873)	(26,750)	**(40,623)**
75,461	0	**75,461**	Change due to applying asset ceiling	26,616	0	**26,616**
19,219	106,040	**125,259**	Other	7,552	17,880	**25,432**
(36,062)	**(515,890)**	**(551,952)**	**Total Remeasurements Recognised in Other in the CIES**	**11,354**	**(8,870)**	**2,484**
(21,111)	**(433,970)**	**(455,081)**	**Total Post Employment Benefit Charged to the CIES**	**13,675**	**68,760**	**82,435**

Movement in Reserves Statement

2022/23 LGPS £000s	**2022/23 Fire £000s**	**2022/23 Total £000s**		**2023/24 LGPS £000s**	**2023/24 Fire £000s**	**2023/24 Total £000s**
(14,951)	(81,920)	**(96,871)**	Reversal of net charges made to the (surplus)/deficit on the provision of	(2,321)	(77,630)	**(79,951)**
6,692	0	**6,692**	Employers' contributions payable to the scheme	7,448	0	**7,448**
0	58,730	**58,730**	Retirement benefits payable to pensioners	0	63,360	**63,360**
(8,259)	**(23,190)**	**(31,449)**	**Actual amount charged against the General Fund Balance for Pensions in the year**	**5,127**	**(14,270)**	**(9,143)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

2022/23 LGPS £000s	2022/23 Fire £000s	2022/23 Total £000s		2023/24 LGPS £000s	2023/24 Fire £000s	2023/24 Total £000s
(229,809)	(1,383,490)	**(1,613,299)**	Present value of the defined benefit obligation	(232,060)	(1,388,890)	**(1,620,950)**
305,276	0	**305,276**	Fair value of employer assets	327,916	0	**327,916**
(75,461)	0	**(75,461)**	Change due to applying asset ceiling	(102,077)	0	**(102,077)**
6	**(1,383,490)**	**(1,383,484)**	**Net Liability Arising from the Defined Benefit Obligation**	**(6,221)**	**(1,388,890)**	**(1,395,111)**

Reconciliation of the present value of the scheme liabilities (Defined Benefit Obligations)

2022/23 LGPS £000s	2022/23 Fire £000s	2022/23 Total £000s		2023/24 LGPS £000s	2023/24 Fire £000s	2023/24 Total £000s
(326,279)	**(1,876,190)**	**(2,202,469)**	**Opening fair value of scheme liabilities**	**(229,809)**	**(1,383,490)**	**(1,613,299)**
(14,015)	(32,550)	**(46,565)**	Current Service Cost	(5,814)	(14,430)	**(20,244)**
(87)	0	**(87)**	Past Service Costs	(127)	0	**(127)**
(8,923)	(49,370)	**(58,293)**	Interest Cost	(10,897)	(63,200)	**(74,097)**
(2,296)	0	**(2,296)**	Contributions from scheme participants	(2,627)	0	**(2,627)**
			Remeasurement gain			
2,200	65,520	**67,720**	Actuarial gains/losses arising from change in demographic assumptions	1,524	0	**1,524**
131,360	556,410	**687,770**	Actuarial gains/losses arising from change in financial assumptions	13,873	26,750	**40,623**
(19,219)	(106,040)	**(125,259)**	Other	(7,552)	(17,880)	**(25,432)**
7,450	58,730	**66,180**	Benefits Paid	9,369	63,360	**72,729**
(229,809)	**(1,383,490)**	**(1,613,299)**	**Closing fair value of scheme liabilities**	**(232,060)**	**(1,388,890)**	**(1,620,950)**

Reconciliation of movements in the fair value of the scheme assets

2022/23 LGPS £000s		2023/24 LGPS £000s
298,482	**Opening fair value of scheme assets**	**229,815**
8,074	Interest Income	14,517
	Remeasurement gain	
(2,818)	Return on assets excluding amounts included in net interest	7,417
6,692	Contributions from employer	7,448
2,296	Contributions from employees into the scheme	2,627
(7,450)	Benefits Paid	(9,369)
(75,461)	Change due to applying asset ceiling	(26,616)
229,815	**Closing fair value of scheme assets**	**225,839**

Local Government Pension Scheme assets comprised:

2022/23					2023/24			
Quoted prices in active markets £000s	Quoted prices not in active markets £000s	Total £000s	Percentage of Total Assets %		Quoted prices in active markets £000s	Quoted prices not in active markets £000s	Total £000s	Percentage of Total Assets %
				Equity Securities				
18,342	0	18,342	6%	Consumer	19,856	0	19,856	6%
16,877	0	16,877	6%	Manufacturing	18,131	0	18,131	6%
15,070	0	15,070	5%	Energy and Utilities	17,710	0	17,710	5%
26,045	0	26,045	9%	Financial Institutions	27,837	0	27,837	8%
15,290	0	15,290	5%	Health and Care	16,398	0	16,398	5%
21,546	0	21,546	7%	Information Technology	17,105	0	17,105	5%
3,471	0	3,471	1%	Other	3,662	0	3,662	1%
				Debt Securities				
12,166	0	12,166	4%	Corporate Bonds (investment grade)	13,634	0	13,634	4%
7,295	0	7,295	2%	UK Government	8,687	0	8,687	3%
9,087	0	9,087	3%	Other	10,236	0	10,236	3%
				Private Equity				
0	22,835	22,835	7%	All	0	22,479	22,479	7%
				Real Estate				
0	11,877	11,877	4%	UK Property	0	13,280	13,280	4%
				Investment Funds and Unit Trusts				
16,307	0	16,307	5%	Equities	15,335	0	15,335	5%
27,090	0	27,090	9%	Bonds	32,879	0	32,879	10%
0	24,395	24,395	8%	Infrastructure	0	27,811	27,811	8%
7,442	42,397	49,839	16%	Other	7,549	46,799	54,347	17%
				Derivatives				
0	0	0	0%	Other	0	0	0	0%
				Cash and Cash Equivalents				
7,744	0	7,744	3%	All	8,529	0	8,529	3%
203,772	**101,504**	**305,276**	**100%**	**Totals**	**217,547**	**110,369**	**327,916**	**100%**

The total assets of £327,916k in the table above do not match the closing fair value of scheme assets in the Reconciliation of Movements in Fair Value of the Scheme Assets table. The variance of £102,077k is due to the effect of applying the asset ceiling.

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.

The Local Government Pension Scheme liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full triennial valuation of the scheme as at 31 March 2022. The Firefighters' Pension Scheme liabilities have been assessed by the Government Actuary's Department (GAD) based on data supplied for the 31 March 2020 full valuation.

The significant assumptions used by the actuary have been:

2022/23 LGPS	2022/23 Fire		2023/24 LGPS	2023/24 Fire
		Longevity at 65 for current pensioners:*		
19.9 years	21.2 years	Male	19.8 years	21.3 years
23.1 years	21.2 years	Female	22.9 years	21.3 years
		Longevity at 65 for future pensioners:*		
22.0 years	22.9 years	Male	21.8 years	22.9 years
25.4 years	22.9 years	Female	25.2 years	22.9 years
		Rate of Inflation (Price Increases)		
3.75%	3.85%	Rate of increase in salaries (Salary Increases)	3.55%	3.85%
2.95%	2.60%	Rate of increase in pensions (Pension Increases)	2.75%	2.60%
4.75%	4.65%	Rate of discounting scheme liabilities (Discount Rate)	4.85%	4.75%

*Life Expectancy is based on the Fund's VitaCurves.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to the HMRC limits.

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

Sensitivity Analysis

Local Government Pension Scheme Change in Assumption at 31 March 2024	Approximate % increase to Employer Liability	Approximate monetary amount £000s
0.1% decrease in Real Discount Rate	2.00%	4,423
0.1% increase in the Salary Increase Rate	0.00%	429
0.1% increase in the Pension Increase Rate (CPI)	2.00%	4,073
1 year increase in member life expectancy	4.00%	9,282

Fire Fighters Pension Scheme Change in Assumption at 31 March 2024	Approximate % increase to Employer Liability	Approximate monetary amount £000s
0.5% increase in Real Discount Rate	-7.00%	(97,000)
0.5% increase in the Salary Increase Rate	1.00%	14,000
0.5% increase in the Pension Increase Rate (CPI)	6.50%	92,000
1 year decrease in members and adult dependants assumed age	2.50%	37,000

As at the date of the most recent valuation, the duration of the Employer’s funded liabilities is 19 years.

The weighted average duration of the defined benefit obligation for the firefighters’ scheme members is approximately 15 years.

Impact on Authority’s cash flow – Local Government Pension Scheme

The objectives of the scheme are to keep employer’s contributions at as constant a rate as possible and agree a funding strategy to ensure future employers contributions meet the Administering Authority’s funding objectives.

Following the latest triennial valuation completed on 31 March 2022, the LGPS was assessed as being 104% funded. Funding levels are monitored on an annual basis.

The funding objectives of the scheme are set out in the GMPF Funding Strategy Statement (FSS) and are to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which require additional contributions to correct the shortfall. Equally, where there is a surplus, it is usually appropriate to offset this against contribution for future services, in which case contribution reductions will be put in place to allow for this.

The scheme has taken account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

Authority contribution to pension schemes

The Authority expects to pay £19.887m to the Firefighters' Pension Scheme and £6.415m to the Local Government Pension Scheme in 2024/25.

34 Mayoral General Fund

The functions of the Greater Manchester Fire and Rescue Authority (GMFRA) that are exercisable in relation to the area of the Authority were transferred by Parliamentary Order to the GMCA with effect from 8 May 2017. The GMCA is the Fire and Rescue Authority for the area and the Fire and Rescue functions of the GMCA are exercisable by the elected Mayor with all staff, properties, rights and liabilities transferring to the Authority.
Under the Order, all functions and decisions relating to such properties, rights and liabilities are to be exercised and made by the Mayor. Any payments and receipts arising from such properties, rights and liabilities are to be paid from and into the Mayoral General Fund.

The statements below set out the movements in the Mayoral General Fund and assets deployed for fire and rescue services for 2023/24:

Mayoral General Fund Income and Expenditure:

	Gross Expenditure 2023/24 £000s	Gross Income 2023/24 £000s	Net Expenditure 2023/24 £000s
Fire and Rescue Services	93,534	(19,462)	74,071
Mayor's Office	126,360	(100,852)	25,508
Net cost of services	**219,894**	**(120,315)**	**99,579**
(Gains) / losses on the disposal of non current assets	1	0	1
Other operating expenditure	**1**	**0**	**1**
Interest payable	27	0	27
Interest element of PFI unitary payments	45	0	45
Pensions Interest cost	66,058	0	66,058
Expected return on pensions assets	0	(3,807)	(3,807)
Financing and investment income and expenditure	**66,129**	**(3,807)**	**62,322**
Precepts	0	0	0
Non Domestic Rates Income	0	(86,319)	(86,319)
Taxation and non specific grant income	**0**	**(86,319)**	**(86,319)**
(Surplus) / deficit on provision of services	**286,024**	**(210,441)**	**75,583**
Items that will not be reclassified to the surplus/deficit on provision of services			
Revaluation gains and losses			0
Remeasurement of (gains)/losses on pension assets/liabilities			(8,698)
Other income and expenditure			**(8,698)**
Total income and expenditure			**66,885**

Movement in Mayoral General Fund Reserves:

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

Earmarked Reserves and Balances	31 March 2023 £000s	Transfers in/out £000s	31 March 2024 £000s
Mayoral General Fund			
Capital Reserve	(10,870)	(2,516)	(13,386)
Mayoral Reserve (Our Pass Reserve)	(3,553)	2,837	(715)
A Bed Every Night	(2,511)	24	(2,488)
Other Earmarked Budgets Reserves	(2,011)	(369)	(2,379)
Corporate Support	0	(2,213)	(2,213)
Bus Service Operators Grant	(4,049)	(656)	(4,705)
Other Revenue Grants Unapplied	(2,783)	1,165	(1,619)
Insurance Reserve	(2,600)	473	(2,128)
Business Rates Reserve	(1,128)	258	(870)
Restructuring Reserve	(418)	0	(418)
Innovation and Partnership CYP	(127)	0	(127)
Transformation Fund	(3,604)	0	(3,604)
Total Earmarked Reserves	**(33,655)**	**(997)**	**(34,652)**
Mayoral General Fund Balance	(12,093)	0	(12,093)
Capital Grants Unapplied Reserve	(12)	12	0
Total Mayoral General Fund Reserves	**(45,760)**	**(985)**	**(46,745)**

Assets deployed in provision of Mayoral Fire and Rescue Services:

	Land and Buildings £000s	Vehicles ,Plant, Furniture and Equipment £000s	Assets Under Construction £000s	Total Property Plant and Equipment £000s	PFI in PPE £000s
Cost or Valuation					
Asset values brought forward at 1 April 2023	130,872	41,531	2,737	175,140	3,842
Additions	2,513	2,597	4,409	9,519	0
Accumulated depreciation and impairment written off to cost or valuation	(5,479)	0	0	(5,479)	(465)
Revaluation increases/decreases recognised in the Revaluation Reserve	8,698	0	0	8,698	2,670
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	(1,732)	0	0	(1,732)	0
Derecognition - disposals	0	(122)	0	(122)	0
Assets reclassified to/from assets under construction	(964)	3,243	(2,279)	0	0
Cost or Valuation at 31 March 2024	**133,909**	**47,249**	**4,867**	**186,025**	**6,046**
Accumulated Depreciation & Impairment					
Accumulated depreciation values brought forward at 1 April 2023	(12,418)	(28,688)	0	(41,106)	0
Accumulated depreciation and impairment written off to cost or valuation	5,479	0	0	5,479	(345)
Depreciation Charge	(8,167)	(2,198)	0	(10,364)	465
Derecognition - disposals	0	122	0	122	(192)
GF Closing value - depreciation	**(15,106)**	**(30,765)**	**0**	**(45,871)**	**(71)**
Net Book Value at 31 March 2023	**118,454**	**12,843**	**2,737**	**134,034**	**3,842**
Net Book Value at 31 March 2024	**118,805**	**16,486**	**4,867**	**140,158**	**5,975**

35 Mayoral Police Fund

The functions of the Greater Manchester Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the elected Mayor of Greater Manchester with effect from 8 May 2017.

Under Section 3 of the Order “the Mayor is to be treated, in relation to the Mayor’s PCC functions, as a Police and Crime Commissioner for the purposes of all Police and Crime Commissioner enactments, wherever passed or made, subject to schedule 1 of the Order”.

The transfer of the PCC functions to the Elected Mayor means that the legal entity known as the Greater Manchester Police and Crime Commissioner ceased to exist as of 8 May 2017. All properties, rights and liabilities (including contracts of employment) transferred to the GMCA on 8 May 2017.

Under the Order, all functions and decisions relating to such properties, rights and liabilities are to be exercised and made by the Mayor. Any receipts arising from such properties, rights and liabilities are to be paid into the Police Fund kept by the mayor by virtue of section 21 of the Police Reform and Social Responsibility Act 2011.

The Chief Constable of Greater Manchester Police (GMP) Statement of Accounts has been consolidated into GMCA's group accounts since 8 May 2017. The Mayor is responsible for the formal oversight of GMP, including provision of all funding, budget setting, performance scrutiny and strategic policy development, and for ensuring GMP is run efficiently and effectively. Operational decision-making on day-to-day policing including the employment of police staff remains the responsibility of the Chief Constable.

Under the legislative framework and local arrangements, GMCA, under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The GMCA has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. The GMCA receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund. The movement on the Police Fund is disclosed in Note 35.

In compliance with legislation, the Police Fund is accounted for in the group accounts of the GMCA. In the interests of transparency, the statements below set out how the Police Fund was spent and funded, movements in the Mayoral Police Fund reserves and assets deployed for policing in 2023/24.

Police Fund Income and Expenditure:

	Gross Expenditure 2023/24 £000s	Gross Income 2023/24 £000s	Net Expenditure 2023/24 £000s
Policing Services	801,880	(180,070)	621,810
Net cost of services	**801,880**	**(180,070)**	**621,810**
(Gains) / losses on the disposal of non current assets	1,591	(829)	762
Home Office grant payable towards the cost of retirement benefits	107,028	(107,028)	0
Other operating expenditure	**108,619**	**(107,858)**	**762**
Interest payable	2,072	0	2,072
Interest element of PFI unitary payments	5,540	0	5,540
Pensions interest cost	326,042	0	326,042
Expected return on pensions assets	0	(53,326)	(53,326)
Interest income	0	(2,532)	(2,532)
Financing and investment income and expenditure	**333,654**	**(55,858)**	**277,796**
Precepts	0	(194,546)	(194,546)
Police grant	0	(549,125)	(549,125)
Capital grants and contributions	0	(823)	(823)
Taxation and non specific grant income	**0**	**(744,494)**	**(744,494)**
(Surplus) / deficit on provision of services	**1,244,153**	**(1,088,279)**	**155,873**
Items that will not be reclassified to the surplus/deficit on provision of services			
Revaluation gains and losses			(5,591)
Remeasurement of (gains)/losses on pension assets/liabilities			27,228
Other income and expenditure			**21,636**
Total income and expenditure			**177,510**

Movement in Mayoral Police Fund Reserves:

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

Earmarked Reserves and Balances	1 April 2023 £000s	Transfers in/out £000s	31 March 2024 £000s
Mayoral Police Fund			
Revenue Expenditure Reserve	(23,081)	(8,752)	(30,026)
Insurance Reserve	(12,549)	13,743	0
Police and Crime Commissioner Earmarked	(44,958)	18,978	(20,018)
PFI Reserve	(9,880)	1,019	(7,908)
Mayoral Police Fund Balances	(15,396)	21	(15,354)
Total Mayoral Police Fund	**(105,863)**	**25,009**	**(73,306)**

Assets deployed in the provision of Policing Services:

	Land and Buildings £000s	Vehicles ,Plant, Furniture and Equipment £000s	Long Term Surplus Assets £000s	Assets under Construction £000s	Total Property Plant and Equipment £000s	PFI in PPE £000s
Cost or Valuation						
Asset values brought forward at 1 April 2023	278,345	238,731	2,740	2,949	522,765	83,476
Additions	2,171	11,345	0	11,922	25,438	76
Accumulated depreciation and impairment written off to cost or valuation	(4,286)	0	0	0	(4,286)	(1,414)
Revaluation increases/decreases recognised in the Revaluation Reserve	5,591	0	0	0	5,591	4,824
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	400	0	0	0	400	375
Derecognition - disposals	0	(44,794)	0	0	(44,794)	0
Derecognition - other	(195)	(88)	0	(53)	(337)	0
Assets reclassified to/from assets under construction	310	2,160	0	(2,470)	0	0
Assets reclassified to/from surplus assets	(3,814)	0	3,814	0	0	0
Cost or Valuation at 31 March 2024	**278,522**	**207,354**	**6,554**	**12,348**	**504,778**	**87,337**
Accumulated Depreciation & Impairment						
Accumulated depreciation values brought forward at 1 April 2023	(5,361)	(160,468)	(0)	0	(165,830)	(2,708)
Accumulated depreciation and impairment written off to cost or valuation	4,286	0	0	0	4,286	1,414
Depreciation Charge	(7,961)	(20,745)	(186)	0	(28,891)	(2,078)
Derecognition - disposals	0	43,783	0	0	43,783	0
GF Closing value - depreciation	**(9,036)**	**(137,431)**	**(186)**	**0**	**(146,652)**	**(3,372)**
Net Book Value at 31 March 2023	**272,984**	**78,263**	**2,740**	**2,949**	**356,935**	**80,768**
Net Book Value at 31 March 2024	**269,486**	**69,923**	**6,369**	**12,348**	**358,125**	**83,965**

Police Fund Intangible Assets:

2022/23 Intangible operational £000s	2022/23 Intangible Assets Under Construction £000s	2022/23 Intangible total £000s		2023/24 Intangible operational £000s	2023/24 Intangible Assets Under Construction £000s	2023/24 Intangible total £000s
			Balance at 1 April:			
33,197	1,002	34,199	Gross carrying amounts	36,718	1,002	37,720
(14,475)	0	(14,475)	Accumulated amortisation	(20,866)	0	(20,866)
18,722	**1,002**	**19,724**	**Net carrying amount at 1 April**	**15,852**	**1,002**	**16,854**
			Additions:			
3,521	0	3,521	Purchases	152	0	152
0	0	0	Additions to assets under construction	0	0	0
0	0	0	Reclassified to operational from assets under construction	897	(897)	0
0	0	0	Disposals	(153)	0	(153)
0	0	0	Other Changes	0	0	
(6,391)	0	(6,391)	Amortisation for the period	(6,826)	0	(6,826)
0	0	0	Amortisation and Impairment Derecognised on Disposal	153	0	153
15,852	**1,002**	**16,854**	**Net carrying amount at 31 March**	**10,075**	**105**	**10,180**
			Comprising:			
36,718	1,002	37,720	Gross carrying amounts	37,631	105	37,737
(20,866)	0	(20,866)	Accumulated amortisation	(27,557)	0	(27,557)
15,852	**1,002**	**16,854**	**Balance at 31 March**	**10,075**	**105**	**10,180**

Firefighters' Pension Fund

There is a requirement in the Code of Practice to produce a Pension Fund Account and Net Assets Statement in respect of the Firefighter's Pension Scheme. The purpose of the Fund is to provide a basis for demonstrating the balance of cash based transactions taking place over the year and for identifying the arrangements needed to close the balance for the year. The primary objective is to separate the cost of providing pensions from the cost of running services.

This is an unfunded scheme, which is administered in accordance with Home Office regulations. For such schemes as there are no investment assets, IAS19 requires recognition of the liability and pension reserve in the Balance Sheet and transactions in the Income and Expenditure Account for movements in the liability and reserve.

Firefighters' Pension Fund Account

2022/23 £000s	Firefighters' Pension Fund Account	2023/24 £000s
0	Opening balance at 1 April	0
	Contributions Receivable	
(13,451)	From Employer	(15,564)
(6,013)	From Employee	(7,024)
(188)	Ill Health Retirements	(206)
	Transfers In	
(386)	Individual transfers in from other schemes	(699)
	Benefits Payable	
48,571	Pensions	53,526
8,060	Commutations and lump sum retirement benefits	7,325
	Payments to and on account of leavers	
191	Individual transfers out to other schemes	894
36,784	**Net Amount Payable for the year**	**38,252**
(36,784)	**Top-up grant receivable from the Government**	(38,252)
0	**Closing balance at 31 March**	**0**

Net asset statement

31 March 2023 £000s	Net Assets Statement	31 March 2024 £000s
6,897	Pension Top-Up Grant receivable from the Home Office	7,977
0	Payments in Advance	0
0	Creditor	0
0	Debtor	0
(6,897)	Amount due from the Mayoral General Fund	(7,977)
0	**Net Assets**	**0**

The funding arrangements for the Firefighters' Pension Scheme in England changed on 1 April 2006. Before 1 April 2006 these schemes did not have a percentage of pensionable pay type of employer's contribution - rather each authority was responsible for paying the pensions of its own former employees on a pay as you go basis. Under the new arrangements the schemes remain unfunded but Authorities will pay an employer's pension contribution based on a percentage of pay into the Pension Fund. Each authority in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the Fund are specified by regulation under the Firefighters' Pension Scheme (Amendment) (England) Order 2006.

Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by the Government Actuary Department (GAD) and are subject to revaluation every four years.

The latest valuation was carried out based on data as at 31 March 2020. This has then been rolled forward to reflect the position as at 31 March 2023. In particular allowing for service accrued between 1 April 2020 and 31 March 2023 and known pension and salary increases that would have applied.

There are no investment assets and the fund is balanced to nil each year by receipt of pension top-up grant from the Home Office or by paying over any surplus to the Home Office. The fund's financial statements do not take into account liabilities to pay pensions and other benefits after the period end.

The accounting policies adopted for the production of the pension fund account are in line with recommended practice and follow those that apply to the Authority's primary statements.

The Fund's financial statements do not take into account liabilities to pay pensions after 31 March 2024. Liabilities to pay future payments are included in the IAS19 charges and notes to the Financial Statements.

Glossary of Financial Terms

Accounting Policies

Within the range of possible methods of accounting, a policy is a statement of the actual methods chosen locally and used to prepare these accounts.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses

This Re-measurement of the net defined benefit liability comprises actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling. Actuarial gains and losses are changes in the present value of the defined benefit obligation arising from the effects of differences between the previous actuarial assumptions and what has occurred and the effects of changes in the actuarial assumptions

Agency Services

Services that are performed by or for another authority or public body, where the authority responsible for the service reimburses the authority carrying out the work for the cost of that work.

Amortisation

A charge to the comprehensive income and expenditure statement spread over a number of years.

Assets

Items of worth that are measurable in terms of value. Current assets are ones that may change in value on a day-to-day basis (i.e. inventory). Non-current assets are assets that yield benefit to the Authority and Group for a period of more than one year (i.e. Metrolink trams).

Assets Held for Sale

Assets which are being actively marketed and expected to sell within the next 12 months.

Bad (and doubtful) debts

Debts/income which may be uneconomic to collect or un-enforceable.

Balances

The reserves of the Authority and Group, which include the accumulated surplus of income over expenditure.

Balance sheet

A statement of the recorded assets, liabilities and other balances at the end of an accounting period.

Budget

A statement defining in financial terms the Authority's plans over a specified period. The budget is prepared as part of the process of setting the precept.

Capital Adjustment Account

This provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital control system.

Capital Expenditure

Expenditure on the acquisition or enhancement of property, plant and equipment that have a long term value to the Authority and Group. This includes grants or advances paid to third parties to assist them in acquiring or enhancing their own property, plant and equipment.

Capital Financing Costs

Each service is charged with an annual capital charge to reflect the cost of non-current assets used in the provision of services.

Capital Financing Requirements

This measures the underlying need to borrow to finance capital expenditure.

Capital Grants

Grants received towards capital expenditure either generally or for a particular project.

Capital Grants Unapplied

Proceeds received from Government Grants, Other Grants and Contributions, which have not yet been used to finance capital expenditure.

Capital Receipts

Money received from the sale of property, plant and equipment or repayment of a capital advance.

Carrying Amount

The balance sheet value recorded of an asset or a liability.

Cash and Cash Equivalents

This comprises cash in hand, cash overdrawn and short term investments, which are readily convertible into known amounts of cash.

CIPFA (The Chartered Institute of Public Finance and Accountancy)

CIPFA is the leading professional accountancy body for public services.

Consolidated

Added together with adjustments to avoid double counting of income, expenditure or to avoid exaggeration.

Contingent Assets

Sums due from individuals or organisations that may arise in the future, but which cannot be determined in advance.

Contingent Liabilities

Sums due to individuals or organisations that may arise in the future, but which cannot be determined in advance.

Creditors

Amounts owed by the Authority and Group for goods and services provided by the balance sheet date, where payment has not been made at that date.

Current Assets

An asset where the value changes because the volume held varies from day to day, for example, stock. It is reasonable to expect that these assets will either be consumed or realised during the next accounting period.

Current Liabilities

An amount which will become payable or could be called in within the next accounting period.

Current Service Cost

The increase in present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current financial year.

Curtailments

For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces the accrual of defined benefits for a number of employees for some or all of their future service.

Debtors

Sums of money owed to the Authority and Group at the balance sheet date but not received at that date.

Deferred Capital Receipts

Amounts derived from asset sales, which will be received in instalments over a period of years.

Defined Benefit Pension Scheme

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

Defined Benefit Contribution Scheme

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

Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of property, plant and equipment.

Remeasurement of the Net Defined Benefit Liability

Remeasurement of the Net Defined Benefit Liability (asset) comprises:
a) actuarial gains and losses
b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Expenditure

Amounts paid by the Authority and Group for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment - expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

External Audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

Fees and Charges

Income arising from the provision of services, e.g. the use of premises.

Finance Lease

A finance lease is one that transfers substantially all the risks and rewards of ownership of items of property, plant and equipment to a lessee.

Financial Instruments

This is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another. The term covers both financial assets (e.g. loans receivable) and financial liabilities (e.g. borrowings).

Historical Cost

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

Impairment

A reduction in the value of a property, plant and equipment below its carrying amount in the balance sheet.

Income

Amounts due to the Authority and Group for goods supplied or services rendered of either a capital or revenue nature. This does not necessarily involve cash being received - income is deemed to have been earned once the goods or services have been supplied even if the cash has not been received.

Infrastructure Assets

These are inalienable assets, expenditure on which is recoverable only by continued use of the asset created. Examples of such assets are traffic signals.

Intangible Assets

These are assets that have no physical substance, for example, the purchase of computer software licences.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

International Financial Reporting Standards (IFRS)

These are statements prepared by the International Accounting Standards Board to ensure consistency in accountancy matters. Many of these standards now apply to local authorities and any departure from these must be disclosed in the published accounts.

Inventory

Raw materials and consumable items the Authority’s Group has purchased to use on a continuing basis and has not used by the end of the financial year.

Investment Properties

These are property or land that is held solely to earn rentals or for capital appreciation or both.

Investments

Items such as company shares, other securities and money deposited with financial institutions (other than bank current accounts).

Liabilities

Amounts due to individuals or organisations that will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Long term Contracts

A contract entered into for the design, manufacture or construction of a single substantial asset or service where the time taken to complete the contract is such that the contract activity falls into different accounting periods.

Material

The concept that any omission from or inaccuracy in the statements of account should not be large enough to affect the understanding of those statements by a reader.

Minimum Revenue Provision (MRP)

This is the amount that is charged to the Authority's Movement in Reserves Statement each year and set aside as a provision for credit liabilities.

Net Book Value

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current cost less the cumulative depreciation.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-Current Assets

Assets which have value to the Authority for more than one year. These can be tangible (e.g. land, buildings, equipment) or intangible (e.g. Software or licences) assets.

Non-Operational Assets

Non-current assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements pending sale or redevelopment.

Business Rates

These are a levy on business properties based on a national rate in the pound applied to the ‘rateable value’ of the property. The government determines that national rate poundage, local authorities collect the sums due, with distribution made in accordance with rules governing the business rates retention scheme.

Operating Lease

A lease other than a finance lease.

Past Service Cost

For a defined benefit pension scheme, the increase in 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.

Payments in Advance

Amounts actually paid in an accounting period prior to the period in which they are due

Pension Funds

The Authority is required to set up a separate fund from the rest of its operation for transactions relating to firefighters’ and police pension arrangements. The funds are balanced to nil each year by the receipt of a pensions top-up grant from the Department for Communities and Local Government.

Precept

An amount of money levied by one authority (the precepting authority) which is collected by another authority (the collecting authority) as part of the council tax. The

Authority is the precepting authority and the GM Authorities are the collecting authorities.

Prior Year Adjustments

Material adjustments to the accounts of earlier years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Private Finance Initiative (PFI)

A partnership between the private and public sectors that uses private sector financing to provide public sector assets. The partnership has to meet certain criteria to qualify for Central Government subsidy.

Provisions

These are sums set aside to meet liabilities or losses that have been incurred but where the amount and/or timing of such costs are uncertain.

Public Works Loan Board (PWLB)

A government agency that lends money to local authorities. Local authorities are able to borrow some or all of their requirements to finance capital expenditure from this source.

Receipts in Advance

Amounts actually received in an accounting period prior to the period in which they are due.

Residual Value

The net realisable value of property, plant or equipment at the end of its useful life.

Reserves

These are sums set aside to meet possible future costs where there is no certainty about whether or not these costs will be incurred.

Revenue Contributions

The method of financing capital expenditure directly from revenue.

Revenue Expenditure

Expenditure incurred on the day-to-day running of the Authority and Group. This mainly includes staff recharge costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

These are items of capital expenditure that do not result in, or remain matched by, the Authority's property, plant and equipment.

Settlement

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligations and the assets used to effect the settlement

Unfunded Pension Scheme

This is one in which liabilities for pension benefits are charged to the employer's revenue account in the year in which they arise and are not financed from investments held. The Authority operates such a scheme for its firefighters.