TRAFFORD COUNCIL

Statement of accounts

2024/25

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Narrative Report

This document provides the detail behind the Council's financial performance for the year 1 April 2024 to 31 March 2025.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015. The regulations require the accounts to be prepared in accordance with proper accounting practices, and these primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom in 2024/25 (the Code), which are supported by International Financial Reporting Standards (IFRS).

The Accounts and Audit (Amendment) Regulations, set out the statutory deadlines by which local authorities must present their draft statement of accounts for public inspection along with the deadlines for publication of the audited version.

Over recent years, there has been a national audit backlog caused by a number of factors which prompted the government to review the timescales of the completion of Local Government Audits and the concept of a backstop date where limited audit opinions would be issued in order to clear the backlog.

The Accounts and Audit (Amendment) Regulations 2024 which came into force on 30 September 2024, set out backstop dates for when published audited accounts must be signed off for financial year 2023/24 and before. The Regulations also amended the date by which bodies should publish draft (unaudited) accounts from 31 May to 30 June for financial years 2024/25, 2025/26, 2026/27 and 2027/28. The audited accounts for 2024/25 have a backstop date of 27th February 2026.

The national audit backlog along with the continued inherent complexity and disclosure requirements of local government financial reporting has contributed to the delayed production of the draft statements for 2024/25 and public inspection will now commence on 25th July for 10 working days.

In complying with the requirements and standards of the Chartered Institute of Public Finance and Accountancy (CIPFA) in preparing the accounts, they aim to provide all stakeholders including partners, elected councillors and residents of the Borough and other interested parties with an understanding of the financial position of the Council in 2024/25, confidence that public money has been accounted for correctly and that the financial position of the Council is robust.

This Narrative Report provides information about Trafford, its objectives and achievements whilst also providing a summary of the financial position at 31 March 2025 and key issues that have affected the accounts during the year.

Trafford the Borough

Trafford Council is one of ten local authorities in Greater Manchester and covers an area of approximately 40 square miles to the south-west of the region.

'Service and efficiency' is the motto inscribed in the stained-glass window in the main stairwell of Trafford Town Hall. It sums-up our outlook. This is a 'can-do' place. Business-like. Focused. A home to makers. Innovators. Problem-solvers.

Trafford is home to the first industrial park in the world - and one of the most famous football clubs on the planet.

We are a borough of contrasts. Urban and rural. Small villages and populous towns. Industrial and cultural. Historic and forward thinking.

Trafford was created as a metropolitan district on 1 April 1974 when we received a Royal Borough Charter. But our history goes a lot further back.

In the late 19th Century, Trafford Park was created. The site, still the largest industrial estate in the world, quickly became a hive of industry, employing as many as 75,000 workers by the 1940s. An example of its industrial might, the Rolls-Royce engines that powered the Spitfire and Lancaster World War Two planes were built at Trafford Park.

Located on Manchester's immediate westward flank, the borough of Trafford stretches southwards into north Cheshire and includes our five main urban areas: Altrincham, Stretford, Urmston, Partington and Sale. Each has its own identity. Altrincham has been transformed from a town with the worst vacancy rate in the UK to an award-winning high street. Regeneration opportunities have been expanded with the town centres to include Partington, Sale, Urmston and Stretford through their own plans which build on the uniqueness of the centre of each town and village.

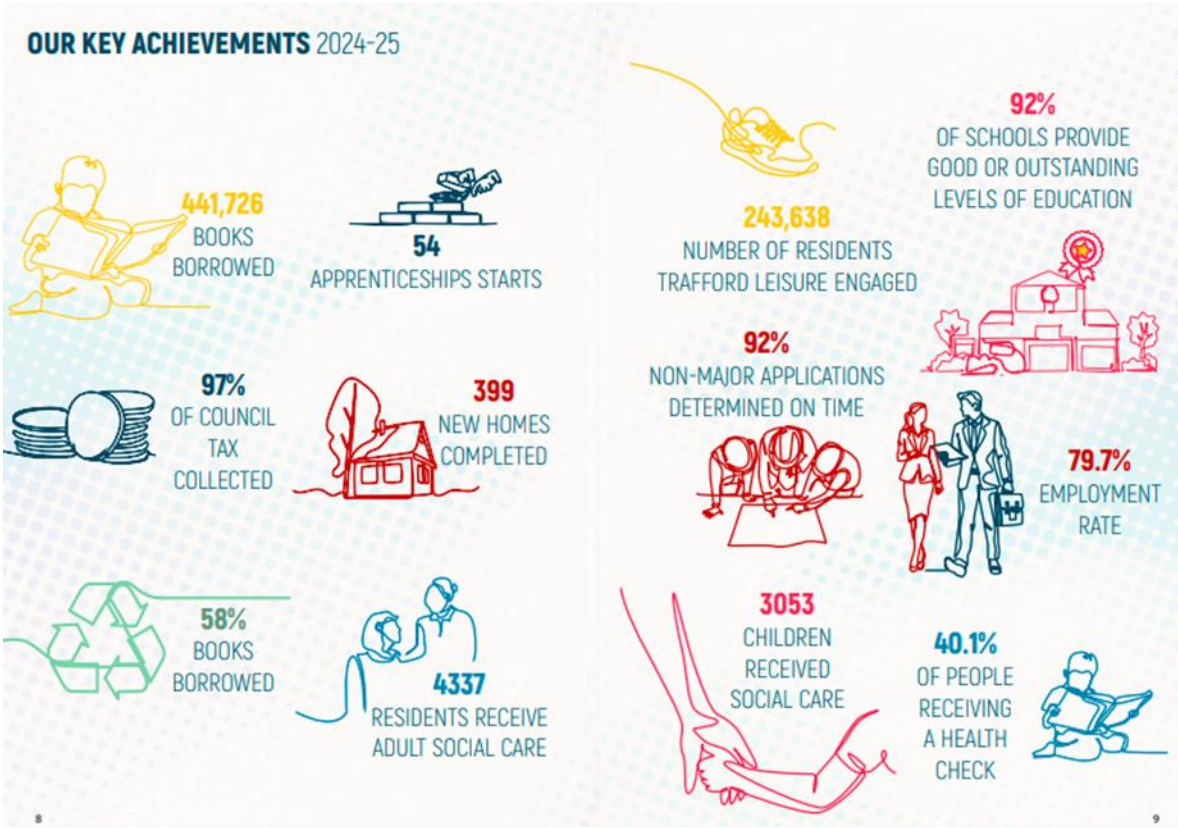
We have a robust economy with approximately 14,000 businesses, ranging from cutting edge digital and creative companies to advanced manufacturing and green technology. The population of circa 230,000 is one of the most highly skilled and educated in the North West of England with those qualified at RFQ4 and above being significantly higher compared to the North West Average.

We have a significant number of visitors per year, mainly due to the prestigious attractions that reside here including the Trafford Centre, one of the largest indoor shopping centres in the UK and visited by over 40 million people per year. Trafford Wharf side is a leading visitor destination, home to Manchester United FC, Lancashire County Cricket Club, Coronation Street and the award winning Imperial War Museum North.

As a Council, we are ambitious for our residents. We pride ourselves on being a low-cost high performing Council. We are responsive to the needs of our diverse communities and efficient in how we meet them. Although many parts of the borough are prosperous by Greater Manchester's standards, people in some areas face hardship in their daily lives. We are there for them and will continue to raise living standards and life expectancy.

The Council's Corporate Plan (see later for details) is a prime document setting out the Council's strategic vision, outcomes and priorities for the borough, with the focus being centred around Five Key Priorities.

Some of the key achievements worthy of note during the year are:



Priority 1: The Best Start for Our Children and Young People

Our Family Help service redesign was finalised, and a Family Help workbook was developed to support future training. Our Family Hub Network continued to be developed across Trafford to provide families with a single point of contact where they can access a wide range of activities and services providing social, emotional, physical or financial assistance.

The Youth Engagement service continued to help children and young people get into education, training and employment - 106 young people signed up to receive support.

Our young people continue to achieve well in education and school attendance levels in Trafford remain some of the best in the county.

Priority 2: Healthy and Independent Lives for Everyone

Developed a Pension Credit Task Group which led to 377 Pension Credit claims, 122 claims for alternative benefits and in-person support for 201 residents.

Reclaimed more than £1.1m in underspent direct payment funding and used it for alternative care provision.

Worked closely with a private housing provider on a new 24-hr supported living scheme to help people live at home.

Supported nearly two thirds of people leaving hospital who required intermediate care to return to their own homes.

Commissioned Voice of BME (Black and Minority Ethnic) to work with ethnically diverse communities across Trafford to increase the uptake of NHS health screenings (cervical, breast and bowel).

Maintained a 'Good' rating by the Care Quality Commission for all directly delivered care services supporting older people requiring intermediate care, short-term reablement and 24-hour supported accommodation.

Priority 3: Thriving Economy and Home for All

Our Housing Strategy 2025-2030 was created and published.

The refurbishment of a long-term empty property, Lindow Court, was completed. Funding from the Trafford Affordable Housing Fund was used to create nine one and two bed social rented apartments.

We were awarded funding from the Rough Sleeper Accommodation Programme to deliver 12 new build units.

25 families were helped to get accommodation through the Afghan Relocations and Assistance Policy.

Our Homes for Ukraine Team has assisted 45 families (96 individuals) to be rematched into alternative accommodation after their first placements came to an end.

Priority 4: Addressing the Climate Crisis

Developed five functional school streets partnerships, including one at Seymour Park Primary School which is being used as a regional example of best practice across GM. A School Street is a road outside a school with temporary restrictions on motor traffic during drop off and pick up times.

We implemented the GM-wide roll-out of plastic pots, tubs and trays recycling.

We completed a larger grey bin review of 5,039 properties. The results led to 1,219 properties having their bin downsized, removing approximately 122k litres of bin space.

Reduced Street Lighting carbon emissions by 43% through LED upgrades and de-illumination strategies.

We were awarded £5.7 million to create a heat network that aims to serve a range of public and residential buildings across Trafford by harnessing waste heat from local sewerage.

Priority 5: Culture, Sport and Heritage for Everyone

Delivered music lessons and whole class projects to 95% of primary schools and 60% of secondary schools in the borough.

Engaged with over 6,000 primary school pupils to instrumental programmes in partnership with 54 schools

Delivered three high-profile concerts, involving over 1,000 children in each event, at The Stoller Hall and The Royal Northern College of Music in Manchester.

Distributed £36k of UKSPF funding to 13 local VCFSE organisations for community-led arts activities.

Invested in tennis courts at Longford and Ashton parks, and resurfaced the athletics track at Longford Park.

Town Centres and Stretford Civic Quarter

Our plans for the redevelopment of our town centres are progressing well, with work continuing with our development partners, Bruntwood, on the transformation of The Stamford Quarter in Altrincham and Stretford's' King Street. The Stamford Quarter has reshaped the high street by blending retail, leisure, commercial and residential space in a bid to encourage more people to come into the town centre.

Stretford's King Street - the first phase of the wider Stretford Masterplan is progressing at pace, which includes reinstating the historic King Street as a vibrant high street, where existing businesses will be joined by new shops, cafes and bars, including independent and well known brands. A new covered market hall is also planned, which will provide a home for retailers and eateries, bar areas and outdoor seating to boost the local evening economy.

Work is progressing well on Lumina Village (K Site Ltd.), an exciting multi-million pound scheme to create a new 639-home sustainable community next to the iconic Old Trafford cricket ground. This will provide a residential development of six blocks of apartments, ranging from 6 to 20 storeys high and 53 townhouses off Talbot Road in Old Trafford. Residents will be able to see the cores of the two main towers when they go past the site. The £250m scheme will include 5.4 acres of public realm focused around a village green, civic squares, boulevards and play streets, and ground floor retail units facing the cricket ground.

Places for Everyone

Places for Everyone is a long-term plan of nine Greater Manchester districts for jobs, new homes and sustainable growth. It sets out where we will build the new homes we need, where our businesses will locate to sustain and create jobs for our people, what infrastructure is needed to support the development and to protect and enhance our towns, cities and landscapes. It covers a timeframe up to 2039.

Within this framework, the council has continued to develop masterplans for Trafford Wharfside, Carrington and Davenport Green.

The Council's draft Trafford Wharfside masterplan offers a vision for the area neighbouring MediaCity and surrounding Manchester United's Old Trafford football stadium, as a key emerging neighbourhood over the next 15 years.

The Davenport Green site is allocated, for approximately 2,500 new homes, 45% of which will be affordable, 60,000 sqm of retail/ commercial floorspace, and a substantial publicly accessible rural park.

The New Carrington masterplan is proposing approximately 5,000 homes and 350,000 sqm of employment floorspace for industry and warehousing. It also incorporates significant areas of retained Green Belt through the centre of the site, alongside strategic greenspaces.

Trafford Council the Organisation

Trafford is made up of 21 wards each comprising of three councillors with a political make up at the start of 2025/26 as follows:

- 43 Labour
- 8 Conservative
- 6 Liberal Democrats
- 6 Green Party

The Council's political structure is that of a Leader and Executive model, with the Leader of the Council having responsibility for Members of the Executive, the allocation of portfolios and the delegation of executive functions. A system of scrutiny also exists to hold Members to account.

The management structure, headed by the Corporate Leadership Team was last reviewed in April 2025 and comprises the Chief Executive (the Head of the Paid service), a Deputy Chief Executive, three corporate directors and three directors:

- Chief Executive
- Deputy Chief Executive and Corporate Director, Strategy and Resources
- Corporate Director, Place
- Corporate Director, Children's Services

- Corporate Director, Adults & Wellbeing
- Director of Legal & Governance (Monitoring Officer)
- Director of Finance and Systems (S151 officer)
- Director of Public Health

Trafford is one of the lowest spending councils in the UK and is proud to be delivering effective high quality services through both direct service delivery and effective partnership working.

The Council provides a broad range of services including schools, children's and adult's social care provision, economic regeneration, environmental and highway services and leisure and cultural services. A number of different delivery vehicles are used to supply some council services for example leisure centres are run by Trafford Leisure, a wholly owned Community Interest Company, some services are delivered through collaborative working, e.g. a shared service for the delivery of some back-office functions whilst others are contracted out to external providers for example waste collection, street cleansing and highway maintenance.

As of April 2024, the Council employed 1,933 full time equivalent staff (excluding school based staff); this had increased to 1,944 by 31 March 2025. Employee health and well-being is a key priority and during the year the Employee Health and Wellbeing Strategy organised numerous on-line events to support workforce wellbeing and work life balance. Performance and development reviews and an appropriate range of blended learning and development opportunities supported our staff to undertake their roles throughout the year.

The Corporate Plan

At the heart of the Council's vision, as set out in The Corporate Plan, is a common cause and long term vision to make Trafford a better borough; **"a place where all our residents, communities & businesses prosper"**.

The corporate plan, "Our Trafford, Our Future 2024-27" which was refreshed in July 2024, describes Trafford Council's strategic vision, outcomes and priorities for the borough, with the priorities being key to its delivery. It includes an overview of what the council plans to do and how it will work with our residents, communities, businesses and other partners to deliver change to Trafford in line with these commitments.

As an overarching plan, it shapes activity within the council, helps prioritise resources and assists our financial planning. Importantly, the success of the plan is monitored through target setting and outcomes that can be measured.

It is also intended as a guide for our partner organisations to help identify shared objectives so we can work together more effectively to achieve far more for Trafford than we ever could working alone.

In the refresh of the plan, it was particularly important given the impact of the cost-of-living crisis, devolution and invigorated partnership working that we expanded our priorities to cover more areas and to further service our communities.

The Council's five corporate priorities are:

- The best start for our children and young people
- Healthy and independent lives for everyone
- A thriving economy and homes for all
- Address the climate crisis
- Culture sport and heritage for everyone

To achieve this, we are focused on three outcomes:

1. All our residents will have access to quality learning, training and jobs
2. All our communities will be happy, healthy and safe
3. All our businesses and town centres will be supported to recover and flourish in an inclusive way

This focus on outcomes, rather than just on the services we provide, helps the Council and our partners work together towards shared goals, rather than as individual service providers.

The Corporate Plan can be found on our website at [Corporate-Plan-2024-27.pdf]

Progress against the Corporate Plan is reported on a quarterly basis to the Executive and the Corporate Leadership Team and an Annual Report is presented to Executive which summarises key achievements during the year.

Key performance indicators monitor outcomes related to the five priorities and also include some general performance indicators for council services. The indicators cover a number of economic, social and environmental measures including, but not limited to, housing completions, affordable housing, healthy life expectancy, apprenticeships, waste/recycling, residential/nursing care, homelessness, planning applications and council tax collected.

At the time of writing The Annual report for 2024/25 is being finalised and will be available on our website.

A dashboard of the five corporate priorities measures is available and can be accessed on the Trafford Data Lab website: [Trafford Themes]

The dashboard visualises a range of indicators relating to each of the five strategic priorities. These show trend data for Trafford compared to the average of other similar Local Authorities (in terms of statistical characteristics) and, where possible, to England. The list of similar authorities used can be found in the Introduction tab on the dashboard. Some indicators also include different visualisations with the data broken down by, for example, ward or sex to highlight inequalities within the borough.

Risk Management and Opportunities

The Council's corporate approach to risk management ensures that we have robust processes in place to support the delivery of our strategic goals. Ongoing risk management is undertaken to identify the risks that could affect the delivery of key priorities and objectives, determining appropriate ways of mitigating the risk. A Strategic Risk Register (SRR), which articulates the risk, quantifies its likelihood and potential impact, names the responsible officer who owns the risk, and articulates how the risk is managed and any mitigating actions.

The SRR was updated through the year with regular reports to the Accounts and Audit Committee, including towards the end of 2024/25 at its meeting held on 19th March 2025. By the end of 2024/25 there were 16 risks. During the year, risk levels were reduced in one area from High to Medium risk, regarding risks in relation to information governance, following ongoing service improvements made during the year. Although by the end of March there was one less reported strategic risk compared to March 2024, this was due to safeguarding risks in relation to Adult and Children's Services being combined for reporting purposes in the March update (but subsequently through 2025/26 are to be reported again separately).

The highest risks to achieving Council objectives were reported as follows:

- Medium Term Financial Position - Continuing uncertainty regarding the Council's medium term financial position given the reliance on support from Central Government, cost pressures within the existing budget (driven by increasing demand in Children's and Adults services), and major changes that are planned concerning the reform of local government funding (Review of Relative Needs and Resources) as well as the review of the business rate retention system (with a planned reset in 2026/27) and uncertainty of the sharing arrangements of the 100% GM retention scheme.

- Climate Change Emergency - Climate change can be addressed through adaption - actions that are designed to promote greater resilience to more extreme weather events, and through mitigation – actions that are intended to slow or avoid the more severe climatic impacts by reducing our greenhouse gas emissions. There are also a host of other co-benefits from climate action, such as lower air pollution levels, healthy and active lifestyles, more comfortable homes, reduced energy bills.

- Economic Uncertainty – The uncertainty regarding the fragile state of the wider economy and impact this can have on the wider business community and communities is recognised as a major risk. The Trafford Inclusive Economy Plan is a focused and longer-term plan to complement Corporate and Directorate Priorities, which maintains the Council's commitment to support businesses to grow and for communities to develop and become resilient.

- Rising Acute Population Needs - There is a risk that rising thresholds of acute population health needs (for example mental health, BMI etc) lead to system efforts being increasingly focussed on short term presenting need. This detracts from protecting proportionate investment on embedding and sustaining longer term, more cost-effective approaches for early intervention and prevention to improve population health and wellbeing outcomes.

Further detail in relation to the risks listed above is available on the Council website here : SRR March 2025

Governance

Each year the Council prepares an Annual Governance Statement (AGS) which is approved annually at the same time as these Accounts and is available on the Council's website. The Annual Governance Statement sets out how the Authority has complied with the systems and processes, culture and values in the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' and also how it meets the Accounts and Audit Regulations.

The effectiveness of the Governance Framework is also required to be undertaken on an annual basis. The review is informed by the work of the Council's executive managers, the Head of Internal Audit's annual report, by the external auditor's comments, and the results of reviews and inspections. The Accounts and Audit Committee considered the draft annual Governance Statement for 2024/25 at their meeting on 18th June 2025.

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled. The framework covers the Council's activities through which; it is accountable to, engages with, and leads its communities. It also enables the Authority to monitor performance against strategic objectives and evaluate whether those objectives are fit for purpose.

There were a number of updates on actions taken to address key governance issues reported in the 2024/25 AGS, in addition to further planned actions through 2025/26. These were in relation to:

- Managing the Council's Medium Term Financial Position.

- Continuing to establish arrangements to support measures in addressing climate change.

- Governance processes in relation to leisure services, including work to progress a new full operating agreement between Trafford Leisure CIC and Trafford Council.

- Progressing the delivery of the Trafford Inclusive Economic Delivery Plan through 2024/25 to support residents and businesses in dealing with economic uncertainty, and also planning the delivery of the new Inclusive Economy and Communities Programme 2025/2026, which was considered by the Executive in June 2025 and which details a range of measures to support an inclusive economy for the borough directly linked to the Corporate Plan Priority of 'A Thriving Economy and Homes for all'.

-Development of arrangements through the Fairer Health for Trafford Partnership to continue efforts to reduce health inequalities.

Financial Governance was also in focus, given the significant structural deficit in the budget. The Finance and Change Board continued to provide support to the Executive to identify and deliver on further income generation opportunities and service transformation and productivity initiatives that can help achieve sustainable budget proposals for future years. At the same time the Board will need to keep a close eye on the delivery of the savings programme for 2025/26.

In addition to the risks posed by the growing demand for social care, inflationary factors (particularly how they impact on future pay growth (affecting both Council staff and providers) and other macro-economic factors could have an impact on the budget position and will need to be closely monitored.

Also, there are a number of other key financial risks that the Council will need to closely monitor, including the risks associated with the Asset Investment Strategy and the role played in its Governance by the Asset Investment Board, the growing financial deficit on the school's high needs block and the volatility in the level of funding the budget is reliant on from business rates.

The Annual Governance Statement can be found on the Council's website Downloadable documents (trafford.gov.uk)

The Budget Process 2024/25

On 21 February 2024 the Executive recommended the Council approve an overall net revenue budget of £217.83m. This was adjusted during the year to £217.99m following a late notification of the Public Health grant. When preparing the Council's Medium Term Financial Strategy (MTFS) the Council makes provisional spending plans for future financial years ensuring these are balanced against the expected funding from Government, Council Tax payers and Business Rate payers. The MTFS is a three year incremental process that builds on the work and achievements of previous years, taking into account demographic, legislative and other pressures; mitigated by a series of savings proposals to ensure a balanced budget can be achieved in the coming year, and that there is financial sustainability for future years. To meet the needs of the community, the budget is divided into a number of key service areas as shown in Table 2 on page 13.

In determining the budget for 2024/25 an overall budget gap of £17.80m was addressed by a combination of additional funding from Council Tax of £6.01m, use of reserves of £5.60m and £6.20m of service savings and additional income. This means that since 2010 the Council has addressed an overall budget gap over the period of £306m.

There was a 2.99% increase in core Council Tax in April 2024 for Trafford services and a 2% increase was made in respect of the adult social care precept specifically to support adult social care costs. This increased the Band D Council Tax to £1,601.63. Band D Council Tax increased to £1,970.88 when precepts for the GMCA Mayoral Police and Crime Commissioner and GMCA Mayoral General Precept (including Fire Services) are added; ensuring Trafford had one of the lowest council tax levels in the country.

At the time of setting the budget for 2024/25 the overall gross budget gap for the next three years stood at £53.10m taking into account rising demand for adult and children's social care services and updated funding announcements.

The major factors contributing to the future budget shortfall continue to be the uncertainty in the wider economy and inflationary pressures, and cost pressures which include demographic pressures in social care and national living wage. In addition, the downturn in the aviation sector, initially triggered by the pandemic and subsequently compounded by uncertainty in the wider economy resulted in a significant loss of dividend income from investments in Manchester Airport Holdings which have yet to be reinstated at historic levels.

The Council has successfully delivered a balanced budget in previous years by prioritising an approach of growth in new funding and income streams which have reduced the requirement to make savings through reshaping services. Local income sources from council tax and retained business rates have remained relatively buoyant despite the economic uncertainty and cost of living crisis and have helped to support the budget in recent years through a continued focus on economic regeneration. This approach will be a key component of our budget strategy in future years. Despite this the future requirement to make savings remains a major issue particularly in the context of the savings made since 2010. As a consequence the continuing uncertainty regarding the Council's medium term financial position remains a key risk within the Council's strategic risk register.

Overall Performance

This section provides details on the:

a) Corporate Peer Challenge

b) Performance Monitoring

c) The management accounts position

d) The statutory accounts

Corporate Peer Challenge

In January 2025, the Local Government Association (LGA) facilitated a Corporate Peer Challenge (CPC), which is a highly valued local government improvement and assurance tool involving a comprehensive review of key finance, performance and governance information. The CPC is underpinned by the principles of Sector-led Improvement (SLI) put in place by Councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These reviews take place at least once every five years and provide robust, strategic and credible challenge and support.

The peer team considered five themes which form the core components of all Corporate Peer Challenges:

1. Local priorities and outcomes - are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?

2. Organisational and place leadership - does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?

3. Governance and culture - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?

4. Financial planning and management - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?

5. Capacity for improvement - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

The review culminated in a report which was overwhelmingly positive and provided 15 useful recommendations to support in strategic growth and improvement and forms the basis of the CPC Action Plan.

The report was published on the LGA website and presented to Executive on 16th June 2025. Details can be found at

LGA Corporate Peer Challenge Final Report

CPC Executive Report

Performance Monitoring

There are many wide-ranging and existing strategies and programmes of work underpinning the Corporate Plan and strategic priorities and all of these work together to deliver for the benefit of the residents and businesses of Trafford.

Each of the strategic priorities within the Corporate Plan has a number of key performance indicators (KPIs) with annual and/or quarterly targets which are monitored and reported, using performance dashboards at a service directorate and council priority level, some examples are given below in Table 1. In addition, Council Service metrics are also included in the regular reports, as although they are not included in the priorities, they provide a performance update for a range of services the Council provides.

Table 1

Priority Area	Sample Measure
The best start for our children and young people	% of 16-17 who are not in education, employment or training (NEET)
Healthy and independent lives for everyone	Improved conversion rate for Adults Safeguarding contacts to enquiries
A thriving economy and homes for all	Non-major planning applications determined in time
Addressing the Climate Crisis	% of Household Waste arisings which have been collected for Recycling or Composting
Culture, sport and heritage for everyone	Number of Digital Library Loans
General Council Services	Number of apprenticeships starts in the Council
	Percentage of council tax collected

Performance is monitored by individual service directorates, the Corporate Leadership Team, Executive Members and Scrutiny Committee.

Any performance concerns are shared by Corporate Directors with Executive Members and where necessary a detailed improvement plan is put in place to address these.

A red-amber-green (RAG) direction of travel rating is provided to give an indication of whether performance is improving or declining based on the target although some indicators do not have a target (for example, due to being a new indicator developed under the new Corporate Plan outcomes) and therefore have no target RAG rating.

In addition to the measurable outcomes, the Council has incorporated case studies in its performance reports and updates to the Corporate Plan showing how the outcomes of the Corporate Plan are making a real difference to resident's lives. An example of which includes the launch of Mockingbird, an exciting new support network launched for foster families in Trafford which is designed to improve stability and outcomes for children, young people, their carers and their families. It works by creating a 'constellation' of foster families around a central 'hub home' from which an experienced foster family provides guidance, sleepovers, and crisis support.

Of the key performance indicators, the majority were met to a satisfactory level, however a number fell below our expectations such as a shortfall in the number of affordable housing completions, with only 22 affordable units being completed in 2024/25. The lack of affordable units developed was raised with Developers who gave a variety of reasons including the wider economy, Building Safety Act, viability and affordable housing requirements, competing pressures on Registered Provider developers and high interest rates.

Good progress is being made towards delivering on the corporate plan priorities despite challenging circumstances which are expected to continue; increasing demand for services, persisting cost of living pressures, technological advances, financial pressures etc, thereby making early intervention, prevention and partnership working increasingly important.

Full details of the quarterly reports can be found on the Council's website. An interactive dashboard of the five corporate priorities and associated targets is also available and can be accessed on the Trafford Data Lab website: https://trafforddatalab.shinyapps.io/corporate-plan/

Performance against budget

The Council's revenue budget overspent by £347k in 2024/25. A specific report on the outturn position is available on the Council's website, which contains more details on the financial performance against budget.

Although an overspend is reported, the level of materiality is positive news, which reflects the effectiveness of the financial management practices, and those additional controls put in place to manage the forecast adverse outturn anticipated earlier in the year.

The revenue outturn against budget is summarised in Table 2 and a reconciliation between the revenue outturn (also known as the management accounts) and the statutory accounts is shown in a later section.

Table 2

Revenue Budget	Budget £m	Actual Exp £m	Variance £m	%
Children's Services	56.290	57.439	1.149	2.04%
Adult Services (excl. Public Health)	59.127	60.093	0.966	1.63%
Public Health	13.684	13.410	(0.274)	(2.00)%
Place	38.000	37.252	(0.748)	(1.97)%
Strategy and Resources	11.089	10.983	(0.106)	(0.96)%
Finance & Systems	10.538	9.951	(0.587)	(5.56)%
Legal and Governance	4.120	4.558	0.438	10.63%
Directorate Budgets	**192.848**	**193.686**	**0.838**	**0.43%**
Council-wide Budgets	25.142	24.651	(0.491)	(1.95)%
Net Service Expenditure Outturn	**217.990**	**218.337**	**0.347**	**0.16%**
Financed by:				
Business Rates	(84.183)	(84.183)	-	-

Revenue Budget	Budget £m	Actual Exp £m	Variance £m	%
Council Tax	(128.227)	(128.227)	-	-
Reserves	(5.580)	(5.580)	-	-
Funding variance	**(217.990)**	**(217.990)**	**-**	**-**
Net Revenue Outturn	**-**	**0.347**	**0.347**	**0.16%**

With regard to the net outturn position, the following issues are worthy of being highlighted:

Favourable Outturn Movements

- **Treasury Budget -** The interest rate environment continues to remain high which has generated additional investment income of **£2.32m above budget.**
- **Staffing budgets net underspend of £4.25m** due to vacancy management control, delays in recruitment, and service restructures.
- **Energy costs -** There is a **favourable outturn of £0.503m** which is largely as a result of the successful procurement strategy adopted from April 2023, along with the continuing effects of energy saving measures to reduce consumption.
- **Home to School Transport** - **£0.151m favourable** largely due to fewer days of required transport for some college placements than originally projected.
- **Children's Income has a net underspend of £0.271m.** This over achievement stems from a one-off receipt of the Homes for Ukraine, which was utilised to support staff working with these families.
- **Release of General Contingency - £674k favourable.** The Council holds a contingency for any unforeseen pressures. It was able to release £674k to help mitigate pressures in other service areas.

Adverse Outturn Movements

- **Children's placements - £2.67m overspend.** The overspend is due to an increase in demand and complexity of cases.
- **Adults demand - £1.06m overspend.** The overspend is due to an increase in demand.
- **Adults running costs - £231k overspend.** Mainly as a result of an increase in demand for external Best Interest Assessments.
- **Planning and Building Control Income - £307k shortfall.** The overspend is due to a shortfall in planning and building control applications.
- **Housing Benefit - £2.20m overspend.** Largely as a result of a significant rise in the use of Temporary Accommodation, including a material increase in the number of high cost nightly rate units due to a shortage of suitable accommodation.

Reserves

Usable reserves have decreased from a balance brought forward of £124.70m to a closing balance of £111.26m. The table below shows the movements by category with details of all reserve movements shown in Note 10:

Usable Reserves	Opening Balance 1/4/2024 £m	Closing Balance 31/03/2025 £m	Change £m
Budget Support Reserve	11.14	9.38	(1.76)
Smoothing and Business Risk	26.79	18.86	(7.93)
Strategic Priority	17.91	17.14	(0.77)
Corporate	0.69	2.87	2.18
Corporate - General Reserve	10.50	10.50	-
Service Area Priorities	12.87	10.50	(2.37)
Earmarked Reserves	**79.90**	**69.25**	**(10.65)**
Capital Related Reserves	29.19	27.29	(1.90)
School Related Reserves	15.61	14.72	(0.89)
Total Usable Reserves	**124.70**	**111.26**	**(13.44)**

The key movements of £10.65m include:

Contributions to Reserves:

- **£2.41m** to the **Budget Support** Reserve including £1.91m from the distribution of surplus waste reserves from Greater Manchester Combined Authority and £500k as planned replenishment. This will bolster this reserve to provide a level of resilience in supporting future budget plans.
- **£0.56m** to **Interest Rate Smoothing Reserve** from the savings made in the treasury budget due to delayed borrowing to cover potential higher borrowing costs over the medium term.

Contributions from Reserves include:

- **£5.58m** from **Budget Support Reserve** to support the budget as planned.
- **An additional £347k** from the **Budget Support Reserve** to meet the year end shortfall.
- A net **£5.00m** draw down from the **Business Rate Risk Reserve and Business Rates Deficit Reserve** to support the budget as planned and to smooth the impact of timing differences in receipts of income.
- **£2.4m** from the **Strategic Investment Fund reserve** in line with budget plans and also to manage the in-year shortfall in income.
- **£700k** from the **Transformation Match Funding Reserve** in line with plans.
- Other various drawdowns of **£950k**, in line with budget plans such as the Waste Levy Reserve and various Service Earmarked Reserves**.**

Capital Investment

The Capital Programme for 2024/25 was initially approved at the Council meeting of 21st February 2024 and provided the framework within which the Council's capital investments plans were to be delivered. Capital resources are allocated based on a process which affords priority to:

- ➢ Supporting the Medium-Term Financial Strategy (MTFS) with emphasis on delivering future savings and income streams;

- ➢ Supporting investment that attracts additional external funding.
- ➢ Protect the Council's asset base including ICT infrastructure;
- ➢ Ensure schemes of a health and safety nature are delivered;
- ➢ Statutory implications/impact on service delivery;
- ➢ Council objectives and priorities;
- ➢ Capacity to deliver the volume of work included in the programme;
- ➢ Availability of resources

The value of the three-year Capital Programme, covering 2024/25 to 2026/27, was set at £413.15m in February 2024. Of this, £152.20m was originally programmed for 2024/25, consisting of £74.89m for the General Programme and £77.31m for the Asset Investment Portfolio.

Financing of the investment proposals was made up of grants and contributions of £103.92m relating to specific areas of investment, e.g. schools and highways, a requirement for capital receipts of £9.59m generated from the disposal of assets, revenue and reserves contributions £3.15m, and prudential borrowing of £294.02m which is only undertaken where the investment is linked to revenue savings or the asset investment programme and it is affordable and sustainable to do so. In setting the 3-year programme all potential resources were fully utilised and the Programme included £2.47m of over-programming

Investment across the 3 years included addressing specific Council priorities:

- Leisure Centre Strategy;
- Investment in Highways;
- Cycling and Walking Initiatives;
- School places and condition works;
- One Public Estate, particularly relating to new health related provision and best use, including rationalisation of public sector assets;
- Affordable Housing and Local Authority Housing Fund investment
- Regeneration of Strategic Locations including, Stretford Civic Quarter, Sale Town Centre and the development of the Stretford Town Centre Masterplan;
- Major infrastructure schemes to support new housing development, including Carrington Relief Road - A1 Route;
- Asset Investment Strategy, including the acquisition of commercial properties, provision of senior development or investment debt and direct development of council owned sites.
- Protecting our ICT infrastructure

In October 2018 the Council approved an Investment Strategy with the objective of stimulating economic development and supporting the Council's financial resilience, whilst offering an alternative solution that can be used to address future budget gaps. An increase to the Fund was made in February 2020 of £100m meaning that the total Fund is £500m, supported by prudential borrowing.

By the end of 2024/25 a total amount of £367.2m had been made or committed to by the Investment Management Board, leaving a balance for further investment of £132.8m. This investment has provided a net benefit to support the revenue budget in 2024/25 of £5.58m, which is £0.46m less than the budgeted target for the year.

- To mitigate the risks of the programme, nationally recognised investment advisors are used as part of the due diligence process with emphasis placed on securing investments in low-risk assets;
- As part of this Strategy, the Council has set up three joint ventures with the Bruntwood Group. These entities will be responsible for the ownership and redevelopment of three key sites in Trafford; the

Stretford Mall, Stretford, the Stamford Quarter, Altrincham, and Lumina Village (K Site Ltd.), Old Trafford. These entities form part of the Council's group accounts.

- Three further joint venture companies were entered into by the Council in 2024/25: Trafford Bruntwood Stretford Resi 2A LLP and Trafford Bruntwood Stretford Resi 2B LLP, for the purpose of residential developments at Stretford Mall, and GMP Trafford LLP, joint venture partnership with the GMCA and FEC Trafford Ltd, for the purpose of residential development in Old Trafford. These new LLPs, due to the timing of development, contain no transactions in the 2024/25 financial year.

The Council spent £118.96m on its Capital Programme in 2024/25 compared to a significantly rephased programme with a revised budgeted spend of £149.27m. The capital expenditure incurred during the year and financing of this expenditure is shown in the table below.

Capital Programme	Budget 2024/25 £m	Actual Exp 2024/25 £m	Variance £m
Schools Investment	10.90	7.95	(2.95)
Supporting Infrastructure	3.46	2.53	(0.93)
Housing Services	3.08	1.88	(1.20)
Regeneration Projects	7.02	6.17	(0.85)
Highways / Transport Improvements	22.99	12.38	(10.61)
Social Services	4.22	4.09	(0.13)
ICT Investment	3.04	2.37	(0.67)
Recreation & Culture	17.25	12.80	(4.45)
General Programme	**71.96**	**50.17**	**(21.79)**
Investment Programme	77.31	68.79	(8.52)
Total Programme	**149.27**	**118.96**	**(30.31)**
FINANCED BY:			
Grants and Contributions	(48.62)	(32.78)	15.84
Capital Receipts	(9.78)	(0.79)	8.99
Earmarked Reserves	(1.74)	(1.45)	0.29
Borrowing	(89.13)	(83.94)	5.19
	(149.27)	**(118.96)**	**30.31**

The variance between the budgeted capital expenditure and the final outturn for the year was £30.31m and this will require re-profiling into 2025/26 and later years along with the associated financing.

More details of the variance can be found at: https://www.trafford.gov.uk/about-your-council/budgets-and-accounts/downloadable-documents.aspx .

Treasury Management

The Council proactively manages long term loans and long and short-term investments to minimise the interest payable on external borrowing and to generate as high an income level as possible on cash deposits commensurate with the risk to the principal invested.

Throughout 2024/25 the Council complied with its legislative and regulatory requirements, including compliance with all treasury management prudential indicators.

Debt - on 31 March 2025 the Council's total external level of debt was £379.4m compared to £332.8m on 1 April 2024. The increase of £46.4m comprises three new PWLB loans and £1.8m of short term borrowing from GMCA, there were no natural maturity loan repayments.

The Council continues to maintain a deliberate policy of being under borrowed, debt interest continues to be saved as a result of this action.

The external rate of interest payable at the end of the year was 2.95%, which compares with 2.67% at the start of the year. The following table provides further details.

	as at 31.3.24	as at 31.3.25
Average weighted maturity of long-term loans (in years)	29.88	26.78
Number of loans	21	25
Value of loans (Principal)	£332.8m	£379.4m
Loan rate	2.67%	2.94%

Investments

The Council operates its own trading function for the day to day investment of any temporary surplus cash. The Council's treasury investments, excluding cash at bank, totalled £31.0m as of 31 March 2025. This comprised of £26.4m in Money Market Funds (MMFs) and £4.6m with the CCLA. This compares to £47.8m as of 31 March 2024. In 2024/25 an average investment rate of 5.02% was achieved, which is 0.15% above the average 1 month SONIA rate of 4.87% in the same period, which is used by the Council as a benchmark. For 2023/24, the equivalent average return of the Council's investments was 5.12%.

Additionally the Council also had the following financial assets as at 31 March 2025:

- £130.4m of capital loans
- £47.8m of Manchester Airport Holdings (MAH) shareholding
- £47.2m of investments included in group accounts
- £39.1m of loans to MAH
- £14.2m cash at bank
- £12.7m of trade debtors
- £1.4m Trafford Leisure CIC
- £0.2m Homestep

Statutory Accounts

The following key matters are listed to quickly identify and summarise the salient features of the Accounts.

Comprehensive Income & Expenditure Statement (CIES):

- The deficit on the provision of services on the CIES is £3.65m (deficit of £4.29m at 23/24). However, the management accounts declare an outturn overspend of £0.35m (2023/24 £0.89m underspend). The differences between these two statements of financial performance relate to the differences in accounting practices applied, which are adjusted for in the MiRS, and a summary reconciliation between the two outturns is provided later in the Narrative Report.
- The total balance on the CIES has moved from a deficit of £66.75m to £40.12m deficit. The movement in the CIES of £26.63m primarily relates to.
- Changes in pension charges of £134.3m.
- Changes in financial assets as a result of movements in the fair value of the shares held by the Council in Manchester Airport Holdings. A gain of £26.3m in 2023/24 versus a loss of £2.9m in 2024/25, resulting a net movement of £29.2m.
- Net gains on asset revaluations of PPE £9.6m.
- A net change in financing and investment income and expenditure of £23m, mainly relating to changes in the valuations of financial assets.

- A net decrease in tax and non-specific grant income of £8.2m largely related to an increase in Council Tax of £7.27m and reductions to Non-Domestic Rates of £346k, capital grants received of £13.42m and non-ringfenced grants of £1.70m, further analysis can be seen in note 31.
- An increase in the cost of services of £18.4m

Balance Sheet:

Net assets have decreased from £685.05m to £644.94m, a decrease of £40.11m equivalent to 6% with the key movements being:

Long Term Assets – An increase of £29.64m from £1.031bn to £1.060bn.

Property, Plant and Equipment - The value of Property, Plant and Equipment has decreased by £22.64m. Land and building assets have downward revaluations of £33.3m, transfers to Right of Use assets under IFRS 16 of £13.4m and additions for completed schemes of £10.0m. Additionally, Community Assets have increased by £15.46m following completion of public realm works around Stretford Town Centre. Surplus assets have reduced by £9.35m following annual revaluation reductions of £5.3m and transfers to Assets Under Construction of £4.1m. There has also been a £9.48m net increase to Assets Under Construction due to completed schemes transferring out and additional ongoing schemes such as Trafford Magistrates Court.

Infrastructure assets - an increase of £9.78m largely due to investment in highways infrastructure of £5.4m during the year.

Right of use assets – Following the implementation of IFRS 16 £16.26m of right of use assets have been added to the balance sheet. £13.34m of these assets have been transferred from Property, Plant and Equipment.

Investment Property - The value of our Investment Properties has increased by £14.83m as a result of the annual revaluation.

Long Term Investments – A decrease has been seen in the value of our equity investments in the Manchester Airport Holdings of £2.90m. The value of our holding in the strategic investments in our Joint Ventures and the CCLA property fund has increased by £3.61m mainly due to an equity investment to support redevelopment.

Long Term Debtors – increased by £24.99m. Long term capital loans have increased by £30.20m largely due to activity relating to the Asset Investment Strategy. £44.59m of new loans including £29.32m for the debt facility at Lumina Village. £4.05m of loans were repaid and £10.35m of loans were transferred to short term debtors. Long term debtors further reduced by £6.55m due to a contribution to the credit loss allowance in line with the expected credit loss model.

Current Assets - A reduction in current assets of £27.90m from £154.26m to £126.36m.

Cash and Cash Equivalents - A £12.92m reduction in Cash and Cash Equivalents as internal cash balances have been directed towards managing the cash flow impacts of the Capital Programme, Asset Investment Programme (AIP) and the Revenue Budget.

Short Term Debtors - decreased by £12.73m partly due to the repayment of £21.1m of Capital Loans under the Asset Investment Programme. Business Rates and Council Tax debtors have increased by £3.61m and general debtors have increased by £3.86m.

Current Liabilities – An increase in current liabilities of £156k from £112.06m to £112.21m.

Short Term Borrowing – an increase of £2.21m which is mostly due to a new loan with GMCA for £1.75m.

Provisions - Following a review of business rate appeals the NNDR appears provision reduced by £1.95m.

Short Term Creditors – an increase of £2.31m including reductions in Sundry Creditors, Capital Creditors and NNDR Creditors.

Grants Receipts and Income in Advance- A £2.72m reduction in Capital and Revenue grants received in advance. £1.14m increase in NNDR and Council Tax prepayments.

Long Term Liabilities - An increase in long term liabilities of £41.70m from £387.68m to £429.38m

Pension Liability – a net decrease of £4.36m following actuarial assessment.

Deferred Liabilities - Due to the implementation of IFRS 16, £2.71m of long-term lease liabilities have been added to the balance sheet, representing the obligation to make future lease payments under right-of-use assets.

Long Term Borrowing - increased by £44.83m largely due to new PWLB loans largely used to finance the increased investment in the Asset Investment Programme and reduce the level of under borrowing (use of internal resources) as part of the Treasury Management Strategy

Usable and Unusable Reserves - The bottom part of the balance sheet reflects a decrease in reserves of £40.11m mirrored by the change in net assets above.

Usable Reserves - decreased by £13.45m from £124.7m to £111.26m. The largest movement reflects a reduction in Earmarked Reserves, Capital and Schools Reserves of £13.45m, as explained in detail on page 78. Details of reserve movements are shown in Note 10.

Unusable Reserves - reduced by £26.67m from £560.35m to £533.69m of which a decrease in the Revaluation Reserve of £38.37m representing the changes in asset revaluations as described above and a £10m increase to the DSG deficit reserve. Partially offset by a £20.57m increase to the Capital Adjustment Account as a result of IFRS accounting adjustments.

Collection Fund – Council Tax

The Council collected Council Tax in 2024/25 on behalf of itself, the Greater Manchester Combined Authority (Mayoral, Police and Fire), Partington, Carrington and Warburton Parish Town Councils.

Details of the Collection Fund can be found on page 159, which shows there was an in-year deficit of £195k (surplus £(1.091)m in 2023/24) of which £1.098m related to the distribution of prior years' balances (£30k distributed in 2023/24), leaving a surplus of £(905)k relating to 2024/25 (£(1.120)m surplus in 2023/24).

The surplus of £903k relating to 2024/25 was the result of:

- £675k above budget contribution to expected credit loss (Bad Debt Provision) as a result of a reduction to the in-year cash collection rate.
- £193k shortfall in tax base income. Increasing trends in claims for discounts and reliefs e.g., Single Person Discount placed further pressure resulting in a shortfall in the core tax base.
- £(1.772)m positive variance under budget due to lower take up of the Local Council Tax Support Scheme.

The in-year deficit of £195k was added to a brought forward accumulated surplus balance of £(1.266)m, to arrive at a year-end accumulated surplus balance of £(1.071)m.

This accumulated surplus is apportioned to the Council, the GMCA Mayoral Police and Crime Commissioner and the GMCA Mayoral General Precept (including Fire Service) on a proportionate basis. Trafford's share of the surplus is £(871)k (£(1.029)m surplus in 2023/24) which will be distributed over the next two financial years in line with Government regulations.

Collection Fund - Business Rates

The Council collected business Rates in 2024/25 on behalf of itself and the Greater Manchester Combined Authority (including Fire Services).

Details of the Collection Fund can be found on page 159, which shows there was an in-year deficit of £0.459m (deficit £18.784m in 2023/24) of which £1.265m to related to the distribution of prior years' balances (£20.36m distributed in 2023/24), leaving a surplus of £(806)k relating to 2024/25 (£(1.573m surplus in 2023/24).

The 2024/25 surplus of £806k was largely due to:-

- a shortfall in gross rates of £8.3m largely due to successful appeals and the associated backdated cost of appeals relating to the 2023 rating list. Furthermore, there was a reduction in rates payable due to refurbishments at the Trafford Centre.
- a reduction in the amount of reliefs, resulting in a benefit of £2.2m to the Collection Fund.
- A benefit of £6.87m of accounting adjustments, predominantly due to the release of £8.0m appeals provision to offset the charge above. Additionally, there has been an adverse movement of £998k due to a lower than expected collection of in year and historic debt.

The overall in year deficit of £0.459m Is added to the brought forward accumulated surplus of £1.245m to arrive at a year-end accumulated surplus of £786k.

This accumulated surplus is apportioned to the Council and the GMCA Mayoral General Precept (including Fire Service) on a proportionate basis of 99% and 1% respectively. Trafford's share of the surplus of £(0.778)m will be distributed over the next two financial years in line with Government regulations.

The Council continues to participate in the 100% business rates pilot, along with the remaining GM districts. The pilot results in the Government's share of business rates growth being retained within Greater Manchester, the current sharing agreement enables the Council to retain 75% of the benefit of its growth with 25% going to Greater Manchester Combined Authority.

Reconciliation between Statutory Accounts and Management Accounts

The Council's management accounts outturn position is an overspend of £347k (analysed above), whereas the (Surplus)/Deficit on the Provision of Services in the CIES on pages 30 shows a deficit of £3.65m.

The differences between the CIES and the Council's management accounts are adjusted for in the Movement in Reserves Statement (MiRS) (pages 34 to 35) and further analysed in the Expenditure and Funding Analysis (page 37). The MiRS statement reconciles the surplus on provision of services in the CIES to the movement in the General Fund and Earmarked Balances (first two columns of the MiRS, with detail in note 9).

The net decrease in the General Fund and Earmarked Reserves is £21.7m, as detailed below:

CIES account reconciled to outturn	£m
CIES Account (Surplus)/Deficit on Service Provision	**3.6**
Accounting adjustments in MiRS:	
- Capital charges and Capital Grants	10.2
- Pensions	9.3
- Collection Fund and Other Adjustments	(1.1)
Total Accounting adjustments	**18.4**
Net Transfers to/(from) reserves	
-Net transfer to/(from) schools reserves	(0.9)
-Net transfer to/(from) schools DSG Deficit reserve	(10.0)
-Net transfer to/(from) Other earmarked reserves	(10.8)
-Net transfer to/(from) General Reserve	0
Total Net transfers to/(from) earmarked reserves	**(21.7)**
Total Management Outturn (under)/Overspend	**0.4**

Schools

At the end of 2024/25 the Council maintained 48 primary schools, 5 secondary schools, 3 special schools and 1 Pupil Referral Unit (57 in total) for which the year-end balances were included within the Council's balance sheet. Seven of the Council's schools carried over deficit revenue balances at the end of the year. Schools may carry forward any surplus/deficit in expenditure for the year from one financial year to the next. School revenue balances for 2024/25 decreased by £917k when compared to 2023/24, from £(15.568)m to £(14.651)m. School capital balances increased by £21k from a surplus of £(44)k to a surplus of £(65)k.

Schools with balances that exceed the recommended maximum (8% primary and special schools, 5% secondary schools) are requested to submit information detailing how they have accrued balances and how they intend to utilise them. Two Voluntary Aided schools transferred to Academy status during 2024/25.

The net DSG position at the end of 2024/25 was a deficit of £19.74m (a deficit of £9.72m in 23/24). The DSG deficit is included within the Movement in Reserves Statement as an unusable reserve. This is the result of the introduction on 29 November 2020 of a Statutory Instrument to amend the Local Authorities (Capital Finance and Accounting) Regulations 2003 by establishing new accounting practices in relation to the treatment of schools' budget deficits. The aim is to ensure that DSG deficits are ringfenced and held separately from General Fund resources so that specific measures can be put in place to address the deficits without placing pressure on resources required for other essential services.

Outlook

The pressures on the Council and its finances remain challenging as a result of the consequences of macro-economic uncertainty, the cost of living crisis, volatility in the levels of inflation and ongoing global conflict. In recent months, there have been several positive messages regarding the economy, such as the downward trajectory in the rate of inflation, an expectation that interest rates will continue to be cut during the year and the UK economy recording growth, however this sentiment must be managed alongside a significant budget gap in the Council's Medium Term Financial Plan.

The Government direction on local government finance has been unclear for some time, however some clarity on the level of departmental budgets was provided in the Spending Review 2025 announced in June 2025. However, significant uncertainty surrounds the fair funding review of the relative need of authorities, which will result in a redistribution of resources nationally through updated baseline funding levels. Early indications suggest that proposals to reallocate resource weighted more towards deprivation will impact the council. The resetting of the business rates retention schemes has now been confirmed to take place in 2026/27. There also remains a great deal of uncertainty regarding the mechanism how the accumulated benefits from business rates will be tapered down. This is a particularly high risk to the Council given the approximate £15.0m of benefits above baseline it receives.

The Government has continued to consult on the fair funding proposals during 2025, however firm details of the impact will not be known until the Local Government Settlement in Autumn 2025. The council continues to lobby government to offer a degree of protection to low funded and well run councils like Trafford.

The Government has already set out a commitment to allow local authorities to retain 100% of business rates growth from previously announced details of devolution deals with Greater Manchester and West Midlands Combined Authorities which will be used to set the blueprint for deeper devolution across the rest of England. As part of the deals, government has committed to give Greater Manchester and West Midlands Combined Authorities additional business rates through Growth Zones which will be retained locally.

Trafford, like many Councils is experiencing significant pressure within the High Needs Block of the Dedicated School Grant and, as detailed above, at year end 2024/25 had an accumulated deficit of £19.7m. The Government made regulations which ring-fence DSG deficits from councils' wider financial position in their statutory accounts. DSG deficits can no longer be paid off from general funds without requesting permission from the Secretary of State. MHCLG has allowed local authorities to exclude these deficits from their main revenue budgets, termed "Statutory Override". The override is only in place until 31st March 2028 and a fair an appropriate solution is awaited from Government.

Future Budgets

Over the last few years significant budgetary pressure has been felt by councils across the country, with the Local Government Association identifying a structural funding gap in the sector of £6.2 billion across 2025/26 and 2026/27 and evidenced by the increasing number of council's seeking Exceptional Financial Support and ultimately Section 114 (effectively, bankruptcy) notices issued in recent years.

The council has not been complacent and embarked on a bold and ambitious Finance and Change Programme in 2022 to identify substantial and permanent savings and investment in further transformational delivery of our services. Significant savings have been implemented since the programme was established and in 2025 the programme has a renewed focused on themes centred around Children's and Adults Transformation, Temporary Accommodation elimination, digital, smarter working and single contact/front door.

Further, The Chartered Institute of Public Finance and Accountancy (CIPFA) were invited to do a Financial Resilience Review in 2024. CIPFA determined that the council has a proactive approach to understanding responses to financial challenges, with clear, comprehensive and timely reporting on its financial position and a positive track record of delivering savings. No major audit concerns were reported, and specific strengths were found across the review. Their findings specifically raised the fact that the historic funding position faced by the Council creates a significant challenge and unless there is a change in Central Government funding methodology, the challenges will remain.

With this as the context, the Council had to take the considered and responsible decision to ask Government for help, known as Exceptional Financial Support, to balance the budget in 2025/26. Approval was granted to a bespoke Council Tax referendum principle of 7.50% and a capitalisation loan facility of £9.6m.

The Authority approved its budget for 2025/26 at the Full Council Meeting on 3 March 2025 and whilst I, the Director of Finance and Systems, made it clear in the budget report that the proposals can secure a robust budget for 2025/26, supplemented by the short-term use of one-off reserves and capitalisation loan, the use of reserves to balance the budget is not sustainable and cannot be used to avoid the requirement for permanent savings.

I also expressed my concern that the budget gap of £35m over the next two financial years with £28.0m in 2026/27, cannot be addressed through transformational savings alone and will also need a rebalancing of the Council's overall funding position; something which the council will continue to lobby Government for.

Further information on the planned future expenditure and the financial environment of the Council can be found in the Council's 2025/26 Budget and 2025/28 Capital Investment Programme and Prudential Indicators Reports, which can be found on the Council's website.

Receipt of Further Information

If you would like to receive further information about these accounts then please do not hesitate to contact me at Financial Management, Finance and Systems Directorate, Trafford Council, Town Hall, Talbot Road, Stretford M32 0TH.

Graeme Bentley CPFA

Director of Finance and Systems

25th July 2025

Explanation of the Financial Statements

Please note that a glossary of terms can be found on page 184.

A description of the responsibilities of the Council regarding the Accounts 2025 is provided at page **Error! Bookmark not defined.**. These accounts are subject to audit and the External Auditor's Certificate and Opinion will be shown on page 29 once completed.

The Accounts are drawn from systems which in themselves must operate satisfactorily in order for the figures to be true and dependable. More information on the effective operation of the Council's systems, governance arrangements and control environment can be found in the Annual Governance Statement (AGS). The AGS does not form part of the Accounts, but it is published alongside so that it can be read in conjunction.

There can be choices in accounting conventions and/or treatment that would be more practical for a given organisation in order for it to show a truer reflection of economic activity or value. The Council's choices are outlined in detail in the Accounting Policies (note 3) on pages 48 to 65.

The main financial statements that make up the Accounts (pages 30 to 36) are: the Comprehensive Income and Expenditure Statement (CIES); Balance Sheet; Movement in Reserves Statement (MiRS) and, Cash Flow Statement. These are explained in summary below, with a full explanation included with each statement in the main accounts.

The Comprehensive Income and Expenditure Statement (page 30) shows the Council's financial performance for the year, measured in terms of the resources consumed and generated, as defined in the Code, over the period 1 April 2024 to 31 March 2025. However, the Council is required to set its budget and raise Council Tax on a different accounting basis than the Code, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the assets are consumed (e.g. cash is paid out when an asset is purchased, however it is charged to CIES as it depreciates).
- Regulation and the Council's management accounts make distinction between capital and revenue income. Under the Code all income is treated the same and is accounted for in the CIES where required.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned and become committed.

The variations in accounting treatment between the Council's management accounts and (financial) Accounts 2025 are adjusted for within the Movement in Reserves Statement on pages 34 to 35, with more detail in note 9 on pages 72 to **Error! Bookmark not defined.**. A summary reconciliation between the CIES net loss and the management accounts net declared overspend position is provided in the narrative report.

The MiRS (pages 34 to 35) also shows the movements in reserves of the Council for the year split between usable and unusable reserves. Unusable reserves relate to accounting adjustments for the differences between management and financial accounting treatment and are not 'cash backed' and cannot be used to support service activity.

The total net worth of the Council, total assets less total liabilities, as a statement of value is listed on the Balance Sheet on pages 32 to 33.

The Cash Flow statement (page 36) provides summary figures on the total movements in cash for the year and how it has been applied on three types of financial activity: inflows and outflows caused by core business operations, changes in equipment, assets or investments related to investing activities and changes in debt, loans or dividends from financing activities.

Explanatory notes to the primary statements are provided on pages 37 to 165. These notes expand on the figures, providing greater detail and information as prescribed or as necessary. Included within these notes is a statement on 2024/25 capital expenditure and how this was financed on pages 135.

The Council has the responsibility for collecting all Council Tax due in the Borough on behalf of itself, the GMCA Mayoral Police and Crime Commissioner, the GMCA Mayoral General Precept (including Fire Services) and Parish Councils. It also has the responsibility for collecting all Non-Domestic Rates (Business Rates) on behalf of itself and the GMFRA. The financial activity relating to local taxation is contained in the Collection Fund statement, pages 159 to 160.

Main Changes to the Core Statements and Significant Transactions in 2024/25

Pension Valuation

At 31 March 2025 the Council had a net liability of £27.66m, which compares with a net liability of £32.02m at 31 March 2024, a decrease of £4.36m.

The pension movements shown within the CIES are £1.92m in Cost of Services, £7.38m Financing and Investment Income and Expenditure and £4.94m in Other Comprehensive Income and Expenditure. These significant movements are the result of changes in the financial assumptions used by the pension fund Actuary (Hymans-Robertson). These assumptions are determined by the Actuary and represent the market conditions at the reporting date. The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

New Debt and purchase of investment properties

In October 2018 the Council agreed an updated investment strategy with the objective of supporting the Council's resilience in the short term, offering an alternative solution to address future funding gaps, whilst investing in opportunities which support the Council's Priorities. This strategy was reviewed in February 2020, and it was agreed for the Council to continue to grow its investment with the fund value limit increased to a potential £500m. During 2024/25 investment continued into schemes agreed previously by Investment Management Board, at a total value of £68.8m. In addition, a number of investments were repaid in year, with a total value of £43.0m. Total net investments at 31st March 2025 had a value of £270.3m.

MAH shares valuation

A firm of financial experts and valuers have been engaged by the Council to provide an independent valuation which includes reviewing the financial performance, stability and business assumptions of the Manchester Airport Holdings. As at 31 March 2025 the Council's valuers advised of a decrease of £2.9m in the fair value Council share from £46.3m to £43.4m which has been reflected in the financial statements.

There are two elements to the valuation as follows:

- The main shares in MAH have been revalued downwards by £2.9m from £46.3m to £43.4m.
- An equity investment in Manchester Airport Car Park (Project Apollo) made by the Council (along with the other nine Greater Manchester District Councils) who have each invested £5.61m which was used to assist in funding the capital build of a car park in return for the issue of 3 C Shares in Manchester Airport Car Park Limited. An initial payment of £1.87m was made in 2019/20 and further payments totalling £3.74m made in 2020/21. No further payments have been made. The shares are valued on an annual basis and in in 2024/25 there was no change, with the valuation remaining at £4.40m.

MAH Interest on Loans

Along with the MAH shareholdings mentioned above, the Council also holds a number of investment loans which were advanced over a number of years to support the long-term development of the airport.

All MAH loans attract interest which is included in the CIES under Financing and Investment Income and Expenditure. Since 2020, due to the impact of the pandemic, the collection of all interest payments has been reduced in previous years with the accumulated interest held as a Long-Term Debtor with a balance of £9.50m as at 31st March 2025. MAH have now resumed annual interest payments and begun to repay previously deferred income.

Land and Property Revaluations

There has been a significant decrease in Property Plant and Equipment of £38.90m largely due to revaluations downwards. The Council appointed a new valuer in year (CBRE) whereas previous valuations were carried out internally. CBRE have used different methodologies for some assets and have access to a broader range of comparable data

Borrowing

At 31 March 2025 the Council's total external level of debt was £377.7m compared to £332.8m at 1 April 2024. The increase of £44.9m comprises three new PWLB loans, there were no natural maturity loan repayments.

Academy School Transfer of Assets

Two Voluntary Aided schools transferred to Academy status during 2024/25.

IFRS16

The introduction of the new accounting standard for leases, IFRS 16, has led to a significant change in the accounting treatment for leases and their presentation in the financial statements. Previously a distinction was made between operating leases, where the lessee makes periodic payments for the use of an asset but has no rights of ownership, and finance leases, where the lessee is granted the risks and rewards of ownership and in many cases gains ownership at the end of the lease term. Finance leases were brought onto the balance sheet whereas operating leases were simply a revenue cost. Following the introduction of IFRS 16 this distinction has been removed, and all leases must be brought onto the balance sheet, with the exception of certain exclusions for short term leases or low value assets.

Following the adoption of IFRS 16 the Council has lease liabilities of £3.6m and a new class of right-of-use assets with a combined value of £16.3m

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

Responsibilities of the Chief Finance Office

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and the Update to the Code and Specifications for Future Codes for Infrastructure Assets (Nov 22).

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Chief Finance Officer has also:

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

Certification

By the Chief Finance Officer

I certify that the Statement of Accounts set out on the following pages gives a true and fair view of the financial position of Trafford Borough Council at 31 March 2025, and its expenditure and income for the year ended 31 March 2025.

Graeme Bentley CPFA

Director of Finance and Systems

25th July 2025

Audit opinion

These accounts are subject to audit and the External Auditor’s Certificate and Opinion will be shown on this page once completed.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

About this Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with 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.

2023/24			Year ended 31 March	2024/25			
Gross Exp £000	**Gross Inc £000**	**Net Exp £000**	**Service**	**Note**	**Gross Exp £000**	**Gross Inc £000**	**Net Exp £000**
281,602	(204,629)	76,973	Children's Services		314,415	(229,186)	85,229
145,211	(71,311)	73,900	Adults Services		156,101	(81,157)	74,944
60,723	(17,703)	43,020	Economic Growth Environment and Infrastructure		70,081	(22,992)	47,089
4,968	(858)	4,110	Governance and Community Strategy		5,664	(1,112)	4,552
17,037	(4,659)	12,378	Finance and Systems		17,091	(4,787)	12,304
17,486	(7,184)	10,302	People and Traded Services		19,777	(8,224)	11,553
53,507	(50,917)	2,590	Council Wide		59,744	(55,241)	4,503
580,534	**(357,261)**	**223,273**	**Cost of Services**		**642,876**	**(402,702)**	**240,174**
51,306	(18,364)	32,942	Other Operating Expenditure	11	34,304	(1,363)	32,941
65,521	(73,278)	(7,757)	Financing and Investment Income and Expenditure	12	55,919	(89,417)	(33,498)
-	(244,172)	(244,172)	Taxation and Non-Specific Grant Income and Expenditure	13/31	-	(235,970)	(235,970)
		4,286	**(Surplus) or Deficit on Provision of Services**				**3,647**
			Items that will not be subsequently classified in the Deficit on Provision of Services				
		134,971	Re-measurement of Net Defined Pension Asset Benefit / Liability	22(v)			4,936
		(46,212)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	14			28,635
			Items that will be subsequently classified in Deficit on Provision of Services				

2023/24			Year ended 31 March	2024/25			
Gross Exp £000	**Gross Inc £000**	**Net Exp £000**	**Service**	**Note**	**Gross Exp £000**	**Gross Inc £000**	**Net Exp £000**
		(26,300)	(Surplus) or deficit on financial assets measured at fair value through other comprehensive income	22(ii)			2,900
		62,459	**Other Comprehensive (Income) and Expenditure**				**36,471**
		66,745	**Total Comprehensive (Income) and Expenditure**				**40,118**

BALANCE SHEET

About this Statement

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

31 March 2024 £000		Notes	31 March 2025 £000
526,513	Property, Plant & Equipment	14	487,612
188,300	Infrastructure Assets	14a	198,079
-	Right of Use Assets	14b	16,258
967	Heritage Assets		962
94,627	Investment Property	15	109,458
4,455	Intangible Assets		6,441
98,898	Long Term Investments	16	99,604
116,775	Long Term Debtors	17	141,761
1,030,535	**Long Term Assets**		**1,060,175**
67	Short Term Investments	16	61
3,278	Assets Held for Sale		2,468
106	Inventories		106
97,280	Short Term Debtors	17	83,119
53,528	Cash and Cash Equivalents	18	40,606
154,259	**Current Assets**		**126,360**
(2,036)	Short Term Borrowing	16	(4,248)
(78,242)	Short Term Creditors	19	(81,697)
(15,824)	Short Term Provisions	20	(13,265)
(3,938)	Grants Receipts in Advance (Revenue)	31	(3,702)
(12,017)	Grants Receipts in Advance (Capital)	31	(9,301)
(112,057)	**Current Liabilities**		**(112,213)**

Balance sheet (continued)

31 March 2024 £000		Notes	31 March 2025 £000
(9,519)	Provisions	20	(9,281)
(333,439)	Long Term Borrowing	16	(378,268)
(180)	Revenue Grants & Contributions – Long-Term Receipts in Advance (Funding of REFCUS)	31	(103)
(7,931)	Grant Receipts in Advance (Capital)	31	(7,642)
(32,023)	Other Long-Term Liabilities – Pensions	37	(27,659)
(4,592)	Other Long-term liabilities – Deferred	19	(6,429)
(387,684)	**Long Term Liabilities**		**(429,382)**
685,053	**Net assets**		**644,940**
(10,500)	General Fund Balance	10	(10,500)
(86,008)	Earmarked General Fund Reserves	10	(74,004)
(1,425)	Capital Receipts Reserve	MiRS	(1,534)
(693)	Revenue Grants Unapplied (Funding of REFCUS)		(751)
(26,074)	Capital Grants Unapplied	21	(24,466)
(124,700)	**Usable Reserves**	21	**(111,255)**
(560,353)	**Unusable Reserves**	22	**(533,685)**
(685,053)	**Total Reserves**		**(644,940)**

Graeme Bentley CPFA

Director of Finance and Systems

25th July 2025

MOVEMENT IN RESERVES STATEMENT

About this Statement

This statement shows the movement from the start of the year to the end 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 Movement in Reserves 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 Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance as at 31 March 2024	**(10,500)**	**(86,012)**	**(96,512)**	**(1,425)**	**(693)**	**(26,074)**	**(124,705)**	**(560,352)**	**(685,057)**
MOVEMENT IN RESERVES DURING 2024/25									
(Surplus) or deficit on the provision of services	3,647	-	**3,647**	-	-	-	3,647	-	**3,647**
Other Comprehensive Income and Expenditure	-	-	**-**	-	-	-	-	36,471	**36,471**
Total Comprehensive Income and Expenditure	**3,647**	**-**	**3,647**	**-**	**-**	**-**	**3,647**	**36,471**	**40,118**
Adjustments between accounting basis & funding basis under regulations (note 9)	18,382	-	**18,382**	(109)	(58)	1,608	19,823	(19,823)	**-**
Net (Increase)/Decrease before transfers to Earmarked Reserves	**22,029**	**-**	**22,029**	**(109)**	**(58)**	**1,608**	**23,471**	**16,648**	**40,118**
Transfers (to)/from Earmarked Reserves (note 10)	(22,029)	12,008	**(10,021)**	-	-	-	(10,021)	10,021	**-**
(Increase)/Decrease in 2024/25	**-**	**12,008**	**12,008**	**(109)**	**(58)**	**1,608**	**13,450**	**26,669**	**40,118**
Balance as at 31 March 2025	**(10,500)**	**(74,004)**	**(84,504)**	**(1,534)**	**(751)**	**(24,466)**	**(111,255)**	**(533,685)**	**(644,940)**

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance as at 31 March 2023	**(9,500)**	**(69,890)**	**(79,390)**	**(629)**	**(461)**	**(20,632)**	**(101,112)**	**(650,691)**	**(751,800)**
MOVEMENT IN RESERVES DURING 2023/24									
(Surplus) or deficit on the provision of services	4,287	-	4,287	-	-	-	4,287	-	4,287
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	62,459	62,459
Total Comprehensive Income and Expenditure	**4,287**	**-**	**4,287**	**-**	**-**	**-**	**4,287**	**62,459**	**66,745**
Adjustments between accounting basis & funding basis under regulations (note 9)	(13,163)	-	(13,163)	(796)	(232)	(5,443)	(19,634)	(19,634)	-
Net (Increase)/Decrease before transfers to Earmarked Reserves	**(8,877)**	**-**	**(8,877)**	**(796)**	**(232)**	**(5,443)**	**(15,347)**	**82,093**	**66,745**
Transfers (to)/from Earmarked Reserves (note 10)	7,877	(16,122)	(8,245)	-	-	-	(8,245)	8,245	-
(Increase)/Decrease in 2023/24	**(1,000)**	(16,122)	**(17,122)**	**(796)**	**(232)**	**(5,443)**	**(23,593)**	**90,338**	**66,745**
Balance as at 31 March 2024	**(10,500)**	**(86,012)**	**(96,512)**	**(1,425)**	**(693)**	**(26,074)**	**(124,705)**	**(560,352)**	**(685,057)**

CASH FLOW STATEMENT

About this Statement

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

2023/24 £000	Year Ended 31 March	2024/25 £000
4,287	Net (surplus) or deficit on the provision of services	3,647
(43,581)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 23a)	(14,814)
43,518	Adjustments for items included in the net surplus or deficit on the provision of services that are investing or financing activities (Note 23b)	29,706
4,223	**Net cash flows from Operating Activities**	**18,539**
4,550	Investing Activities (Note 24)	39,976
(7,126)	Financing Activities (Note 25)	(45,593)
1,647	**Net (increase) or decrease in cash and cash equivalents**	**12,922**
(55,175)	Cash and cash equivalents balance at the beginning of the reporting period	(53,528)
(53,529)	**Cash & cash equivalents at the end of reporting period (Note 18)**	**(40,606)**

Notes to the accounts

1) Expenditure and Funding Analysis

About this Statement

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates [services or departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

1. (a) Expenditure and Funding Analysis

2024/25	As reported for Management Accounts Outturn £000	Adjustments to arrive at the net amount chargeable to the General Fund (note 1b) £000	Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis (note 1b) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children's Services	57,440	10,752	68,192	17,037	85,229
Adults and Wellbeing Service	73,503	1,563	75,066	(122)	74,944
Place	37,251	5,356	42,607	4,482	47,089
Legal and Governance	4,558	55	4,613	(61)	4,552
Finance and Systems	9,952	1,187	11,139	1,165	12,305
Strategy and Resources	10,982	(760)	10,222	1,331	11,553
Council Wide Services	24,651	(25,881)	(1,230)	5,733	4,503
Net Cost of Services	**218,337**	**(7,728)**	**210,609**	**29,565**	**240,174**
General Fund Financing	(218,337)	218,337	-	-	-
Other Operating Expenditure	-	33,132	33,132	(191)	32,941
Financing & Investment Income & Expenditure	-	(13,543)	(13,543)	(19,955)	(33,498)
Taxation and Non-Specific Grant Income	-	(208,169)	(208,169)	(27,801)	(235,970)
Total Other Income and Expenditure	**(218,337)**	**29,757**	**(188,580)**	**(47,945)**	**(236,526)**
(Surplus) or Deficit	**-**	**22,029**	**22,029**	**(18,382)**	**3,647**

The table below shows the comparative information for 2023/24

2023/24	As reported for Management Accounts Outturn £000	Adjustments to arrive at the net amount chargeable to the General Fund (note 1b) £000	Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis (note 1b) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children's Services	51,774	5,883	57,657	19,315	76,972
Adults and Wellbeing Service	71,683	1,604	73,287	614	73,901
Place	37,894	2,870	40,764	2,256	43,020
Legal and Governance	4,081	56	4,137	(27)	4,110
Finance and Systems	9,471	1,715	11,186	1,191	12,377
Strategy and Resources	10,414	(1,310)	9,104	1,199	10,303
Council Wide Services	22,096	(23,394)	(1,298)	3,888	2,590
Net Cost of Services	**207,413**	**(12,576)**	**194,837**	**28,436**	**223,273**
General Fund Financing	(208,306)	208,306	-	-	-
Other Operating Expenditure	-	32,703	32,703	239	32,942
Financing & Investment Income & Expenditure	-	(16,371)	(16,371)	8,615	(7,756)
Taxation and Non-Specific Grant Income	-	(220,046)	(220,046)	(24,126)	(244,172)
Total Other Income and Expenditure	**(208,306)**	**4,592**	**(203,714)**	**(15,272)**	**(218,987)**
(Surplus) or Deficit	**(893)**	**(7,984)**	**(8,877)**	**13,164**	**4,287**

The table below reconciles between the opening and closing balances of the General Fund (including earmarked reserves). Additional information on the movement in General Fund balances can be found on the Movement in Reserves Statement.

Movement in General Fund	2023/24 £000	2024/25 £000
Opening General Fund as at 1 April	(79,390)	(96,512)
(Surplus) or Deficit on the General Fund in year	(17,122)	12,008
Closing General Fund as at 31 March	**(96,512)**	**(84,504)**

1. (b) Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund balance to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

2024/25 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	**Levies and Precepts reported at Directorate Level/ GF Financing £000**	**Interest Payable, receivable, Other Investment Income and Trading profit reported at Directorate Level £000**	**Tax and Non-Specific Grants and general funding reported at Directorate Level/ GF Financing £000**	**Investment Property Income and Expenditure reported at Directorate Level £000**	**Reserve Movements reported at Directorate Level/ GF Financing £000**	**Total Adjustments to arrive at the net amount chargeable to the General Fund £000**
Children's Services	-	(7)	61	-	10,698	**10,752**
Adults and Wellbeing Service	-	-	136	-	1,427	**1,563**
Place	(16,104)	11,535	12	6,545	3,368	**5,356**
Legal and Governance	-	-	-	-	55	**55**
Finance and Systems	-	-	969	-	218	**1,187**
Strategy and Resources	-	(1,132)	-	-	372	**(760)**
Council Wide Services	(16,891)	(3,398)	632	-	(6,224)	**(25,881)**
Net Cost of Services	**(32,995)**	**6,998**	**1,810**	**6,545**	**9,914**	**(7,728)**
General Fund Financing	(137)	-	206,359	-	12,115	**218,337**
Other Operating Expenditure	33,132	-	-	-	-	**33,132**
Financing & Investment Income & Expenditure	-	(6,998)	-	(6,545)	-	**(13,543)**
Taxation and Non-Specific Grant Income	-	-	(208,169)	-	-	**(208,169)**
Total Other Income and Expenditure	**32,995**	**(6,998)**	**(1,810)**	**(6,545)**	**12,115**	**29,757**
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	**-**	**-**	**-**	**-**	**22,029**	**22,029**

	Adjustments between Accounting Basis and Funding Basis 2024/25			
2024/25 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	**Adjustments for capital purposes £000 (i)**	**Net change for pension adjustment £000 (ii)**	**Other differences £000 (iii)**	**Total adjustments between accounting & funding basis £000**
Children's Services	18,569	(1,951)	419	17,037
Adults and Wellbeing Service	309	(436)	6	(122)
Place	4,749	(302)	34	4,482
Legal and Governance	3	(73)	8	(61)
Finance and Systems	1,442	(284)	7	1,165
Strategy and Resources	1,578	(265)	18	1,331
Council Wide Services	4,346	1,389	(1)	5,733
Net Cost of Services	**30,996**	**(1,923)**	**491**	**29,565**
Other Operating Expenditure	(190)	-	(1)	(191)
Financing & Investment Income & Expenditure	(12,578)	(7,377)	-	(19,955)
Taxation and Non-Specific Grant Income	(28,414)	-	613	(27,801)
Total Other Income and Expenditure	**(41,182)**	**(7,377)**	**612**	**(47,947)**
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	**(10,186)**	**(9,299)**	**1,103**	**(18,382)**

2023/24 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Levies and Precepts reported at Directorate Level/ GF Financing £000	Interest Payable, receivable, Other Investment Income and Trading profit reported at Directorate Level £000	Tax and Non-Specific Grants and general funding reported at Directorate Level/ GF Financing £000	Investment Property Income and Expenditure reported at Directorate Level £000	Reserve Movements reported at Directorate Level/ GF Financing £000	Total Adjustments to arrive at the net amount chargeable to the General Fund £000
Children's Services	-	-	54	-	5,829	5,883
Adults and Wellbeing Service	-	-	136	-	1,469	1,605
Place	(15,748)	12,162	52	7,101	(697)	2,870
Legal and Governance	-	-	-	-	56	56
Finance and Systems	-	-	1,047	-	668	1,715
Strategy and Resources	-	(944)	-	-	(367)	(1,311)
Council Wide Services	(16,851)	(1,948)	2,224	-	(6,819)	(23,394)
Net Cost of Services	**(32,599)**	**9,270**	**3,513**	**7,101**	**139**	**(12,576)**
General Fund Financing	(104)	-	216,533	-	(8,123)	208,306
Other Operating Expenditure	32,703	-	-	-	-	32,703
Financing & Investment Income & Expenditure	-	(9,270)	-	(7,101)	-	(16,371)
Taxation and Non-Specific Grant Income	-	-	(220,046)	-	-	(220,046)
Total Other Income and Expenditure	**32,599**	**(9,270)**	**(3,513)**	**(7,101)**	**(8,123)**	**4,592**
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	**-**	**-**	**-**	**-**	**(7,984)**	**(7,984)**

2023/24 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments between Accounting Basis and Funding Basis 2023/24 Adjustments for capital purposes £000 (i)	Net change for pension adjustment £000 (ii)	Other differences £000 (iii)	Total adjustments between accounting & funding basis £000
Children's Services	19,806	(736)	245	19,315
Adults and Wellbeing Service	754	(175)	35	614
Place	2,337	(108)	27	2,256
Legal and Governance	(5)	(28)	5	(28)
Finance and Systems	1,291	(109)	10	1,192
Strategy and Resources	1,294	(100)	4	1,199
Council Wide Services	3,028	860	1	3,889
Net Cost of Services	**28,505**	**(396)**	**327**	**28,436**
Other Operating Expenditure	239	-	-	239
Financing & Investment Income & Expenditure	13,274	(4,659)	-	8,615
Taxation and Non-Specific Grant Income	(41,837)	-	17,710	(24,127)
Total Other Income and Expenditure	**(28,324)**	**(4,659)**	**17,710**	**(15,273)**
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	**181**	**(5,055)**	**18,037**	**13,163**

(i) Adjustments for Capital Purposes

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

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;

- **Finance and investment income and expenditure** – the statutory charges for capital financing, i.e. Minimum Revenue Provision (MRP) and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices (GAAP);

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

(ii) Net Change for Pension Adjustments

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

- **For the net cost of services –** the removal of the employer pension contributions made by the Council as determined by statute and their 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 Comprehensive Income and Expenditure Statement (CIES).

(iii) Other Differences

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

- **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.
- **For taxation and non-specific grant income -** the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates that was forecast to be received at the start of the year, and the income recognised under GAAP. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.
- **For the movement of Dedicated Schools deficit** – the other difference column recognises the adjustment to earmarked reserves in recognition of statute requiring Dedicated Schools deficit to be included in a separate unusable reserve.

2) Expenditure and Income Analysed by Nature

The authority's expenditure and income are analysed as follows:

	2023/24 £000	2024/25 £000
Expenditure		
Employee benefit expenses	207,628	221,608
Other service expenses	339,400	384,110
Depreciation, amortisation & impairment	33,505	37,155
Interest and investment expenditure	25,613	14,949
Precepts and levies	32,703	33,131
Loss on the disposal of assets	239	-
Loss on transfer to academies	-	47
Pension interest costs	39,908	40,923
Total expenditure	**678,996**	**731,923**
Income		
Fees, charges and other service income	(50,149)	(55,781)
Interest and investment income	(27,348)	(26,403)
Income from Council Tax and Business Rates	(198,822)	(205,746)
Gain on Disposal of Assets	-	(190)
Government grants and contributions	(330,015)	(348,788)
Other grants and contributions	(22,446)	(28,354)
Change in fair value of investment property	(1,363)	(14,714)
Pension expected return on assets	(44,567)	(48,300)
Total income	**(674,710)**	**(728,276)**
(Surplus) or Deficit on the Provision of Services	**4,287**	**3,647**

3a) Accounting Concepts

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end 31 March 2025. The Council is required to prepare an Annual Statement of Accounts by the Accounts and Audit Regulations 2015 which 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 (The Code) and the Update to the Code and Specifications for Future Codes for Infrastructure Assets (Nov 22). These are issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 21(2) of the Local Government Act 2003.

As local authorities need to reflect statutory conditions, specific statutory adjustments are complied with so that the Council's accounts present a true and fair view of the financial position and transactions of the Council. All accounting policies are disclosed where they are material.

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.

Underlying Assumptions

Going Concern

The Accounting Code, (standard IAS 1) requires management to make an assessment of an entity's ability to continue as a going concern and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The authority discloses that the accounts have been prepared on a going concern basis and that the functions of the authority will continue in operational existence for the foreseeable future.

This assumption is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising at the discretion of central government). If an authority were in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. The Code is clear that transfers of services under combinations of public sector bodies (such as local government reorganisation) do not negate the presumption of going concern.

Primacy of Legislation Requirements

In accordance with the Code, where an accounting treatment is prescribed by law then it has been applied, even if it contradicts accounting standards. The following are examples of legislative accounting requirements which have been applied when compiling these accounts:

- Capital receipts from the disposal of property, plant and equipment are treated in accordance with the provisions of the Local Government Act 2003.
- The Local Government Act 2003 requires the Council to set aside a minimum revenue provision.

3b) Accounting Policies

(A) Accruals of Income and Expenditure

Economic activity is accounted for in the year that it relates, not simply when cash payments are made or received. In particular:

- Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient. Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue;
- supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

(B) Accounting for Non Domestic Rates (NDR) and Council Tax

Non Domestic Rates (NDR)

- Retained Business Rate income included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued income.
- Tariff Payments included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued expenditure.

Council Tax

- Council Tax income included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued income. Both NDR and Council Tax income will be recognised in the Comprehensive Income & Expenditure Statement in the line Taxation & Non-Specific Grant Income. As a billing authority the difference between the NDR and Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund shall be taken to the Collection Fund Adjustment Account and reported in the Movement in Reserve Statement. Each major preceptor's share of the accrued NDR and Council Tax income will be available from the information that is required to be produced in order to prepare the Collection Fund Statement. The income for Council Tax and NDR is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the authority, and the amount of the revenue can be measured reliably.

- Revenue relating to such things as Council Tax and NDR shall be measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non- exchange transactions and there can be no difference between the delivery and payment dates.
- The Balance Sheet includes the authority’s share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Accounting for Business Improvement District

- A Business Improvement District (BID) scheme applies to Altrincham Town Centre from 1 April 2016. The scheme is funded by a BID levy paid by Business Rates ratepayers. The Council acts as an agent for the scheme. It collects the BID levy on behalf of the scheme and pays this to the BID body, without bearing any of the risks or rewards of the scheme.

(C) Cash and Cash Equivalents

Cash is represented by cash in hand and demand deposits with financial institutions repayable without penalty on notice of 3 months or less from date of acquisition. Demand deposits will include accounts where additional funds may be deposited and withdrawn at any time without prior notice e.g. a bank current account.

Cash equivalents are investments instantly repayable to the Council on demand which are readily convertible to known amounts of cash with insignificant risk of change in value. These will be balances held in Call Accounts and Money Market Funds with associated accrued interest.

These will be balances held in Call Accounts and Money Market Funds with associated accrued interest.

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

(D) Exceptional Items

When exceptional items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are due to an understanding of the Council’s financial performance.

(E) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council’s financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

(F) Charges to Revenue for Non-Current Assets

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

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

Charges are based on the opening balance sheet value of the asset. Where assets are revalued during the year charges are based on the revaluation amount.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses, and amortisation are replaced by Minimum Revenue Provision (MRP). This adjusting transaction is done through the Movement in Reserves Statement with the Capital Adjustment Account charged with the difference between the two amounts.

(G) Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. Termination Benefits are charged on an accrual basis to the appropriate service line within Cost of Services in the Comprehensive Income and Expenditure Statement when the Council 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 Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

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

- the Teachers' Pension Scheme, administered nationally by Capita plc on behalf of the Department for Education (DfE);
- The Greater Manchester Pensions Fund (part of the Local Government Pension Scheme), administered by Tameside Metropolitan Borough Council.

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

However, the arrangements for the Teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. These schemes are therefore accounted for as if they are a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Greater Manchester Local Government Pension Scheme is accounted for as a defined benefits scheme.

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

Liabilities are discounted to their value at current prices, using a discount rate of 2.7% (based on the indicative rate of return on a basket of high quality corporate bonds, Government gilts and other factors).

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

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

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

Service cost comprising:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- 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 as part of Council Wide Costs;

- net interest on the net defined benefit liability i.e. net interest expense for the Council - 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.

Remeasurement comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Greater Manchester Pension Fund:

- cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the 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.

Discretionary Benefits

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

(H) 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 event can be identified:

- Adjusting Events - 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;
- Non-adjusting Events - those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are 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.

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

(I) Financial Instruments

Financial Liabilities (Debt and Interest Charges)

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 are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) 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); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

For stepped Lender Option Borrower Option 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 the 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.

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

Financial Assets

Financial assets e.g. investments (excluding those in companies included in the Council's group accounts) are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

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

Where the authority's business model is to hold investments to collect contractual cash flows the Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument), i.e. where assets are held to sell or receive dividends.

Financial Assets Measured at Amortised Cost

Financial assets, including simple deposits, treasury bills and gilts, money market funds, measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

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

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

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

The authority has grouped the loans into four groups for assessing loss allowances:

Loans

- Group 1 – the Council has previously made three loans to Manchester Airport Holdings
    - £8.7m in 2009/10 set to expire in 2055,
    - £11.3m in 2018/19, in two tranches of £5.6m for repayment in 2056 and 2057, and
    - £9.7m in 2020/21 set to expire in 2058.
- Group 2 – Loans made under Investment Strategy – The scope of the Council's investment strategy covers direct investment in properties (see policy covering investment property) as well as loans made to third party developers. The Council has made a number of developer loan advances in respect of redevelopment purposes. Loss allowances for this type of loan will be assessed on an individual basis using common industry-related risk characteristics and the financial health of the companies.
- Group 3 – Town Centre Loans – The Council offers an interest-free loan scheme for businesses that want to occupy ground floor, vacant premises in Altrincham, Sale, Urmston or Stretford town centres to part-fund works, overheads and marketing costs that are needed to bring a vacant unit back into use. The loans are advanced in two instalments and the first instalment is made within Long Term Debtors and Prepayments. Once the second instalment is made, the debt is transferred into our debtor collection system and appears in Short Term Debtors. Due to the immaterial value of these loans, Credit losses will be calculated under the simplified approach adopted for all Trade Debtors.
- Group 4 - Homestep Loans – these are loans provided to first time buyers to assist key workers to purchase a home. The amount advanced has been included as a long-term debtor and is repayable when the property is sold. Credit losses are considered, but the council has assessed there to be no potential loss implications.

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

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the financial assets are based on the following techniques:

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

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The Council has one investment, the CCLA Property Investment Fund, which is currently classified as Fair Value through Profit and Loss. Subsequently, any Fair Value gains and losses should be recognised as they arrive in the Surplus or Deficit on the Provision of Services, thus impacting on the Council's General Fund balance. However, investments in CCLA property funds fall under the category of "pooled investment funds" as defined in Statutory Instrument SI 2018/1207. This means that until 31 March 2029, English Local Authorities are prohibited from charging to a revenue account fair value gains or losses, unless the gain or loss relates to an impairment or the sale of the asset.

The Statutory override will allow the gain or losses to be reversed via the Movement in Reserves to the Financial Instruments Revaluation Reserve.

Fair Value through Other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

The Council has a number of equity instruments, which by definition would automatically fall under the category of FVPL, meaning that changes in fair value would impact on the General Fund.

Due to the strategic and regional economic development nature associated with the following non-tradeable equity holdings, the Council elected to designate them as FVOCI.

- Manchester Airport Holding Limited - Main Shareholding
- Manchester Airport Holding Limited Class - C Shareholding (used to part fund a new car parking facility).

The impact of this election in relation to these equity instrument is to post gains/losses in fair value to other comprehensive income to the Surplus or Deficit on the Provision of Services as they arise with such movements being reversed via the Movement In Reserve account and accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss would be transferred to the General Fund Balance.

(J) Government Grants and Contributions

Government grants and other contributions are accounted for on an accruals basis and are recognised when there is reasonable assurance that;

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

The grants are recognised in the Comprehensive Income and Expenditure Statement once any conditions, which stipulate how the grant is to be used to avoid repayment, are satisfied. Where they have not been satisfied they are carried on the Balance Sheet as creditors. Where grants are recognised in the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where a grant has yet to be used to finance capital expenditure it is posted to the Capital Grants Unapplied Reserve, or Revenue Grants Reserve where they support revenue expenditure funded from capital under statute. Where it has been applied it is posted to the Capital Adjustment Account.

Where capital expenditure is classified as Revenue Expenditure Funded from Capital under Statute then any related grants or contributions are transferred to the service account in the Comprehensive Income and Expenditure Statement.

(K) Heritage Assets

Heritage assets are assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical value. They are therefore held by the Council in relation to the maintenance of heritage. The Council’s separate policy on Heritage Assets includes details of the records maintained by the Authority of its collection of assets.

Heritage Assets are recognised and measured in accordance with the Council’s accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The de-minimis threshold for a heritage asset is set at £10,000 in order to remain consistent with the Council’s capitalisation policy. Where valuations or historic cost figures are available, the assets will be recognised on the Balance Sheet.

As there are no council-owned museums or galleries, the majority of the Council’s heritage assets are retained for historical and cultural importance but not for public display. The heritage assets held by the Council include silver, paintings, furniture, statues, civic regalia, artefacts, sculptures and historic buildings. Where it is disproportionately expensive to obtain valuations, the Code allows authorities to exclude such items from the Balance Sheet. Many of the assets are therefore not recognised on the Balance Sheet as valuations are not cost effective.

Trafford Town Hall Collection

The collection of silver, statues, paintings, furniture and other miscellaneous items are held at Trafford Town Hall due to their historical and cultural importance. These items are reported in the Balance Sheet at insurance valuations provided by Vivienne Milburn FRICS (Independent Antiques Valuer and Auctioneer) in July 2011. These assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Historic Buildings

Historic buildings are valued as part of the five year rolling programme. These buildings are non-operational and held for their cultural and historical value.

Depreciation on historic buildings will be charged in accordance with the Council's policy on property, plant and equipment.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment. Proceeds from the disposal of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Listed Buildings

Listed buildings like the Town Hall are used in the delivery of services and as such are included in the balance sheet as Property Plant and Equipment. In respect of other listed asset, such as war memorials, where no valuation is available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements; those assets have not been included on the balance sheet.

(L) Interests in Companies and Other Entities

The Council owns minority interests in a small number of companies, mainly arising from the dissolution of the former Greater Manchester County Council. In the Council's accounts, the interest in companies and other entities are recorded as financial assets at cost, less any provisions for losses.

In addition, one community interest company (CIC) was established during 2015/16 for the provision of leisure.

Trafford Council also has interests in six Joint Venture Partnerships. Trafford Bruntwood LLP is a Joint Venture Company with K Site Ltd (a wholly owned Subsidiary of Bruntwood Development Holdings Ltd) and Trafford Bruntwood (Stretford Mall) LLP and Trafford Bruntwood (Stamford Quarter) LLP are joint venture partnerships with Bruntwood Trafford Holdings Ltd with each investor owning a 50% share in each of the companies. GMP Trafford LLP is joint venture set up to redevelop a site within Old Trafford, in partnership with FEC Trafford Ltd and GMCA. Trafford Council owns a 25% share in GMP Trafford Ltd. Trafford Bruntwood Stretford Resi 2A LLP and Trafford Bruntwood Stretford Resi 2B LLP are two joint ventures set up with the aim of developing residential assets on the Stretford Mall site, Trafford Council owns 50% of both LLPs with Bruntwood Trafford Holdings Ltd.

In the Council's single entity accounts the interests in Trafford Leisure CIC and the six joint ventures are recorded as long-term investments at cost.

As a subsidiary, Trafford Leisure CIC Ltd. has been consolidated on a line-by-line basis with all intra-group transactions and balances removed.

The joint ventures have been consolidated on an equity basis within the group accounts. The investment is shown under a separate line in the group balance sheet and adjusted by the Council's share in the joint venture's net asset movement since acquisition. The Council's share of the joint venture's operating results for the year is included within the group income and expenditure account.

(M) Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of inventories is assigned using the weighted average costing formula.

Work in progress on capital projects is included in the Balance Sheet within Assets Under Construction at historic cost.

(N) Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Statutory arrangements do not allow any gains or losses from a change in fair value to have an impact on the General Fund Balance and are therefore reversed out through the Movement in Reserves Statement to the Capital Adjustment Account.

The same treatment is applied to gains and losses on disposal.

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

(O) Joint Ventures

On 20 March 2018 the Council set up a joint venture with Bruntwood (K Site Ltd) called Trafford Bruntwood LLP. The entity delivered a new university campus on the former Kellogg's headquarters site at Talbot Road Stretford. From 2018/19 the entity has formed part of the Council's group accounts and has been treated as a Joint Venture and consolidated on an equity basis.

On 4th July 2019 the Council set up two joint venture partnerships with Bruntwood Trafford Holdings Ltd called Trafford Bruntwood (Stretford Mall) LLP and Trafford Bruntwood (Stamford Quarter) LLP as part of its master plans for town centre regeneration. From 2019/2020 these entities formed part of the Council's group accounts and treated as a Joint Venture and consolidated on an equity basis.

On 8th November 2024, the Council set up two joint venture partnerships with Bruntwood Trafford Holdings Ltd: Trafford Bruntwood Stretford Resi 2A LLP and Trafford Bruntwood Stretford Resi 2B LLP, for the purpose of residential developments at Stretford Mall. These LLPs will not initially hold any assets until the development is underway, depending on the agreed structure. From 2024/25 these entities form part of the Council's group accounts and will be treated as a Joint Venture and consolidated on an equity basis.

On 23rd July 2024, the Council set up a GMP Trafford LLP, joint venture partnership with the GMCA and FEC Trafford Ltd, for the purpose of residential development in Old Trafford. This LLP will not initially hold any assets until the development is underway, depending on the agreed structure. From 2024/25 this entity will form part of the Council's group accounts and will be treated as a Joint Venture and consolidated on an equity basis.

(P) Leases

As required by the 2024/25 code, the Council has now adopted IFRS 16.

The Council as Lessee

In line with IFRS 16, the Council recognises a lease to be any contract, or part of a contract, that conveys the right to use a specifically identifiable asset for a period of time. This includes arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. A contract is any arrangement between two or more parties that creates enforceable rights and obligations. A right of use asset and corresponding lease liability are recognised at commencement of the lease. The Council will only apply lease accounting to tangible assets.

The Council will apply IFRS16 to all leases excluding those below, in which case they will be expensed to the Comprehensive Income and Expenditure Statement:

- A short-term lease - a lease, which does not have a purchase option, with a term of 12 months or less at the commencement date. An annually renewing, or rolling, lease which has not been terminated after 12 months from the commencement date will not be deemed to short-term lease.
- Low Value Assets - The Council deems any asset as low value if its cost, when purchased new, would be £10,000 or less.

Where the lease does not meet the criteria above, lessee accounting under IFRS16 will be adopted and the Council will recognise an asset which represents its right to use an underlying asset for the lease term. The initial recognition of the right-of-use asset is comprised of:

- The initial measurement of the lease liability or, where the lease payments are substantially below the market rate, the value of the Right-of-Use asset as assessed by a RICS qualified valuer
- Any lease payments made at the commencement date, less any incentives received
- Any direct costs incurred

At the commencement date, the lease liability will be measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if this is not determinable then at the lessee’s incremental borrowing rate adjusted for the term and start date of the lease, the type of underlying asset and whether it is commercial or non-commercial. Over the term of the lease the liability is increased by interest charges and reduced by the lease payments made. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Council is reasonably certain to exercise; penalties for early termination if the lease term reflects the Council exercising a break option; and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option. The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council’s assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. On initial recognition, any difference between the value of the Right-of-Use asset and the lease liability will be treated as income in Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement. To ensure there is no impact on Council Tax this will then be reversed in the Movement in Reserves Statement and credited to the Capital Adjustment Account. Where the underlying asset is land or buildings and a lease does not contain any provision for rent reviews at periods of five years or less, then the Right-of-Use will be revalued at least every five years. The value of the Right-of-Use asset will be assessed by a RICS qualified valuer.

The Council as Lessor

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained on the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

(Q) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service. The main basis of apportionment is by estimation of time spent on the various services. The cost of administrative buildings has been recharged on the basis of floor area occupied. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

(R) Property, Plant and Equipment (PPE)

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

Recognition

Expenditure in excess of £10k on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Expenditure on assets is capitalised, provided that the item yields benefits to the Council for a period of more than one year and can be measured reliably. Routine repairs and maintenance of PPE are charged direct to service revenue accounts.

Measurement

Assets are initially measured at cost comprising:

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

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

- infrastructure, community and assets under construction – depreciated historical cost;
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant’s perspective;
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use.

Depreciated replacement cost is used as an estimate of current value when there is no market based evidence of current value because of the specialist nature of the asset.

Assets are revalued with sufficient regularity by a qualified valuer to ensure that the carrying amount is not materially different from their current value at year end and as a minimum at least every five years. Increases in asset value are matched by a credit to the Revaluation Reserve to represent the unrealised gain. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement for a particular asset where the Comprehensive Income and Expenditure Statement have previously been charged with an impairment loss for that asset. Losses on revaluation are written off to the Revaluation Reserve, or if no Revaluation Reserve exists for that asset, charged to the Comprehensive Income and Expenditure Account.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment with a finite useful life, which can be determined at the time of acquisition or revaluation, according to the following policies:

- Freehold land, Investment Properties and Assets Held For Sale are not depreciated;
- newly acquired assets are not depreciated in the year of acquisition, and assets in the course of construction are not depreciated until they are brought into use.

For all other assets depreciation is calculated using the straight line method over the estimated useful life of the asset and are as follows:

- vehicles, plant and equipment between 3 and 8 years;
- all other property, including infrastructure and community assets between 10 and 120 years;

Where an asset value exceeds £1m a review is undertaken to determine whether any major components comprising plant, equipment and services exist and these components are depreciated separately.

Revaluation and Impairment Losses

Assets are reviewed annually at each year end for any impairment or revaluation loss. Where a loss has occurred on an asset used by the service these are written off to the Revaluation Reserve, where a balance exists, or charged to the service revenue account where there is no remaining balance on the Revaluation Reserve.

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.

Any charges for the use of Property, Plant and Equipment with the exception of external interest payments have a neutral impact on the amount to be raised from local taxation and are reversed from service revenue accounts through the Movement in Reserves Statement to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that an asset will be sold then it is reclassified as an Asset Held for Sale. These assets are then carried at a value of the lower of its carrying amount and current value less costs to sell.

When assets are disposed of or decommissioned the carrying amount of the asset 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 and matched against any capital receipt from the disposal. Any revaluation gains on the asset held in the Revaluation Reserve are transferred to the Capital Adjustment Account. Resultant gains or losses following the transfer of schools to academy status are included under financing and investment income and expenditure.

Individual asset disposal proceeds in excess of £10,000 are categorised as capital receipts.

Capital Receipts

Capital receipts from the disposal of assets are treated in accordance with provisions of the Local Government Act 2003. They can be used to fund capital expenditure in the year, to meet debts or other liabilities, or used to cover payments to the Secretary of State under receipts pooling arrangements.

(S) Schools

In accordance with the Code of Practice the Council includes all maintained schools under its control in the single entity accounts and where control exists includes all income, expenditure, assets, liabilities, reserves and cash-flows is recognised in the Council's single entity accounts. Other assets and funds under the control of the school such as school funds are also included in the Council's accounts where material.

Community and Foundation schools are owned by the Council and are recognised on the balance sheet.

Voluntary aided and controlled schools are owned by the respective diocese with no formal rights to use the assets passed onto the school or governing body, therefore these are not included on the balance sheet.

(T) Private Finance Initiative (PFI) and Similar Contracts

PFI contracts are agreements to receive services where the responsibility for making available the assets needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as the Council controls the residual interest in the asset at the end of the contract, the Council carries the assets used under the contract on the Balance Sheet.

The Council has entered into a Private Finance Initiative (PFI) contract for the provision of new office and community facilities in Sale Town Centre. The contract commenced in October 2003 with the initial period ending in 2028/29.

The original recognition of these assets was balanced by the recognition of a liability for the amounts due to the scheme operator to pay for the assets.

Assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

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

- fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement;

- finance cost - an interest charge on the outstanding Balance Sheet Liability, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- contingent rent - increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator;
- lifecycle replacement costs - recognised as Property, Plant and Equipment on the Balance Sheet.

(U) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. Provisions are charged to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up on the balance sheet. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed in the future by events not wholly within the control of the Council. Contingent liabilities can also arise where it is either not probable economic benefits will flow out from the Council or the obligation cannot be measured reliably.

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

Contingent Assets

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

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

(V) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. In line with the Code, expenditure is charged to revenue and not directly to any reserve.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

Insurance

The Council essentially self-insures on its major risk areas and operates with significant excess levels. A provision is maintained to cover costs for which it is responsible for liability claims and a reserve is maintained for property related costs.

(W) Revenue Expenditure Funded from Capital Under Statute (Funding of REFCUS)

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

(X) VAT

VAT payable is included as an expense only to the extent that it is irrecoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

(Y) Fair Value Measurement

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

a) in the principal market for the asset or liability, or

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

T4he Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 – unobservable inputs for the asset or liability.

4) Accounting Standards that have been issued but have not yet been adopted

The Code of Practice has introduced a number of changes in accounting policies, which will be required from 1st April 2025. These include amendments to:-

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.3.

The Council is working on implementing these changes in accounting policies, and whilst the full impact of these amendments is yet unknown, they are not expected to have a material impact on the Council's single entity or group statements.

5) Critical Judgements in Applying Accounting Policies

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

- Leases - lease agreements have been reviewed in accordance with IFRS16 and a determination made on whether these are finance or operating leases. This judgement has been based upon the degree to which the lease transfers the risks and rewards of ownership to the Council. These judgements are based on detailed analysis of the lease and the underlying economic realities of the arrangement, ensuring that the lease is accounted for accurately in line with the principles of IFRS 16.
- Group accounts - arrangements with partners and third party bodies have been reviewed to assess the extent to which the Council is able to influence decisions or exert control over their operations. The CIPFA Code of Practice requires that where a Council has material financial interests and a significant level of control over one or more entities, it should prepare Group Accounts. From October 2015 the services provided by Trafford Community Leisure Trust were transferred into a Community Interest Company (CIC), Trafford Leisure CIC Ltd, wholly owned by the Council. Due to the material size of the CIC turnover, the Council has produced Group Accounts from 2016/17. The Council has entered into five joint ventures, with the Bruntwood group of companies, two of which have been excluded from the consolidation on the grounds of immateriality, as no transactions have occurred to date. Similarly, GMP Trafford LLP, a new joint venture partnership with the GMCA and FEC Trafford Ltd, has been excluded as no transactions have taken place to date. Please see pages 166 to 175 for the core group statements and relevant disclosure notes.
- Accounting for Schools – Balance Sheet Recognition of Schools - The Council recognises schools in line with the provisions of 'the Code'. It states that property used by local authority maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. The Council recognises the school's land and buildings on its Balance Sheet where it directly owns the assets, the school or school Governing Body own the assets or rights to use the assets that have been transferred from another entity.

  Where the land and building assets used by the school are owned by an entity other than the Council, school or school Governing Body then it is not included on the Council's Balance Sheet.

The Council has completed a school by school assessment across the different types of schools it controls within the Borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets. The types of schools that have been assessed are shown below:

Type	Number
Community schools	34
Voluntary Controlled (VC) schools	1
Voluntary Aided (VA) schools	18
Foundation schools	3
Pupil Referral Unit (PRU)	1
Sub-Total Maintained Schools	**57**
Academies	31
Total Number of Schools	**88**

All Community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet.

Foundation schools were created to give greater freedom to the Governing Body responsible for school staff appointments and who also set the admission criteria. For a Foundation school, the school Governing Body has legal ownership of the land and buildings and thus are included on the Council's Balance Sheet.

The legal ownership of Voluntary Controlled, Voluntary Aided and Academy schools buildings belong to a charity. This is normally a religious body or Trust in the case of Academy schools and therefore the Council does not recognise these non-current assets on the Balance Sheet. However, the adjoining school playing fields remain in Council ownership and are therefore included on the Council's Balance Sheet.

- Investment properties have been assessed using the identifiable criteria under the international accounting standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation to determine if there is an operational reason for holding the property such as regeneration.
- The Council has a 3.22% shareholding in Manchester Airport Holdings Limited (MAHL) and an equity investment relating to strategic car park infrastructure developments at the airport. Following the adoption of accounting standard IFRS 9 Financial Instruments which came into effect on 1 April 2018, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, the shareholdings are strategic investment and not held for trading and therefore the Council has designated the investment as fair value through other comprehensive income. It is the Council's view that this is a reasonable and reliable accounting policy for the investment.

6) Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, especially in the current climate, certain estimates cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. Treasury management risk is considered in note 40.

The following items are considered in further detail as potential risk:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions liability	The pensions liability is based on assumptions relating to discount rates used, future changes in salaries, changes in retirement ages, mortality rates and expected returns on pension fund assets. These assumptions are reviewed regularly. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	Changes in liability are actuarially measured every three years, and increases in contributions spread over the following three years. The pension contribution is a key financial assumption in the medium term financial plan. During 2024/25 the net pension surplus had increase by £137.58m to a surplus position of £288.84m. In line with the Code of Practice, the Council requested the actuary provide an Asset Ceiling calculation. The Asset Ceiling was calculated to be less than the net pension asset and therefore the full asset ceiling has been applied resulting in a net liability of £27.66m has been included in the Councils balance sheet.
Long Term Assets – Manchester Airport Holdings	The Council's shareholding in the Manchester Airport Group is 3.22% as at 31 March 2025. The asset is valued using the earnings based method resulting in the asset being valued at fair value rather than historic cost, therefore requiring an annual valuation. A firm of financial experts and valuers have been engaged by the Council to provide an independent valuation which includes reviewing the financial performance, stability and business assumptions of the MAHL. The valuation provided is based on estimations and assumptions and therefore should the Council sell its shareholding the value held in these statements may not be realised. The Council also holds a 10% holding in Manchester Airport Car Park (1) Limited which is valued on the updated financial forecast. The data is then adjusted by	As at 31 March 2025 the Council's valuers advised of a decrease of £2.9m in the fair value of the Council's core shareholding from £46.3m to £43.4m. The value of the shareholding in relation to the car park has remained consistent at £4.4.m, giving a total shareholding of £47.8m.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights.	
Investment Property	The valuation of the fair value of the Council's investment properties has been based on the market approach using comparable market data, including income streams, tenure, lease terms and other relevant information for similar assets in the local authority area. As such all of the Council's directly held investment assets have been assessed as Level 2 in the fair value hierarchy.	Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value of the Council's assets and liabilities. As an example, the impact of a 10% change in the market values of the council's investment property (carrying value as of 31 March 2025 - £109.46m) would be £10.95m. Note 15, Investment Property, to the accounts sets out the council's approach to valuation of its Investment Property.
Property, Plant and Equipment	The valuation of the council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. This includes Community Assets, Other Land and Buildings and Surplus Assets. The council's valuer uses a combination of methodologies to value these operational assets for example, Depreciated Replacement Cost (DRC). These methods can cause estimation uncertainty due to the indices and inputs that must be used to applying valuations. If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain recorded in the Comprehensive Income and Expenditure Statement.	As an example, the impact of a 10% change in the valuation of the council's PPE (carrying value as of 31 March 2025 – £487.61m) would be £48.76m. Note 14, Property, Plant and Equipment, to the accounts sets out the council's approach to valuation of its PPE.

7) Material Items of Income and Expense

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement.

There are some significant items in the Comprehensive Income and Expenditure Statement related to revenue expenditure funded from capital under statute (REFCUS); these items are detailed within Note 33 Capital Expenditure and Capital Financing.

There are no material items of income and expense not otherwise disclosed in the financial statements or accompanying notes.

8) Events After the reporting Period

The Director of Finance and Systems authorised The Statement of Accounts for issue on 25th July 2025. Events taking place after this date are not reflected in the financial statements or notes. Events taking place before this date where information about conditions existed at 31 March 2025, are adjusted in all material aspects in the financial statements and notes. There are no non-adjustment events after the Balance Sheet date.

9) Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year (see following tables). This is in accordance with proper accounting practice to the resources that are specified by statutory provision as being available to the Council to meet future capital and revenue expenditure.

	Usable Reserves 2024/25				2024/25
	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation, impairment, downward revaluations of non-current assets and movement in fair value of Capital Loans	(28,402)	-	-	-	**28,402**
Revaluation losses on Property, Plant & Equipment.	(10,930)	-	-	-	**10,930**
Movements in the fair value of Investment Properties.	14,714	-	-	-	**(14,714)**
Revenue expenditure funded from capital under statute.	(1,505)	-	-	-	**1,505**
Amounts of non-current assets and current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	143	(1,272)	-	-	**1,129**
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment.	5,994	-	-	-	**(5,994)**
Voluntary provision above MRP	40,899	-	-	-	**(40,899)**

9) Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

	Usable Reserves 2024/25				2024/25
	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Capital expenditure charged against the General Fund balance.	1,334	-	-	-	**(1,334)**
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	28,414	-	-	(28,414)	**-**
Application of grants to capital financing transferred to the Capital Adjustment Account.	-	-	(58)	30,022	**(29,964)**
Adjustments primarily involving the Capital Receipts Reserve:					
Use of the Capital Receipts Reserve to repay Debt.	(41,275)	1,163	-	-	**40,112**
ADJUSTMENT PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS REVALUATION RESERVE:					
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.	712	-	-	-	**(712)**
Adjustments involving the FIRR:					
Gain/loss on revaluation of Financial Instruments charged to FVPL	88	-	-	-	**(88)**
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 37).	(12,479)	-	-	-	**12,479**

9) Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

	Usable Reserves 2024/25				2024/25
	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Employer's pension contributions and direct payments to pensioners payable in the year.	21,779	-	-	-	**(21,779)**
Adjustments primarily involving the Collection Fund Adjustment Account:					
Amount by which council tax credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(158)	-	-	-	**158**
Amount by which non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rating income calculated for the year in accordance with statutory requirements	(456)	-	-	-	**456**
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(490)	-	-	-	**490**
Total Adjustments	**18,382**	**(109)**	**(58)**	**1,608**	**(19,823)**

9) Adjustments between Accounting Basis and Funding Basis under Regulations comparative year

	Usable Reserves 2023/24				2023/24
	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation, impairment, downward revaluations of non-current assets and movement in fair value of capital loans	(37,546)	-	-	-	37,546
Revaluation losses on Property, Plant & Equipment.	(10,411)	-	-	-	10,411
Movements in the fair value of Investment Properties.	1,363	-	-	-	(1,363)
Revenue expenditure funded from capital under statute.	(1,128)	-	-	-	1,128
Amounts of non-current assets and current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(239)	(18,146)	-	-	18,385
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment.	21,498	-	-	-	(21,498)
Voluntary provision above MRP	33,740	-	-	-	(33,740)
Capital expenditure charged against the General Fund balance.	266	-	-	-	(266)

9) Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

	Usable Reserves 2023/24				2023/24
	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	41,837	-	-	(41,837)	-
Application of grants to capital financing transferred to the Capital Adjustment Account.	-	-	(232)	36,394	(36,162)
Adjustments primarily involving the Capital Receipts Reserve:					
Use of the Capital Receipts Reserve to finance new capital expenditure.	-	4	-	-	(4)
Use of the Capital Receipts Reserve to repay Debt.	(50,087)	17,346	-	-	32,741
ADJUSTMENT PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS REVALUATION RESERVE:					
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.	711	-	-	-	(711)
ADJUSTMENTS INVOLVING THE FIRR					
Gain/loss on revaluation of Financial Instruments charged to FVPL	(185)	-	-	-	185

9) Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

	Usable Reserves 2023/24				2023/24
	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENTS PRIMARILY INVOLVING THE PENSION RESERVE:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 37).	(15,304)	-	-	-	15,304
Employer's pension contributions and direct payments to pensioners payable in the year.	20,359	-	-	-	(20,359)
ADJUSTMENTS PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT:					
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements: Council Tax	885	-	-	-	(885)
NDR	(18,595)	-	-	-	18,595
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(327)	-	-	-	327
Total Adjustments	**(13,163)**	**(796)**	**(232)**	**(5,443)**	**19,634**

10) Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25.

	Balance as at 1 April 2023 £000	Movements In 2023/24 £000	Movements Out 2023/24 £000	Balance at 31 March 2024 £000	Movements In 2024/25 £000	Movements Out 2024/25 £000	Balance at 31 March 2025 £000
General Fund	**(9,500)**	(1,000)	-	**(10,500)**	(347)	347	**(10,500)**
Earmarked Reserves:							
Balances held by schools under a scheme of delegation	**(13,089)**	(15,805)	13,283	**(15,611)**	(14,716)	15,612	**(14,715)**
Other Earmarked Reserves:							
Synthetic Pitch Replacement Reserve							
This will be used towards replacing one synthetic pitch within the Borough.	**(123)**	(15)	-	**(138)**	(15)	-	**(153)**
Insurance Reserve							
Funds earmarked for future claims and to carry out various risk management initiatives.	**(1,700)**	-	640	**(1,060)**	(500)	-	**(1,560)**

	Balance as at 1 April 2023 £000	Movements In 2023/24 £000	Movements Out 2023/24 £000	Balance at 31 March 2024 £000	Movements In 2024/25 £000	Movements Out 2024/25 £000	Balance at 31 March 2025 £000
Delegated Service Budgets							
Revenue budget under/overspends to be carried forward as part of the Council's Medium Term Financial Plans.	**(8,564)**	(2,077)	3,759	**(6,882)**	(2,050)	3,707	**(5,225)**
ICT Development							
Investment in new ICT to improve efficiency Council-wide.	**(1,358)**	(733)	800	**(1,291)**	(639)	811	**(1,119)**
Elections Reserve							
To smooth the elections budget across the 4 year Municipal cycle.	**(105)**	-	105	**-**	(83)	-	**(83)**
Transformation Reserve							
Money set aside to pump prime the achievement of the next stage of efficiencies through the Transformation Programme.	**(71)**	-	70	**(1)**	-	1	**-**
Interest Rate Reserve							
To smooth the effect on the Council's budget of volatile movements in interest rates.	**(3,107)**	(2,033)	-	**(5,140)**	(558)	2,042	**(3,656)**

	Balance as at 1 April 2023 £000	Movements In 2023/24 £000	Movements Out 2023/24 £000	Balance at 31 March 2024 £000	Movements In 2024/25 £000	Movements Out 2024/25 £000	Balance at 31 March 2025 £000
Waste Levy Reserve							
To smooth the effects on the Council's budget of movements in the waste levy over the medium term.	**(1,484)**	(513)	483	**(1,514)**	-	364	**(1,150)**
Long Term Accommodation Decant Reserve							
To provide a reserve sufficient to cover major lifecycle maintenance and unexpected costs associated with the maintenance and repair of all major administrative sites.	**(724)**	(209)	466	**(467)**	(573)	182	**(858)**
Employment Rationalisation Reserve							
To cover the cost of rationalising the employment of staff by the Council and Pension Strain (Early Ill-health Retirement).	**(800)**	-	200	**(600)**	(400)	-	**(1,000)**
Capital Reserve							
Investment in disabled facility schemes.	**(1,000)**	-	-	**(1,000)**	-	461	**(539)**
Winter Maintenance Reserve							
To provide emergency funds to cover the costs of highway & footway maintenance during periods of adverse weather conditions.	**(120)**	-	120	**-**	-	-	**-**

	Balance as at 1 April 2023 £000	Movements In 2023/24 £000	Movements Out 2023/24 £000	Balance at 31 March 2024 £000	Movements In 2024/25 £000	Movements Out 2024/25 £000	Balance at 31 March 2025 £000
Economic Development Reserve							
Reserve set aside to earmarked grant specifically for economic development related projects (previously held within Service Earmarked Reserve).	**(1,694)**	(266)	755	**(1,205)**	(227)	112	**(1,320)**
Budget Support Reserve							
To smooth out potential volatility in Revenue Budget funding and the significant level of savings required over the medium term.	**(13,244)**	(7,791)	9,892	**(11,143)**	(4,164)	5,927	**(9,380)**
Business Rates and NDR deficit Reserve							
The business rate risk reserve was established to be used to offset any fluctuation in the significant level of business rate income supporting the budget. It is also used to meet Trafford's share of the NDR Deficit.	**2,602**	(22,839)	7,115	**(13,122)**	(5,465)	10,472	**(8,115)**

	Balance as at 1 April 2023 £000	Movements In 2023/24 £000	Movements Out 2023/24 £000	Balance at 31 March 2024 £000	Movements In 2024/25 £000	Movements Out 2024/25 £000	Balance at 31 March 2025 £000
Transformation Fund Reserves							
Monies allocated from Greater Manchester Health and Social Care Partnership for the transforming of health and social care services, in addition to monies set aside by the Council to match fund expenditure in the Transformation Fund.	**(1,587)**	-	214	**(1,373)**	-	1,373	**-**
Strategic Investment Property Risk Reserve							
The strategic investment property risk reserve was established to be used to offset any fluctuations in investment property.	**(5,005)**	(8,222)	1,917	**(11,310)**	(2,008)	4,403	**(8,915)**
Council Tax Risk Reserve							
Reserve to manage risk of shortfall in Council Tax Income due to uncertainty in take up of LCTSS/Hardship.	**(500)**	-	-	**(500)**	-	225	**(275)**
Council Tax Collection Fund Reserve							
To smooth the timing difference in Trafford's shortfall of Estimated Council Tax Surplus.	**(940)**	-	940	**-**			**-**

	Balance as at 1 April 2023 £000	Movements In 2023/24 £000	Movements Out 2023/24 £000	Balance at 31 March 2024 £000	Movements In 2024/25 £000	Movements Out 2024/25 £000	Balance at 31 March 2025 £000
Bus Reform Reserve							
Potential contribution to the Bus reform.	**(1,500)**	-	-	**(1,500)**	-	-	**(1,500)**
Other Reserves							
Other amounts earmarked for specific purposes.	**(14,207)**	(2,491)	5,949	**(10,749)**	(5,794)	3,508	**(13,035)**
Sale PFI Reserve							
Reserve set aside to fund the final bullet payment.	**(1,319)**	(87)	-	**(1,406)**	-	-	**(1,406)**
Council Tax Income Guarantee Grant COVID-19 Reserve							
75% Tax income guarantee grant used to offset the deficit over the 3 financial years from 2021/22 to 2023/24.	**(252)**	(6)	258	**-**	-	-	**-**
Total Other Earmarked Reserves	**(56,802)**	**(47,282)**	**33,683**	**(70,401)**	**(22,476)**	**33,588**	**(59,289)**
Total Earmarked Reserves (incl. Schools)	**(69,891)**	**(63,087)**	**46,966**	**(86,012)**	**(37,192)**	**49,200**	**(74,004)**
Total Reserves	**(79,391)**	**(64,087)**	**46,966**	**(96,512)**	**(37,539)**	**49,547**	**(84,504)**

11) Other Operating Expenditure

2023/24 £000	Other Operating Expenditure	2024/25 £000
104	Parish council precepts	137
32,597	Levies (i)	32,991
18,167	Amount written off on disposal of non-current assets	1,083
(18,144)	Sale proceeds from disposal of non-current assets	(1,360)
218	Cost of disposal of non-current assets	90
32,942	**Total**	**32,941**

(i) Included are levies as follows:

2023/24 £000	Levies	2024/25 £000
154	Flood Defence	158
15,746	Waste Disposal Authority	16,101
16,697	GM Combined Authority	16,732
32,597	**Total**	**32,991**

12) Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
8,543	Interest payable and similar charges	9,817
(44,567)	Interest income on plan assets (pensions)	(48,300)
39,908	Interest cost on defined benefit obligation (pensions)	40,923
(6,273)	Interest receivable and similar income (i)	(5,810)
(8,464)	Income and expenditure in relation to investment properties and changes in their fair value	(21,259)
14,452	Income and expenditure in relation to Capital Loans and changes in their fair value	2,177
185	Gains and losses arising from the derecognition of financial assets measured at amortised cost	(88)
944	Residual (surplus)/deficit on trading undertakings	1,132
(12,485)	Other investment income	(12,137)
-	(Profit)/Loss on Disposal of Academy non-current assets	47
(7,757)	**Total**	**(33,498)**

(i) During 2024/25 the average amount invested in the money market was £48.2m, at an average interest rate of 5.03%. Investment interest generated for the year was £6.36m, including £3.14m of interest receivable from Manchester International Airport following the renegotiation of loan debt held by each of the Greater Manchester Authorities in February 2010 and additional loan debt issued in 2018. For 2023/24 the average amount invested was £67.3m at an average rate of 5.16%, producing £7.24m of investment interest, including £3.14m from the Airport.

13) Taxation and Non-Specific Grant Income

2023/24 £000		2024/25 £000
(120,712)	Council Tax income	(127,982)
(78,111)	Non domestic rates	(77,764)
(3,513)	Non ring-fenced government grants	(1,810)
(41,837)	Capital grants and contributions	(28,414)
(244,173)	**Total***	**(235,970)**

** Further detail is shown in note 31.*

14) Property, Plant and Equipment

	Other land & buildings £000	Vehicles, plant & equipment assets £000	Community assets £000	Surplus assets £000	Assets under construction £000	Total £000
Cost or Valuation:						
As at 1 April 2024	**478,150**	**27,615**	**27,082**	**32,965**	**49,400**	**615,212**
Additions	6,041	476	5,849	72	26,959	**39,397**
Disposals (incl. adj. for academy school transfers)	(208)	-	(150)	-	-	**(358)**
Accumulated depreciation and impairment written out on revaluation adj.	(11,894)	-	-	-	-	**(11,894)**
Reclassification to Right of Use Asset due to IFRS16	(13,370)	-	-	-	-	**(13,370)**
Other Reclassifications	3,894	447	10,201	(4,111)	(17,477)	**(7,046)**
Revaluation increases/(decreases) recognised in the revaluation reserve	(23,238)	-	-	(5,397)	-	**(28,635)**
Revaluation increases/(decreases) recognised in the surplus/deficit on the provision of services	-	-	-	90	-	**90**
As at 31 March 2025	**439,375**	**28,538**	**42,982**	**23,619**	**58,882**	**593,396**
Depreciation and Impairments:						
As at 1 April 2024	**(52,060)**	**(23,105)**	**(7,211)**	**(6,321)**	**-**	**(88,697)**
Depreciation charged to CIES (i)	(17,491)	(1,024)	(443)		-	**(18,958)**
Revaluation downwards charged to CIES	(10,063)	-	-	-	-	**(10,063)**
Disposals	38	-	-	-	-	**38**
Accumulated depreciation and impairment written out on revaluation adj.	11,894	-	-	-	-	**11,894**
As at 31 March 2025	**(67,682)**	**(24,129)**	**(7,654)**	**(6,321)**	**-**	**(105,786)**
Net Book Value:						
Balance Sheet amount as at 31 March 2025	**371,693**	**4,409**	**35,328**	**17,298**	**58,882**	**487,612**

(i) Depreciation is provided for on all non-current assets, with the exception of freehold land, investment property and assets held for sale. New assets are not depreciated in the year of acquisition and assets under construction are not depreciated until they become operational.

All other assets, including components, are written down using the straight line method over the estimated useful life of the asset, or in the case of intangible assets (software licences), the length of the licence.

The estimated useful lives of the assets are shown below:

Asset Category	**Useful Life**
Vehicles, plant and equipment	Between 3 and 8 years
Intangibles	Between 5 and 20 years
Infrastructure and Community assets	Between 10 and 120 years
Buildings	Between 15 and 60 years

There are no changes to depreciation methods used between 2023/24 and 2024/25.

Comparative Movements in 2023/24

	Other land & buildings £000	Vehicles, plant & equipment assets £000	Community assets £000	Surplus assets £000	Assets under construction £000	Total £000
Cost or Valuation:						
As at 1 April 2023	**445,446**	**26,863**	**26,105**	**24,269**	**30,585**	**553,268**
Additions	9,933	752	1,672	-	31,372	**43,729**
Disposals (incl. adj. for academy school transfers)	(2,109)	-	(903)	-	-	**(3,012)**
Accumulated depreciation and impairment written out on revaluation adj.	(20,054)	-	-	-	-	**(20,054)**
Reclassification to Assets Held for Sale	(458)	-	-	(700)	-	**(1,158)**
Other Reclassifications	5,018	-	208	5,610	(12,557)	**(1,721)**
Revaluation increases/(decreases) recognised in the revaluation reserve	40,374	-	-	3,786	-	**44,160**
As at 31 March 2024	**478,150**	**27,615**	**27,082**	**32,965**	**49,400**	**615,212**
Depreciation and Impairments:						
As at 1 April 2023	**(47,230)**	**(22,173)**	**(6,790)**	**(5,776)**	-	**(81,969)**
Depreciation charged to CIES	(15,847)	(932)	(421)	-	-	**(17,200)**
Revaluation downwards charged to CIES	(9,865)	-	-	(545)	-	**(10,410)**
Disposals	828	-	-	-	-	**828**
Accumulated depreciation and impairment written out on revaluation adj.	20,054	-	-	-	-	**20,054**
As at 31 March 2024	**(52,060)**	**(23,105)**	**(7,211)**	**(6,321)**	-	**(88,697)**
Net Book Value:						
Balance Sheet amount as at 31 March 2024	**426,090**	**4,510**	**19,871**	**26,644**	**49,400**	**526,515**
Nature of Asset Holding:						
Owned	419,253	4,510	19,871	26,644	49,400	**519,678**
PFI (i)	6,837	-	-	-	-	**6,837**
Total	**426,090**	**4,510**	**19,871**	**26,644**	**49,400**	**526,515**

Valuation of Non-Current Assets held at current value

This statement shows the progress of the Council's rolling programme for the revaluation of non-current assets. The valuations were carried out by CBRE. The basis for valuation is set out in the statement of accounting policies.

	Other land & buildings £000	Vehicles, plant & equipment £000	Community assets £000	Surplus assets* £000	Total £000
Held at historic cost	**-**	**4,409**	**35,328**	**-**	**39,737**
Valued at current value in:					
Current year (31 March 2025)	253,445	-	-	17,298	**270,743**
Previous year (31 March 2024)	91,287	-	-	-	**91,287**
Two years ago (31 March 2023)	18,916	-	-	-	**18,916**
Three years ago (31 March 2022)	2,915	-	-	-	**2,915**
Four years ago (1 April 2021)	5,130	-	-	-	**5,130**
Total	**371,693**	**4,409**	**35,328**	**17,298**	**428,728**

* Surplus assets - All surplus property has been valued in accordance with IFRS13 under the fair value hierarchy which has been based on the market approach using comparable market data, including income streams, tenure, lease terms, sales prices and other relevant information for similar assets in the local authority area. As such, all of the Council's directly held surplus assets have been assessed as Level 2 in the fair value hierarchy. Additionally, there have been no transfers between levels during the year.

Assets have been revalued within a five-year period, except for the valuation of land at Manchester Airport which has been provided by the valuation service of Manchester City Council. All assets are reviewed during the year to ensure that the carrying amount of the asset on the balance sheet does not differ materially from that which would be determined using the current value at the end of the reporting period.

Significant commitments under capital contracts as at 31 March 2025

As at 31 March 2025 the Council was contractually committed to capital expenditure which amounted to approximately £7.81m. Major contracts included the following schemes:

	£000
Brentwood School - Expansion	3,630
Altrincham Leisure Centre	717
Sale Magistrates Court	22,026
Mayors Challenge Fund - Seymour Grove	3,461
Total at 31 March 2025	**29,834**

14a) Infrastructure Assets

In accordance with the temporary relief offered by the update to the Code on Infrastructure Assets introduced through the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 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 of the Council to the users of the financial statements.

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

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

Net Book Value (modified historic cost)	2023/24 £000	2024/25 £000
Balance at 1 April	**181,368**	**188,300**
Additions	12,174	15,533
Depreciation	(5,242)	(5,754)
Net Book Value Balance at 31 March	**188,300**	**198,079**

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. Useful lives of the various parts of the highways network are assessed by the Chief Highways Engineer using industry standards where applicable.

Asset description	Useful Life
Highways - Primary Route Network	40
Highways – Non-Primary Route Network	60
Street Lighting	40
Bridges	120
Traffic Management & Road Safety	20
Culverts & Watercourses	25
Landfill Gas	25
Highways - Maintenance Works	20

14b) Right of Use Assets

Following the introduction IFRS 16, the accounting treatment for leases and their presentation in the financial statements has changed. The Council has recognised a new class of right-of-use assets and brought all leased assets and their corresponding liabilities onto the balance sheet except for leases deemed to be short term or for low value assets.

Right of use assets are initially recognised at the present value of the lease liability and depreciated over the life of the lease. Where appropriate these assets are also revalued periodically in line with the rest of the Council's fixed assets. The below table summarises the movements in this new asset class over the year.

Movement in IFRS16 Assets	Land & Buildings (non PFI) £000	Vehicles & Equipment £000	Total excluding PFI £000	PFI £000	Total Including PFI £000
Opening Value 1 April 24	-	-	-	-	
Additions to opening balance due to IFRS16 transition	1,551	60	1,611	230	1,841
Additions: new leases	2,723	138	2,861	0	2,861
Other additions	-	-	-	5	5
Reclassification from PPE	8,757	-	8,757	4,613	13,370
Less Depreciation	(702)	(36)	(738)	(118)	(856)
Revaluation gains / (losses)	(4,233)	-	(4,233)	3,270	(963)
Closing Value 31 March 25	**8,096**	**162**	**8,258**	**8,000**	**16,258**

The Right of Use Asset and the associated lease liability are initially brought onto the balance sheet at the value of the liability; some assets are held at cost and others revalued and adjusted accordingly (for instance assets under a peppercorn arrangement would be revalued at fair value). The liability does not change and continues to be based on the outstanding payments with the except of adjustments for such things as rent reviews. Further detail on the associated liabilities, which total £3.623m and £3.568m for PFI are included in Note 34. Leases and Note 36 PFI.

15) Investment Properties

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

	2023/24 £000	2024/25 £000
As at 1 April	**107,166**	**94,627**
Disposals	(14,260)	-
Net gains / (losses) from fair value adjustments	1,363	14,714
Transfers (to) / from Property, Plant & Equipment	358	117
As at 31 March	**94,627**	**109,458**

The fair value for the investment properties has been based on the market approach using comparable market data, including income streams, tenure, lease terms and other relevant information for similar assets in the local authority area. As such all of the Council's directly held investment assets have been assessed as Level 2 in the fair value hierarchy. Additionally, there have been no transfers between Levels during the year.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement:

	2023/24 £000	2024/25 £000
Rental income from investment property	(8,590)	(8,368)
Direct operating expenses arising from investment property	1,489	1,823
Net (gain)/loss	**(7,101)**	**(6,545)**

16) Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets

	Long Term				Short Term				
	Investments		Debtors		Investments		Debtors		Total
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2025 £000
Fair value through profit and loss									
Church Commissioner Local Authority Fund - Principal	4,554	4,642	-	-	-	-	-	-	4,642
Sub-total – Fair value through profit and loss	**4,554**	**4,642**	**-**	**-**	**-**	**-**	**-**	**-**	**4,642**
Amortised Cost									
Other Investments									
Principal (i)	-	-	-	-	-	-	-	-	**-**
Accrued Interest (i)	-	-	-	-	-	-	-	-	**-**
Cash and cash equivalent:									
Cash at Bank	-	-	-	-	22,374	14,178	-	-	**14,178**
Principal	-	-	-	-	30,930	26,139	-	-	**26,139**
Accrued interest	-	-	-	-	224	289	-	-	**289**
Other Financial Instruments									
MAH Loans (included within Long term debtors)	-	-	29,650	29,650	-	-	-	-	**29,650**
MAH Loans (included within Long term debtors)- Accrued Interest	-	-	9,142	9,496	-	-	-	-	**9,496**
Homestep Loans (included within Long term debtors)	-	-	354	247	-	-	-	-	**247**
Capital Loans (included within Long term debtors)	-	-	75,245	99,853	-	-	39,523	30,588	**130,441**
Treasury Asset Investments (included within Long term debtors)	-	-	-	-	-	-	11,934	-	**-**

	Long Term				Short Term				
	Investments		Debtors		Investments		Debtors		Total
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2025 £000
Trafford Leisure CIC	-	-	1,180	1,180	-	-	-	-	**1,180**
Trafford Leisure CIC Accrued Interest	-	-	142	222	-	-	-	-	**222**
Section 106 debtors (included within Short term debtors)	-	-	-	-	-	-	908	-	-
Trade Debtors (included within Short term debtors)	-	-	-	-	-	-	12,053	12,654	**12,654**
Church Commissioner Local Authority Fund – Accrued Interest	-	-	-	-	67	61	-	-	**61**
Sub-total – amortised cost	**-**	**-**	**115,713**	**140,648**	**53,595**	**40,667**	**64,418**	**43,242**	**224,557**
Fair value through other comprehensive income –designated equity instruments									
Manchester Airport Holdings (MAH) Shareholding (See note on "Interest in Companies")	46,300	43,400	-	-	-	-	-	-	**43,400**
Manchester Airport Holdings (MAH) Shareholding Car Park (iii)	4,400	4,400	-	-	-	-	-	-	**4,400**
Sub-total – Fair value through other comprehensive income	**50,700**	**47,800**	**-**	**-**	**-**	**-**	**-**	**-**	**47,800**
Total financial Instruments (included in Financial Assets)	**50,700**	**47,800**	**115,713**	**140,648**	**53,595**	**40,667**	**64,418**	**43,242**	**276,999**
Other Financial Assets:									
Investments included in Group Accounts (ii)									
Equity - Trafford Bruntwood LLP	10,321	10,071	-	-	-	-	-	-	**10,071**
Equity - Trafford Bruntwood (Stretford Mall) LLP	9,178	12,244	-	-	-	-	-	-	**12,244**
Equity - Trafford Bruntwood (Stamford Quarter) LLP	24,146	24,847							**24,847**
Sub-total – amortised cost	**43,645**	**47,162**	**-**	**-**	**-**	**-**	**-**	**-**	**47,162**
Total Financial Assets	**98,899**	**99,604**	**115,713**	**140,648**	**53,595**	**40,667**	**64,418**	**43,242**	**324,161**

(i) There are no short-term investments for the financial year 2024/25

(ii) The Equity Investment in Trafford Bruntwood LLPs is not classified as a financial instrument under IFRS9 on the basis that the investment is included in the authority' group accounts.

(iii) The MAH shareholding has been designated at cost to Fair Value through Other comprehensive Income on the basis that the MAH Shareholding is regarded as a Strategic investment and is not held for trading purposes. The shares originated through a policy initiative with the other Greater Manchester authorities to promote economic generation and tourism.

Financial Liabilities

Long Term					Short Term				
	Borrowings		Creditors		Borrowings		Creditors		Total
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2025 £000
Amortised Cost									
Principal	(332,687)	(377,534)			(149)	(1,905)			(379,439)
Accrued Interest					(1,887)	(2,342)			(2,342)
Market loans EIR adjustments	(752)	(734)			(16)	(16)			(750)
Trade Creditors (included within short term creditors)							(9,321)	(9,693)	(9,693)
Sub-total amortised cost	**(333,439)**	**(378,268)**			**(2,052)**	**(4,263)**	**(9,321)**	**(9,693)**	**(392,224)**
PFI and finance lease liabilities	(3,379)	(3,123)			(374)	(444)			(3,568)
Lease Liability		(2,707)				(916)			(3,623)
Sub-total – Other (included in long term liabilities and short-term creditors)	**(3,379)**	**(5,830)**			**(374)**	**(1,360)**			**(7,191)**
Total financial liabilities	**(336,818)**	**(384,098)**			**(2,426)**	**(5,623)**	**(9,321)**	**(9,693)**	**(399,414)**

Under accounting requirements, the carrying value of the financial instruments is shown in the balance sheet which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an effective interest rate calculation) including accrued interest. Accrued interest is shown separately in current assets or liabilities where the payments or receipts are due within one year. The effective interest rate (EIR) is effectively accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price. The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2024/25		2023/24	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net gains/losses on:				
Financial assets measured at fair value through profit or loss - CCLA share revaluation - CCLA Interest	 (88) (257)		 185 (265)	
Investments in equity instruments designated at fair value through other comprehensive income - MAH Share revaluation - MAH Shares (project Apollo) - MAH Share dividend		 2,900 (484)		 (26,200) (100) (323)
Total net (gains)/losses	**(345)**	**2,416**	**(80)**	**(26,623)**
Interest revenue:				
Financial assets measured at amortised cost - Investment interest	(2,174)		(3,151)	
Total interest revenue	**(2,174)**		**(3,151)**	
Interest expense				
Financial assets measured at amortised cost - Loan interest payable	9,485		7,818	
Total interest expense	**9,485**		**7,818**	

Fair values

IFRS 13, paragraphs 76–90 stipulates that the Council must ensure consistency and comparability in the way it reports its Financial Assets and Liabilities and in order to be able to do so the following 3 techniques have been used:

Level 1 Inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities 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.

Fair Value of Financial Assets

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

Financial assets measured at fair value				
Recurring fair value measurements	**Input level in fair value hierarchy**	**Valuation technique used to measure fair value**	**As at 31/3/25 £000**	**As at 31/3/24 £000**
Church Commissioners Local Authority Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	4,642	4,554
Manchester Airport Holdings	Level 2	Earning Based	43,400	46,300
Manchester Airport Holdings	Level 2	Earning Based	4,400	4,400
Total			52,442	55,254

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

31 March 2025	**Other significant observable inputs (Level 2) £000**	**Total £000**
Financial liabilities		
Financial liabilities held at amortised cost:		
- PWLB	231,911	231,911
- Non-PWLB	20,265	20,265
- Trade Creditors	9,693	9,693
PFI and finance lease liability		
Total	**261,869**	**261,869**
Financial assets		
Financial assets held at amortised cost:		
- Investments	26,490	26,490
- Cash at Bank	14,179	14,179
MAH loans	29,650	29,650
Homestep loans	247	247
Capital Loans	130,442	130,442
Treasury Asset Investment	-	-
Trafford Leisure CIC	1,180	1,180
Trade debtors	12,654	12,654
Total	**214,842**	**214,842**

Comparator year

31 March 2024	Other significant observable inputs (Level 2) £000	Total £000
Financial liabilities		
Financial liabilities held at amortised cost:		
- PWLB	208,520	208,520
- Non-PWLB	20,770	20,770
- Trade Creditors	9,321	9,321
PFI and finance lease liability	3,176	3,176
Total	**241,787**	**241,787**
Financial assets		
Financial assets held at amortised cost:		
- Investments	31,221	31,221
- Cash at Bank	22,374	23,374
MAH loans	29,650	29,650
Homestep loans	354	354
Capital Loans	114,516	114,516
Treasury Asset Investment	11,934	11,934
Trafford Leisure CIC	1,180	1,180
Trade debtors	13,036	13,036
Total	**224,265**	**224,265**

The fair value for financial liabilities and financial assets that are not measured at fair value included in Level 2 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

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

Equity shareholding

Manchester Airport Holdings & Car Park shareholding: shares in this company originated through a policy initiative with other Greater Manchester Local Authorities to promote economic generation and tourism. In addition to this on 28 January 2019 the Council committed to a further equity investment of £5.61m relating to strategic car park infrastructure developments at the airport (project Apollo). The shares for these 2 holdings are not traded in an active market and their fair value has been calculated on an analysis of the assets and liabilities in the Company's latest audited accounts by an independent accountancy firm BDO to be £43.4m and £4.4m respectively. The method involves the application of a price earnings ratio to maintainable or prospective earnings or post tax profits and draws on data from comparable quoted companies. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. These unobservable inputs have been developed using the best information about the assumptions that the market participants would use when pricing the asset.

The valuation has been made using annual audited accounts of Manchester Airport Holdings for the years ending 31 March 2019-24 along with interim 6-month reports and accounts for the period ending 30 September 2019-24. These shares are subject to an annual valuation and in 2024/25 decreased in value by £2.9m for the main shareholding and were unchanged for the car park shareholding (project Apollo).

The valuation provided is based on estimations and assumptions and therefore, should the Council sell its shareholding, the value held in these statements may not be realised.

Trafford Bruntwood LLP

K site Ltd: Trafford Council has a 50% equity shareholding in Trafford Bruntwood LLP with the remaining 50% being held by Bruntwood (K Site Ltd). The entity holds assets in the form of the former Kelloggs headquarters site at Talbot Road, which was purchased in April 2018 for £11.9m. The site has been redeveloped in line with the Civic Quarter Masterplan and hosts the University of Lancaster and Education 92 Limited (UA92). The shares in this company are not traded in an active market and for the financial year 2024/25 the fair value of the shares is £10.1m compared to £10. 3m in 2023/24. The fair value of these shares has been calculated based on the initial price of the land and building plus an uplift based on the expenditure incurred on the building refurbishment and site development up to 31st March 2025, with a reduction to account for a capital repayment in 2024/25 of £0.95m

Trafford Bruntwood (Stretford Mall) LLP

The Council owns a 50% equity shareholding in Trafford Bruntwood (Stretford Mall) LLP which was set up to purchase the Stretford Mall. This LLP holding is key in the Council's regeneration masterplan for the town of Stretford due to the Mall's importance and prime location. Redevelopment is currently underway to aid with the redevelopment of the area, as part of the Stretford Masterplan. The shares in this company are not traded in an active market and for the financial year 2024/25 the fair value of the shares are £12.28m, compared to £9.18m in 2023/24. The fair value of these shares has been calculated based on the initial price of the land and building plus an uplift based on the expenditure incurred on the site redevelopment up to 31st March 2025.

Trafford Bruntwood (Stamford Quarter) LLP

The Council owns a 50% equity shareholding in Trafford Bruntwood (Stamford Quarter) LLP which was set up to purchase the Stamford Quarter and Clarendon House in Altrincham. The Council deems these assets important for the continued regeneration of Altrincham Town Centre. The shares in this company are not traded in an active market and for the financial year 2024/25 the fair value of the shares is £24.85m, compared to £24.15m in 2023/24. The fair value of these shares has been calculated based on the initial price of the land and building plus an uplift based on the expenditure incurred on the site redevelopment up to 31st March 2025.

Transfers between Levels of the Fair Value Hierarchy

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

Changes in the Valuation Technique

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

Fair value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets are carried on the balance sheet at amortised cost (in long term assets / liabilities with accrued interest in current asset / liabilities). Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures as these are considered the most appropriate basis. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price.
- For investments the prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.

- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the principal outstanding or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Liabilities							
	31 March 2024		31 March 2025				
	Carrying Amount £000	Fair Value £000	Principal £000	Add EIR adjustment £000	Add accrued Interest £000	Carrying Amount £000	Fair Value £000
Financial Liabilities (Long and Short Term) – Measured at amortised cost							
PWLB	313,653	208,520	**356,687**	**-**	**2,272**	**358,960**	231,911
Market	21,823	20,770	**22,752**	**734**	**71**	**23,557**	20,265
Trade creditors (included within short term creditors)	9,321	9,321	**9,693**	**-**	**-**	**9,693**	9,693
Sub total	**344,797**	**244,188**	**389,132**	**734**	**2,343**	**392,210**	**261,869**
Total	**344,797**	**244,188**	**389,132**	**734**	**2,343**	**392,210**	**261,869**

Assets						
	31 March 2024		31 March 2025			
	Carrying Amount £000	**Fair Value £000**	**Principal £000**	**Add accrued Interest £000**	**Carrying Amount £000**	**Fair Value £000**
Loans & Receivables						
Cash & Cash equivalents						
- Cash at bank	22,374	-	14,179	-	14,179	14,179
- Deposits	31,154	31,154	26,140	289	26,429	26,429
Sub total	**53,528**	**31,154**	**40,319**	**289**	**40,608**	**40,608**
Financial Instruments						
Deposits under 1 year	-	-	-	-	-	-
CCLA Property Fund	4,621	4,621	4,642	61	4,703	4,703
MAH Loans (included within long term debtors)	38,792	50,400	29,650	9,496	39,146	50,317
Homestep Loans (included within long term debtors)	354	354	247	-	247	247
Capital Loans (included within long term debtors)	110,458	122,795	141,560	5511	124,931	145,911
Treasury Asset Investment (included within long term debtors)	11,934	12,316	-	-	-	-
Trafford Leisure CIC	1,322	1,322	1,180	222	1,402	1,402
Trade Debtors (included within short term debtors)	13,036	13,036	12,654	-	12,654	12,654
Sub total	**180,517**	**204,844**	**189,933**	**15,290**	**183,083**	**215,233**
Other Financial Instruments						
MAH Shareholding	46,300	46,300	43,400	-	43,400	43,400
MAH Shareholding Car Park	4,400	4,400	4,400	-	4,400	4,400
Sub total	**50,700**	**50,700**	**47,800**	**-**	**47,800**	**47,800**
Total	**284,745**	**286,698**	**278,052**	**15,579**	**271,491**	**303,642**

The fair value differs from the carrying amount because the Council's portfolio of liabilities and assets includes a number of fixed rate instruments where the interest rate payable and receivable are different to the rates available for similar transactions in the market at the balance sheet date.

The authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. Should the Council choose to repay its loans, then the exit price including principal, accrued interest and the penalty charge or discount for PWLB loans would be £252.2m and for Market loans £20.6m.

17) Debtors

Long Term Debtors & Prepayments

2023/24 £000		2024/25 £000
38,791	Manchester Airport Holdings (i)	39,146
73,012	Capital Loans (ii)	96,663
2,233	Deferred Interest	3,190
2,739	Other	2,762
116,775	**Sub-total**	**141,761**

(i) the Council has made three loans to Manchester Airport Holdings, to finance capital expenditure, to a total value of £29.6m:

- £8.7m in 2009/10 set to expire in 2055,
- £11.2m in 2018/19, in two tranches of £5.6m for repayment in 2056 and 2057, and
- £9.7m in 2020/21 set to expire in 2058

Since 2020, due to the impact of the pandemic the collection of interest payments on all loans has been reduced with the accumulated interest held as a Long Term Debtor. The balance on the accumulated loan interest deferred debtor is £9.5m as at 31st March 2025 (£9.1m 2023/24).

(ii) Capital loans – the 2024/25 balance reflects several developments that have now been repaid or are due to be repaid within the next 12 months and therefore now classified as short term. There has also been a new scheme entered into during 2024/25.

	Short Term Debtors and Payments in Advance	
2023/24 £000	**Amounts falling due within one year**	**2024/25 £000**
10,256	Council Tax	12,464
9,598	Business Rates	11,000
13,500	Other Government Departments	15,493
7,276	Payments in advance	8,204
51,458	Capital Loans Short Term (i)	30,589
29,275	Other (ii)	31,809
121,363	**Sub Total**	**109,522**
(24,083)	Less Impairment for Expected Credit Loss (iii)	(26,440)
97,280	**Total**	**83,119**

(i) Capital Loans – the 2024/25 balance reflects development loans and deferred interest on two loan schemes, due for repayment in 2025/26. The reduction in capital loans from 2023/24 is due to repayment of three loans.

(ii) Other Debtors – Includes Debtors relating to Housing Benefit Overpayment £3.03m, Adults Social Care Debtors £8.74m, General System Debtors and Manual Accruals £12.36m, Capital Debtors of £6.59m.

(iii) Impairment for Expected Credit Loss – includes Expected Credit Loss for NNDR Debtors (£9.97m), Council Tax Debtors (£9.79m) and Housing Benefit Debtors (£3.03m)

18) Cash and Cash Equivalents

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

2023/24 £000		2024/25 £000
22,374	Cash held by the Council/Bank current accounts	14,177
31,154	Short-term deposits and Accrued Interest	26,429
53,528	**Total Cash and Cash Equivalents**	**40,606**

19) Creditors and Receipts in Advance

Long-Term Liabilities – Deferred		
2023/24 £000		**2024/25 £000**
(3,378)	Sale PFI – Finance Lease liability (i)	(3,124)
-	Lease liability (ii)	(2,707)
(1,214)	Other	(598)
(4,592)	**Total**	**(6,429)**

(i) This relates to the lease liability on the Sale Waterside PFI scheme (note 35).

(ii) Lease liability in accordance with the introduction of IFRS16 (note 34).

	Short Term Creditors	
2023/24 £000		**2024/25 £000**
(3,738)	HM Revenue and Customs	(3,620)
(9,175)	Other Government Departments	(12,699)
(42,379)	Sundry Creditors	(40,794)
(5,637)	Employees – accumulated absences	(6,129)
(4,163)	Receipts in Advance – Council Tax	(4,528)
(9,923)	Receipts in Advance – NDR	(10,695)
(3,227)	Other Receipts in Advance	(3,232)
(78,242)	**Total**	**(81,697)**

20) Provisions

The Council has the following total provisions at 31 March 2025:

Total Provision	Balance 1 April 2023 £000	Net Movement in Year £000	Balance 1 April 2024 £000	Net Movement in Year £000	Balance 31 March 2025 £000
Short Term Provisions					
NDR Appeals (ii)	**(16,872)**	2,669	**(14,203)**	1,954	**(12,249)**
Other	**(1,564)**	(57)	**(1,621)**	605	**(1,016)**
Subtotal - Short Term	**(18,436)**	**2,612**	**(15,824)**	**2,559**	**(13,265)**
Long Term Provisions					
Insurance (i)	**(2,791)**	(652)	**(3,443)**	9	**(3,434)**
NDR Appeals (ii)	**(5,624)**	890	**(4,734)**	651	**(4,083)**
Other	**(1,251)**	(91)	**(1,342)**	(422)	**(1,764)**
Subtotal – Long Term	**(9,666)**	**147**	**(9,519)**	**238**	**(9,281)**
Total	**(28,102)**	**2,759**	**(25,343)**	**2,797**	**(22,546)**

An element of the above provisions has been classified as short-term on the balance sheet based on the assumption that there is a high likelihood that they will be used within 12 months of the balance sheet date

(i) Insurance £3.443m – The Council is effectively self-insured with high excesses on most insurance policies. The Council mitigates its insurance risk with the use of reserves, provisions and catastrophe cover from an insurance company, which for 2024/25 was primarily Zurich Municipal. The Council is therefore obliged to make a provision each year in respect of potential claims, most of which are received in future years. The level of provision is assessed annually. In 2024/25, from a starting balance of £3.443m net contributions of £173k were made to the provision, £182k of claims were paid, leaving a balance on the provision of £3.434m which is deemed an appropriate balance to cover any outstanding liabilities. This balance includes the outstanding claims estimate under Municipal Mutual Insurance Scheme of Arrangement, as shown in note 38(a).

(ii) In 2013/14, the administration of NDR changed following the introduction of a business rates retention scheme which aims to give Councils a greater incentive to grow businesses but also increases the financial risk due to volatility, caused by for example new appeals and changes in reliefs, and non-collection of rates. Authorities are expected to finance an element of appeals made in respect of rateable values as defined by VOA as at 31 March 2025. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. The total provision charged/(credited) to the collection fund for 2024/25 has been calculated at £2.63m.

21) Usable Reserves

Movement in the Council's usable reserves are detailed in the Movement in Reserves Statement and in note 9. The following additional information is provided relating to reserves held by schools.

2023/24 £000	Usable reserves	2024/25 £000
(10,500)	General Fund	(10,500)
(15,612)	Schools Reserves (i)	(14,716)
(70,396)	Earmarked Reserves (ii)	(59,288)
(1,425)	Capital Receipts Reserve (iii)	(1,534)
(693)	Revenue Grants Unapplied	(751)
(26,074)	Capital Grants Unapplied (iv)	(24,466)
(124,700)	**Total Usable Reserves**	**(111,255)**

(i) Reserves & Balances held by Schools under Delegated Schemes

In accordance with the Council's approved scheme for delegating budgets to schools, the amount of any budget not spent in the year is carried forward. These reserves are not available to the Council for general use, it is for each school to determine how they are spent. The net surplus revenue balances at 31 March 2025 were £(14.651)m (£(15.568)m at 31 March 2024).

At 31 March 2025 there were 7 schools with a deficit balance on their revenue reserves, amounting to £567k, whilst 52 schools had surplus balances amounting to £(15.218)m.

School capital balances were in surplus by £(65)k.

In addition, there are unspent devolved formula capital balances of £(811)k, which are included within Capital Grants and Contributions on the balance sheet (note 31).

(ii) Earmarked Reserves

Details of all earmarked reserves and movements are shown in Note 10. The balance at 31stMarch 2025 was £59.29m.

(iii) *Capital Receipts Reserve*

This reserve holds capital receipts the Council has received for the sale of Council assets which is held to meet new capital expenditure, debts or other liabilities. Movements within this reserve can be found in note 9.

(iv) *Capital Grants Unapplied*

2023/24 £000	Capital Receipts Unapplied Reserve	2023/24 £000
(8,451)	Schools Basic Need Programme	(6,788)
(3,387)	Schools Condition and Modernisation	(3,937)
(10,749)	Schools - SEND & High Needs Provision	(8,311)
(561)	Childcare Expansion Grant	(561)
(308)	Highways - Key Route Network	(282)
(600)	PFI Lifecycle Grant	(718)
(1,940)	Community Infrastructure Levy	(3,842)
(78)	Other Grants and Contributions	(27)
(26,074)	**Capital Grants Unapplied Sub-total**	**(24,466)**

22) Unusable Reserves

Total unusable reserves balances and movements are shown in the Movement in Reserves Statement and in note 9. The following notes give an explanation by individual reserve.

2023/24 £000	Unusable Reserves	2024/25 £000
(240,918)	Revaluation Reserve (i)	(202,544)
(34,430)	Financial Instruments Revaluation Reserve (ii)	(31,618)
(348,943)	Capital Adjustment Account (iii)	(369,511)
18,820	Financial Instruments Adjustment Account (iv)	18,108
32,023	Pensions Reserve (v)	27,659
(2,262)	Collection Fund Adjustment Account (vi)	(1,649)
9,720	DSG Adjustment Account (vii)	19,741
5,637	Accumulated Absences Account (viii)	6,129
(560,353)	**Total Unusable Reserves**	**(533,685)**

(i) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from the increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired;
- used in the provision of services and the gains are consumed through depreciation, or;
- disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24 £000	Revaluation Reserve	2023/24 £000
(204,098)	**Balance as at 1 April**	**(240,918)**
(46,212)	(Upward) / downward revaluation of assets	28,635
(46,212)	**Sub-total**	**28,635**
8,564	Difference between fair value depreciation and historical cost depreciation	9,590
828	Accumulated gains on assets sold or scrapped	149
9,392	**Amount written off to the Capital Adjustment Account**	**9,739**
(240,918)	**Balance as at 31 March**	**(202,544)**

(ii) Financial Instruments Revaluation Reserve

The financial Instruments Revaluation Reserve contains the gains made by the Council arising from the increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- disposed of and the gains are realised.

In 2023/24 the Council revalued its shareholding in Manchester Airport which resulted in a decrease in value from £50.7m to £47.8m and the original investment of £10.214m together with £5.61m in respect of the car park forms part of the Capital Adjustment Account balance.

The Council during 2015/16 invested £5m in the Church Commissioners Local Authority Property fund and this enabled 1,643,872 units to be purchased. The value of these units increased from an opening position of £4.5m at 1 April 2024 to close at £4.6m at 31 March 2025.

2023/24 £000	Financial Instruments Revaluation Reserve	2024/25 £000
(8,315)	**Balance as at 1 April**	**(34,430)**
(26,300)	Downward / (Upward) revaluation of investment - Airport	2,900
185	Downward / (Upward) revaluation of investment - CCLA	(88)
(34,430)	**Balance as at 31 March**	**(31,618)**

(iii) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Capital Adjustment Account contains amounts required by statute to be set aside from capital receipts and Government grants together with the amount set aside from revenue accounts for the repayment of debt. It also contains the amounts used from revenue, capital receipts and grants to finance the capital programme. The reserve is not available to supplement spending programmes of the Council. A credit balance on this account reflects that capital finance has been set aside at a faster rate than non-current assets have been consumed.

2023/24 £000	Capital Adjustment Account	2024/25 £000
(346,730)	**Balance as at 1 April**	**(348,943)**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
36,901	Charges for depreciation and impairment of non-current assets, and amortisation of capital loans	27,749
10,411	Revaluation losses on Property, Plant and Equipment	10,930
646	Amortisation of intangible assets	651
1,128	Revenue expenditure funded from capital under statute	6,724

2023/24 £000	Capital Adjustment Account	2024/25 £000
18,385	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	1,130
67,471		**47,184**
(9,392)	Adjusting amounts written out of the Revaluation Reserve	(9,739)
58,079	**Net written out amount of the cost of non-current assets consumed in the year**	**37,445**
	Capital financing applied in the year:	
(1,003)	Use of the Capital Receipts Reserve to finance new capital expenditure	(789)
(36,161)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(35,184)
(21,498)	Statutory provision for the financing of capital investment charged against the General Fund Balance	(5,994)
(266)	Capital expenditure charged against the General Fund Balance	(1,334)
(58,929)		**(37,233)**
(1,363)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(14,714)
(348,943)	**Balance as at 31 March**	**(369,511)**

(iv) Financial Instruments Adjustment Account

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. Trafford uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the comprehensive income and expenditure statement when they are incurred, but reversed out of the general fund balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on council tax. In the authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

2023/24 £000	Financial Instruments Adjustment Account	2024/25 £000
19,531	**Balance as at 1 April**	**18,820**
(711)	Less annual charge for premiums incurred in previous financial years and stepped loan EIR adjustment	(712)
18,820	**Balance at 31 March**	**18,108**

(v) Pensions Reserve/Liability

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

Any difference between the IAS19 values and the statutory pension fund contributions is accounted for in the Movement in Reserves Statement via a transfer to the Pensions Reserve. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24 £000	Pensions Reserve	2024/25 £000
(97,893)	**Balance as at 1 April**	**32,023**
134,971	Re-measurements of the net defined benefit (liability)/asset	4,936
15,304	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	12,479
(20,359)	Employer's pension contributions and direct payments to pensioners payable in the year	(21,779)
32,023	**Balance as at 31 March**	**27,659**

(vi) *Collection Fund Adjustment Account*

Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £000	Collection Fund Adjustment Account	2024/25 £000
(19,972)	**Balance as at 1 April**	**(2,262)**
(885)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	157
18,595	Amount by which non domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	456
(2,262)	**Balance as at 31 March**	**(1,649)**

(vii) *Dedicated Schools Grant (DSG) Adjustment Account*

On 6 November 2020, the Secretary of State for the Department of Levelling Up, Housing and Communities previously the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020. The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget relating to its accounts for a financial year beginning on 1 April 2020, 1 April 2021 or 1 April 2022, it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the Councils' General Fund for a period of three financial years. This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation is limited to the financial reporting periods 2020/21 to 2025/26 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit. This statutory override was extended and is due to end 31st March 2028 and the deficit has worsened over this time. Work continues to take place on the DSG deficit management plan with proposals and options being discussed with the Department for Education. If the statutory override is not extended, the deficit will transfer back to the Council's total Earmarked Reserves, which has serious financial implications for the authority.

2023/24 £000	Dedicated Schools Grant Adjustment Account	2024/25 £000
1,476	**Balance as at 1 April**	**9,720**
8,244	In year DSG over/under spend	10,022
9,720	**Balance as at 31 March**	**19,741**

(viii) *Accumulated Absences Account*

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

2023/24 £000	Accumulated Absences Account	2024/25 £000
5,310	**Balance as at 1 April**	**5,637**
(5,310)	Settlement or cancellation of accrual made at the end of the preceding year	(5,637)
5,637	Amounts accrued at the end of the current year	6,129
327	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	492
5,637	**Balance as at 31 March**	**6,129**

23) Cash Flow Statement – Operating Activities

The cash flow from Operating Activities includes the following:

2023/24 £000		2024/25 £000
	23a - Adjustments to net surplus or deficit on the provision of services for non-cash movements	
(32,859)	Depreciation/Impairment charged to I and E	(36,504)
(646)	Amortisation of Intangible Assets	(651)
(16,479)	Increase/(decrease) in impairment for bad debts	(5,508)
10,282	(Increase)/Decrease in Creditors	(3,358)
5,199	Increase/(Decrease) in Debtors	5,510
12	Increase/(Decrease) in Inventories	(1)
5,055	Pensions Liability	9,300
2,759	Contributions to/(from) Provisions	2,796
(18,385)	Carrying value on disposal of Property, Plant and Equipment, Investment Property and Intangible Assets	(1,130)
1,363	Investment Properties (Losses)/Gains	14,714
118	Other non-cash adjustments	18
(43,581)		**(14,814)**
	23b - Adjustments for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
1,799	Capital Grants credited to the surplus or deficit on the provisions of services	898
41,719	Proceeds from the sale of non-current assets	28,808
43,518		**29,706**
	23c - The cash flows for operating activities include the following items:	
(7,598)	Interest received	(5,816)
8,337	Interest paid	(438)
(323)	Dividends received	(5,810)
-	Other lease payments	(974)

24) Cash Flow Statement – Investing Activities

The cash flows for investing activities include the following items:

2023/24 £000		2024/25 £000
57,391	Purchase of property, plant and equipment, investment property and intangible assets	53,747
2,433	Purchase of short-term and long-term investments	3,555
11,594	Other payments for investing activities	9,378
(1,799)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(898)
(21,999)	Proceeds from short-term and long-term investments	-
(43,070)	Other receipts from investing activities – Capital Grants Received	(25,806)
4,550	**Net cash flows from investing activities**	**39,976**

25) Cash Flow Statement – Financing Activities

The cash flows for financing activities include the following items:

2023/24 £000		2024/25 £000
(38,329)	Cash receipts of short and long-term borrowing	(46,752)
351	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	375
24,757	Repayments of short and long-term borrowing	765
6,096	Other payments for financing activities – Net Cash inflow from NDR Agency arrangements	19
(7,126)	**Net cash flows from financing activities**	**(45,593)**

Reconciliation of liabilities arising from Financing Activities:

	Balance at 1st April 2024	Financing Cash Flows	Other non-cash changes	Balance at 31st March 2025
	£000s	**£000s**	**£000s**	**£000s**
Long Term Borrowing	333,440	45,218	(389)	378,269
Short term borrowing	2,036	2,212	-	4,248
Deferred Liabilities:				
Sale PFI – Finance Lease liability	(3,378)	255	-	(3,123)
Finance Leases	-	(2,707)	-	(2,707)
Environmental Surcharge Crematoria	(1,025)	426	-	(599)
Trafford Park Development Corporation	(42)	42	-	-
Commuted sums/S106 agreements	(147)	147	-	-
Total liabilities from financing activities	**330,884**	**45,593**	**(3,096)**	**376,088**

Comparative year:

	Balance at 1st April 2023	Financing Cash Flows	Other non-cash changes	Balance at 31st March 2024
	£000s	**£000s**	**£000s**	**£000s**
Long Term Borrowing	314,606	9,613	9,221	333,440
Short term borrowing	5,994	(3,958)	-	2,036
Deferred Liabilities:				
Sale PFI – Finance Lease liability	(3,753)	375	-	(3,378)
Environmental Surcharge Crematoria	(947)	(78)	-	(1,025)
Trafford Park Development Corporation	(50)	8	-	(42)
Commuted sums/S106 agreements	(1,313)	1,166	-	(147)
Total liabilities from financing activities	**314,537**	**7,126**	**9,221**	**330,884**

26) Pooled Budgets

Learning Disability Pooled Budget

Trafford has operated a pooled fund for Learning Disability Services in conjunction with NHS Greater Manchester Integrated Care Board (GM ICB). Trafford MBC acts as the lead accounting officer for the pooled fund, which is managed jointly by the Council and the ICB to support joint working arrangements. The pool provides a wide variety of services to Learning Disability adults in Trafford, including a joint community team, extensive specialist residential provision, a range of supported placements, support in the home and external and in-house day care.

The gross 2024/25 budget was £38.447m, which after grant income and fees of £2.794m left net

planned expenditure of £35.653m to be funded jointly by the Council and the ICB. The net budget was underspent by £918k in year and is included in the Adults Services outturn figure.

As the Council acts as the lead role in making the key decisions regarding commissioning and service delivery, with minimal operational input from the ICB, the Council's accounts reflect the total pool expenditure with the contribution from NHS GM ICB shown as income.

	2023/24 £000	2024/25 £000
Funding provided to the pooled budgets:		
the Council	(32,063)	(34,606)
NHS GM ICB	(1,099)	(1,047)
Total funding	**(33,162)**	**(35,653)**
Expenditure met from the pooled budget:	32,290	34,735
Net (surplus)/deficit arising on the pooled budget during the year	**(872)**	**(918)**
Contribution (to)/from Service Outturn	(872)	(918)
Previous year's (surplus)/deficit carried forward	-	-
Contribution to Reserve	-	-
Balance to be carried forward	**-**	**-**

Better Care Pooled Fund Account

The Better Care Pooled Fund Account is a joint pooled account with NHS GM ICB and Trafford Council's Adult Care service to jointly commission services in line with Government requirements under section 75 of the Health Act 2006. The fund is hosted by NHS GM ICB and commenced on 1st April 2015. Trafford Council's accounts reflect only the Council's share of the overall budget and exclude the share(s) attributable to the ICB.

The Better Care Fund creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services. Locally, the primary aims of the fund are:

- Reducing non-elective admissions and reducing residential admissions by providing the right care and support within the community

- Facilitating earlier hospital discharge
- Supporting Carers in their caring role
- Supporting people to remain independent in the community

Financial performance in the year to 31st March 2025 was as follows:

	2023/24 £000	2024/25 £000
Total Allocation	**(36,000)**	**(36,211)**
Funding provided to the pooled budgets:		
Trafford Council	(14,375)	(13,211)
NHS GM ICB	(21,625)	(23,000)
Total Funding	**(36,000)**	**(36,211)**
Expenditure met from the pooled budget:		
Trafford Council	21,844	21,102
NHS GM ICB	14,156	15,292
Total Expenditure	**36,000**	**36,394**
Net (surplus)/deficit arising on the pooled budget during the year	**-**	**183**

27) Members' Allowances

The Council paid the following amounts to members of the council during the year.

	2023/24 £000	2024/25 £000
Basic Allowances	659	680
Special Responsibility Allowances	320	317
Total	**979**	**997**

The Council consists of 63 elected Members (Councillors) and 6 co-opted/independent Members to whom £0.997m was paid in allowances in the year (£0.979m in 2023/24).

28) Officers' Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 in 2023/24 and 2024/25 was:

2023/24		Remuneration Band	2024/25	
Schools Staff	Other Staff		Schools Staff	Other Staff
-	-	£115,000 - £119,999	-	1
-	2	£110,000 - £114,999	1	1
-	-	£105,000 - £109,999	1	1
2	1	£100,000 - £104,999	3	7
3	8	£95,000 - £99,999	4	2
2	1	£90,000 - £94,999	3	2
6	4	£85,000 - £89,999	7	4
8	2	£80,000 - £84,999	3	5
7	5	£75,000 - £79,999	9	5
5	11	£70,000 - £74,999	11	11
12	7	£65,000 - £69,999	14	17
20	21	£60,000 - £64,999	24	15
24	27	£55,000 - £59,999	22	43
38	62 (2)	£50,000 - £54,999	74	86 (2)
127	**151 (2)**	**Total**	**176**	**200 (2)**

Note: The number of leavers included in the main figures are shown in (brackets).

Remuneration includes gross taxable pay, including expenses (chargeable to income tax), plus benefits in kind and compensation payments. It excludes employer's pension contributions.

The above table excludes employees from Academy, Foundation and Voluntary Aided Schools as these staff are not employed by the Council.

Senior Officers have been excluded from the above table as they are shown separately further in the note.

28) Officers' Remuneration (Continued)

The numbers of redundancy/early retirement (R&ER) packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

(a) R&ER package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of R&ER packages by cost band [(b) + (c)]		(e) Total cost of R&ER packages in each band £		(f) Number of pension strain costs agreed		(g) Total cost of pension strain in each band £	
	2023/24	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**
£0 - £20,000	2	2	11	17	13	19	77,156	78,214	-	3	-	10,877
£20,001 - £40,000	-	-	-	2	-	2	-	59,233	1	-	30,125	-
Total	**2**	**2**	**11**	**19**	**13**	**21**	**77,156**	**137,447**	**1**	**3**	**30,125**	**10,877**

Pension Strain costs - occur where an employee is permitted by the employer to take pension benefits without actuarial reduction. This subsequently gives rise to the pension strain cost being met by the employer. The employee derives a benefit from the difference between the pension actually received and what the pension would have been had the actuarial reduction taken effect. The benefit therefore needs to be included in the R&ER packages disclosure above. However, these are **not payments to employees** but are costs written down against the Council's annual allowance for the early payment of pension benefits and are therefore shown separately in the above table. The numbers of pension strain costs agreed above relate to employees already included in the total number of R&ER packages shown in column (d) and are not in addition to them.

Senior Officers Remuneration

The following tables set out the remuneration disclosures for Senior Officers **(excluding** teachers), identified by job title, whose **salary** is:

(i) £150,000 per year or more; or

(ii) less than £150,000 but equal to or more than £50,000 per year and who meet at least one of the following criteria:

- Statutory chief officers (per section 2(6) of the Local Government and Housing Act 1989 as amended), e.g. head of paid service, director of children's services, section 151 officer etc.

- a person who has responsibility for the management of the authority, to the extent that the person has power to plan, direct or control the major activities of the authority (in particular activities involving expenditure of money), whether solely or collectively, in accordance with accounting regulations.

Senior Officers Salary 2024/25 Postholder	Note	Salary, fees & allowances £	Compensation for loss of office £	Expense allowances £	Employers Pension contributions £	Total £
S Todd, Chief Executive	1	195,207	-	195	37,480	232,882
S Saleh - Deputy Chief Executive & Corporate Director of Strategy and Resources	2	156,023	-	27	1,687	157,737
Director of Finance and Systems (Section 151 Officer)	3	117,595	-	244	22,188	140,027
Director of Legal and Governance Services (Monitoring Officer)	4	102,825	-	-	19,742	122,567
Corporate Director of Children's Services	5	146,145	-	-	28,060	174,205
Corporate Director of Adults and Wellbeing	6	87,757	32,802	7	10,514	131,080
Corporate Director of Place	7	131,208	-	112	25,192	156,512
Director of Public Health	8	111,178	-	-	21,346	132,524

Notes:

(1) The Chief Executive was also paid Returning Officer fees of £5,750 for the 2 May 2024 Local Election, Local Returning Officer fees of £8,000 for the 2 May 2024 Mayoral Election, and Acting Returning Officer fees of £7,000 for the 4 July 2024 General Election.

(2) The Deputy Chief Executive & Corporate Director of Strategy and Resources was also paid Deputy Returning Officer fees of £3,438 for the 2 May 2024 Local Election, £3,438 for the 2 May 2024 Mayoral Election, and £3,500 for the 4 July 2024 General Election.

(3) The Director of Finance and Systems was also paid Lead Accountant fees of £750 for the 2 May 2024 Local Election, £750 for the 2 May 2024 Mayoral Election, and £750 for the 4 July 2024 General Election.

(4) The Director of Legal and Governance Services was also paid Deputy Returning Officer fees of £3,438 for the 2 May 2024 Local Election, £3,438 for the 2 May 2024 Mayoral Election, and £3,500 for the 4 July 2024 General Election.

(5) The Corporate Director of Childrens Services was also paid Deputy Returning Officer fees of £1,700 for the 2 May 2024 Local Election, £1,700 for the 2 May 2024 Mayoral Election, and £1,750 for the 4 July 2024 General Election.

(6) The previous Corporate Director of Adults and Wellbeing was also paid Count Supervisor fees of £225 for the 2 May 2024 Local Election, £225 for the 2 May 2024 Mayoral Election, and £250 for the 4 July 2024 General Election. They left the Council on 4th Sept 2024. The duties of this role are currently covered by an officer who is not a direct employee of the authority.

(7) The Corporate Director of Place was also paid Deputy Returning Officer fees of £1,700 for the 2 May 2024 Local Election, £1,700 for the 2 May 2024 Mayoral Election, and £1,750 for the 4 July 2024 General Election.

(8) The Director of Public Health was also paid Count Supervisor fees of £225 for the 2 May 2024 Local Election, £225 for the 2 May 2024 Mayoral Election, and £250 for the 4 July 2024 General Election.

Where individual Senior Officers were ‘Acting’ or ‘Interim’ during the year, the amounts shown represent the total remuneration received for the period they were acting in that capacity.

Senior Officers Salary 2023/24 Postholder	Note	Salary. fees & allowances £	Expense allowances £	Employers Pension contributions £	Total £
S Todd, Chief Executive	1	190,446	125	36,566	227,137
S Saleh - Deputy Chief Executive & Corporate Director of Strategy and Resources	2	152,217	-	1,727	153,944
Director of Finance and Systems (Section 151 Officer)	3	115,000	138	22,118	137,256
Director of Legal and Governance Services (Monitoring Officer)	4	100,317	-	19,289	119,606
Corporate Director of Children's Services	5	136,920	151	26,289	163,360
Corporate Director of Adults and Wellbeing	6	128,008	66	24,578	152,652
Corporate Director of Place	7	128,008	125	24,578	152,711
Director of Public Health	8	18,287	-	3,523	21,810
Director of Public Health	9	95,020	-	17,898	112,918

Notes:

(1) The Chief Executive was also paid Returning Officer fees of £5,750 for the 4 May 2023 Local Election and £500 for the 2 November 2023 Bucklow-St Martins Ward By-Election.

(2) The Deputy Chief Executive & Corporate Director of Strategy and Resources was also paid Deputy Returning Officer fees of £2,875 for the 4 May 2023 Local Election and £500 for the 2 November 2023 Bucklow-St Martins Ward By-Election.

(3) The Director of Finance and Systems was also paid Lead Accountant fees of £1,400 for the 4 May 2023 Local Election and £150 for the 2 November 2023 Bucklow-St Martins Ward By-Election.

(4) The Director of Legal and Governance Services was also paid Deputy Returning Officer fees of £2,875 for the 4 May 2023 Local Election and £500 for the 2 November 2023 Bucklow-St Martins Ward By-Election.

(5) The Corporate Director of Childrens Services was also paid Deputy Returning Officer fees of £1,400 for the 4 May 2023 Local Election.

(6) The Corporate Director of Adults and Wellbeing was also paid Deputy Returning Officer fees of £1,400 for the 4 May 2023 Local Election.

(7) The Corporate Director of Place was also paid Deputy Returning Officer fees of £1,400 for the 4 May 2023 Local Election.

(8) The previous Director of Public Health was also paid Count Assistant fees of £100 for the 4 May 2023 Local Election. They also retired from the Council on 31 May 2023.

(9) The new Director of Public Health was appointed on 15 May 2023. They were also paid Count Supervisor fees of £200 for the 4 May 2023 Local Election.

Where individual Senior Officers were 'Acting' or 'Interim' during the year, the amounts shown represent the total remuneration received for the period they were acting in that capacity.

29) External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and statutory inspections provided by the Council's external auditors:

	2023/24 £000	2024/25 £000
Fees payable to Mazars with regard to external audit services carried out by the appointed auditor	421	386
Total	**421**	**386**

30) Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped by the Department to fund academy schools in the council's area. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2011. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school. Details of the deployment of DSG receivable for 2024/25 are as follows:

2023/24	Dedicated Schools Grant	2024/25		
Total £000		Central Expenditure £000	ISB £000	Total £000
(264,261)	Final DSG before Academy and high needs recoupment			(290,845)
100,256	Academy and high needs figure recouped			107,501
(164,005)	Total DSG after Academy and high needs recoupment			(183,344)
-	Brought forward from prior year			-
-	Carry forward to next year agreed in advance			-
(164,005)	**Agreed initial budgeted distribution**	**(34,516)**	**(148,828)**	**(183,344)**
83	In year adjustments		402	402
(163,922)	Final budgeted distribution	(34,516)	(148,426)	(182,942)
41,237	Less: actual central expenditure	44,537	-	44,537
130,929	Less: actual ISB deployed to schools	-	148,426	148,426
-	Local authority contribution	-	-	-
8,244	**In year carry forward to next year**	**10,021**	**-**	**10,021**
-	Plus: Carry-forward to next year agreed in advance			-
-	Carry forward to next year			-
1,476	DSG unusable reserve adjustment at the end of prior year			9,720
8,244	Addition to DSG unusable reserve at the end of prior year			10,021
9,720	Total of DSG unusable reserve at the end of year			19,741
9,720	**Net DSG position at the end of year**	**-**	**-**	**19,741**

31) Grant and Other Income

(i) Grant and Other Income included in the Comprehensive Income and Expenditure Statement

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

2023/24 £000	Credited to Taxation and Non Specific Grant Income	2024/25 £000
(120,712)	Council Tax	(127,982)
(120,712)	**Council Tax Sub-total**	**(127,982)**
(145,143)	Non-Domestic Rates Income	(149,345)
93,971	NDR Tariff Payment	98,923
7,799	GM Pool No Detriment Payment	5,647
(5,849)	GM Pool No Detriment Rebate	(4,211)
(305)	NDR Levy Rebate from GM Pool	(305)
19,414	CAP grant Tariff adjustment	22,712
(46,357)	Section 31 Compensation Grants	(50,306)
(83)	Renewable Energy Disregard	(83)
18,595	NDR Collection Fund (Surplus)/Deficit	456
-	Local Share Contribution to Accumulated Deficit	324
(21,926)	Local Share of Collection Fund Surplus	(1,576)
1,773	NDR 1/3rd Deficit	-
(78,111)	**Non-Domestic Rates Sub-total**	**(77,764)**
(753)	New Homes Bonus	(376)
(550)	Housing Benefit Admin Grant	(531)
(136)	Local Reform & Community Voices Grant	(136)
(443)	NDR Cost of Collection Grant	(439)
(54)	DWP Housing Welfare Reform Grant	-
(1,577)	Other Grants	(328)
(3,513)	**Revenue Grants Sub-total**	**(1,810)**
(10,759)	Schools Capital Programme	(1,400)
(750)	Schools Devolved Formula Capital Grant	(514)
(4,037)	Schools - SEND & Healthy Pupils Grants	(1,082)
(9,962)	Future High Street Fund Grant	(4,559)
(4,944)	Greater Manchester Combined Authority	(7,515)
(3,798)	Highway Structural Maintenance	(3,888)
(607)	Integrated Transport Grant – TfGM	-
(822)	Public Sector Decarbonisation Grant	(72)
(1,509)	Levelling Up Fund	(960)
2,427	Homes England (HIF)	(1,252)
(3,272)	Local Authority Housing Fund	(804)
(5)	UK Shared Prosperity Fund	(995)
(561)	Childcare Expansion Grant	-

2023/24 £000	Credited to Taxation and Non Specific Grant Income	2024/25 £000
-	Football Foundation	(1,000)
-	Sport England	(1,552)
-	Heritage Lottery Fund	(114)
(3,238)	Other Grants and Contributions	(2,707)
(41,837)	**Capital Grants Sub-total**	**(28,414)**
(244,173)	**Total Credited to Taxation & Non Specific Grant Income**	**(235,970)**

2023/24 £000	Credited to Services within Cost of Services	2024/25 £000
(162,921)	Dedicated School Grant (DSG) incl. EY allocation	(181,420)
(41,370)	Rent Allowances, Rent Rebates and Council Tax Benefit Subsidy	(44,986)
(14,573)	Adult Social Care Grant	(19,185)
(8,568)	CCG Contributions	(8,938)
(8,224)	Improved Better Care Fund	(8,224)
(8,120)	Other Contributions	(9,346)
(1,823)	Learning Skills Council Grant	(2,055)
(7,198)	Other Grants	(18,096)
(7,179)	Covid Support Grant	(3,809)
(6,731)	Other Education Grants	(6,977)
(6,078)	School Grants	(6,736)
(5,826)	Section 117 Contributions	(6,651)
(3,653)	ASC Market Sustainability and Improvement Fund	(4,137)
(3,554)	Mainstream Schools Grant	-
(2,796)	Universal Infants Free School Grant	(2,606)
(2,068)	Housing Benefit contribution to rent	(4,709)
(1,706)	Continuing Health Care	(2,468)
(1,440)	Asylum Seeker Grant	(1,816)
(1,358)	Teachers Pay Grant	(2,272)
(1,288)	Early Years Grant	(788)
(1,153)	ASC Discharge Fund	(1,922)
(987)	Homelessness Prevention Grant	(1,020)
(982)	PE & Sport Grant	(967)
(811)	Tackling Troubled Families Grant	(875)
(658)	Sale PFI Grant	(658)
(443)	Domestic Abuse Services Grant	(451)
(301)	Community Safety Funding	(301)
(177)	Serious Violence Grant	(168)
(168)	Section 106 Other Capital Maintenance Grants	(118)
(25)	Adult Social Care Winter Grant	-

2023/24 £000	Credited to Services within Cost of Services	2024/25 £000
(302,179)	**Revenue Grants Credited to Services Sub-total**	**(341,699)**
(836)	Schools Primary Capital Programme	(1,399)
(3,691)	Disabled Facilities Grants	(3,566)
(405)	Other Grants and Contributions	(254)
(4,932)	**Capital Grants Credited to services (Funding of REFCUS) Sub-total**	**(5,219)**
(307,111)	**Total Grants Credited to Services**	**(346,918)**

(ii) Grant Income included in the Balance Sheet

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. These are included in the balance sheet at the year-end as follows:

2023/24 £000	Grants	2024/25 £000
	Short Term Liabilities:	
	Capital Grants & Contributions Receipts in Advance:	
(958)	Devolved Formula Capital	(811)
(386)	S278 Contributions	(441)
(804)	Local Authority Housing Fund	(757)
(132)	PSDS - Leisure Centres	(61)
(3,338)	Brownfield Fund Grant	(504)
(4,701)	Future High Street Fund	(141)
(771)	Levelling Up Fund	(4,433)
(324)	UK Shared Prosperity Fund	-
-	Food Waste Collection Grant	(449)
-	Library Improvement Fund Grant	(164)
-	Carrington Relief Road Grant	(668)
-	GMCA / TfGM Grants	(461)
(20)	Other Grants and Contributions	(282)
(11,434)	**Total**	**(9,172)**
	Capital Grants & Contributions Receipts in Advance (funding of REFCUS):	
(82)	Schools Primary Capital Programme	(82)
(501)	Disabled Facilities Grant	-
-	Other Grants and Contributions	(47)
(583)	**Total Funding of REFCUS**	**(129)**

2023/24 £000	Grants	2024/25 £000
(12,017)	**Total Capital Grants Receipts in Advance**	**(9,301)**
	Other Revenue Grants Receipts in Advance:	
(74)	Cyber Resilience Grant	-
(18)	Design Code Grant	-
(68)	Future High Street Fund Grant	-
(25)	Children in Need Grant	-
(33)	Community Accommodation Service Grant	-
(108)	A Bed Every Night Grant	-
(283)	Homeless Families lease Grant	-
(39)	UK Shared Prosperity Fund	-
(1,366)	Homes for Ukraine Grant	(149)
(180)	Rough Sleeper Initiative	(256)
-	Afghan Resettlement Grant	(673)
-	Asylum dispersal	(252)
-	Local Plan Grant	(228)
-	GMSF Carrington Grant	(160)
-	Early Years Wraparound Care Grant	(159)
-	ESOL Hong Kong	(126)
-	Homeless fam	(120)
-	Work Progression Grant	(100)
-	Digital Improvement Grant	(100)
(1,744)	Other	(1,379)
(3,938)	**Total Short Term Grants Receipts in Advance (Revenue)**	**(3,702)**
	Long Term Liabilities	
	Capital Grants & Contributions Receipts in Advance:	
(7,931)	Section 106 and S278 Contributions	(7,642)
(7,931)	**Total Capital Grants**	**(7,642)**
	Revenue Grants & Contributions Receipts in Advance (Funding of REFCUS):	
(180)	S106 & S111 Contributions	(103)
(180)	**Total funding of REFCUS**	**(103)**
(8,111)	**Total Long Term Grants Receipts in Advance**	**(7,745)**

The capital grants and contributions are used to assist in the financing of capital projects. They are carried forward until such time that they are required for specific schemes.

Included in the balance of Capital Grants & Contributions is £7.59m (£6.96m in 2023/24) of contributions received from developers, as part of their obligation under Section 106 of the Town & Country Planning Act 1990. The amounts are received as a result of the granting of planning permission where works are required to be carried out or new facilities provided as a result of that permission. The contributions are restricted to being spent only in accordance with the agreement concluded with the developer. The major balances of Section 106 receipts held by the Council during the year were as follows:

	Balance at 1 April 2024 £000	**Receivable in year £000**	**Contributions applied £000**	**Balance at 31 March 2025 £000**
Open Space schemes	1,587	204	(106)	1,685
Education Schemes	5	357		362
Affordable Housing schemes	2,025	189		2,214
Highways/Transport schemes	3,342		(9)	3,333
Total	**6,959**	**750**	**(115)**	**7,594**

32) Related Parties

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

Central Government has effective control over the general operations of the Council. Details of transactions with Government departments are set out in note 31, with outstanding government debtors and creditors included in notes 17 and 19.

Members of the Council have direct control over the Council's financial and operating policies. All Members' pecuniary interests and non-financial interests which could conflict with those of the Council are available for public inspection and on the Council's website. There were no material transactions with any bodies where a Member has a controlling interest in the organisation. Similarly, there were no material transactions to disclose with respect to senior officers of the Council.

During the year a number of transactions were made to other public sector bodies. Payments to the Teachers' Pensions Agency and Tameside MBC in respect of pension contributions are disclosed in the notes to the accounts (notes 36 & 37) and precept payments are shown in the collection fund accounts.

The Council also has pooled budget arrangements with NHS GM ICB in relation to Learning Disability Services and the Better Care Fund (BCF). Transactions are detailed in Note 26.

A transport levy of £16.732m (£16.697m in 2023/24) and a waste levy of £16.104m (£15.748m in 2023/24) were paid to the Greater Manchester Combined Authority (GMCA).

There were no other material related party transactions with the Council. However, the following notes are provided for information purposes only.

The Council no longer provides services directly through its leisure centres. These leisure centres were leased to Trafford Community Leisure Trust (TCLT) who provided relevant leisure services direct to the public until September 2015. The Council made service payments to the Trust to help ensure the provision of some services at a discounted rate to particular population demographics of the community. From October 2015 the services provided by TCLT were transferred into a Community Interest Company (CIC), Trafford Leisure CIC Ltd, wholly owned by the Council. For the years 2019/20 and 2020/21, the Council made no service payments to the CIC. During 2019/20 and 2020/21 the Council has agreed a loan agreement with Trafford Leisure CIC to provide finance to mitigate liquidity issues experienced by the CIC due to trade deficits during the redevelopment of the leisure centre estate. To date a total of £1.354m has been advanced under this agreement.

Trafford Council also has interests in six Joint Venture Companies: Trafford Bruntwood LLP is a Joint Venture Company with K Site Ltd and Trafford Bruntwood (Stretford Mall), Trafford Bruntwood (Stamford Quarter), Trafford Bruntwood Stretford Resi 2A LLP and Trafford Bruntwood Stretford Resi 2B LLP are joint venture companies with Bruntwood Trafford Holdings Ltd with each investor owning a 50% share in each of the companies. GMP Trafford LLP, is a joint venture partnership with the GMCA and FEC Trafford Ltd, where Trafford owns a 25% share.

The CIPFA Code of Practice requires that where a Council has material financial interests and a significant level of control over one or more entities, it should prepare Group Accounts.

The Trafford Bruntwood LLP, Trafford Bruntwood (Stretford Mall) LLP, Trafford Bruntwood (Stamford Quarter) LLP have been included in group accounts in 2024/25. Trafford Bruntwood Stretford Resi 2A LLP, Trafford Bruntwood Stretford Resi 2B LLP, and GMP Trafford LLP are not included due to being immaterial as no transactions have occurred to date.

The Council has paid grants to voluntary organisations for 2024/25 as follows:

2023/24 £	Organisation	2024/25 £
2,430	Carrington Parish Council	2,503
6,768	Dunham Massey Parish Council	6,971
30,766	Partington Town Council	31,689
2,430	Warburton Parish Council	2,503
42,394	**Total Grants**	**43,666**

In addition to the above grants, as detailed in Note 11, the Council also collected and paid over a Parish precept for Partington TC of £124,571 (£90,810 in 2023/24). The Council also agreed to provide grant of £10,000 to Partington Town Council to support the 2024/25 precept, the same as in 2023/24, in addition to the Parish Council grant of £31,689 above.

The Council also collected and paid over a Parish precepts for Carrington TC of £4,440 (£4,440 in 2023/24), and for Warburton TC of £8,350 (£8,500 in 2023/24). There are no debtors or creditors relating to these transactions at year end or income received from these bodies by the Council.

The Council also made payments totalling £0.198m (£0.198m in 2023/24) to Trafford Centre for Independent Living, under a Service Level Agreement within Adult Social Services, for an advocacy service.

33) Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that is financed from borrowing. The CFR is analysed in the second part of this note.

	2023/24 £000	2024/25 £000
Opening Capital Financing Requirement Capital Investment	**412,022**	**422,806**
Prior year correction (*)	4,212	(11,934)
Adjusted opening Capital Financing Requirement Capital Investment	**416,234**	**410,872**
Capital Investment:		
Property, Plant and Equipment	54,551	48,921
Intangible Assets	186	1,718
Capital Debtors	41,276	57,545
Equity Shareholding	4,673	4,049
Revenue Expenditure Funded from Capital under Statute (REFCUS)	6,060	6,724
New Assets recognised under IFRS 16	-	4,702
Sources of finance:		
Capital receipts	(1,004)	(789)
Government Grants and other Contributions	(41,094)	(35,184)
Sums set aside from revenue:		
Direct revenue contributions	(266)	(1,333)
MRP	(5,151)	(5,994)
Use of Capital Receipts to reduce CFR	(52,243)	(41,393)
Other Adjustments (including Probation)	(416)	(480)
Closing Capital Financing Requirement	**422,806**	**449,571**
Explanations of movements in the year:		
Increase/(decrease) in underlying need for borrowing (unsupported by government financial assistance)	10,784	26,765
Increase/(decrease) in Capital Financing Requirement	**10,784**	**26,765**

(*) A review of the Council's Capital Financing Requirement was carried out resulting in an adjustment to the opening balance to better reflect the values on the balance sheet.

34) Leases

Council as Lessee

The introduction of the new accounting standard for leases, IFRS 16, has led to a significant change in the accounting treatment for leases and their presentation in the financial statements. Previously a distinction was made between operating leases, where the lessee makes periodic payments for the use of an asset but has no rights of ownership, and finance leases, where the lessee is granted the risks and rewards of ownership and in many cases gains ownership at the end of the lease term. Finance leases were brought onto the balance sheet whereas operating leases were simply a revenue cost. Following the introduction of IFRS 16 this distinction has been removed, and all leases must be brought onto the balance sheet, with the exception of certain exclusions for short term leases or low value assets.

Impact of transition to IFRS 16

On transition (at 1 April 2024) the Council's lease liabilities have been measured at the present value of the remaining lease payments, discounted using rates derived from the prevailing Public Works Loan Board (PWLB) annuity rates for the remaining duration of each lease. The below table outlines the impact on the balance sheet on transition:

IFRS 16 Additions	01-Apr-24 £000
Assets	
Right of use asset created	1,611
Total	**1,611**
Liabilities	
Non-current liability created	1,331
Current liability created	280
Total	**1,611**

In the 2023/24 Statement of Accounts the Council had a commitment of £1.504m future lease payments. The below table reconciles this to the new liability of £1.61m following the introduction of IFRS 16.

Impact of Transition to IFRS 16	2024/25 £000
Lease commitment under IAS 17	1,504
Additional lease agreements identified	638
Total Payments due 1/4/24 following IFRS 16 review	**2,142**
Less discount based on PWLB rates	(531)
Lease Liability 1/4/24	**1,611**

Following transition, the movement in lease liabilities during the year are summarised in the below table:

Movement in IFRS16 Liabilities	Current Liabilities £000	Non-current Liabilities £000	Total £000
Opening Value 1 April 24			
Additions to opening balance due to IFRS16 transition	**280**	**1,331**	**1,611**
Additions: new leases in year	569	2,292	2,861
Principal Repayment in year	(849)	-	(849)
Principal repayment due 2025/26	916	(916)	-
Closing Value 31 March 2025	**916**	**2,707**	**3,623**

Transactions under leases

The Council has incurred the following expenses and cashflows in relation to leases, included both leases covered by IFRS 16 and those exempt:

	2024/25 £000
Comprehensive Income and Expenditure Statement	
Interest expense on lease liabilities	125
Expense relating to short term leases	3,758
Expense relating to exempt leases of low-value items	36
Total	**3,919**
Cash Flow Statement	
Minimum lease payments	974

Maturity analysis

The outstanding future lease payments as at 31 March 2025 are due to be settled over the following time bands:

	2023/24 £000	2024/25 £000
Less than one year	76	671
One to five years	201	971
More than five years	1,227	1,181
Total undiscounted liabilities	**1,504**	**2,823**

Note that the above figures are undiscounted and represent the total payments due, rather than the discounted liability.

Council as Lessor

The Council leases out property under operating leases for the following purposes:

- to assist organisations in the provision of services in support of the Council's policy objectives in respect of sports facilities, community centres, scout groups, and various third sector charitable and voluntary bodies.
- to generate rental income from assets held for investment.

The Council also has six lease agreements for commercial development schemes under which a "participation" rent is payable to the Council, determined annually by reference to the profitability of the investment asset. These rents are classed as contingent rents and are not included in the minimum lease payments receivable. In 2024/25 these rents were £0.334m (£0.356m in 2023/24).

Total rents receivable in 2024/25 were £7.309m (£6.605m in 2023/24).

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

	2023/24 £000	2024/25 £000
Not later than one year	5,998	5,992
Later than one year and not later than five years	22,630	21,808
Later than five years	115,539	114,046
	144,167	**141,846**

35) PFI and Similar Contracts

The Council occupies premises at Sale Waterside under a PFI arrangement. Annual rental payments are made to the private sector provider, ENGIE, and are partially offset by PFI grant from the Government.

The PFI grant received from MHCLG is £0.658m per annum, over 25 years. This income is included within the accommodation charges in the Net Cost of Services.

Under such arrangements the responsibility for operating the facilities rests with the private sector partner. A number of surplus assets were transferred to the private sector partner at the commencement of the scheme in 2003, the value of which contributed to a reduction in the annual Unitary Service Payment to ENGIE.

ENGIE can sell its interest to another company who can then seek to negotiate a new contract, subject to agreement with the Council.

An analysis of the payments due under the contract is shown in the table below. As all the payments under PFI & similar contracts are linked in full or in part to the Retail Price Index, the figures below are estimates of the cash amounts that will be paid. Lifecycle replacement costs have been included in the Service charges element

	Payment for services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
Payable in 2025/26	1,107	444	257	1,808
Payable within two to five years	2,766	3,124	569	6,459
Total	**3,873**	**3,568**	**826**	**8,267**

The estimated value of the remaining PFI payments is £7.776m. At the end of the initial period, the Council will have a number of courses of action available to it:

- walk away from the contract;
- take control of the facilities and purchase the building for a payment of £1.4m;
- negotiate with ENGIE for an extension to the contract.

Following the adoption of IFRS 16 the Council has recalculated the liability as a result of the nominal finance lease within the PFI contract. This has resulted in index linked payments previously shown as contingent rent being reallocated as part of future principal and interest payments, and therefore increasing the liability accordingly. The liability outstanding to pay any final sums to the contractor for capital expenditure is as follows:

	2023/24 £000	**2024/25 £000**
Balance outstanding as at start of year	(4,105)	(3,754)
Adjustment due to adoption of IFRS16 leasing standard	-	(230)
Payments during the year	351	416
Adjustment for in year variation to contract	-	-
Balance outstanding at year-end	**(3,754)**	**(3,658)**
Split on Balance Sheet (see also note 19):		
Short term liability (creditor)	(376)	(444)
Long term liability – deferred	(3,378)	(3,124)
Balance outstanding at year-end	**(3,754)**	**(3,568)**

36) Pension Schemes Accounted for as Defined Contribution Schemes

Pension costs included in the Income & Expenditure Account

Teachers’ Pensions Scheme

Teachers employed by the Council are members of the Teachers’ Pension Scheme, administered by Capita Teachers’ Pensions on behalf of the Department for Education (DfE). It provides teachers with defined benefits upon their retirement, and the Council contributes towards the cost by making contributions based on a percentage of members’ pensionable salaries.

The scheme is a multi-employer defined benefit scheme. Although the scheme is unfunded, the Department for Education use a notional fund as the basis for calculating the employers’ contribution rate applied to all scheme employees. Valuations of the notional fund are undertaken every four years.

It is not possible to identify each authority’s share of the underlying liabilities in the scheme attributable to its own employees. For the purpose of the Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25 the Council paid £16.617m (£12.961m in 2023/24) in respect of teachers' retirement benefits. This was based on 28.68% of the teachers’ pensionable pay (23.68% in 2023/24).

In addition, the Council is responsible for added years and premature enhancement benefits which it has awarded to teachers at its discretion, together with the related annual increases. In 2024/25, these amounted to £1.264m, representing 2.18% of pensionable pay (£1.282m or 2.34% in 2023/24). These benefits are fully accrued in the pension liability described below.

The total contributions expected to be made to the Teachers’ Pension Scheme by the Council in the year to 31 March 2026 are £17.50m.

37) Defined Benefit Pension Schemes

Other Employees

The majority of other employees of the Council participate in the Greater Manchester Pension Fund administered by Tameside Metropolitan Borough Council. The scheme provides its members with defined benefits relating to pay and service.

The actual contribution rates to maintain the solvency of the fund vary by employing authority, reflecting the differing profiles of members, and in Trafford's case are phased in over the three years the actuarial valuation relates to. The Council's employer's contribution rate was 19.2% in 2024/25 (19.2% 2023/24). In 2024/25, the Council paid an employer's contribution of £19.264m (£18.139m in 2023/24) into the Greater Manchester Pension Fund, representing 19.2% of pensionable pay (19.2% in 2023/24). The Council is also responsible for pension payments relating to the historic award of added years, together with related increases. In 2024/25 these amounted to £0.960m, which is 0.9% of pensionable pay (£0.938m or 0.9% in 2023/24).

Further information regarding the Pension Fund and its accounts can be obtained from the Pensions Office, Guardsman Tony Downes House, 5 Manchester Road, Droylsden, M43 6SF (Helpline: 0161 301 7000). www.gmpf.org.uk

Transactions Relating to Retirement benefits

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

2023/24 £000		2024/25 £000
	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	
	Cost of Services:	
	Service Cost comprising:	
18,957	• current service cost	18,107
977	• past service costs	1,685
29	• (gain)/loss from settlements	64
	Financing and Investment Income and Expenditure:	
(4,659)	• net interest cost	(7,377)
15,304	***Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services***	**12,479**
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
	Re-measurement of the net defined benefit liability comprising:	
(22,750)	• Return on plan assets (excluding the amount included in the net interest cost)	9,432
(5,595)	• Actuarial gains and (losses) arising on changes in demographic assumptions	(1,490)
(47,215)	• Actuarial gains and (losses) arising on changes in financial assumptions	(126,697)
27,246	• Other	(9,524)
(33,010)	**Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement**	**(115,800)**
	Movement in Reserve Statement	
(15,304)	• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(12,479)
	Actual amount charged against the General Fund Balance for pensions in the year:	
18,657	• employers' contributions payable to scheme	20,515
1,232	• retirement benefits payable to pensioners	1,264

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:

2023/24 £000		2024/25 £000
(849,132)	Present value of the defined benefit obligation	(742,701)
1,000,394	Fair value of plan assets	1,031,542
(183,285)	Asset Ceiling adjustment	(316,500)
(32,023)	**Net Asset/(Liability) arising from defined benefit obligation**	**(27,659)**

Asset Ceiling

At 31 March 2025 Hymans Robertson LLP, the Council's actuary, valued the fair value of the Council's pension plan assets to be greater than the present value of the plan obligations, resulting in a pension plan asset. IAS 19 Employee Benefits states that when an entity has a surplus in a defined benefit plan, it should measure the net defined benefit of the asset at the lower of:

• The surplus in the defined benefit plan; and

• The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Hymans Robertson LLP calculated the asset ceiling as the net present value of employer future service costs less net present value of future employer contributions. The Council's asset ceiling was lower than the surplus in the defined benefit plan, therefore the pension asset in the balance sheet has been limited to the asset ceiling resulting in a net liability. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

Reconciliation of the Movements in the Fair Value of Scheme Assets

2023/24 £000		2024/25 £000
943,475	Opening fair value of scheme assets	1,000,394
(1,018)	Effect of Settlements	(807)
44,567	Interest income	48,300
	Re-measurement gain/(loss):	
22,750	• The return on plan assets, excluding the amount included in the net interest expense • Other	(9,432)
20,359	Contributions from employer	21,779
6,027	Contributions from employees into the scheme	6,354
(35,766)	Benefits paid	(35,046)
1,000,394	**Closing fair value of scheme assets**	**1,031,542**

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

2023/24 £000		2024/25 £000
845,582	Opening present value of scheme liabilities	849,132
18,957	Current service costs	18,107
(989)	Effect of Settlements	(743)
39,908	Interest costs	40,923
6,027	Contributions from scheme participants	6,354
	Re-measurement (gains) and losses:	
(5,595)	• Actuarial gains/losses arising from changes in demographic assumptions	(1,490)
(47,215)	• Actuarial gains/losses arising from changes in financial assumptions	(126,697)
27,246	• Other	(9,524)
977	Past service cost	1,685
(35,766)	Benefits paid	(35,046)
849,132	**Closing present value of scheme liabilities**	**742,701**

Pension Scheme Assets comprised:

Asset category	Period ended 31 March 2025 Quoted prices in active markets £000	Scheme Asset Values not from quoted active markets £000	Total £000	Per-centage of total assets %	Period ended 31 March 2024 Quoted prices in active markets £000	Scheme Asset Values not from quoted active markets £000	Total £000	Per-centage of total asset %
Equity Securities:								
Consumer	66,125	-	66,125	6%	60,576	-	60,576	6%
Manufacturing	49,823	-	49,823	5%	55,312	-	55,312	6%
Energy & Utilities	54,935	-	54,935	5%	54,029	-	54,029	5%
Financial Institutions	83,869	-	83,869	8%	84,924	-	84,924	8%
Health & Care	46,891	-	46,891	5%	50,026	-	50,026	5%
Information Technology	55,720	-	55,720	5%	52,183	-	52,183	5%
Other	14,062	-	14,062	1%	11,171	-	11,171	1%
Debt Securities:								
Corporate Bonds (investment grade)	33,747	-	33,747	3%	41,594	-	41,594	4%
Corporate Bonds (non-investment grade)	-	-	-	0%	-	-	-	0%
UK Government	44,025	-	44,025	4%	26,502	-	26,502	3%
Other	39,511	-	39,511	4%	31,228	-	31,228	3%
Private Equity:								
All	-	65,831	65,831	6%	-	68,578	68,578	7%
Real Estate:								
UK Property	-	53,175	53,175	5%	-	40,515	40,515	4%
Overseas Property	-	-	-	0%	-	-	-	0%
Investment Funds and Unit Trusts:								
Equities	44,709	-	44,709	4%	46,783	-	46,783	5%
Bonds	103,778	-	103,778	10%	100,306	-	100,306	10%
Hedge Funds	-	-	-	0%	-	-	-	0%
Commodities	-	-	-	0%	-	-	-	0%
Infrastructure	-	86,412	86,412	8%	-	84,846	84,846	8%
Other	25,417	134,136	159,553	15%	23,029	142,772	165,801	17%
Derivatives:								
Inflation	-	-	-	0%	-	-	-	0%
Interest Rate	-	-	-	0%	-	-	-	0%
Foreign Exchange	-	-	-	0%	-	-	-	0%
Other	(1,607)	-	(1,607)	0%	-	-	-	0%

	Period ended 31 March 2025				Period ended 31 March 2024			
Asset category	Quoted prices in active markets £000	Scheme Asset Values not from quoted active markets £000	Total £000	Per-centage of total assets %	Quoted prices in active markets £000	Scheme Asset Values not from quoted active markets £000	Total £000	Per-centage of total asset %
Cash & Cash Equivalents:								
All	30,983	-	30,983	3%	26,021	-	26,021	3%
Totals	**691,988**	**339,554**	**1,031,542**	**100%**	**663,684**	**336,710**	**1,000,394**	**100%**

Basis for Estimating Assets and Liabilities

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

Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2025.

The significant assumptions used by the actuary have been:

2023/24	Mortality assumptions:	2024/25
	Longevity at 65 for current pensioners:	
20.5 years	• men	20.4 years
23.7 years	• women	23.7 years
	Longevity at 65 for future pensioners:	
21.4 years	• men	21.3 years
25.1 years	• women	25.1 years
3.10%	Rate of inflation	3.05%
3.55%	Rate of increase in salaries	3.55%
2.75%	Rate of increase in pensions	2.75%
4.85%	Rate for discounting scheme liabilities	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in assumptions at 31 March 2025:	Approximate % increase to defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	12,525
1 year increase in member life expectancy	4%	29,708
0.1% increase in the salary increase rate	0%	518
0.1% increase in the pension increase/revaluation rate (CPI) rate	2%	12,356

Impact on the Authority's Cash Flows

The Fund Actuary set the contributions paid by the Employer at each triennial actuarial valuation with the latest valuation being as at 31st March 2025.

The scheme will need to take 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.

38) Contingent Liabilities

(a) Municipal Mutual Insurance

In January 1994 the Council's former insurer, Municipal Mutual Insurance, made a scheme of agreement with its creditors. Under this scheme, claims are initially paid out in full, but if the eventual winding up of the company results in insufficient assets to meet all liabilities a clawback clause will be triggered which could affect claims already paid.

The scheme of arrangement was triggered during 2012/13 and a provision was made based on an initial levy of 15%, equating to £0.419m which was paid during 2013/14. By way of a second notice the levy was subsequently increased to 25% as from 1 April 2016, equating to an additional £0.281m which was met from insurance reserves. A contingent liability still exists if the proceeds from the initial levy are not sufficient to cover the cost of future claims. In the event that an additional levy becomes payable then this will be met from the insurance reserve.

(b) Trafford Housing Trust

A number of warranties were provided to Trafford Housing Trust (THT) and related stakeholders as a consequence of the housing stock transfer agreement entered into on 14 March 2005.

A brief summary of the salient points of the major warranties follows – complete details are available from the Director of Legal and Governance Services.

i) Warranties of Truth; the Council has made a number of statements and assertions within the transfer agreement, such as land ownership, value of assets, and the right to exercise certain legal powers. The Council has indemnified THT against any liability should any of those statements prove to be untrue. This risk will also diminish, but over a much longer time frame.

ii) Unadopted Drains; The Council has indemnified THT for maintenance and repair works relating to unadopted drainage systems. Should a liability arise it is likely to be of small amounts and will be paid out of the Council's revenue budget in the year of occurrence.

iii) There are a number of Environmental warranties that the Council in aggregate has indemnified THT up to £90m and an unlimited indemnification to THT's funders, the Prudential Trustee Company Ltd. The risk of these warranties is partially off-set by VAT receipts from works done by THT on the Council's behalf. The liabilities and risks of the warranties will be kept under constant review.

iv) Asbestos; The Council has given THT a 30 year indemnification against any cost of works arising from asbestos above an excess in any one year of £308,500. This is a rolling excess in that should any excess in one year be unused, it will roll over into the next financial year.

v) Pollution and Contaminated Land; The Council has extended a 30 year indemnification for any pollution clear up on land transferred where the pollution occurred before the transfer date.

Trafford Housing Trust were acquired by L&Q in 2019. THT are now a self-managed subsidiary of L&Q and all previous agreements are unchanged.

(c) Section 106 Agreements

A number of agreements in accordance with Section 106 of the Town and Country Planning Act 1990 exist between the Council and developers associated with the planning conditions attached to new developments. In respect of contributions received to date, should the conditions in the agreement not be met by the Council then amounts would become repayable to developers, these total £4.56m.

(d) AMEY Contract – Warranties, Indemnities – TUPE and Pension

A number of warranties, guarantees and indemnities are provided for within the Partnership Agreement covering the One Trafford partnership with AMEY Plc. Complete details are available from the Director of Legal and Governance Services, however the most significant one relates to TUPE, whereby the Council has agreed to indemnify AMEY Plc against any liability which arises, partly as a result of any omission by the Council before or after the Service Commencement, in relation to any Transferring Employee who transfers in accordance with TUPE.

(e) Litigation Claims

The Council has several potential high value litigation claims which due to their confidentiality nature cannot be disclosed in detail at this stage. Although any settlements are likely to be an insurance matter, however any excess or uninsured costs will need to be met by the Council and will be drawn down from the specific reserve for this purpose should the need arise.

39) Contingent Assets

(a) Section 106 Agreements

A number of agreements in accordance with Section 106 of the Town and Country Planning Act 1990 exist between the Council and developers associated with the planning conditions attached to new developments. In respect of contributions received to date, should the conditions in the agreement not be met by the Council then amounts would become repayable to developers and these are included under contingent liabilities. Should developments proceed and conditions within agreements be met then the estimated value of contributions the Council will receive is £27.18m.

40) Nature and Extent of Risks Arising from Financial Instruments

Key Risks

The Council provides statutory services to the local population on a not-for-profit basis and as such the few financial instruments used are to manage the risks arising from holding substantial levels of assets and liabilities and not for trading or speculative purposes.

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council;
- Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements or stock market movements.
- Amounts arising from Expected Credit Losses - The council has assessed its short and long-term investments using historical default tables provided by Arlingclose to consider expected losses. The exercise concluded that the expected credit loss is immaterial and therefore no allowances have been made.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus 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 the associated regulations. As directed by the Act, the Council has formally adopted the CIPFA Treasury Management Code of Practice and complies with the CIPFA Prudential Code. As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year to which it relates which sets out the parameters for the management of risks associated with financial instruments.

The annual treasury management strategy which incorporates the policies to be adopted covering both debt and investments together with the prudential indicators for 2024/25 was approved by Council on 21 February 2024 and is available on the Council website. The strategy also includes the Annual Investment Strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

Risk management is carried out by the Council's in-house treasury management team in accordance with policies approved by the Council in the annual Treasury Management strategy which includes Interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

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

This risk is minimised through the Annual Investment Strategy which is incorporated within the annual treasury management strategy and this stipulates that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services.

The Council uses the creditworthiness service provided by Arlingclose which uses a sophisticated approach incorporating;

- Credit ratings from all three rating agencies,
- Credit watches and credit outlooks from credit rating agencies,
- Credit Default Swaps spreads to give an early warning of likely changes in credit ratings,
- Sovereign ratings to select counterparties from only the creditworthy countries.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default, adjusted to reflect current market conditions.

Deposits with banks and financial institutions	Amount at 31 March 2025 £000	Historical experience of default* %	Estimated maximum exposure to default £000	Expected Credit Losses £000
AAA rated counterparties	24,100	0.00	-	-
AA rated counterparties	-	0.00	-	-
A rated counterparties	2,340	0.06	1	0.5
Non rated counterparties	4,642	n/a	-	-
Trade debtors **	10,368	Local experience	400	248
Total	**41,450**		**401**	**248.5**

* The historical default rates used are Moody's average cumulative issuer-weighted global default rates 1983-2024.

** The estimated maximum exposure to default for trade debtors of £0.4m is based on the gross debt raised rather than debt outstanding at one particular date. There is no adjustment to be made for market conditions from the balance sheet date of 31 March 2025.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions of £1k cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to its investments.

The Council does not generally allow credit for its trade debtors, such that £10.4m of the £41.5m balance is past its due date for payment. The past due amount can be analysed by age as follows:

	2023/24 £000s	2024/25 £000s
Less than one year	10,836	10,328
More than one year	1,217	40
Total	**12,053**	**10,368**

Liquidity Risk

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

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

Refinancing & Maturity Risk

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

The approved 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 Council’s approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

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

The maturity analysis of financial assets based on original principal lent excluding the Manchester airport loan and sums due from customers;

Period	2023/24 £000	2024/25 £000
Instant access	31,250	26,440
Up to 3 Months	-	-
3 to 6 Months	-	-
6 to 9 Months	-	-
9 to 12 Months	-	-
Over 1 Year	17,010	5,000
Total	**48,260**	**31,440**

The analysis of financial liabilities is based on both the carrying amount and original maturity date – all trade and other payables due to be paid in less than one year are not shown in the table below:

Period	2023/24 £000	2024/25 £000
Under 1 Year	2,428	2,915
1 year to 2 years	572	28,638
2 years to 5 years	68,028	80,335
5 years to 10 years	9,682	16,060
10 years to 20 years	20,894	18,464
20 years to 30 years	2,961	3,391
30 years to 40 years	148,980	149,090
40 years and above	85,702	85,248
Total	**339,247**	**384,141**

Risks associated with these different types of instruments are impacted by their maturity dates and in the case of LOBOs, the frequency of option dates.

The Council's treasury management strategy considers the whole of its borrowing and investment portfolios, not just individual transactions. At the time of entering into each subsequent new borrowing, the strategy has been for funds to be taken which offered, at the time of take up, the best financial option to the Council.

Market Risk

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

- borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall (no impact on revenue balances);
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Maturity risk - Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the Provision of Services or Other Comprehensive Income and Expenditure and affect the General Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The Council's treasury team will monitor market 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, similarly the drawing of longer-term fixed rates borrowing would be postponed.

If all interest rates had been 1% higher as at 31 March 2025 with all other variables held constant, the financial effect would be calculated as follows:

2023/24 £000		2024/25 £000
(362)	Increase in interest receivable on variable rate investments	(314)
28,628	Decrease in fair value of fixed rate borrowings liabilities (no impact on Comprehensive Income & Expenditure Statement)	23,116

The Council's loans are all held at fixed rates of interest and consequently a movement in interest rates of +/-1% would have no impact on its financial resources.

Price risk - The Council, excluding the pension fund, does not invest in equity shares but does have shareholdings to the value of £47.8m in Manchester Airport Holdings and £4.6m Church Commissioners Property Fund. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of shares.

All movements in the share values will impact on gains and losses and a general shift of 5% in the price of shares (positive or negative) would have resulted in a £2.39m gain or loss however any movements in price will not impact on the General Fund balance as regulations are in force to amend the impact of fair value movements.

Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Collection Fund

Collection Fund Statement

About this account

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Non-Domestic Rates (NDR) and its distribution to local authorities and the Government.

2023/24					2024/25		
Business Rates £000	**Council Tax £000**	**Total £000**	**Year ended 31 March**	**Notes**	**Business Rates £000**	**Council Tax £000**	**Total £000**
			INCOME				
-	(149,290)	(149,290)	Income from Council Tax Payers	2	-	(159,772)	(159,772)
-	(349)	(349)	Council Tax Support Grant		-	-	-
(136,253)	-	(136,253)	Income from Non-Domestic Rate Payers	3	(151,741)	-	(151,741)
(8,359)	-	(8,359)	Transitional Protection Payments Receivable		(482)	-	(482)
(1,791)	(1,654)	(3,445)	Contribution towards previous years' estimated Collection Fund Deficit/Overpaid Surplus. Including 1/3 share of estimated 2020/21 COVID-19 Deficit	2/3	(327)	-	(327)
(146,403)	**(151,293)**	**(297,696)**	**TOTAL INCOME**		**(152,550)**	**(159,772)**	**(312,322)**
			EXPENDITURE				
			Council Tax Precept Demands:				
-	119,801	119,801	Trafford Council		-	127,246	127,246
-	19,090	19,090	GMCA Mayoral Police and Crime Commissioner		-	20,340	20,340
-	8,470	8,470	GMCA Mayoral General Precept (including Fire Services)		-	8,964	8,964
			Business Rates:				
1,466	-	1,466	GMCA Mayoral General Precept (including Fire Services)		1,507		1,507
145,142	-	145,142	Trafford Council		149,214		149,214

Collection fund statement (continued)

2023/24					2024/25		
Business Rates £000	**Council Tax £000**	**Total £000**	**Year ended 31 March**	**Notes**	**Business Rates £000**	**Council Tax £000**	**Total £000**
			Charges to Collection Fund:				
1,061	488	1,549	Write offs of uncollectable amounts		1,631	247	1,878
(1,561)	669	(892)	Increase/(Decrease) in Expected Credit Losses		1,043	2,072	3,115
(3,595)	-	(3,595)	Increase/(Decrease) in Provision for Appeals		(2,630)		(2,630)
443	-	443	Costs of Collection		439		439
83	-	83	Disregarded Amounts		213		213
			Contributions:				
9,799	473	10,272	Distribution of previous years' estimated Collection Fund Surplus		-	953	953
12,349	-	12,349	Distribution of previous years' contribution to estimated Collection Fund Surplus		1,592	145	1,737
-	1,211	1,211	Distribution of previous years' overpaid contribution Collection Fund Deficit		-	-	-
165,187	**150,202**	**315,389**	**TOTAL EXPENDITURE**		**153,009**	**159,967**	**312,976**
(1,573)	(1,121)	(2,694)	(Surplus)/Deficit for the year		(806)	(903)	(1,709)
20,357	30	20,387	Contributions to prior year balances		1,265	1,098	2,363
18,784	**(1,091)**	**17,693**	**Total (Surplus)/Deficit for year (including contributions relating to prior year balances)**	**2/3**	**459**	**195**	**654**
(20,029)	**(175)**	**(20,204)**	**Balance brought forward as 1 April**		**(1,245)**	**(1,266)**	**(2,511)**
18,784	**(1,091)**	**17,693**	Deficit/(Surplus) for the Year (as above)		**459**	**195**	**654**
(1,245)	**(1,266)**	**(2,511)**	**(Surplus) / Deficit as at 31 March**	4	**(786)**	**(1,071)**	**(1,857)**
			Allocated to:				
(1,233)	(1,029)	(2,262)	Trafford		(778)	(871)	(1,649)
-	(164)	(164)	Police and Crime Commissioner for GM / GMCA Mayoral Police and Crime Commissioner		-	(139)	(139)
(12)	(73)	(85)	GMCA Mayoral General Precept (including Fire Services)		(8)	(61)	(69)
(1,245)	**(1,266)**	**(2,511)**			**(786)**	**(1,071)**	**(1,857)**

Notes to the collection fund statement

1. General

As a Billing Authority, the Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and Non-Domestic Business Rates. The administrative costs associated with the collection process are charged to the General Fund.

The Collection Fund Statement shows the transactions of the Billing Authority in relation to the collection from taxpayers of Council Tax and from businesses of Business Rates for the financial year.

The Statement also shows the distribution of these income streams to the relevant precepting authorities during the financial year. Any Collection Fund surpluses or deficits declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year.

For Trafford, the Council Tax precepting authorities are the GMCA Mayoral Police and Crime Commissioner and the GMCA Mayoral General (including Fire Services). For Business Rates, the precepting authority is the GMCA Mayoral General (including Fire Services).

Council Tax surpluses or deficits are distributed in proportion to the precepts levied. Business rates surpluses or deficits are distributed in accordance with the relevant proportions set out in the localised Business Rate regulations. From 1 April 2017 onward, the Council has taken part in the Greater Manchester 100% business rates retention pilot, therefore for 2024/25 the Trafford Council share is 99% with the remainder paid to the GMCA for the Mayoral General Precept (including Fire Service).

The national code of practice followed by Local Authorities in England stipulates that a Collection Fund Income and Expenditure account is included in the Council's accounts. The Collection Fund balance sheet meanwhile is incorporated into the Council's consolidated balance sheet.

With regard to Council Tax, there was an overall surplus relating to 2024/25 when compared to budget of £0.903m (surplus £1.121m 2023/24) largely due to lower levels of Council Tax Support. The Tax base was slightly lower than expected due to an increase in discounts and exemptions (e.g., single person discount).

The outturn position on Business Rates was positive when compared with budget and there an overall surplus relating to 2024/25 of £0.806m (Surplus £1.573m 2023/24) This was largely as a result of historic appeals being settled in year.

In order to continue supporting businesses the Government has continued to provide various rate relief packages in 2024/25 for retail and hospitality businesses. The relief has been accounted for in the Collection Fund and the Council has been compensated for the loss in rates income via a Section 31 grant within its General Fund.

Altrincham Town Centre Business Improvement District (BID)

In addition to the Council Tax and Business Rates Collection Fund, the Council also operates a separate collection account for Altrincham Town Centre BID. Altrincham Town Centre's BID commenced on 1 April 2016. The BID is a business led partnership within Altrincham Town Centre with the aim to deliver improvements including:

- Experience Altrincham – Giving more reasons to visit, more often; creating a strong and stylish consumer identity for Altrincham; promoting the breadth of retail.
- Business Altrincham - Improving working life for businesses in Altrincham; creating a responsible business community that is able to affect long term change in the town through proactive leadership; connecting and collaborating with local people and groups.

- Rediscover Altrincham - Putting the heart back into Altrincham to ensure that shoppers and local residents feel welcome in the town and to provide them with reasons to keep coming back.

To do this a BID levy is added to each of the participating businesses annual Business Rates bill. The income raised by the BID levy is managed by a separate and unrelated organisation to the Council, Altrincham BID Ltd. BID legislation requires the Council to collect and recover the BID Levy as part of the annual Business Rates billing process. As such the Council is acting as an agent and simply passing the income collected through the BID levy to Altrincham BID Ltd. The collected income is not accounted for in the Council's Statement of Accounts.

The BID legislation does allow for the Council to recover administrative costs of collecting the BID Levy on behalf of Altrincham BID Ltd.

2. Council Tax

This tax was introduced on 1 April 1993 with all domestic properties placed in one of eight valuation bands. Council Tax income derives from charges raised against residential dwellings within the Borough based on their valuation banding (A to H). Council Tax charges are calculated by estimating the total amount of Council Tax income required by the Council and the precepting authorities for the forthcoming financial year. This is divided by the Council Tax Taxbase (i.e. the number of Band D equivalent dwellings) to calculate the Council Tax charge for a Band D dwelling.

The Government has determined that the Council Tax payable in each band will be a specified fraction of the middle valuation band, known as band D.

Each year, the Council must estimate the equivalent number of band D properties, The Council Taxbase, after allowing for discounts, exemptions, losses on collection etc. For 2024/25, the calculation was as follows:

	Total No. of Discounted Dwellings (i)	Specified Fraction	Band 'D' Equivalent
Band A (disb)	25	X5/9	14
Band A	16,448	x6/9	10,965
Band B	20,054	x7/9	15,598
Band C	25,247	x8/9	22,441
Band D	14,617	x9/9	14,618
Band E	7,369	x11/9	9,006
Band F	4,388	x13/9	6,338
Band G	3,981	x15/9	6,635
Band H	1,001	x18/9	2,002
	93,130		**87,617**
Less allowance for losses on collection			(832)
Adjustment for Annexes estimate			(53)
Less cost of Council Tax Support Scheme			(7,663)
Add Empty Home Premium			373
Less discretionary awards new in 24/25			(80)
Council Tax Base			**79,362**

The actual number of properties was 103,614, and after adjusting for single person discounts, empty properties etc., the notional number of dwellings is 93,130.

The Band D Council Tax levied for the year was £1,970.88 (£1,876.76 in 2023/24).

The Council Tax shares payable to the Council and the precepting authorities were estimated as part of the 2024/25 budget setting process and totalled £156.55m, shared £127.25m Trafford Council, £20.34m GMCA Mayoral Police and Crime Commissioner Share and £8.96m Mayoral General (inc. Fire Services) Share. These sums have been paid in 2024/25 and charged to the collection fund in year.

A total of £156.81m of Council Tax was collected in respect of 2024/25 (£147.40m 2023/24), an in year performance of 96.7% (97.4% in 2023/24) against a target of 97.2% (97.2% 2023/24).

There was an in-year deficit of £195k, which included £1.098m distribution of prior years' balances, leaving a surplus of £903k relating to 2024/25. The 2024/25 in year surplus was largely due to lower levels of Council Tax Support.

The in-year deficit of £195k was added to a brought forward accumulated surplus balance of £1.266m, to arrive at a year-end accumulated surplus balance of £1.071m.

3. Non-Domestic Rates

In 2013/14, the local government finance regime was revised with the introduction of the retained business rates scheme. The main aim of the scheme was to give Councils a greater incentive to grow businesses in the Borough. It does, however, also increase the financial risk due to non-collection and the volatility of the NDR tax base.

Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. As Trafford is able to collect Business Rates income above its baseline, the Council is required to pay a tariff to Central Government each financial year. The total amount of tariffs collected nationally are used by Central Government to fund the Top-up grants to those Authorities who cannot achieve their baseline funding levels. In this respect Trafford paid a tariff from the General Fund in 2024/25 to the value of £98.92m (£93.97m 2023/24) (see Grant and Other Income note 31).

The retained rates scheme allowed the Council to retain a proportion of business rate growth after the payment of a 50% levy to Central Government. When the scheme was introduced Trafford's share of rates above baseline was 49% with the remainder paid to precepting bodies. For Trafford the NDR precepting bodies were Central Government (50% share) and GMCA Mayoral General (including Fire Services) (1% share).

2017/18 saw the introduction of the Greater Manchester 100% Business Rates Retention pilot, which resulted in the Government's share of business rates growth being retained within Greater Manchester. The respective shares of the business rates income and expenditure and balance sheet items, previously allocated on a percentage split of 50/49/1 between Central Government, Trafford Council and GMCA Mayoral General (including Fire Services) was updated to 99/1 between Trafford Council and GMCA Mayoral General (including Fire Services). The 100% Business Rates Retention pilot has continued to operate in each financial year since 2017/18.

As a consequence, of the 100% Business Rates Retention Pilot, the amount of levy Trafford would have paid to the Government has been replaced with a payment designed to ensure that the Council was no better or worse off when compared with the previous sharing arrangements. The 'No Detriment' agreement guarantees that the resources available to the Council under the previous 50% retention scheme will be the same under the 100% Pilot.

This 'No Detriment' payment payable to Greater Manchester Combined Authority (GMCA) which represented the overall benefit from being in the 100% pilot was £5.615m in 2024/25 (£7.799m in 2023/24) and attracted a rebate at 75% of £4.211m. The Council retained the no detriment payment net of rebate of £1.404m (£1.950m 2023/24).

The business rates shares payable for 2024/25 were estimated before the start of the financial year at £1.507m to GMCA Mayoral General (including Fire Services) and £149.214m to Trafford Council which were in line with the percentage shares under the 100% Rates Retention Scheme. These sums have been paid in 2024/25 and charged to the collection fund in year.

The total income from business rate payers after discounts, reliefs and allowance for expected credit losses and appeals in 2024/25 was £151.526m (£148.181m in 2023/24).

A total of £151.42m of Business Rates was collected in respect of 2023/24 (£135.2m 2023/24), an in year performance of 97.9% (98.1% in 2023/24) against a target of 98.1%.

Authorities are expected to finance appeals made in respect of rateable values as defined by VOA as at 31 March 2025. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares.

During 2024/25 the provision for appeals has been reassessed to take into account settled appeals in addition to potential new cases for major infrastructure projects. The net impact has been a reduction in the provision for appeals of £2.630m.

The movement and balance c/fwd. on the provision is as follows:

Value of Provision £000 31.03.24		Value of Provision £000 31.03.25
22,724	**Balance at 1 April**	**19,130**
(6,378)	Amount of appeals paid/released during the year	(8,000)
2,784	In year contributions to the provision	5,370
(3,594)	**Net Increase/(Decrease)**	**(2,630)**
19,130	**Balance at 31 March**	**16,500**

The overall outturn position on the Non Domestic Rates element of the Collection Fund is an in year deficit of £459k against a deficit of £18.784m in 2023/24. The deficit of £459k includes £1.265m collection of prior years' deficit balance, leaving a surplus of £0.806m relating to 2024/25.

The 2024/25 surplus was largely due to:

- a shortfall in gross rates of £8.3m largely due to successful appeals and the associated backdated cost of appeals. Furthermore, there has been a reduction in rates payable due to refurbishments at the Trafford Centre.
- a reduction in the amount of reliefs, resulting in a benefit of £2.2m to the Collection Fund.
- a benefit of £6.87m of accounting adjustments, predominantly due to the release of £8.0m appeals provision following several cases being settled in year relating to the 2023 rating list. Additionally, there has been an adverse movement of £998k due to a lower than expected collection of in year and historic debt.

This 2024/25 surplus will be distributed proportionately to the two precepting bodies, Trafford and GMCA Mayoral General (including Fire Services). Trafford's share of the in-year surplus is £0.796m.

The in-year deficit of £0.459m was offset by an accumulated surplus balance brought forward of £1.245m to arrive at a year-end surplus balance of £0.786m

The Council's Business Rates Taxbase is based on the rateable value of individual business properties within the Borough as assessed by the Valuation Office Agency (VOA). The total rateable value at 31 March 2025 for the Trafford area was £360.838m (£355.263m at 31 March 2024). The rateable value of each property, as assessed by the VOA, is multiplied by the Uniform Business Rate determined annually by Central Government to determine the collectable Business Rates income. For 2024/25 this was 54.6p in the pound (51.2p in 2023/24) and relief of 4.7p in the pound (1.3p in 2023/24) was given to small business properties resulting in a Small Business Rate multiplier of 49.9p (49.9p in 2023/24).

4. Year End Surplus/Deficit 2024/25

Council Tax

In the Balance Sheet at 31 March 2025, the Council has included the accumulated surplus of £1.071m on a consolidated basis, showing the shares of the GMCA – Mayoral Police and Crime Commissioner and the GMCA – Mayoral General Precept (including Fire Services) as a creditor to the value of £0.200m (creditor of £0.237m 2023/24), and a £871k attributable surplus (£1.029m surplus in 2023/24) on the Council Tax Collection Fund balance alongside the General Fund.

Non Domestic Rates

In the Balance Sheet at 31 March 2025, the Council has included the £0.786m surplus on a consolidated basis, showing the share from the GMCA – Mayoral General Precept (including Fire Services) as a creditor to the value of £0.008m (creditor of £0.012m 2023/24) , and a £0.778m attributable surplus (£1.233m surplus in 2023/24) to the NDR Collection Fund balance alongside the General Fund.

Group Accounts

Introduction

The CIPFA Code of Practice requires that where an Authority has material financial interests and a significant level of control over one or more entities, it should prepare group accounts. The aim of these statements is to give an overall picture of the Council's financial activities and the resources employed in carrying out those activities.

Before group accounts can be produced, the following actions need to be carried out:

• Determine whether the Council has any form of interest in an entity

• Assess the nature of the relationship between the Council and the entity

Classification of Group Entities

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

Subsidiary

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

Associates

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

Joint Venture

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

Inclusion within the Group Accounts

The following entity is classified as a subsidiary of the Council:

Trafford Leisure CIC

The Council has a business relationship with one entity over which it has significant control or influence. From October 2015 the services provided by Trafford Community Leisure Trust were transferred into a Community Interest Company (CIC), Trafford Leisure CIC Ltd., wholly owned by the Council.

The following entities have been deemed to be classified as Joint Ventures of the Council, as they are jointly controlled with one or more entities under a contractual or other binding agreement:

Trafford Bruntwood LLP

As part of its investment Strategy, on 20 March 2018 the Council set up a Limited Liability Partnership (LLP), joint venture with K Site Ltd called Trafford Bruntwood LLP. The entity is responsible for the redevelopment of the former Kelloggs headquarters site at Talbot Road, Stretford in line with the Civic Quarter Masterplan for the wider area.

On 9th April 2018, the LLP purchased the former Kelloggs site. Work on the building began in August 2018 and the first phase of work was completed 12 months later, allowing for UA92 to open its doors and begin its first academic term from September 2019. Since then, further work to the 2nd and 3rd floors have been completed, allowing for an expansion of UA92 and the addition of the University of Bolton (UoB), trading as Shockout, as tenants.

Trafford Council and K Site Ltd have been issued with 1 share each in each JV. Each party has a total of three directors on the management board, with resolutions requiring to be passed by a majority vote.

Trafford Bruntwood (Stretford Mall) LLP and Trafford Bruntwood (Stamford Quarter) LLP

On 4th July 2019 the Council set up two more joint venture companies with Bruntwood Trafford Holdings Ltd called Trafford Bruntwood (Stretford Mall) LLP and Trafford Bruntwood (Stamford Quarter) LLP as part of its master plans for town centre regeneration.

Both Joint Ventures operate on the same framework with both Trafford Council and Bruntwood Trafford Holdings Ltd being issued with 1 share each in each JV. Each party has a total of three directors on the management board, with resolutions requiring to be passed by a majority vote.

Trafford Bruntwood Stretford Resi 2A LLP and Trafford Bruntwood Stretford Resi 2B LLP

On 8th November 2024, the Council set up two joint venture partnerships with Bruntwood Trafford Holdings Ltd: Trafford Bruntwood Stretford Resi 2A LLP and Trafford Bruntwood Stretford Resi 2B LLP, for the purpose of residential developments at Stretford Mall. These LLPs will not initially hold any assets until the development is underway, depending on the agreed structure. At 31st March 2025, no transactions have occurred in the partnerships.

Both Joint Ventures operate on the same framework with both Trafford Council and Bruntwood Trafford Holdings Ltd being issued with 1 share each in each JV. Each party has a total of three directors on the management board, with resolutions requiring to be passed by a majority vote.

GMP Trafford LLP

On 23rd July 2024, the Council set up a GMP Trafford LLP, joint venture partnership with the GMCA and FEC Trafford Ltd, for the purpose of residential development in Old Trafford. This LLP will not initially hold any assets until the development is underway, depending on the agreed structure. At 31st March 2025, no transactions have occurred in the partnership.

Trafford Council has a 25% share in the partnership, alongside the GMCA, with FEC Trafford Ltd holding the other 50%. The LLP Board consists of eight members; two from Trafford, two from GMCA and four from FEC Trafford Ltd. Resolutions requiring to be passed by a majority vote.

Group Comprehensive Income and Expenditure Statement

This statement sets out the income and expenditure relating to the Council and its subsidiary, as a whole, together with any appropriations to reserves.

2023/24			Year ended 31 March	2024/25			
Gross Expenditure £000	**Gross Income £000**	**Restated Net Expenditure £000***	**Service**	**Note**	**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure £000**
281,602	(204,629)	76,973	Children's Services		314,415	(229,186)	85,229
145,211	(71,311)	73,900	Adults Services		155,822	(81,057)	74,765
67,946	(24,692)	43,254	Place		77,416	(30,519)	46,897
4,968	(858)	4,110	Legal and Governance		5,664	(1,113)	4,551
17,037	(4,659)	12,378	Finance and Systems		17,108	(4,787)	12,321
17,486	(7,184)	10,302	Strategy and Resources and Traded Services		19,777	(8,225)	11,552
53,507	(50,917)	2,590	Council-wide		59,744	(55,241)	4,503
587,757	**(364,250)**	**223,507**	**Cost of Services**		**649,946**	**(410,128)**	**239,818**
51,306	(18,364)	32,942	Other Operating Expenditure		34,304	(1,363)	32,941
65,776	(72,664)	(6,888)	Financing and Investment Income and Expenditure		56,283	(90,063)	(33,780)
	(244,172)	(244,172)	Taxation and Non-Specific Grant Income and Expenditure			(235,970)	(235,970)
		5,389	**(Surplus) or Deficit on Provision of Services**				**3,009**
		(998)	Share of operating results of Joint Ventures	G3			(1,902)
		88	Tax expense/(Deferred Tax) of subsidiary				184
		4,479	**Group (Surplus) or Deficit**				**1,291**
		(46,212)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets				28,635
		(26,300)	(Surplus) or Deficit on Revaluation of Financial Instruments				2,900
		134,971	Re-measurement of Net Defined Benefit / Liability				4,936

2023/24			Year ended 31 March	2024/25			
Gross Expenditure £000	**Gross Income £000**	**Restated Net Expenditure £000***	**Service**	**Note**	**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure £000**
		(350)	Share of Other comprehensive Income and Expenditure of Subsidiaries				(731)
		3,818	Share of Other comprehensive Income and Expenditure of Associates and Joint Ventures				14,149
		65,927	**Other Comprehensive (Income) and Expenditure**				**49,889**
		70,406	**Total Comprehensive (Income) and Expenditure**				**51,180**

* The 2023/24 figures have been restated following the completion of the Leisure Trust's 23/24 audit.

Group Balance Sheet

The Group Balance Sheet summarises the financial position of the Council and its subsidiary as a whole. It shows the value of group assets and liabilities at the end of the financial year.

2023/24* £000		Note	2024/25 £000
714,921	Property, Plant & Equipment		702,050
967	Heritage Assets		962
94,627	Investment Property		109,458
4,455	Intangible Assets		6,441
55,254	Long Term Investments		52,442
33,522	Long-term investments in Joint Ventures	G4	24,506
115,497	Long Term Debtors		140,407
2,202	Pension Asset		3,034
1,021,445	**Long Term Assets**		**1,039,300**
67	Short Term Investments		61
3,278	Assets Held for Sale		2,468
111	Inventories		121
97,463	Short Term Debtors		83,412
54,429	Cash and Cash Equivalents		41,708
155,348	**Current Assets**		**127,770**
(2,036)	Short Term Borrowing		(4,248)
(79,606)	Short Term Creditors		(83,128)
(15,824)	Short Term Provisions		(13,265)
(3,938)	Grants Receipts in Advance (Revenue)		(3,702)

2023/24* £000		Note	2024/25 £000
(583)	Short Term Grants REFCUS		(129)
(11,434)	Grants Receipts in Advance (Capital)		(9,172)
(113,421)	**Current Liabilities**		**(113,644)**
(9,519)	Provisions		(9,281)
(333,439)	Long Term Borrowing		(378,268)
(5,339)	Other long-term liabilities – Deferred		(7,337)
(7,931)	Grant Receipts in Advance (Capital)		(7,642)
(180)	Revenue Grants & Contributions – Long-Term Receipts in Advance (REFCUS)		(103)
(32,023)	Other Long Term Liabilities – Pensions		(27,659)
(388,431)	**Long Term Liabilities**		**(430,290)**
674,941	**Net assets**		**623,136**
(10,500)	General Fund Balance		(10,500)
(86,012)	Earmarked General Fund Reserves		(74,004)
(1,425)	Capital Receipts Reserve		(1,534)
(693)	Revenue Grants Unapplied (REFCUS)		(751)
(26,074)	Capital Grants Unapplied		(24,466)
(124,704)	**Usable Reserves**		**(111,255)**
(240,917)	Revaluation Reserve		(202,543)
(34,430)	Financial Instruments Revaluation Reserve		(31,618)
9,720	DSG deficit reserve		19,741
(348,943)	Capital Adjustment Account		(369,511)
18,820	Financial Instruments Adjustment Account		18,108
32,023	Pensions Reserve		27,659
(2,262)	Collection Fund Adjustment Account		(1,649)

2023/24* £000		Note	2024/25 £000
5,637	Accumulated Absences Account		6,129
(560,352)	**Unusable Reserves**		**(533,684)**
10,115	**Council's Share of Reserves of Subsidiary and Joint Ventures**	**G5**	**21,803**
(674,941)	**Total Reserves**		**(623,136)**

* The 2023/24 figures have been restated following the completion of the Leisure Trust's 23/24 audit.

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and other reserves. The 'Surplus or Deficit on the Provision of Services' line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund for Council Tax setting and dwellings rent setting purposes.

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Council's Share of Subsidiaries and Joint Ventures £000	Total Group Reserves £000
Balance as at 31 March 2024	**(10,500)**	**(86,012)**	**(96,512)**	**(1,425)**	**(693)**	**(26,074)**	**(124,704)**	**(560,352)**	**10,115**	**(674,941)**
Movement in reserves during 2024/25										
Realignment of Trading Period of JV	-	-	-				-	-	627	627
(Surplus) or deficit on the provision of services	3,647	-	3,647	-	-	-	3,647	-	(2,356)	1,291
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	36,471	13,418	49,889
Total Comprehensive Income and Expenditure	**3,648**	**-**	**3,648**	**-**	**-**	**-**	**3,648**	**36,471**	**11,689**	**51,807**
Adjustments between accounting basis & funding basis under regulations	18,382	-	18,382	(109)	(58)	1,608	19,822	(19,822)	-	1
Net (Increase)/Decrease before transfers to Earmarked Reserves	**22,029**	**-**	**22,029**	**(109)**	**(58)**	**1,608**	**23,470**	**16,649**	**11,689**	**51,808**
Transfers (to)/from Earmarked Reserves	(22,029)	12,008	(10,021)	-	-	-	(10,021)	10,021	-	-
(Increase)/Decrease in 2024/25	**-**	**12,008**	**12,008**	**(109)**	**(58)**	**1,608**	**13,449**	**26,670**	**11,689**	**51,808**
Balance as at 31 March 2025	**(10,500)**	**(74,004)**	**(84,504)**	**(1,534)**	**(751)**	**(24,466)**	**(111,255)**	**(533,684)**	**21,803**	**(623,136)**

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Council's Share of Subsidiaries and Joint Ventures £000	Total Group Reserves £000
Balance as at 31 March 2023	**(9,500)**	**(69,890)**	**(79,390)**	**(629)**	**(461)**	**(20,632)**	**(101,112)**	**(650,691)**	**6,211**	**(745,592)**
Movement in reserves during 2023/24										
Realignment of Trading Period of JV	-	-					-	-	243	243
(Surplus) or deficit on the provision of services	4,287	-	4,287	-	-	-	4,287	-	194	4,481
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	62,459	3,468	65,927
Total Comprehensive Income and Expenditure	**4,287**	**-**	**4,287**	-	-	-	**4,287**	**62,459**	**3,905**	**70,651**
Adjustments between accounting basis & funding basis under regulations	**(13,163)**	-	(13,163)	**(796)**	**(232)**	**(5,443)**	(19,634)	**19,634**	**-**	-
Net (Increase)/Decrease before transfers to Earmarked Reserves	**(8,876)**	**-**	**(8,876)**	**(796)**	**(232)**	**(5,443)**	**(15,347)**	**82,093**	**3,905**	**70,651**
Transfers (to)/from Earmarked Reserves	**7,876**	**(16,122)**	(8,246)	-	-	-	(8,246)	**8,246**	**-**	-
(Increase)/Decrease in 2023/24	**(1,000)**	**(16,122)**	**(17,122)**	**(796)**	**(232)**	**(5,443)**	**(23,593)**	**90,339**	**3,905**	**70,651**
Balance as at 31 March 2024	**(10,500)**	**(86,012)**	**(96,512)**	**(1,425)**	**(693)**	**(26,074)**	**(124,704)**	**(560,352)**	**10,115**	**(674,941)**

Group Cash Flow Statement

The Group Cash Flow Statement summarises the cash flows of the Council and its subsidiary during the year.

2023/24 £000	Year Ended 31 March	2024/25 £000
5,477	Net (surplus) or deficit on the provision of services	3,194
(43,638)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(14,696)
42,624	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	29,862
4,463	**Net cash flows from Operating Activities**	**18,360**
4,505	Investing Activities	39,955
(7,126)	Financing Activities	(45,596)
-	Net Cash flows from Advanced Pension Contribution	-
1,841	**Net (increase) or decrease in cash and cash equivalents**	**12,722**
56,270	Cash and cash equivalents at the beginning of the reporting period	54,429
54,429	**Cash & cash equivalents at the end of reporting period**	**41,708**

Explanatory Notes to the Group Accounts

Where figures in the group accounts differ materially from the Council's accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the Council's accounts.

G1. Group Accounting Policies

The Accounting Policies of the Council's subsidiary and Joint Venture companies have been aligned with the Council's Accounting Policies contained in Note 3. Any statutory adjustments between accounting basis and funding basis included in the Council's Accounting Policies do not apply to the subsidiary company or Joint Venture. Notes within the group accounts have not been provided except where there are material differences to those provided in Note 3.

As a subsidiary, Trafford Leisure CIC Limited has been consolidated on a line by line basis with all intra-group transactions and balances removed.

Further information and full financial statements for Trafford Leisure CIC Ltd. can be found through the Companies House website, company registration number 09764023.

As Joint Ventures, Trafford Bruntwood LLP, Trafford Bruntwood (Stretford Mall) LLP and Trafford Bruntwood (Stamford Quarter) LLP have been consolidated using the equity method. The investments are shown under a separate line in the group balance sheet and adjusted by the Council's share (50%) in the joint venture's net asset movement since acquisition. The Council's share of the joint ventures' operating results for the year are included within the Group Comprehensive Income and Expenditure Statement.

Further information and full financial statements for Trafford Bruntwood LLP, company registration number OC421552. Trafford Bruntwood (Stretford Mall) LLP company registration OC427924 and Trafford Bruntwood (Stamford Quarter) LLP company registration OC427930, can be found through the Companies House website.

These three JV's operate on a financial year ending on 30th September which coincides with the reporting period of Bruntwood Trafford Holdings Limited who have taken the lead role in the preparation of the statutory accounts. Accounting practice dictates that where the accounting period is more than three months before or three months after 31 March, then it will be mandatory for interim statements to be prepared as a basis for the group accounts.

For these three LLP's, the statutory accounts for the year to 30th September 2024 have been combined with the interim management accounts for the period 1st October 2024 to 31st March 2025 to give an 18 month trading period for the Group CIES, with the interim management accounts balance sheet being used for the period ending 31st March 2025.

The assets of Trafford Bruntwood LLP, Trafford Bruntwood (Stretford Mall) LLP and Trafford Bruntwood (Stamford Quarter) LLP have been valued using a fair value based on an estimated open market valuation, provided by appropriately qualified professionals, using fair value principals. The members valuation panel comprises the following:

- C G Oglesby, Chief Executive, Bruntwood Limited, qualified as a Chartered Surveyor in 1993 and has 35 years' experience in the property investment industry.
- R H Brunt, Chief Financial Officer, Bruntwood Limited, Chartered Accountant, has 10 years' experience in the property investment industry.
- K J Crotty, previously Chief Financial Officer, Bruntwood Limited, Chartered Accountant, has 22 years' experience in the property investment industry.

Three further joint venture companies were entered into by the Council in 2024/25: Trafford Bruntwood Stretford Resi 2A LLP and Trafford Bruntwood Stretford Resi 2B LLP, for the purpose of residential developments at Stretford Mall, and GMP Trafford LLP, joint venture partnership with the GMCA and FEC Trafford Ltd, for the purpose of residential development in Old Trafford. These new LLPs, due to the timing of development, contain no transactions in the 2024/25 financial year, and have therefore not been included in the Group Accounts.

G2. Group Defined Benefit Pension Schemes

Transactions Relating to Post-employment Benefits

The following transactions have been made in the Group Comprehensive Income and Expenditure

Statement and the General Fund Balance through the Group Movement in Reserves Statement during the year: Further details relating to the Council's pension schemes can be found in Notes 36 and 37.

2023/24 £000		2024/25 £000
Comprehensive Income and Expenditure Statement		
	Cost of Services:	
	Service Cost comprising:	
19,044	• current service cost	18,177
977	• past service costs	1,685
29	• (gain)/loss from settlements	64
	Financing and Investment Income and Expenditure:	
(4,743)	• net interest cost	(7,484)
15,307	***Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services***	**12,442**
-	*Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement*	-
	Re-measurement of the net defined benefit liability comprising:	
(22,894)	• Return on plan assets (excluding the amount included in the net interest cost)	9,492
(5,622)	• Actuarial gains and losses arising on changes in demographic assumptions	(1,497)
(47,507)	• Actuarial gains and losses arising on changes in financial assumptions	(127,449)
27,359	• Other	(9,556)
(33,357)	**Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement**	**(116,568)**
	Movement in Reserve Statement	
15,307	• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	12,442
	Actual amount charged against the General Fund Balance for pensions in the year:	
19,077	• employers' contributions payable to scheme	20,515
1,232	• retirement benefits payable to pensioners	1,264

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

2023/2024 £000		2024/25 £000
(853,244)	Present value of the defined benefit obligation	(746,217)
1,006,708	Fair value of plan assets	1,038,092
(183,285)	Asset Ceiling Adjustment	(316,500)
(29,821)	**Net Liability arising from defined benefit obligation**	**(24,625)**

Reconciliation of the Movements in the Fair Value of Scheme Assets

2023/24 £000		2024/25 £000
949,378	Opening fair value of scheme assets	1,006,708
(1,018)	Effect of Settlements	(807)
44,847	Interest income	48,606
	Re-measurement gain/(loss):	
22,894	· The return on plan assets, excluding the amount included in the net interest expense · Other	(9,492)
20,431	Contributions from employer	21,843
6,053	Contributions from employees into the scheme	6,378
(35,877)	Benefits paid	(35,144)
1,006,708	**Closing fair value of scheme assets**	**1,038,092**

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

2023/24 £000		2024/25 £000
849,702	Opening present value of scheme liabilities	853,244
19,044	Current service costs	18,177
(989)	Effect of Settlements	(743)
40,104	Interest costs	41,122
6,053	Contributions from scheme participants	6,378
	Re-measurement (gains) and losses:	
(5,622)	· Actuarial gains/losses arising from changes in demographic assumptions	(1,497)
(47,507)	· Actuarial gains/losses arising from changes in financial assumptions	(127,449)
27,359	· Other	(9,556)
977	Past service cost	1,685
(35,877)	Benefits paid	(35,144)
853,244	**Closing present value of scheme liabilities**	**746,217**

Pension Scheme Assets

	31 March 2024 %	31 March 2025 %
Equities	68%	65%
Bonds	15%	17%
Property	8%	9%
Cash	9%	9%
Total	**100%**	**100%**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Council and Trafford Leisure CIC Ltd. have engaged Hymans Robertson LLP, an independent firm of actuaries to assess their respective pension schemes, estimates being based on the latest full valuation of the scheme as at 31 March 2025 for both Trafford Leisure CIC Ltd. and Trafford Council.

The significant assumptions (for Trafford Leisure CIC Ltd.) used by the actuary have been:

2023/24	Trafford Leisure CIC Ltd. - Mortality assumptions:	2024/25
	Longevity at 65 for current pensioners:	
16.9 years	• men	16.7 years
23.6 years	• women	23.4 years
	Longevity at 65 for future pensioners:	
21.8 years	• men	21.5 years
25.2 years	• women	25.0 years
3.55%	Rate of increase in salaries	3.55%
2.75%	Rate of increase in pensions	2.75%
4.85%	Rate for discounting scheme liabilities	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period and assumes for each assumption change all other assumptions remain constant.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2020/21.

Trafford Leisure CIC Ltd. - Change in assumptions at 31 March 2025	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	75
1 year increase in member life expectancy	4%	141
0.1% increase in the salary increase rate	0%	5
0.1% increase in the pension increase rate (CPI)	2%	72

The significant assumptions used to assess the Council's Pension scheme assets and liabilities can be found in Note 37, along with an associated sensitivity analysis.

G3. Surplus/(Deficit) Attributable to Joint Ventures

This figure represents the total surplus/deficit attributable for the three JV's Trafford Bruntwood LLP, Trafford Bruntwood (Stretford Mall) LLP and Trafford Bruntwood (Stamford Quarter) LLP. Due to the differing year ends of single entity and group accounts, for the period 2024/25 the statutory accounts as at 30th September 2024 were combined with the management accounts to 31st March 2025 and a 12 month average was used to derive the surplus/ deficit values. This method subsequently required a small manual adjustment made to the closing reserves as stated on the management accounts balance sheet as at 31st March 2025 to align to the accumulated reserves to those using the average method.

Due to the materiality of the transactions relating to the revaluations of non-current assets taking place between September 2024 and March 2025, an 18 month trading period has been used for the 2024/25 trading values. This has allowed the closing balance sheets as at 31st March 2025 as stated in the three LLP's management accounts to be used and avoid making significant manual adjustments if the average trading method was used. This will give the reader a more transparent understanding of the actual figures in the reserve balances of the three LLP's as at 31st March 2025.

2023/24 £000	**2023/24 Trafford Council Share at 50% £000**		**2024/25 £000**	**2024/25 Trafford Council Share at 50% £000**
10,341		Turnover	12,275	
(7,924)		Cost of Sales	(7,940)	
2,417		**Gross Profit/(Loss)**	**4,335**	
(1,406)		Administrative Expenses	(1,498)	
985		Other Operating Income	967	
1,996	**998**	**Profit/ (Loss) before Taxation**	**3,804**	**1,902**
-		Taxation	-	
1,996	**998**	**Profit/ (Loss) for the Period before Taxation**	**3,804**	**1,902**
		Other Comprehensive Income		
(7,635)	**(3,818)**	Surplus or Deficit on revaluation of non-current assets	(28,297)	**(14,149)**
(5,639)	**(2,820)**	**Total Comprehensive income for the period**	**(24,493)**	**(12,247)**

G4. Investments in Joint Ventures

2023/24 £000		2024/25 £000
	Investment in Joint Ventures	
10,321	Trafford Bruntwood LLP	10,072
9,177	Trafford Bruntwood (Stretford Mall) LLP	12,244
24,146	Trafford Bruntwood (Stamford Quarter) LLP	24,847
43,644	**Total Investment**	**47,163**
(10,123)	Share of Accumulated profit/(loss)	(22,657)
33,521	**Total Investment after profit/(loss)**	**24,506**

Summary balance sheet of Joint Ventures

2023/24 £000		2024/25 £000
79,065	Fixed Assets	62,863
9,407	Current Assets	9,827
(21,157)	Creditors : Amounts falling due within one year	(23,679)
67,315	**Net Assets/ (Liabilities)**	**49,011**
	Reserves :	
43,780	Members Capital – Bruntwood Holdings Ltd. / K Site Ltd.	47,162
43,780	Members Capital – Trafford Council	47,162
(6,954)	Other Reserves (Dividend Distribution)	(6,672)
(18,820)	Other Reserves	(46,873)
5,529	Profit /(Loss) Reserve	8,232
67,315	**Total Reserves**	**49,011**

G5. Group Reserves

2023/24 £000		2024/25 £000
	Usable Reserves	
(124,700)	Trafford Council (i)	(111,255)
	Unusable Reserves	
(560,353)	Trafford Council (i)	(533,685)
(685,053)	**Sub-Total Trafford Reserves**	**(644,940)**
	Group Reserves	
(11)	Trafford Leisure CIC	(852)
10,123	Bruntwood Trafford Holdings Ltd. & K Site Ltd.	22,656
10,112	**Sub-Total Group Reserves**	**21,804**
(674,941)	**Total Reserves**	**(623,136)**

(i) Further detail can be found in the Council's accounts Notes 21 and 22

Glossary

Actuarial Gains and Losses

Over a reporting period, these consist of:

(A) Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred, including reflection of any funding valuation which has taken place since the last report); and

(B) The effects of changes in actuarial assumptions (split between financial and demographic).

Better Care Fund

The BCF was announced by the Government in the June 2013 spending round to ensure a transformation in health and social care. The BCF creates a pooled budget between the Council and the Integrated Care Board (ICB).

Capital Financing Charges

The annual charge to the revenue accounts in respect of interest and principal repayments of borrowed money together with leasing rentals.

Capital Financing Requirement

This reflects the Council's underlying need to borrow for a capital purpose. It forms a basis for calculating the minimum revenue provision (MRP), which is the amount required to be set aside as provision to repay debt.

Capital Grants

Grants received towards capital outlay on a particular service or project.

Capital Receipts

Money received from the sale of surplus assets such as land or buildings that is used for new capital expenditure or to repay debt.

Carrying Amount

This equates to the level of principal outstanding on loans and investments together with any accrued interest.

CIPFA/LASAAC

The Chartered Institute of Public Finance and Accountancy/Local Authority (Scotland) Accounts Advisory Committee is the body responsible for preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting for the United Kingdom.

Collection Fund

The Collection Fund records transactions in respect of the council tax, community charge and non-domestic rates receipts and illustrates the way in which these have been distributed.

Community Assets

Non-current assets that an authority intends to hold in perpetuity and have no determinable useful life.

Coupon Rate

The interest rate stated, expressed as a percentage of the principal (face value).

Creditors

Amounts owed by the Council for work done, goods received or services rendered but for which payment has not been made at the date of the balance sheet.

Current Service Cost (Pensions)

The increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

Curtailments include:

Termination of employees' service earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

DfE (Department for Education)

This is the Government department responsible primarily for schools. It administers the majority of funding for schools including Dedicated Schools Grant, the major form of financial support.

Debtors

Sums of money due to the Council but which are unpaid at the date of the balance sheet

Deferred Debtors/Deferred Capital Receipts

Corresponding entries relating to sums due at some time in the future, for example from the sale of council houses purchased with the help of mortgages granted by the Council.

Defined Benefit 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 (including notionally funded).

Defined Contribution Scheme

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

Depreciation/Amortisation

An amount charged to revenue accounts to represent the wearing out of non-current assets.

Direct Service Organisation (DSO)

The in-house team which has won a contract to carry out work, or provide a service following a competitive tendering process.

Discretionary Benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the authority's discretionary powers.

Effective Interest Rate

The rate at which debt charges are applied to the comprehensive income and expenditure statement.

Financial Instruments

The term covers both financial assets and liabilities. The borrowing, service concession arrangements (PFI & finance leases) and investment transactions are classified as financial instruments.

General Fund

The main revenue account of the Council into which the Council's precept from the Collection Fund and specific Government grants are paid and from which is met the cost of providing services.

Greater Manchester Combined Authority (GMCA)

Created by the Local Government, Economic Development and Construction Act, the Greater Manchester Combined Authority (GMCA) assumed its powers and duties on 1 April 2011. It took over the functions previously the responsibility of the Greater Manchester Integrated Transport Authority (GMITA), which it replaced. It also took over responsibility for transport planning, traffic control and wide loads, assumed responsibility for the transportation resources allocated to the Greater Manchester region and regional economic development functions.

Greater Manchester Waste Disposal Authority (GMWDA)

This is a levying Authority that provides waste disposal strategy, policy and services to nine of the AGMA Councils.

Heritage Assets

Heritage assets are assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical value.

Impairment

A reduction in the recoverable amount of a non-current asset. An impairment charge can be caused by a clear consumption of economic benefits or by a general fall in prices.

Income

Amounts which an authority receives, or expects to receive, from any source. Income includes fees, charges, sales and Government grants. The term "income" implies that the figures concerned relate to amounts due in a financial year irrespective of whether or not money was actually received during that year (i.e. on an accruals basis).

Indemnified

To protect against damage, loss or injury; insure.

Infrastructure Assets

Those non-current assets from which benefit can be obtained only by continued use of the asset created e.g. highways, footpaths and bridges.

Interest Costs (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.

Investments (Pension Fund)

The investments of the Pension Fund will be accounted for in the statements of that fund. However authorities (other than town parish and community councils and district councils in Northern Ireland) are also required to disclose, as part of the transitional disclosures relating to benefits, the attributable share of pension scheme assets associated with their underlying obligations.

DLUHC (Department for Levelling Up, Housing and Communities)

This is the Government department which has the main responsibility for Local Government. (Formerly known as MHCLG).

L&Q

Trafford Housing Trust were acquired by L&Q in 2019. THT are now a self-managed subsidiary of L&Q and all previous agreements are unchanged.

NDR

The form of local taxation charged on non-residential premises at a level set by the Government. As part of the grant distribution system (the Business Rates Retention Scheme) business rates are collected and a share retained by the local authority and the balance paid to the local preceptor.

Past Service Cost

The change in present value of the defined benefit obligation for employee service in prior periods resulting from a plan amendment (the defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by the plan).

Precept

The amount levied by one authority which is collected on its behalf by another.

Present value of defined benefit obligation

The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Private Finance Initiative

An agreement with the private sector to design, build and operate facilities specified by an authority in return for an annual payment.

Projected Unit Method

An accrued benefits valuation method in which the scheme liabilities make allowances for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and the accrued benefits for members in service on the valuation date.

Provisions

Sums set aside for losses or liabilities which are certain to arise but cannot be quantified with certainty.

Reserve

Amounts set aside to meet future costs.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer’s decision to terminate an employee’s employment before the normal retirement date, or (ii) an employee’s decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Revenue Expenditure Funded from Capital under Statute (REFCUS)

Capital expenditure which does not produce a tangible asset (e.g. improvement grants or other expenditure on assets the authority does not own). These are charged directly to revenue in the year expenditure is incurred but are treated as capital for control purposes.

Revenue Contributions

Refers to the financing of capital expenditure directly from revenue in one year rather than from loan or other sources.

Revenue Expenditure

Recurring expenditure on day to day expenses such as employees, running expenses of buildings, equipment and capital financing costs.

Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflects the benefits that the employer is committed to provide for service up to the valuation date.

Settlement

Occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan, for example, when a lump- sum cash payment is made to, or on behalf of, plan participants in exchange for their rights to receive specified post-employment benefits.

Soft Loan

This is where loan is either given to or received from an external organisation or individual at conditions which are more favourable than market rates.

Stepped Interest Rate Loans

A loan agreement where one rate of interest applies for the primary period of the loan and another rate for the remainder, or secondary period.

Trust Funds

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

UK Shared Prosperity Fund (UKSPF)

A government-allocated fund in the UK designed to reduce inequalities between communities and boost local investment.

Unsupported Borrowing

Borrowing undertaken to finance capital expenditure where the related debt costs are paid for by the authority or from other income.

Vested Rights

In relation to a defined benefit scheme, these are:

- for active members, benefits to which they would unconditionally be entitled on leaving the scheme:
- for deferred pensioners, their preserved benefits:
- for pensioners, pensions to which they are entitled

Voluntary, Community, Faith, and Social Enterprise (VCFSE)

A diverse sector of organizations that work to support communities and address social needs.