

# Statement of Accounts Subject to Audit 2024/25



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## Narrative Report by the Borough Treasurer

### Introduction

The purpose of this Narrative Report is to provide information on the authority, its main objectives and strategies and the principal risks that it faces, as well as giving a commentary on how the authority has used its resources to achieve its desired outcomes in 2024/25.

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

Since 2011, the Council has had to make cuts of circa £233m as at end of 24/25, due to a combination of increased demands upon its services, cost pressures and funding cuts. The Council's two-year budget strategy covering 2025/27 has identified further cuts of £7.8m. Whilst the 100% business rates pilot has given us the opportunity to maximise the benefits of growth in our business rates within the borough, we still suffer from the impact of the already announced cuts in central government funding. Clearly this has impacted on the way the Council delivers its services, and on the number of staff that we employ. Since 2011, we have seen a reduction in staffing numbers of around 1,700 posts.

Each February, the Council votes on the budget and sets the Council Tax for the forthcoming year. For 2024/25 Councils were permitted to increase the general Council Tax levy by 2.99% and the Adult Social Care precept was permitted to increase by up to 2%. Council approved setting the Adult Social Care precept increase at 2%, which went some way towards alleviating the pressures in that service and approved setting the general levy increase at 2.99%.

A balanced revenue budget is achieved by ensuring any pressures in year are met from reserves. Our capital spend was £69.4m, and later in this narrative, examples of some of our major schemes are given. Council Revenue reserves have increased by £2m while Capital reserves decreased by £2m. The Council's usable reserves are held for capital schemes, to protect against key areas of risk and to fund existing commitments. We also hold £14.16m of general balances as our overall contingency. Ultimately, we have around £55m which is available departmentally to be re-allocated during future financial years to support our priorities and financial strategy and continue to deal with significant demand pressures, thus supporting our future financial resilience.

The report is split into the following sections;

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

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

## Section One – Overview and Directorate reviews

### Bolton Council and the Borough

#### Local Context, Organisation and Governance

With a population of more than 302,000, Bolton is one of the biggest towns in the country that isn't a city and has a land area of over 50 square miles. A former mill town, Bolton has a strong and diverse identity and a rich history and has been a market town, a borough, and a metropolitan borough since Medieval times. In 2024, Bolton began its year as Greater Manchester Town of Culture, celebrating how culture is the heartbeat of the town and building on the recently launched Cultural Strategy.

Bolton is currently divided into 20 wards which are served by 60 elected councillors. The population is forecasted to grow by a further 1.7% over the next decade and currently, 26% of the population live in an area that is among the 10% most deprived nationally. Bolton's population profile is comparatively youthful compared with the rest of the UK due to its large student population, 45% of children in Bolton live in poverty and 26.7% of Bolton adults are classed as physically inactive. Bolton's economy is home to 24,558 businesses and 115,000 jobs. A significant portion of these, 17,802, are Small and Medium sized Enterprises (SMEs).

The Council's constitution sets out how the Council operates, how decisions are scrutinised and made, and the procedures which are followed to ensure that these are efficient, transparent, and accountable to local people. Politically, the Council has been in 'no overall control' since 2019. During this period, the Council has been led by a minority Conservative and a minority Labour administration and is currently led by a minority Labour administration. Operationally, the Council is managed by a Corporate Leadership Team, which works closely with the Council Leader and the Cabinet to deliver the strategic direction and priorities of the organisation. The Council is also a constituent member of the Greater Manchester Combined Authority. Operationally, the Council is organised into five directorates, each of which is headed by a director which reports to the Chief Executive Officer. The role of each directorate is as follows:

**Adults, Communities and Integration Directorate** - brings together adult social care and integration, community safety and housing, focused on working in partnership to enable the people of Bolton to live well in their own home and community, with access to support as they need it, so they can continue to do the things that matter to them the most.

During 2024/25 there has been an upward trend of increases in the volume in demand for people needing support packages in the community, especially homecare following hospital discharges. Services are experiencing a continued presentation of people with greater levels of need and complexity in all care, including younger adults with learning disabilities and mental health.

A directorate level LGA peer group inspected various areas in preparation for CQC inspections. The assessment results are encouraging, particularly around partnership working, engaging with the community, social work practice and finances. The health and social care integration programme continues to be implemented through Bolton's Locality Plan with the development of six neighbourhood models and co-location of multi-agency teams across the Borough.

**Children's Services Directorate** - consists of Social Care and Early Help, Inclusive Education and Learning and Policy, Strategy and Performance and supports the

delivery of services in line with statutory duties to ensure all children in the Borough get the best start in life and are provided with every chance to be happy, safe, healthy and achieve their best.

Work continues on developing and delivering the approach to Family Help with a focus on prevention and the expansion of the multi-agency Family Hub network is underway, delivering the offer to families local to where they live. The number of looked after children has a clearer strategy in place which further strengthens prevention and early intervention.

Educational performance is greatly improved in the Borough and the achievements of children and young people over the past year is positive. Improving access to education and educational achievement for pupils with disabilities is essential to ensure equality of opportunity, full participation in society, greater independence, access to employment opportunities and inclusion within mainstream education.

**Corporate Resources Directorate** – has a central role in co-ordinating activity across the Council relating to maintaining financial stability, upskilling, engaging and supporting the workforce, enhancing our learning and development offer, meeting statutory obligations such as information governance, legal compliance, elections, supporting the VCSE sector, promoting the town, hosting world-class events, and delivering a cultural renaissance for Bolton.

Addressing the challenges of poverty requires a whole-system, action focused approach and collaborating with Council partners has helped to develop and launch the Tackling Poverty Strategy for Bolton. Work has continued to bring back in-house the management of the Council's facilities and estates. Focus is now on fully utilising Council assets.

The Council's Transformation Programme is supporting services to improve delivery and identify efficiencies across all systems and processes, in order to meet increasing demand. The major events programme is a significant element to promoting Bolton's cultures, heritage, and future growth potential, accumulating in the Bolton Food and Drink Festival winning the "Best Market Attraction" at the Great British Market Awards 2024. The directorate continues to support the Council's Digital Strategy, promoting greater use of online tools and technologies for the benefit of both customers and staff.

The new Technology Evo Programme was launched this year comprising of over twenty projects which will vastly transform and evolve the Council's technology landscape. New schemes such as the Digital Aiders, Tech Chatbot, better print solution, improved security and more efficient storage solutions are part of this digital journey.

The recent Local Government Peer Review recognised Bolton Council's well-regarded work with the Bolton's VCSE, including the management of the Bolton's Fund, which celebrated its fifth-year anniversary in 2024 and has distributed over £6.5m of grants to over 1,200 local projects.

**Place Directorate** – is at the centre of communities through place-based services that keep our towns and neighbourhoods accessible and safe, supporting the climate emergency work through sustainable waste management solutions, active and sustainable transport, driving the regeneration of Town and District Centres, supporting the delivery of new homes and infrastructure, and working with businesses to develop the local economy.

The Directorate continues to support the delivery of the Council's Climate Change Programme. During 2024, the town centre's first park in over 100 years - Elizabeth Park - was developed and won the Civil Engineering Contractors Association Project of the year award. Over £194,000 of grants for environmental projects have been secured and distributed, our fleet has become more sustainable, new flood defences are protecting homes and land across the borough, thousands of trees have been planted, and recycling rates continue to hold strong at c50%.

Bolton Town Centre's transformation started to materialise this year, including developments on Moor Lane and Deansgate Gardens; the first of the major developments that will eventually attract 5,000 additional town centre residents. The Central Library, Market (including the new Food Hall) and Wellsprings Innovation Hub have all benefitted from successful Towns Fund and UKSPF funding bids and have all completed this year, adding to the developing town centre landscape and creating further opportunities for local businesses, visitors and residents.

The completion of the Institute of Medical Science, a £40m project supported by a £20m Levelling Up Fund award, is another significant milestone - a 'first of its kind' facility that will enable the Foundation Trust to develop existing staff whilst providing new opportunities for residents who want a future in healthcare. These projects bring to life the concept of place making and place shaping in Bolton.

**Public Health Directorate** - works with system partners, local people and communities to improve physical and mental health outcomes and the overall wellbeing of the local population, by using high quality data and intelligence to develop preventative approaches to tackle ill health and reduce inequalities.

The Bolton Alcohol, Drug and Gambling Alliance was successfully launched this year, supporting inclusivity and collaboration based on strong partnership, working with improved communications and networking across the local system. Teams have been working with system partners to develop and support communication approaches to encourage uptake of vaccination and screening, including the establishment of a new network of community workers, influencers and champions to assist with better conversations across our neighbourhoods.

This year, the JSNA has continued to shape Bolton's health and care system through supporting the ongoing development of Neighbourhood Profiles and emerging Children's Profiles, providing definitive datasets and helping the Bolton system to draw together population insights. Furthermore, the directorate has led the development of the Bolton All Age Prevention and Inequalities Framework, which will support the Bolton system to realise its ambition to make a left shift towards prevention in key strategic partnerships, including the Bolton Vision Partnership, Health and Wellbeing Board and Locality Board.

## **Corporate Strategy – Council Plan**

The past few years have brought on profound change, with local, regional, and national events which have required the Council to evolve and adopt how we best deliver our services, signalling the need to refresh our plans. This was further emphasised as part of the Council's Corporate Peer Challenge which was undertaken by the Local Government Association in Summer 2024.

During this financial year, the Council has begun to refresh the place-based vision for the borough as well as our Council Plan, actively seeking to incorporate finance, risk and performance more effectively. The focus remains clear, addressing inequality and

poverty across the Borough, supporting our residents by caring for, empowering and listening to them and achieving a prosperous Bolton.

The new approach includes a new Performance Management Framework and the establishment of new directorate level performance boards. Their purpose is to enable leadership teams to have an up to date, focused understanding of how well we are performing at a service, directorate, and whole council level.

<b>A confident and achieving council</b>
<b>Maintain financial stability to support our residents</b>
<b>Modernise and improve council services to better serve our residents</b>
<b>Maximising workforce stability, wellbeing and engagement across the employee lifecycle</b>
<b>A council committed to building together with residents</b>
<b>Improved community voice, health and wellbeing</b>
<b>Enhance employment and skills opportunities with our residents</b>
<b>Children and families have the support they need to thrive</b>
<b>A council which enables growth and investment in Bolton</b>
<b>Contribute to a stronger Bolton economy</b>
<b>A safe and protected borough</b>
<b>Culture and leisure for all</b>

The new Performance Management Framework shows:

Total number of performance indicators – **73**

Number of performance indicators maintained during 24/25 – **27**

Number of performance indicators improved during 24/25 – **34**

Number of performance indicators worsened during 24/25 – **12**

### **Financial Headlines**

Under challenging financial circumstances, the Council has managed to keep services running with an annual net budget for 2024/25 (excluding schools) of £303m. However, the Council continues to face significant budget challenges over the years ahead with demand for Council services increasing at a faster rate than government funding.

Continued uncertain economic conditions from significant increases in contract and price inflation has put additional pressure on service delivery, such as those that support vulnerable families, children and older people.

Through our 2025/27 Business Planning Process, the council has identified £7.8m of savings to deliver a balanced budget. Savings options include, service redesigns,

increased automation, identifying income options and the planned use of reserves to smooth the introduction of savings & efficiencies.

Delivery of these savings will require steadfast commitment and targeted resources from the Council to be successful. It is therefore imperative that robust action is taken to deliver planned savings and contain financial pressures over the next few years.

For the Council's finances 2024/25 has proved to be another challenging year. The following provide a brief overview of the issues affecting the financial position of the organisation:

- increased demand for adult social care community support packages, especially homecare for older people
- significant demand pressures for mental health and learning disability placements
- growing demand to support rapid hospital discharges to ease acute system pressures
- increase demand for temporary accommodation placements for the homeless
- increase in the cost of provision of children's residential placements, particularly out of borough placements
- additional budget requirement to support the Early Help Programme
- additional funding allocated to support priorities within the Children's Social Care Programme
- increase in agency staffing expenditure due to recruitment issues
- increased budget requirement to support the costs of Employer National Insurance Contribution and Living Wage changes
- growing demand for de-carbonisation projects



## Section Two – Leadership and Governance

### Political Leadership

The Labour group is currently the largest political group and through agreement with the minority opposition groups in 2024/25 leads the Council. Councillor Nicholas Peel (Labour) is the Council Leader with Councillor Akhtar Zaman (Labour), Deputy Leader.

The Borough is divided into twenty wards, each of which elects three Councillors. Each Councillor is elected for up to four years. The makeup of the Council as of 31st March 2025 was:

Political Group	Councillors
Labour	26
Conservative	15
Liberal Democrats	6
Communities First	5
Farnworth and Kearsley First	5
Horwich and Blackrod First Independents	3
<b>Total</b>	<b>60</b>

The Council - the 60 Councillors:

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

The Leader:

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

The Cabinet:

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

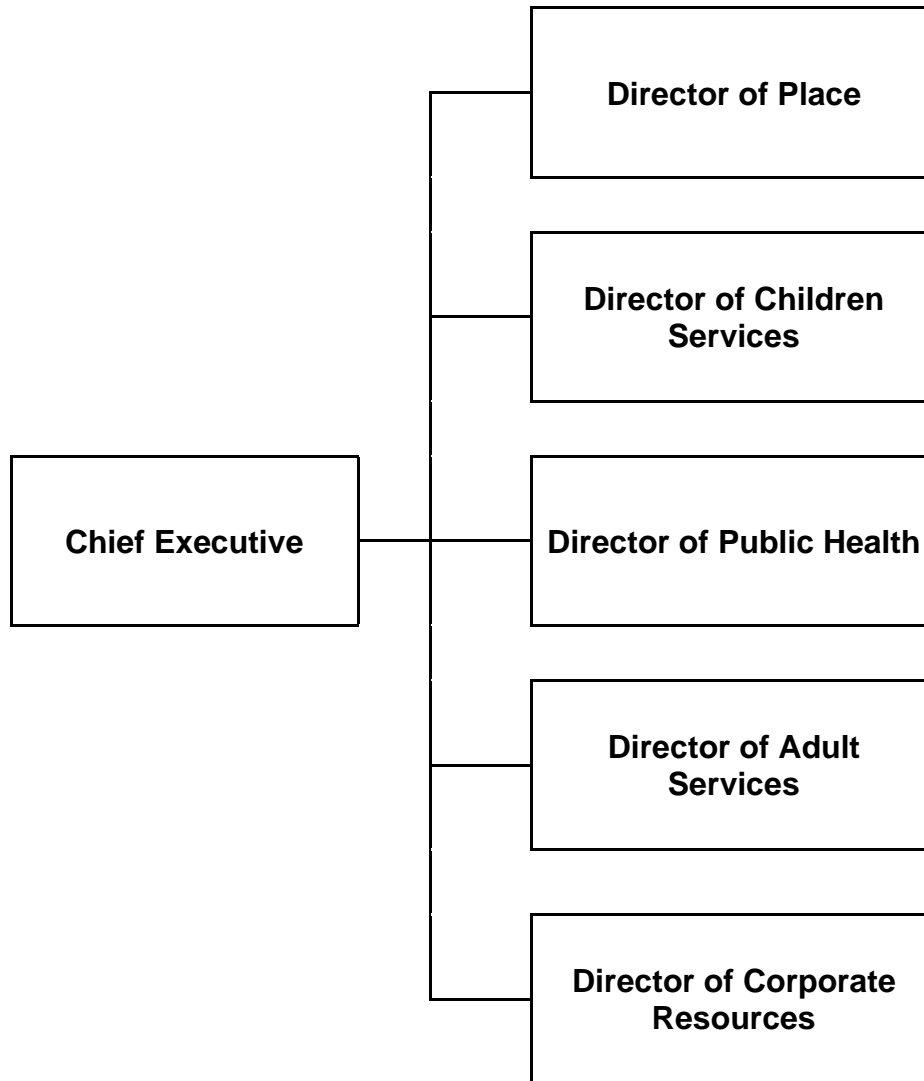
Executive Cabinet Members – the Leader and the other Executive Cabinet Members:

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

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

## Management Leadership

The top-level management structure as at March 2025 is shown below, with Directors of Place, Children Services, Public Health, Adult Services and Corporate Resources supporting the Chief Executive:



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

### Section Three - Overall Financial Summary

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

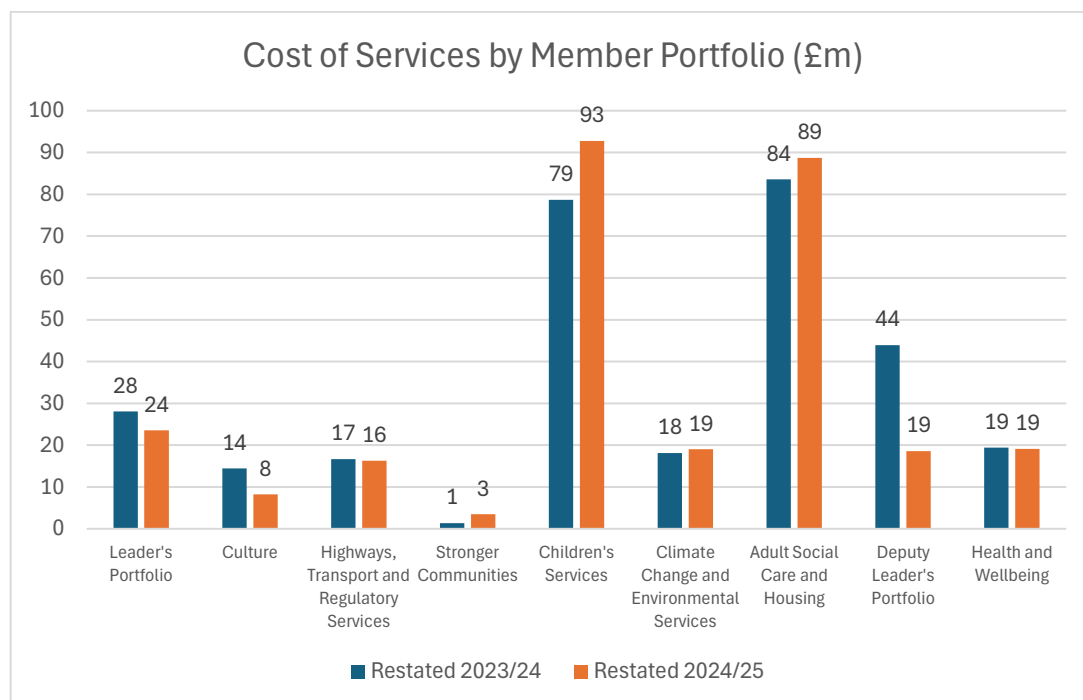
Since 2011, the Council has faced significant reductions in the grants it has received from Central Government, including several specific grants which were lost but the equivalent amount was not transferred into Revenue Support Grant.

- This has resulted in cuts having to be made which by the end of 2024/25 will amount to circa £233m. The two-year budget strategy covering 2025/27 included a cuts target of £7.8m.

Regarding revenue budgets, the Council’s directorates balance their budgets by making contributions to or from reserves as appropriate.

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

Portfolios can change year-on-year, therefore only 2023/24 and 2024/25 (restated to match any changes) are shown in the Expenditure Funding analysis below.

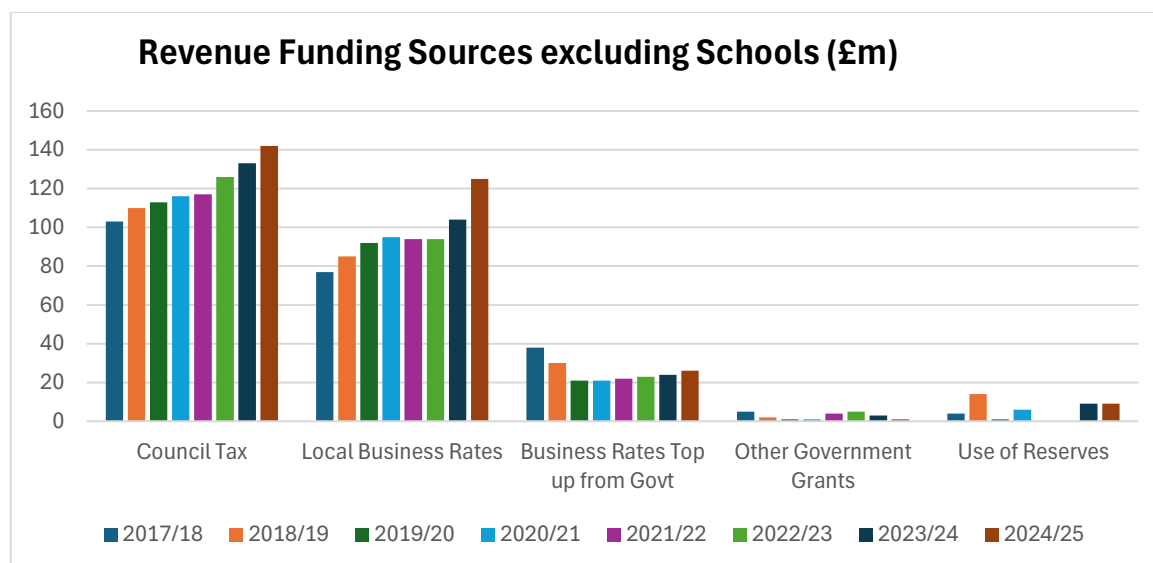


Cost of Services by Member Portfolio £m	Restated 2023/24	2024/25
Leader's Portfolio	28	24
Culture	14	8
Highways, Transport and Regulatory Services	17	16
Stronger Communities	1	3
Children's Services	79	93
Climate Change and Environmental Services	18	19
Adult Social Care and Housing	84	89
Deputy Leader's Portfolio	44	19
Health and Wellbeing	19	19

The money to fund the budget above comes from either local taxpayers in the form of Council Tax or Business Rates or from various government grants.

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

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



Revenue Funding Sources (Excluding Schools) in £million	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Council Tax	103	110	113	116	117	126	133	142
Local Business Rates	77	85	92	95	94	94	104	125
Business Rates Top up from Govt	38	30	21	21	22	23	24	26
Other Government Grants	5	2	1	1	4	5	3	1
Use of Reserves	4	14	1	6	0	0	9	9

## Capital

The Council spent £69.4m on capital activities in 2024/25. Major capital schemes included the following:

Capital Scheme	£m	Description
Primary Secondary & Special Schools Expansion Programme	17.6	Expansion of schools to meet addition pupil places needed.
Towns Fund	6.9	Towns Fund grant spend predominantly on Public Realm in Bolton Town Centre and Wellsprings
Highways LTP	5.7	Funding for essential maintenance to renew, repair and extend the life of roads
Building Maintenance Plan	5.5	Ongoing maintenance for schools
Disabled Facilities Grants	4.8	Helping people stay independent longer through adaptations and modifications to their homes by reducing care and support needs.
Town Centre Strategy	4.3	Largely acquisition and demolition costs
Fleet Vehicles	4.2	Replacement of Fleet Vehicles
Rivington Chase HIF	4.0	Housing Infrastructure Fund
FHSF Farnworth	2.6	Redevelopment of Market Precinct, Leisure centre expansion
Highways investment	2.4	Additional investment in highways repairs
Investments in Districts	1.8	Little Lever, Horwich, Westhoughton & Farnworth District Centres to develop areas within each district as endorsed at the individual district's Town Centre Steering group. Farnworth includes some grant funding
CRSTS - KRN Maintenance	1.2	City Region Sustainable Transport Settlements funding for the key roads network

## Reserves & Balances

Council usable reserves at the end of March 2025 were £250m, this represents an increase in Revenue reserves of £2m and a decrease in Capital reserves of £2m since March 2024.

Within the above total we hold £14m of general balances as our overall contingency. Ultimately, we have around £55m which is available to be re-allocated during future financial years to support our priorities and financial strategy and continue to deal with significant demand pressures. Reserves are split into 3 types:

- Capital Reserves – This can only be used for capital projects. The Council had £63m (£85m in 2023/24) of capital reserves at the end of 2024/25 (this includes revenue reserves held specifically to contribute to capital schemes).
- General Fund Balances and Revenue Reserves
  - General Fund Balances - The Council is required to keep a level of general reserves to fund unexpected demands and exceptional cost increases. Council approved for the Balances to be increased to £14.16m.
  - Revenue Reserves – Unlike capital reserves, revenue reserves can be used for either capital or revenue projects. Of the total amount held at the

end of the financial year, £128m (£124m in 2023/24) related to reserves held by departments and corporately for the following reasons:

- Legal/statutory requirements
- To fund existing commitments
- To cover key areas of future spend
- To cover key areas of risk
- Service contingencies
- Of this £128m, £55m is held departmentally to be re-allocated during future financial years to support our priorities and financial strategy and continue to deal with significant demand pressures.
- All other revenue reserves are held on behalf of clients, schools and to provide insurance cover.

### Group Balance Sheet

31-Mar-24 £m	Classification	31-Mar-25 £m
617	Property, Plant & Equipment	634
208	Long Term Assets	215
263	Current Assets	227
(122)	Current Liabilities	(95)
(224)	Long Term Liabilities	(228)
<b>742</b>	<b>Net Assets</b>	<b>753</b>
	Represented by:	
270	Usable Reserves	261
472	Unusable Reserves	492
<b>742</b>	<b>Total Reserves</b>	<b>753</b>

### Section Four – Future Plans & Associated Risks

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

In early June 2025, the Chancellor of the Exchequer announced the results of the UK Government’s Comprehensive Spending Review, the impacts on funding for the Council of this review are still being worked through and will not be confirmed until the Local Government Finance Settlement, scheduled for December 2025, further mitigating actions to maintain a sustainable balanced budget may be required.

At Budget Council meeting in February 2025 the use of £18.1m of reserves to balance the budget plus cuts of £7.8m were approved for the financial year 2025/27. These cuts need to be found from an even smaller base and will be realised by the end of 2025/27. A full programme of work had been established to deliver the cuts target over the period.

## **Fair Funding Review (FFR)**

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

During 2024/25, detailed in the Local Government Finance Policy Statement the government is committed to reforming the local government finance system. A consultation has been published alongside the Settlement on the objectives and principles of local authority funding reform. The Housing, Communities and Local Government Committee have accepted evidence to their 'The Funding and Sustainability of Local Government Finance' inquiry. The inquiry finished on Monday 27th January 2025.

Per the Ministry of Housing, Communities and Local Government (MHCLG) terms of reference the FFR will:

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

## **Business Rates**

As part of the Trailblazer devolution agreement between the Government and Greater Manchester Combined Authority, each of the GM local authorities will continue to retain 100% of Business Rates locally for the next 10 years. It should be noted that some of the business rates growth achieved by the Council as a direct result of the GM 100% business rates initiative can currently be retained locally.

Government has indicated that it intends to undertake a Business Rates reset in 2026/27, this is a complex issue, but in very simple terms means that growth in Business Rates income which is currently retained at a local will be re-allocated nationally via the Settlement Funding Assessment. The reset will affect the business rate baseline and impact on the top-up grant received / tariff payment made by local authorities. A local authority must pay a tariff if its business rate baseline is greater than its baseline funding level. Conversely, a local authority will receive a top-up grant if its baseline funding level is greater than its business rate baseline; Bolton currently receives a top up grant. Tariffs and top-ups are fixed until the business rates retention system is reset but are uprated by inflation each year.

Government is also consulting on a proposal to increase from the current two Business Rates multipliers (Standard and Small business multipliers) used to calculate charges to businesses, to five Business Rates multipliers. The potential impact of this change is not yet known.

Consultations by the government on the reset proposal is currently underway but there is a risk that the impact on Bolton is a reduction in Business Rates income in future years, that is not fully mitigated by an increased Settlement Funding Assessment from MHCLG. However, a transition arrangement, to smooth the introduction of funding changes over a number of years, is expected as part of the reset.

## **Capital Programme**

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

## **Treasury Activity**

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

The Council currently has £158m of long-term debt. Cash investments (which are for a period of less than 1 year) vary from month to month and were £140m at the end of 2024/25.

## **Accounting for Infrastructure Assets**

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022 Statutory Override Accounting for Infrastructure Assets] the 2024/25 statement of accounts does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

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

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

## **Future Risks**

### **Continual need to achieve further cuts**

Local authorities that can only be discontinued under statutory prescription shall prepare their financial statements on a going concern basis of accounting; that is, the financial statements shall be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. The cuts programme for 2024/25 required cuts of £8.5m with any unachieved cuts to be balanced from reserves. As the Council's budget base reduces this makes it more difficult to find extra cuts, the two-year budget approved by Council in February 2025



included a 2025/27 cuts target of £7.8m. Further cuts requirements from 2027 onwards are anticipated to be required to balance budgets, given the continued increase in social care pressures.

### **Global Economy**

External factors including volatility in the Eurozone, the impacts on trade resulting from the war in Ukraine, recent disruption to trade with the USA as a result of the current administration's introduction of import tariffs, events in the Middle East, the appetite of international lenders for UK debt issuance following the uncertain international trading environment may impact upon the Chancellor of the Exchequer being able to balance the UK Government's own budget with a potential impact of further cuts on Local Government.

### **Demand Led Budgets**

Even with the creation of the Local Authority Trading Company (LATC) the continuing increase in the elderly population will continue to put more pressure on Children's and Adult Services' budgets. The Council raised a levy of 2% on its Council Taxpayers in 2024/25 for Adult Social Care and a further 2% in 2025/26.

### **Legislation / Funding changes**

Since 2013, business rates collected by the Council have been distributed 50% to Central Government, 1% to Fire with 49% retained by the Council. As part of the 2024/25 finance settlement Bolton, along with the other GM authorities, was given continued approval to be part of a 100% pilot scheme meaning that Councils retain 100% of their business rates with 1% passed to the Fire Authority.

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

The June 2025 UK Government Comprehensive Spending Review impacted the overall funding allocation to the Ministry of Housing Communities & Local Government (MHCLG) which will affect the funding available to Bolton Council from April 2026 onwards. Details of the effects will not be known until the announcement of the Local Government Finance Settlement in December 2025.

## **Section Five - guide to the principal elements of the statement**

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

The remainder of this document is the Council's Statement of Accounts for the year ending 31 March 2025 and has been prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting (The Code) and International Financial Reporting Standards (IFRS). Changing requirements over the years have led to the increasing complexity and detail required in the accounts.

### **The Movement in Reserves Statement (MIRS)**

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

### **The Comprehensive Income and Expenditure Statement (CIES)**

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

### **The Balance Sheet**

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

### **The Cash Flow Statement**

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

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

### **Expenditure and Funding Analysis (EFA)**

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

### **The Collection Fund Revenue Account**

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

### **Group Accounts**

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

**Annual Governance Statement**

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

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

**Acknowledgements**

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

Graeme Wilson  
Borough Treasurer (s151 Officer)  
25 June 2025

## Comprehensive Income and Expenditure Statement

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

Restated 2023/24			Description	Note	2024/25		
£000s	£000s	£000s			£000s	£000s	£000s
Expenditure	Income	Net			Expenditure	Income	Net
137,896	(109,800)	28,096	Leader's Portfolio	122,745	(99,223)	23,522	
16,384	(1,954)	14,430	Culture	10,937	(2,719)	8,218	
27,222	(10,537)	16,685	Highways, Transport and Regulatory Services	28,288	(12,029)	16,259	
2,800	(1,415)	1,385	Stronger Communities	4,638	(1,176)	3,462	
364,650	(285,986)	78,664	Children's Services	407,730	(314,990)	92,740	
28,905	(10,806)	18,099	Climate Change and Environmental Services	29,628	(10,614)	19,014	
178,399	(94,820)	83,579	Adult Social Care and Housing	194,629	(105,937)	88,692	
62,981	(19,046)	43,935	Deputy Leader's Portfolio	32,813	(14,236)	18,577	
19,749	(350)	19,399	Health and Wellbeing	22,447	(3,301)	19,146	
(2,176)	(7,558)	(9,734)	Financial Services	6,005	(7,174)	(1,169)	
<b>836,810</b>	<b>(542,272)</b>	<b>294,538</b>	<b>Cost of Services</b>	<b>859,860</b>	<b>(571,399)</b>	<b>288,461</b>	
			<b>Other operating expenditure</b>				
		12,536	(Gains)/losses on disposal of non-current assets			18,825	
		35,678	Levies			40,225	
		452	Parish Precepts			510	
		<b>48,666</b>	<b>Total Operating Expenditure</b>			<b>59,560</b>	

Restated 2023/24			Description	Note	2024/25		
£000s	£000s	£000s			£000s	£000s	£000s
Expenditure	Income	Net			Expenditure	Income	Net
		(18,743)	Financing & investment income and expenditure	33			(13,790)
		(320,874)	Taxation & non-specific grant income	34			(317,634)
		<b>3,587</b>	<b>Deficit/(surplus) for year</b>				<b>16,597</b>
		(1,100)	(Surplus)/deficit on revaluation of Property, Plant & Equipment				(21,308)
		(26,345)	(Surplus)/deficit on Financial Instruments held at Fair Value through Other Comprehensive Income				2,873
		220,005	Remeasurements of the net defined benefit liability / asset	41			(6,401)
		<b>192,560</b>	<b>Other comprehensive Income</b>				<b>(24,836)</b>
		<b>196,147</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(8,239)</b>

Further information regarding the restated 2023/24 comparatives is included in Note 6

## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed between “usable reserves” (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. Movements in year of the Council’s reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments chargeable to Council Tax for the year. The net increase/decrease line shows the statutory General Fund balance movements in the year following these adjustments.

Summary MIRS	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Council reserves
Description	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance 1 April 2023</b>	<b>10,660</b>	<b>148,171</b>	<b>18,982</b>	<b>63,814</b>	<b>241,627</b>	<b>688,563</b>	<b>930,190</b>
Total Comprehensive Income and Expenditure	(3,587)	0	0	0	(3,587)	(192,560)	(196,147)
Adjustments from income & expenditure charge under the accounting basis to the funding basis (Note 10)	26,633	0	5,007	(6,836)	24,804	(24,804)	0
Increase or (Decrease) in 2023/24 (Note 9)	23,046	0	5,007	(6,836)	21,217	(217,364)	(196,147)
Transfers to/from earmarked reserves (Note 9)	(23,046)	23,046	0	0	0	0	0
<b>Balance at 31 March 2024 carried forward</b>	<b>10,660</b>	<b>171,217</b>	<b>23,989</b>	<b>56,978</b>	<b>262,844</b>	<b>471,199</b>	<b>734,043</b>
Description	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance 1 April 2024</b>	<b>10,660</b>	<b>171,217</b>	<b>23,989</b>	<b>56,978</b>	<b>262,844</b>	<b>471,199</b>	<b>734,043</b>
Total Comprehensive Income and Expenditure	(16,597)	0	0	0	(16,597)	24,836	8,239
Adjustments from income & expenditure charge under the accounting basis to the funding basis (Note 10)	22,541	0	(2,166)	(16,274)	4,101	(4,101)	0
Increase or (Decrease) in 2024/25 (Note 9)	5,944	0	(2,166)	(16,274)	(12,496)	20,735	8,239
Transfers to/from earmarked reserves (Note 9)	(2,444)	2,444	0	0	0	0	0
<b>Balance at 31 March 2025 carried forward</b>	<b>14,160</b>	<b>173,661</b>	<b>21,823</b>	<b>40,704</b>	<b>250,348</b>	<b>491,934</b>	<b>742,282</b>

## Balance Sheet

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

31 March 2024 £000s	Classification	Note	31 March 2025 £000s
	<b>Property, Plant &amp; Equipment</b>		
440,648	- Other land and buildings	11	454,884
3,169	- Vehicles, plant, furniture & equipment	11	6,858
159,125	- Infrastructure	11	165,592
13,231	- Community assets	11	13,256
0	- Assets under construction	11	0
651	- Surplus assets	11	754
<b>616,824</b>			<b>641,344</b>
66,791	Heritage assets	12	66,803
45,438	Investment property	13	53,036
95	Intangible assets	14	82
51,266	Long Term Investments	15	48,384
0	Net Pensions Asset		0
40,902	Long Term Debtors	15	40,930
<b>821,316</b>	<b>Long Term Assets</b>		<b>850,579</b>
144,751	Short Term Investments	15	118,328
980	Inventories	17	745
60,961	Short Term Debtors	18	62,678
2,630	Prepayments		2,530
48,469	Cash and Cash Equivalents	20	35,822
<b>257,791</b>	<b>Current Assets</b>		<b>220,103</b>
(31,676)	Short Term Borrowing	15	(1,618)
(74,106)	Short Term Creditors	21	(74,992)
(4,189)	Provisions for current liabilities	22	(4,025)
(10,297)	Revenue Grants in Advance	35	(12,815)
<b>(120,268)</b>	<b>Current Liabilities</b>		<b>(93,450)</b>

31 March 2024 £000s	Classification	Note	31 March 2025 £000s
(12,691)	Provisions for long term liabilities	<b>22</b>	(11,595)
(158,519)	Long Term Borrowing	<b>15</b>	(158,501)
(3,592)	Other Long Term Liabilities	<b>15</b>	(9,638)
(44,779)	Net Pensions Liability	<b>41</b>	(39,488)
(5,215)	Capital Grants in advance	<b>35</b>	(15,728)
<b>(224,796)</b>	<b>Long Term Liabilities</b>		<b>(234,950)</b>
<b>734,043</b>	<b>Net Assets</b>		<b>742,282</b>
	<b>Represented by:</b>		
	<b>Usable Reserves</b>		
10,660	- General Fund Balance	<b>9</b>	14,160
16,642	- Earmarked Statutory Reserves	<b>9</b>	19,715
154,575	- Earmarked Policy Reserves	<b>9</b>	153,946
23,989	- Capital Receipts Reserve		21,823
56,978	- Capital Grants Unapplied Account		40,704
<b>262,844</b>			<b>250,348</b>
	<b>Unusable Reserves</b>	<b>9</b>	
288,575	- Revaluation reserve		297,144
35,418	- Financial Instruments Revaluation Reserve		32,545
(11,211)	- Financial Instruments Adjustment Account		(10,908)
(44,779)	- Pensions Reserve		(39,488)
1,069	- Deferred capital receipts		1,020
212,176	- Capital Adjustment Account		232,488
(18,186)	- Dedicated Schools Grant Adjustment Account		(18,186)
13,727	- Collection Fund Adjustment Account		3,467
(5,590)	- Short-term Accumulating Compensated Absences Account		(6,148)
<b>471,199</b>			<b>491,934</b>
<b>734,043</b>	<b>Total Reserves</b>		<b>742,282</b>



## Cash Flow Statement

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

<b>31 March 2024 £000s</b>	<b>Description</b>	<b>Note</b>	<b>31 March 2025 £000s</b>
3,587	Net (surplus) or deficit on the provision of services		16,597
(58,690)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	<b>23</b>	(64,148)
40,979	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	<b>24</b>	29,727
<b>(14,124)</b>	<b>Net cash flows from Operating Activities</b>	<b>25</b>	<b>(17,824)</b>
27,920	Investing Activities	<b>26</b>	6,516
(19,385)	Financing Activities	<b>27</b>	23,954
<b>(5,589)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>		<b>12,646</b>
42,880	Cash and cash equivalents at the beginning of the reporting period		48,469
5,589	(Decrease) or Increase in cash as above		(12,647)
<b>48,469</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>20</b>	<b>35,822</b>

## Notes to the Core Financial Statements

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## 1. Accounting Policies

### General Principles

The Statement of Accounts summarises the authority's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

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

The Statement of Accounts has been prepared on a 'going concern' basis, this reflects Management's assumption that the functions of the Authority will continue in operational existence for the foreseeable future.

### Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

## **Cash and Cash Equivalents**

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

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

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

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

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

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

## **Charges to Revenue for Non-Current Assets**

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

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

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

## **Council Tax and Non-Domestic Rates**

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

## **Accounting for Council Tax and Non-Domestic Rates**

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

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

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

## **Employee Benefits**

### **a) Benefits Payable During Employment**

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

**b) Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

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

**c) Retirement Benefits**

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

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

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

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

**d) The Local Government Pension Scheme**

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

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

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

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

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

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

Service cost comprising:

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

Remeasurements comprising:

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

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



e) **Discretionary Benefits**

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

### **Events After the Reporting Period**

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

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

### **Fair Value Measurement**

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

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

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

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

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

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

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

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

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

Level 3 – unobservable inputs for the asset or liability.

## **Financial Instruments**

### **a) Financial Liabilities**

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

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

### **b) Financial Assets**

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

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

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

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

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

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

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

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

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

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

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

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

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

e) **Fair Value through Other Comprehensive Income (FVOCI)**

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

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

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

f) **Expected Credit Loss Model**

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

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

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

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

### **Government Grants and Contributions**

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

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

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

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

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

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

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred

to the Capital Adjustment Account once they have been applied to fund capital expenditure.

## **Heritage Assets**

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

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

### **a) Heritage Assets – General**

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

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

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

### **b) Historic Buildings**

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

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

### **c) Library & Museums collections**

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

These items are reported in the Balance Sheet on valuations held for insurance purposes. The ten most significant items have been valued individually, and a single collections-based valuation covers all other items. The insurance valuations are reviewed regularly, and when the policies are being renewed. The valuation of

individual items may also be reviewed when loans are made to external organisations. The collections are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

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

## **Intangible Assets**

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

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

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

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

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

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

## **Interests in Companies and Other Entities**

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

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

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

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

### **Inventories and long-term contracts**

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

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

### **Investment Property**

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

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

Properties are not depreciated but are re-valued on a maximum 4-yearly cycle. However, for investment properties the top fifty by value are valued annually as they account for 80% of the overall investment property portfolio by value. The Council's interest in the airport land is also valued annually. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. If information or events become available that there may be a significant change in the fair value of an investment property, then a specific review would be undertaken.

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

## **Leases**

In line with IFRS16, the Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

The Code expands the scope of IFRS16 *Leases* to include arrangements with nil consideration, peppercorn, or nominal payments.

The Council will only apply lease accounting to tangible assets. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

### **a) Lease Expenditure**

The lease term is the period for which a lessee expects to have a right-to-use the underlying asset. The Council assumes that this will be the contractual term including any periods covered by options to terminate the lease, unless there is evidence to suggest that options to extend the lease or terminate it early are reasonably likely to be exercised, in which case the term will be extended or reduced as appropriate.

Where the lessee is retaining use of an asset after the contractual period has ended a 'holding over' lease is created. The council deems the term of such a lease to be based on management's reasonable expectation of how long it will continue to use the asset, or 5 years if management are not able to provide such an assessment.

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straightline depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore, appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### **b) Low Value Assets**

As permitted by the Code, the council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the council is reasonably certain to exercise and any termination options that the council is reasonably certain not to exercise).



### **c) Lessee Accounting**

Except for short term leases, or where a lease is for a low value asset, the Council will recognise an asset which represents its right-to-use an underlying asset for the lease term. The council classifies contracts as leases based on their substance. Contracts are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS16 Leases to include arrangements with nil consideration, peppercorn, or nominal payments.

#### Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods more than one year but may have extension options.

The council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the council is reasonably certain to exercise.
- lease payments in an optional renewal period if the council is reasonably certain to exercise an extension option.
- penalties for early termination of a lease unless the council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

#### Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. The council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases.
- leases where rent reviews do not necessarily reflect market conditions.
- leases with terms of more than five years that do not have any provision for rent reviews.
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate.
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee.
- the council changes its assessment of whether it will exercise a purchase, extension, or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the Comprehensive Income and Expenditure Statement.

### **Minimum Revenue Provision (MRP)**

Where the Council finances capital expenditure by borrowing, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). The Local Government Act 2003 requires the Authority to have regard to the Ministry for Housing, Communities and Local Government (MHCLG) Guidance on Minimum Revenue Provision issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue to reduce the overall borrowing requirement calculated by the council on a prudent basis and in accordance with statutory guidance. Therefore, so that council tax funds only what is required, the charges to the accounts (depreciation, revaluation and impairment losses and amortisations) are replaced by the minimum revenue provision with the difference being transferred to the Capital Adjustment Account in the Balance Sheet.

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments, starting in the year after the asset becomes operational.

Third party loans – Under statutory requirements the payment of the loan will normally be treated as capital expenditure. The subsequent loan repayments, (which are treated as capital receipts under statutory requirements); will be used to reduce the long-term liability and consequently the Capital Financing Requirement. As a result, MRP will not be charged on the loan as it is not appropriate to do so.

## Overheads and Support Services

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

## Property, Plant and Equipment

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

### a) Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that it yields benefits to the Council, that the cost can be measured reliably and the services that it provides are for more than one financial year. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged to revenue as it is incurred. The Council has a £10,000 de minimis limit for the recognition of Capital Expenditure.

### b) Measurement

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

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

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

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

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

### c) Revaluations

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every four years. Properties categorised as Retail are re-valued annually. Increases in valuations are matched by credits to the

Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service revenue account.

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

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

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

Various freehold and leasehold properties owned by Bolton Council were valued as at 1st December 2024 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuations were prepared in accordance with the requirements of the RICS Valuation – Global Standards, effective January 2023, the International Valuation Standards and IFRS as adapted and interpreted by the Financial Reporting Manual (FRoM). The valuation of the operational properties was in accordance with Current Value as defined in the CIPFA Code. Specialised properties were valued using a Depreciated Replacement Cost (DRC) method because of the specialised nature of the asset means that there are no market transactions of this type of asset, except as part of the business or entity. Investment properties were valued to ‘fair value’ where ‘fair value’ is equivalent to ‘Market Value.’

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

#### d) **Impairment**

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

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

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

#### e) **Depreciation**

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

Otherwise, depreciation is calculated on the following bases.

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

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

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

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

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

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

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

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

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

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

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

g) **Componentisation**

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

## **Highways infrastructure assets**

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

a) **Recognition of Highways infrastructure assets**

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

b) **Measurement of Highways infrastructure assets**

Highways infrastructure assets are generally measured at depreciated historical cost.

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

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

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

c) **Depreciation of Highways infrastructure assets**

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

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

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

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

Part of the Highways Network	Useful Life Range
Carriageways	20 to 30 years
Footways and cycle tracks	20 to 30 years
Structures (bridges, tunnels and underpasses)	80 to 120 years
Street lighting	30 to 50 years
Street furniture	Bus shelters 20 to 30 years and other assets 30 to 50 years
Traffic management systems	15 to 25 years

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

**d) Disposals and derecognition of Highways infrastructure assets**

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

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

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

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

**Private Finance Initiative (PFI)**

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

the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

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

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

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

## **Provisions, Contingent Assets and Contingent Liabilities**

### **a) Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits and a reliable estimate can be made of the amount of the obligation, but where the timing of the transfer is uncertain.

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

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

### **b) Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### **c) Contingent Liabilities**

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



## Reserves

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

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

## Revenue Expenditure Funded from Capital under Statute

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

## Schools

Within its boundary, the Council has the following schools:

Type of School	Nursery	Primary	Secondary	Special
Community Schools	2	39	3	3
Controlled Schools	0	4	0	0
Voluntary Aided Schools	0	30	3	0
<b>Total LA Schools</b>	<b>2</b>	<b>73</b>	<b>6</b>	<b>3</b>
Academies	0	22	11	3
Free School	0	3	3	0
<b>Total</b>	<b>2</b>	<b>98</b>	<b>20</b>	<b>6</b>

### a) Community Schools

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

### b) Controlled Schools

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

c) **Voluntary Aided Schools**

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

d) **Academies / Free Schools**

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

## **VAT**

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

## **2. Critical Judgements in Applying Accounting Policies**

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

### **Private Finance Initiative (PFI)**

The Council has evaluated its PFI scheme at Castle Hill, under the requirements of the Code, and concluded that this should be recognised in the Balance Sheet a right of use asset. (See note 39 in the statement of accounts for details).

### **Heritage Assets**

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

### **Leases**

The Council has adopted IFRS16 (Leases) with effect from 1<sup>st</sup> April 2024. The adoption of the new standard resulted in the Balance Sheet recognition of a right-of-use asset and related lease liability in relation to all former operating leases. For leases that were classified as finance leases under IAS17, the carrying amount of the right-

of-use-asset and the lease liability at 1<sup>st</sup> April 2024 are determined at the carrying amount of the lease asset and lease liability under IAS17 immediately before that date.

### **Municipal Mutual Insurance (MMI)**

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

### **Business Rates Appeals Provision**

Following the 2017 and 2023 list revaluation, and the introduction of the Check, Challenge, Appeal process, the estimation of the provision for successful National Non-Domestic Rates (NDR) appeals which would result in a reduction in the Rateable Value (RV) has been based on the percentage of 3.2% built into the 2024/25 multiplier. This percentage includes an estimated amount which is judged to be appropriate, for future appeals.

### **Group Boundaries**

The Council undertakes its activities through a variety of undertakings, either under ultimate control or in partnership with other organisations. All those considered to be material are included in the group accounts. Profit and loss, net worth, and the value of assets and liabilities are considered individually for each organisation against a materiality limit set by the Council. An entity could be material but still not consolidated (if all its business is with the Council and eliminated on consolidation) – i.e. the consolidation would mean that the group accounts are not materially different to the single entity accounts.

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

The Council has assessed its group boundary for 2024/25 and has identified one immaterial subsidiary and one significant but immaterial joint venture which are consolidated into its group accounts.

### **Bolton Cares**

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

### **Bolton PSP**

In October 2013, the Council transferred assets (largely low value ground rents) to PSP Bolton. In return for this, as assets are developed by PSP, these will be brought on to the Council's books. This joint venture was established to facilitate property related projects, which could include the identification and disposal of surplus assets, facilitation of regeneration schemes, portfolio management and the investment of private sector funds in projects to mutual benefit. Given the significant influence on property development within the borough, a judgement was made that consolidation

into the group accounts was warranted to provide users of the accounts with a comprehensive view of the Council's property related activities. Under the Code (IFRS11) the arrangement is classed as a Joint Venture (see note 15 for further details).

### **Financial Instruments**

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

### **Long Term investment in Manchester Airport**

The Council has a 3.22% shareholding in Manchester Airport Holdings Limited (MAHL). Following the adoption of accounting standard IFRS9 Financial Instruments which came into effect on 1 April 2018, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss.

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

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

The Council holds 3 Class C ordinary shares. The shareholding will be classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS9 the shareholding (investment) will be designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income. The decision to designate to fair value through other comprehensive income is irrevocable and it is the Council view that this is a reasonable and reliable accounting policy for this investment.

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

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

### **Debt Impairment**

At 31 March 2025, the Council had a total balance of debtors of £151m. A review of significant balances suggested that an expected credit loss of £47m was appropriate. However, in the current climate it is not certain that such an allowance would be sufficient. If collection rates were to deteriorate an increase in the amount of the impairment of the doubtful debts would be required. Therefore, a sensitivity analysis to review this is undertaken and adjustments are made if required.

## **Pension Liability**

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

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of £96.370m. However, the assumptions interact in complex ways. A 0.5% increase in the assumed salary increase rate would result in a £4.445m increase in the pension liability and an increase of 0.5% in the assumed pension increase rate would increase the pension liability by £94.595m.

## **Property, Plant and Equipment**

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

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

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

If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and / or a loss recorded in the Comprehensive Income and Expenditure Statement. A 1% reduction in asset values would generate a reduction of around £4.5m. 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.

The Council's valuer uses a combination of methodologies to value these operational assets, including Depreciated Replacement Cost (DRC), Existing Use Value (EUV and Social Housing EUV) and market / comparable methods. These methods can cause estimation uncertainty due to the indices and inputs that must be used to applying valuations.

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

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

#### 4. Accounting Standards Issued not Adopted

The CIPFA Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. In addition, the Code requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. These changes are not considered to have a significant impact on the Statement of Accounts as outlined below, and do not impact on the 2024/25 Statement of Accounts.

The standards introduced by the 2024/25 Code where disclosures are required in the 2024/25 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- a) Classification of Liabilities as Current or Non-current (Amendments to IAS1) issued in January 2020. The amendments specify that an entity's right to defer settlement must exist at the end of the reporting period:
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- b) Lease Liability in a Sale and Leaseback (Amendments to IFRS16) issued in September 2022. The amendments to IFRS16 add subsequent measurement requirements for sale and leaseback transactions.
- c) Non-current Liabilities with Covenants (Amendments to IAS1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- d) International Tax Reform: Pillar Two Model Rules (Amendments to IAS12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - targeted disclosure requirements for affected entities.
- e) Supplier Finance Arrangements (Amendments to IAS7 and IFRS7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
  - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
  - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the code, are:

- f) **IAS21 The effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments to IAS21 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.
- g) **IFRS17 Insurance Contracts** issued in May 2017, IFRS17 replaces IFRS4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- h) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS16 Property, Plant and equipment and IAS38 Intangible Assets. These include setting out three revaluations 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 IAS8. However, the adaptations also include a relief from the requirements of IAS8 following a change in accounting policy as confirmed in paragraph 3.3.1.4 of the code.

## 5. Events After the Reporting Period

The Statement of Accounts was authorised for issue on 25 June 2025 by the Borough Treasurer (Section 151 Officer). There are no events after the reporting period in 2024/25. The statement may be amended following audit.

## 6. Restatement of Prior Year

During 2024/25 Cabinet determined that amended portfolios would provide a more appropriate management & reporting structure for the Council's activities.

The revised portfolio structure has been reflected in the primary statements; the changes made to the 2023/24 comparatives are as per the tables below.

### Changes to CIES

Portfolio		Expenditure	Income	Net
		£000s	£000s	£000s
<b>Original</b>	Corporate - Leaders Portfolio	118,050	(98,657)	19,393
	Culture	15,718	(1,452)	14,266
	Planning, Housing & Highways	35,470	(18,124)	17,346
	Regulatory Services and Property	38,020	(14,888)	23,132
	Stronger Communities	2,800	(1,415)	1,385
	Children's Services	364,650	(285,986)	78,664
	Climate Change and Environmental Services	27,328	(10,540)	16,788
	Adults, Health and Wellbeing	188,736	(86,724)	102,012
	Regeneration	48,214	(16,928)	31,286
	Financial Services	(2,176)	(7,558)	(9,734)
		<b>836,810</b>	<b>(542,272)</b>	<b>294,538</b>

Portfolio		Expenditure	Income	Net
		£000s	£000s	£000s
<b>Restated</b>	Leader's Portfolio	137,896	(109,800)	28,096
	Culture	16,384	(1,954)	14,430
	Highways, Transport and Regulatory Services	27,222	(10,537)	16,685
	Stronger Communities	2,800	(1,415)	1,385
	Children's Services	364,650	(285,986)	78,664
	Climate Change and Environmental Services	28,905	(10,806)	18,099
	Adult Social Care and Housing	178,399	(94,820)	83,579
	Deputy Leader's Portfolio	62,981	(19,046)	43,935
	Health and Wellbeing	19,749	(350)	19,399
	Financial Services	(2,176)	(7,558)	(9,734)
		<b>836,810</b>	<b>(542,272)</b>	<b>294,538</b>



**Changes to EFA**

		<b>Net expenditure chargeable to the General Fund</b>	<b>Adjustment between the funding &amp; accounting basis</b>	<b>Net expenditure in CIES</b>
	<b>Portfolio</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Original</b>	Corporate - Leaders Portfolio	7,410	11,983	19,393
	Culture	10,627	3,639	14,266
	Planning, Housing & Highways	7,689	9,657	17,346
	Regulatory Services and Property	(870)	24,002	23,132
	Stronger Communities	1,633	(248)	1,385
	Children's Services	72,910	5,754	78,664
	Climate Change and Environmental Services	18,834	(2,046)	16,788
	Adults, Health and Wellbeing	104,292	(2,280)	102,012
	Regeneration	6,388	24,898	31,286
	Financial Services	(8,375)	(1,359)	(9,734)
		<b>220,538</b>	<b>74,000</b>	<b>294,538</b>
<b>Restated</b>	Leader's Portfolio	9,585	18,511	28,096
	Culture	10,768	3,662	14,430
	Highways, Transport and Regulatory Services	6,903	9,782	16,685
	Stronger Communities	1,633	(248)	1,385
	Children's Services	72,910	5,754	78,664
	Climate Change and Environmental Services	20,145	(2,046)	18,099
	Adult Social Care and Housing	85,784	(2,205)	83,579
	Deputy Leader's Portfolio	1,526	42,409	43,935
	Health and Wellbeing	19,659	(260)	19,399
	Financial Services	(8,375)	(1,359)	(9,734)
		<b>220,538</b>	<b>74,000</b>	<b>294,538</b>

**Changes made to Notes to the EFA**

	<b>Portfolio</b>	<b>Adjustments for Capital Purposes £000s</b>	<b>Net change for the Pensions Adjustments £000s</b>	<b>Other differences £000s</b>	<b>Total Adjustments £000s</b>
<b>Original</b>	Corporate - Leaders Portfolio	(350)	(39)	12,372	11,983
	Culture	4,979	(7)	(1,333)	3,639
	Planning, Housing & Highways	10,633	(16)	(960)	9,657
	Regulatory Services and Property	19,337	(4)	4,669	24,002
	Stronger Communities	0	(2)	(246)	(248)
	Children's Services	12,214	(165)	(6,295)	5,754
	Climate Change and Environmental Services	1,057	(29)	(3,074)	(2,046)
	Adults, Health and Wellbeing	1,748	(45)	(3,983)	(2,280)
	Regeneration	25,891	(5)	(988)	24,898
	Financial Services	(7,841)	(304)	6,786	(1,359)
	<b>Net Cost of Services</b>	<b>67,668</b>	<b>(616)</b>	<b>6,948</b>	<b>74,000</b>
<b>Restated</b>	Corporate - Leaders Portfolio	6,266	(40)	12,285	18,511
	Culture	5,005	(8)	(1,335)	3,662
	Planning, Housing & Highways	10,337	(11)	(544)	9,782
	Regulatory Services and Property	0	(2)	(246)	(248)
	Stronger Communities	12,214	(165)	(6,295)	5,754
	Children's Services	1,059	(32)	(3,073)	(2,046)
	Climate Change and Environmental Services	2,044	(48)	(4,201)	(2,205)
	Adults, Health and Wellbeing	38,584	(2)	3,827	42,409
	Regeneration	0	(4)	(256)	(260)
	Financial Services	(7,841)	(304)	6,786	(1,359)
	<b>Net Cost of Services</b>	<b>67,668</b>	<b>(616)</b>	<b>6,948</b>	<b>74,000</b>

## 7. Expenditure and Funding Analysis

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

Restated 2023/24			Description	2024/25		
Net expenditure chargeable to the General Fund	Adjustment between the funding & accounting basis	Net expenditure in CIES		Net expenditure chargeable to the General Fund	Adjustment between the funding & accounting basis	Net expenditure in CIES
£000s	£000s	£000s		£000s	£000s	£000s
9,585	18,511	28,096	Leader's Portfolio	10,594	12,928	23,522
10,768	3,662	14,430	Culture	10,206	(1,988)	8,218
6,903	9,782	16,685	Highways, Transport and Regulatory Services	9,251	7,008	16,259
1,633	(248)	1,385	Stronger Communities	3,746	(284)	3,462
72,910	5,754	78,664	Children's Services	87,845	4,895	92,740
20,145	(2,046)	18,099	Climate Change and Environmental Services	21,989	(2,975)	19,014
85,784	(2,205)	83,579	Adult Social Care and Housing	92,812	(4,120)	88,692
1,526	42,409	43,935	Deputy Leader's Portfolio	3,061	15,516	18,577
19,659	(260)	19,399	Health and Wellbeing	19,446	(300)	19,146
(8,375)	(1,359)	(9,734)	Financial Services	(4,132)	2,963	(1,169)
<b>220,538</b>	<b>74,000</b>	<b>294,538</b>	<b>Cost of Services</b>	<b>254,818</b>	<b>33,643</b>	<b>288,461</b>
(243,584)	(47,367)	(290,951)	Other Income and expenditure	(260,762)	(11,102)	(271,864)
<b>(23,046)</b>	<b>26,633</b>	<b>3,587</b>	<b>Deficit/(surplus) for year</b>	<b>(5,944)</b>	<b>22,541</b>	<b>16,597</b>

**Movement in General Fund Balance**

<b>Movement in General Fund Balance</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000s</b>	<b>£000s</b>
Opening General Fund Balance as at 1 April	(158,831)	(181,877)
New statutory accounting practices in relation to the treatment of local authority schools budget deficits	0	0
(Surplus)/Deficit on General Fund Balance in Year	(23,046)	(5,944)
<b>Closing General Fund Balance as at 31 March</b>	<b>(181,877)</b>	<b>(187,821)</b>

### 8. Note to the Expenditure and Funding Analysis

Restated 2023/24				Description	2024/25			
Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other differences	Total Adjustments		Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other differences	Total Adjustments
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
				<b>Net Cost of Services</b>				
6,266	(40)	12,285	18,511	Leader's Portfolio	747	(347)	12,528	12,928
5,005	(8)	(1,335)	3,662	Culture	(583)	(67)	(1,338)	(1,988)
10,337	(11)	(544)	9,782	Highways, Transport and Regulatory Services	7,534	(91)	(435)	7,008
0	(2)	(246)	(248)	Stronger Communities	(12)	(14)	(258)	(284)
12,214	(165)	(6,295)	5,754	Children's Services	11,534	(1,399)	(5,240)	4,895
1,059	(32)	(3,073)	(2,046)	Climate Change and Environmental Services	469	(277)	(3,167)	(2,975)
2,044	(48)	(4,201)	(2,205)	Adult Social Care and Housing	614	(415)	(4,319)	(4,120)
38,584	(2)	3,827	42,409	Deputy Leader's Portfolio	11,355	(42)	4,203	15,516
0	(4)	(256)	(260)	Health and Wellbeing	0	(35)	(265)	(300)
(7,841)	(304)	6,786	(1,359)	Financial Services	(7,911)	1,644	9,230	2,963
<b>67,668</b>	<b>(616)</b>	<b>6,948</b>	<b>74,000</b>	<b>Net Cost of Services</b>	<b>23,747</b>	<b>(1,043)</b>	<b>10,939</b>	<b>33,643</b>
(24,439)	(9,848)	(13,080)	(47,367)	Other Income and Expenditure from the funding analysis	(12,829)	2,152	(425)	(11,102)
<b>43,229</b>	<b>(10,464)</b>	<b>(6,132)</b>	<b>26,633</b>	<b>Difference between the General Fund surplus/deficit and the CIES surplus/deficit</b>	<b>10,918</b>	<b>1,109</b>	<b>10,514</b>	<b>22,541</b>

## Adjustments for Capital Purposes

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

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

## Net Change for Pension Adjustments

The removal of pension contributions and the addition of the International Accounting Standard (*IAS19*) *Employee Benefits* pension related expenditure and income are reflected as follows:

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

## Other Differences

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

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

**Expenditure and Income analysed by nature**

<b>2023/24</b>		<b>2024/25</b>
<b>£000s</b>	<b>Category</b>	<b>£000s</b>
	<b>Expenditure</b>	
303,268	Employee Benefit Expenses	322,615
464,832	Other Services Expenses	503,587
108,363	Support Services Recharges	112,685
68,710	Depreciation, Amortisation, impairment	33,659
6,555	Interest & Investment Payments	6,275
36,130	Precepts and levies	40,735
11,208	Loss on disposal of assets	13,567
<b>999,066</b>	<b>Total Expenditure</b>	<b>1,033,123</b>
	<b>Income</b>	
(188,213)	Fees charges & other service Income	(191,781)
(23,970)	Interest & investment income	(14,808)
(285,227)	Income from CT, NNDR	(291,236)
(498,069)	Grants & contributions	(518,700)
<b>(995,479)</b>	<b>Total Income</b>	<b>(1,016,526)</b>
<b>3,587</b>	<b>(Surplus) or deficit on provision of services</b>	<b>16,597</b>

## 9. Movements in Earmarked and Unusable Reserves

### Movements in Earmarked Reserves

Reserve description	Note	01-Apr-23	Transfers In	Transfers Out	01-Apr-24	Transfers In	Transfers Out	31-Mar-25
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Earmarked Statutory Reserves</b>								
Schools Delegated Budgets	1	12,842	3,147	0	15,989	2,333	0	18,322
Public Health	2	717	251	(315)	653	740	0	1,393
<b>Total Earmarked Statutory Reserves</b>		<b>13,559</b>	<b>3,398</b>	<b>(315)</b>	<b>16,642</b>	<b>3,073</b>	<b>0</b>	<b>19,715</b>
Insurance	3	20,104	1,596	(6,622)	15,078	1,688	(526)	16,240
<b>Reserves held for:</b>								
Legal requirements	5	11,857	14,498	(16,373)	9,982	376	(3,288)	7,070
Dedicated Schools Grant	6	4,477	1,080	(1,069)	4,488	500	(1,934)	3,054
Existing commitments	7	23,756	11,042	(6,778)	28,020	9,361	(12,012)	25,369
To cover future key areas of spend	8	64,588	29,729	(26,739)	67,578	19,445	(6,793)	80,230
To cover key areas of risk	9	8,848	19,191	(324)	27,715	7,155	(13,941)	20,929
Service general contingencies	10	977	1,629	(892)	1,714	57	(717)	1,054
Available for reallocation		5	0	(5)	0	0	0	0
<b>Total Earmarked Policy Reserves</b>		<b>134,612</b>	<b>78,765</b>	<b>(58,802)</b>	<b>154,575</b>	<b>38,582</b>	<b>(39,211)</b>	<b>153,946</b>
<b>Total Earmarked General Fund Reserves</b>		<b>148,171</b>	<b>82,163</b>	<b>(59,117)</b>	<b>171,217</b>	<b>41,655</b>	<b>(39,211)</b>	<b>173,661</b>
General Fund Balance	4	10,660	0	0	10,660	5,944	(2,444)	14,160
<b>Total Earmarked General Fund Reserves &amp; Balances</b>		<b>158,831</b>	<b>82,163</b>	<b>(59,117)</b>	<b>181,877</b>	<b>47,599</b>	<b>(41,655)</b>	<b>187,821</b>



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

1. **Schools – delegated budgets:** In accordance with section 48 of the School Standards and Framework Act 1998, the Scheme for financing of schools provides for the carry-forward of individual school surpluses and deficits.
2. **Public Health:** The Public Health grant is ring-fenced for public health functions as set out in Section 73B (2) of the National Health Services Act 2006 (as amended by the Health and Social Care Act 2012). We are required to complete a declaration that we've used the grant, or plan to use any of the grant we've set aside in reserves, for public health purposes.
3. **Insurance:** In addition to having an insurance provision, which is linked to past events, but where the timing of the obligation is uncertain, the Council holds monies in a reserve to cover potential future insurance claims.
4. **General Fund Balance:** The Council is required to keep a level of general reserves to fund emergencies, exceptional cost increases and overspends. Council approved that as a minimum Balances should be maintained at £14.1m, but, if possible, should be at a higher level.

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

5. **Reserves we are legally required to maintain, total balance £7.0m, include the following:**
  - Sinking funds, we are legally obliged to maintain, and other legal liabilities from previous initiatives (£5.5m)
  - Funds held on behalf of schools, other agencies and Adult Services clients (£1.5m)

6. **Dedicated Schools Grant (DSG) reserve we are legally required to maintain, balance £3.1m, (see Note 32)**

On the 6 November 2020, the Secretary of State for the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020. In December 2022 a second statutory instrument extended the provisions to cover the period to 31 March 2026.

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

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

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

**7. Reserves with an existing commitment of £25.4m include the following:**

- Funding held to meet the costs of committed capital projects and allocations to meet specific investment initiatives agreed by the Council (£7.1m)
- Schemes for Housing & Homelessness (£4.3m)
- Funds held on behalf of schools and other agencies (£3.3m)
- Funding held for delivery of Councillor lead projects within wards (£4.9m)
- Schemes for Neighbourhood Management, Community Safety & UK Shared Prosperity Fund (£2.2m)
- Funds held by Department of People to support services to vulnerable children & adults (£1.4m)
- Funding accumulated to even out the Waste Levy over several years to avoid major peaks and troughs (£1.5m)

**8. Reserves to cover key areas of known future spend of £80.2m include:**

- Funds have been set aside from reserves identified for re-allocation to cover the cash flow consequences of cuts during the 2023-26 budget process and balancing the 2023-26 budgets (£37.6m)
- Corporate Revenues Reserve - this supports one-off revenue projects (£12.0m)
- Funding set aside to cover increased demand for adult social care residential placements and complex needs (£8.0m)
- Funds held by all departments for a number of smaller future expenditures (£11.8m)
- Funds held for ICT & technology development & solutions (£5.1m)
- Voluntary Community Social Enterprise Strategy reserve (£2.4m)
- Funds held by Dept of People to support services to vulnerable children (£1.6m)
- No overall contingency is included in the Council's revenue budget, but the costs of energy and fuel can change at short notice during the year, so funding has been set aside to cover any significant in-year increases (£1.4m)

**9. Reserves to cover key areas of risk of £20.9m include:**

- Financial Resilience Reserve - money set aside to provide assurance on the Council's ability to fund responses to unforeseen future events (£13.4m)
- The cost to the Council of Council Tax Benefits and Housing Benefits can vary significantly from year to year and an amount has been set aside to cover possible overspends (£5.0m)
- All departments have identified a number of smaller risk items (£1.5m)
- Transformation Fund reserve to support digital transformation programme (£1.0m)

**10. Service general contingencies (£1.0m)**

- Funds have been held to cover a small number of general contingencies.

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

<b>Department</b>	<b>Opening Balance £000s</b>	<b>Closing Balance £000s</b>	<b>Movement £000s</b>
Insurance	15,078	16,240	1,162
Other central reserves	94,583	99,049	4,466
Children's Services	10,203	9,171	(1,032)
Dedicated Schools Grant	4,488	3,054	(1,434)
Environmental Services	3,799	1,463	(2,336)
Development & Regeneration	2,749	2,620	(129)
Housing GRF	7,467	7,796	329
Adult Services	11,564	11,753	189
Public Health	4,644	2,800	(1,844)
<b>Total Earmarked Policy Reserves</b>	<b>154,575</b>	<b>153,946</b>	<b>(629)</b>

**Movement in Unusable Reserves**

<b>Unusable Reserves category</b>	<b>Opening Balance 1 April 2023 £000</b>	<b>Movement in year £000</b>	<b>Balance 31 March 2024 £000</b>	<b>Movement in year £000</b>	<b>Closing balance 31 March 2025 £000</b>
Revaluation Reserve	296,173	(7,598)	288,575	8,569	297,144
Financial Instrument Revaluation Reserve	9,073	26,345	35,418	(2,873)	32,545
Pensions	164,762	(209,541)	(44,779)	5,291	(39,488)
Capital Adjustment Account	242,674	(30,498)	212,176	20,312	232,488
Dedicated Schools Grant Adjustment Account	(18,186)	0	(18,186)	0	(18,186)
Deferred Capital Receipts	3,274	(2,205)	1,069	(49)	1,020
Financial Instrument Adjustment Account	(11,514)	303	(11,211)	303	(10,908)
Collection Fund Adjustment Account	8,214	5,513	13,727	(10,260)	3,467
Short-Term Accumulating Compensated Absences Account	(5,907)	317	(5,590)	(558)	(6,148)
<b>Total</b>	<b>688,563</b>	<b>(217,364)</b>	<b>471,199</b>	<b>20,735</b>	<b>491,934</b>

## 10. Adjustments to Accounting and Funding Basis

	Usable Reserves			Movements in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
2023/24	£000s	£000s	£000s	£000s
<b>Adjustments primarily involving the Capital Adjustment Account</b>				
<b>Reversal of items debited or credited to the CIES</b>				
Charges for Depreciation, impairment and amortisation of non-current assets	(25,708)	0	0	25,708
Revaluation/impairment losses on PPE	(43,002)	0	0	43,002
Movement in fair value of investment properties	1,328	0	0	(1,328)
Capital grants & contributions applied	26,247	0	0	(26,247)
Revenue expenditure funded from capital under statute	(25,285)	0	0	25,285
Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to CIES	(17,869)	0	0	17,869
<b>Insertion of items not credited or debited to CIES</b>				
Statutory provision for the financing of capital investment	8,586	0	0	(8,586)
Voluntary provision for financing (reduction in long term liabilities)	0	0	0	0
Capital Expenditure charged against the General Fund	1,398	0	0	(1,398)
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>				
Capital grants & contributions unapplied credited to the CIES	9,400	0	(9,400)	0
Application of grants to capital financing transferred to the CAA	0	0	13,181	(13,181)
Application of grants to capital finance Revenue Expenditure funded from capital under statute	16,342	0	3,055	(19,397)
<b>Adjustments primarily involving the Capital receipts Reserve</b>				
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES	5,333	(5,333)	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	2,177	0	(2,177)
Use of the Capital Receipts finance new Revenue expenditure Funded from capital under statute	0	355	0	(355)
Transfer from Deferred Capital Receipt Reserve upon receipt of cash	0	(2,206)	0	2,206
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve</b>				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movements in Unusable Reserves
	£000s	£000s	£000s	£000s
<b>2023/24</b>				
<b>Adjustments primarily involving the Financial Instruments adjustment Account</b> Amount by which cost charges to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	303	0	0	(303)
<b>Adjustments involving the Dedicated Schools Grant Adjustment Account</b> Movements in year on the Dedicated Schools Grant Adjustment Account	0	0	0	0
<b>Adjustments primarily involving the Pensions Reserve</b> Reversal of items relating to retirement benefits debited or credited to the CIES	(18,276)	0	0	18,276
Employers' contributions & direct payments to pensioners' payable in the year.	28,740	0	0	(28,740)
<b>Adjustments primarily involving the Collection Fund Adjustment Account</b> Amount by which the CT and NDR income credited to the CIES is different from CT and NDR income calculated for the year in accordance with statutory requirements	5,513	0	0	(5,513)
<b>Adjustments primarily involving the Accumulated Absences Account</b> Amount by which officer remuneration charge to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	317	0	0	(317)
<b>Total Adjustments</b>	<b>(26,633)</b>	<b>(5,007)</b>	<b>6,836</b>	<b>24,804</b>

	Usable Reserves			Movements in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£000s	£000s	£000s	
<b>2024/25</b>				
<b>Adjustments primarily involving the Capital Adjustment Account</b>				
<b>Reversal of items debited or credited to the CIES</b>				
Charges for Depreciation, impairment and amortisation of non-current assets	(28,667)	0	0	28,667
Revaluation/impairment losses on PPE	(4,672)	0	0	4,672
Movement in fair value of investment properties	5,257	0	0	(5,257)
Capital grants & contributions applied	25,190	0	0	(25,190)
Revenue expenditure funded from capital under statute	0	0	0	0
Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to CIES	(22,474)	0	0	22,474
<b>Insertion of items not credited or debited to CIES</b>				
Statutory provision for the financing of capital investment	9,879	0	0	(9,879)
Voluntary provision for financing (reduction in long term liabilities)	0	0	0	0
Capital Expenditure charged against the General Fund	4,707	0	0	(4,707)
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>				
Capital grants & contributions unapplied credited to the CIES	1,207	0	(1,207)	0
Application of grants to capital financing transferred to the CAA	0	0	13,466	(13,466)
Application of grants to capital finance Revenue Expenditure funded from capital under statute	9,184	0	4,015	(13,199)
<b>Adjustments primarily involving the Capital receipts Reserve</b>				
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES	3,330	(3,379)	0	49
Use of the Capital Receipts Reserve to finance new capital expenditure	0	4,887	0	(4,887)
Use of the Capital Receipts finance new Revenue expenditure Funded from capital under statute	0	658	0	(658)
Transfer from Deferred Capital Receipt Reserve upon receipt of cash	0	0	0	0
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve</b>				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0
<b>Adjustments primarily involving the Financial Instruments adjustment Account</b>				
Amount by which cost charges to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	303	0	0	(303)

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movements in Unusable Reserves
	£000s	£000s	£000s	£000s
<b>2024/25</b>				
<b>Adjustments involving the Dedicated Schools Grant Adjustment Account</b>				
Movements in year on the Dedicated Schools Grant Adjustment Account	0	0	0	0
<b>Adjustments primarily involving the Pensions Reserve</b>				
Reversal of items relating to retirement benefits debited or credited to the CIES	(32,114)	0	0	32,114
Employers' contributions & direct payments to pensioners' payable in the year.	31,004	0	0	(31,004)
<b>Adjustments primarily involving the Collection Fund Adjustment Account</b>				
Amount by which the CT and NDR income credited to the CIES is different from CT and NDR income calculated for the year in accordance with statutory requirements	(10,260)	0	0	10,260
<b>Adjustments primarily involving the Accumulated Absences Account</b>				
Amount by which officer remuneration charge to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(558)	0	0	558
<b>Total Adjustments</b>	<b>(22,541)</b>	<b>2,166</b>	<b>16,274</b>	<b>4,101</b>



## 11. Property, Plant and Equipment

### Comparative movements in 2023/24

	Other Land & Buildings	Vehicles, Plant Furniture & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Property, Plant & Equipment Sub-total	Infrastructure	Total Property, Plant & Equipment	PFI assets included in property, plant & equipment
Description	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Gross book value brought forward	497,548	28,837	10,353	9,325	665	546,728			8,687
Accumulated depreciation & impairment brought forward	(20,550)	(25,191)	0	0	0	(45,741)			(1,931)
<b>Net Book Value brought forward as at 31 March 2023</b>	<b>476,998</b>	<b>3,646</b>	<b>10,353</b>	<b>9,325</b>	<b>665</b>	<b>500,987</b>	<b>151,791</b>	<b>652,778</b>	<b>6,758</b>
Additions	15,944	1,094	14	8,934	0	25,986	19,404	45,390	0
Revaluations recognised in the revaluation reserve	1,114	0	0	0	(14)	1,100	0	1,100	0
Revaluations recognised in the CI&E	(43,002)	0	0	0	0	(43,002)	0	(43,002)	0
Disposals	(12,442)	(99)	(21)	0	0	(12,562)	(1,623)	(14,185)	0
Transfers	15,824	0	2,885	(18,259)	0	450	0	450	0
Depreciation	(13,788)	(1,472)	0	0	0	(15,260)	(10,447)	(25,707)	(1,425)
Other	0	0	0	0	0	0	0	0	0
<b>Net Book Value carried forward as at 31 March 2024</b>	<b>440,648</b>	<b>3,169</b>	<b>13,231</b>	<b>0</b>	<b>651</b>	<b>457,699</b>	<b>159,125</b>	<b>616,824</b>	<b>5,331</b>
Gross book value carried forward	461,569	29,832	13,231	0	651	505,283			8,687
Accumulated depreciation & impairment carried forward	(20,921)	(26,663)	0	0	0	(47,584)			(3,356)
<b>Net Book Value carried forward as at 31 March 2024</b>	<b>440,648</b>	<b>3,169</b>	<b>13,231</b>	<b>0</b>	<b>651</b>	<b>457,699</b>	<b>159,125</b>	<b>616,824</b>	<b>5,331</b>

**Property, Plant and Equipment – Movement in the year 2024/25**

	Other Land & Buildings	Vehicles, Plant Furniture & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Property, Plant & Equipment Sub-total	Infrastructure	Total Property, Plant & Equipment	Service concession assets included in property, plant & equipment
Description	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Gross book value brought forward	461,569	29,832	13,231	0	651	505,283			8,687
Accumulated depreciation & impairment brought forward	(20,921)	(26,663)	0	0	0	(47,584)			(3,356)
<b>Net Book Value brought forward as at 31 March 2024</b>	<b>440,648</b>	<b>3,169</b>	<b>13,231</b>	<b>0</b>	<b>651</b>	<b>457,699</b>	<b>159,125</b>	<b>616,824</b>	<b>5,331</b>
Additions	35,702	5,348	25	0	0	41,075	19,692	60,767	0
Revaluations recognised in the revaluation reserve	21,206	0	0	0	103	21,309	0	21,309	13,146
Revaluations recognised in the CI&E	(4,992)	0	0	0	0	(4,992)	0	(4,992)	0
Disposals	(19,414)	(72)	0	0	0	(19,486)	(2,068)	(21,554)	0
Transfers	(2,352)	0	0	0	0	(2,352)	0	(2,352)	0
Depreciation	(15,905)	(1,587)	0	0	0	(17,492)	(11,157)	(28,649)	(2,703)
Other	(9)	0	0	0	0	(9)	0	(9)	0
<b>Net Book Value carried forward as at 31 March 2025</b>	<b>454,884</b>	<b>6,858</b>	<b>13,256</b>	<b>0</b>	<b>754</b>	<b>475,752</b>	<b>165,592</b>	<b>641,344</b>	<b>15,774</b>
Gross book value carried forward	475,128	33,078	13,256	0	754	522,216			17,527
Accumulated depreciation & impairment carried forward	(20,244)	(26,220)	0	0	0	(46,464)			(1,753)
<b>Net Book Value carried forward as at 31 March 2025</b>	<b>454,884</b>	<b>6,858</b>	<b>13,256</b>	<b>0</b>	<b>754</b>	<b>475,752</b>	<b>165,592</b>	<b>641,344</b>	<b>15,774</b>

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

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

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

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

	<b>Operational Property</b>	<b>Surplus Assets</b>	<b>Vehicles Plant &amp; Equipment</b>	<b>Total Property Plant &amp; Equipment</b>
<b>Category</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Valued at Historical Cost	28	0	6,858	6,886
Valued at Current Value in 2024/25	197,345	438	0	197,783
2023/24	100,190	316	0	100,506
2022/23	37,792	0	0	37,792
2021/22	101,638	0	0	101,638
Pre 2021/22	391	0	0	391
Adjustment for Assets not Revalued in 24/25	17,500	0	0	17,500
<b>Total Property, Plant &amp; Equipment</b>	<b>454,884</b>	<b>754</b>	<b>6,858</b>	<b>462,496</b>

### Capital Commitments

At 31 March 2025, the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and beyond. The major commitments are:

<b>Approved and Contracted Schemes</b>	<b>£000s</b>
Secondary Expansion Programme	9,418
Special School Expansion Programme	5,601
Building Maintenance Plan	1,974
Primary Expansion Programme	1,569
Crompton Place Demolition (Enabling works only)	631
Corporate Property Capital Programme	591
Towns Fund	453
Windows 11 Hardware Refresh	380
TFGM Development Fund	349
Data Centre Exit	322
District Centres Fund - Cabinet Feb-19	254
Other Schemes under £200k (19)	761
<b>Total</b>	<b>22,303</b>

<b>Approved Schemes</b>	<b>£000s</b>
Special School Expansion Programme	15,000
District Centres Fund - Cabinet Feb-19	10,319
Corporate Property Capital Programme	7,149
Town Centre Strategy	4,608
MCF - Bolton Town Centre East Phase 1 (T5)	3,287
Electric Charging Vehicle Infrastructure	2,260
Towns Fund	2,172
Safer Roads Fund - A579	1,396
Bolton Salford Quality Bus Network	1,151
Section 31 Grant - KRN Structures	1,060
MCF - Doffcocker to TC Bee Route	1,049
GMCA Highways LTP	1,016
Safer Roads Fund - A676	944
ITB Funding	926
Great Lever Library (UCAN)	909
Windows 11 Hardware Refresh	864
Elgin St Allotments sloping land supporting works	699
Farnworth Park supporting walls	698
FHSF Farnworth	668
Play Areas Improvements	598
Network North Fund	514
Deansgate Public Realm	482
Data Centre Exit	459
Private Sector Renewal	394
Enabling works	350
Public Realm (Area Forum)	335
MCF-Bolton to Farnworth	319
Horwich Flood Alleviation	319
MCF - Astley Bridge (T6)	307
A666 Challenge Fund St Peters Way Improvement	305
Kearsley Bowling Hut	300

Approved Schemes	£000s
Music Hub	231
Highways Maintenance 22-23	203
35 Schemes under £200k	2,726
<b>Total</b>	<b>64,017</b>

## 12. Heritage Assets

### Heritage Assets: Summary of Transactions

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

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

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

The only purchase during 2024/2025 was an Egyptian Block statue. The Statue had been on display in Bolton Egyptology Galleries and was purchased from Mr Phil Hughes who had loaned the statue to us years ago. Mr Hughes offered us first refusal of the purchase at reduced cost of £12,000, we acquired it though a grant given by Bradshaw Gas & Hope Trust they gave £12,000 towards the statue and £500 towards display and new interpretation.

The statue was valued prior to purchase:

Christies	-	£20,000-30,000
Bonhams	-	£15,000-25,000 (advised £20,000)
Charles Ede	-	£8,000
Sotheby's	-	£10,000-15,000

The purchase of the statue was approved at the following meeting: <https://bolton.moderngov.co.uk/documents/s5777/minsf25.pdf>

During 2024/25 we have acquired 50 objects through donation. The items donated to the museum are mainly low value items, not exceeding £200 in value. The only exceptions to this are an England International football team cap awarded to Nat Lofthouse in 1955, given an insurance value of £1,000, and a painting of Dean Mills, Barrow Bridge, from 1790. Based on similar historical paintings in the museum collection, we have given this an insurance value of £650.

There have been no museum collections disposals during 2024-25.

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

Description	£000s
Gross book value carried forward	66,791
Accumulated depreciation & impairment carried forward	0
<b>Net Book Value carried forward as at 31 March 2024</b>	<b>66,791</b>
Additions	23
Revaluations recognised in the revaluation reserve	0
Revaluations recognised in the CI&E	0
Disposals	(11)
<b>Net Book Value carried forward as at 31 March 2025</b>	<b>66,803</b>
Gross book value carried forward	66,803
Accumulated depreciation & impairment carried forward	0
<b>Net Book Value carried forward as at 31 March 2025</b>	<b>66,803</b>

### Heritage Assets: Further Information on the Library and Museums' Collections

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

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

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

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

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

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

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

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

### **Heritage Assets – General**

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

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

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

### **Historic Buildings**

#### **Smithills Hall**

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

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

#### **Hall i' th' Wood**

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

## Art Collection

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

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

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

## 13. Investment Properties

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

Description	2024/25 £000s	2023/24 £000s
Rental income from investment property	1,902	1,165
Direct operating expenses arising from investment property	0	0
<b>Net gain/(loss)</b>	<b>1,902</b>	<b>1,165</b>

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

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

Description	2024/25 £000s	2023/24 £000s
<b>Balance at start of the year</b>	45,438	45,268
Additions: purchases	64	2,969
Disposals	(75)	(3,677)
Net gains/losses from fair value adjustments	5,257	1,328
Reclassifications	2,352	(450)
Other changes	0	0
<b>Balance at end of the year</b>	<b>53,036</b>	<b>45,438</b>

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

The fair value has been measured using a market valuation approach, taking into account the following factors: - existing lease terms and rentals, market evidence including market rentals and yields, adjusted to reflect the nature of each tenancy or void and the covenant strength for existing tenants.



There has been no change in the valuation techniques used during the year for investment properties and no properties have moved between levels in the fair value hierarchy.

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

## 14. Intangible Assets

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

Description	2024/25 £000s	2023/24 £000s
<b>Balance at start of the year</b>	95	15
Additions: purchases	839	82
Amortisation in year	(18)	(2)
Other changes	(834)	0
<b>Balance at end of the year</b>	<b>82</b>	<b>95</b>
<b>Comprising:</b>		
Gross carrying amount	795	791
Accumulated amortisation	(713)	(696)
<b>Total</b>	<b>82</b>	<b>95</b>

## 15. Financial Instruments

**Categories of Financial Instruments** - The following categories of financial instrument are carried in the Balance Sheet:

### Financial Assets

	Non-Current				Current				Total	Total
	Investments		Debtors		Investments		Debtors			
	31-Mar-25 £000s	31-Mar-24 £000s	31-Mar-25 £000s	31-Mar-24 £000s	31-Mar-25 £000s	31-Mar-24 £000s	31-Mar-25 £000s	31-Mar-24 £000s		
Amortised Cost	0	0	40,930	40,902	118,328	144,751	79,611	100,933	<b>238,869</b>	<b>286,586</b>
Fair value through other comprehensive income – designated equity instruments	48,384	51,266	0	0	0	0	0	0	<b>48,384</b>	<b>51,266</b>
<b>Total financial assets</b>	<b>48,384</b>	<b>51,266</b>	<b>40,930</b>	<b>40,902</b>	<b>118,328</b>	<b>144,751</b>	<b>79,611</b>	<b>100,933</b>	<b>287,253</b>	<b>337,852</b>
Assets not defined as financial instruments	0	0	0	0	0	0	18,889	8,497	18,889	8,497
<b>Total</b>	<b>48,384</b>	<b>51,266</b>	<b>40,930</b>	<b>40,902</b>	<b>118,328</b>	<b>144,751</b>	<b>98,500</b>	<b>109,430</b>	<b>306,142</b>	<b>346,349</b>

**Financial Liabilities**

	Non-Current				Current				Total	Total
	Borrowings		Creditors		Borrowings		Creditors			
	31-Mar-25 £000s	31-Mar-24 £000s	31-Mar-25 £000s	31-Mar-24 £000s	31-Mar-25 £000s	31-Mar-24 £000s	31-Mar-25 £000s	31-Mar-24 £000s	31-Mar-25 £000s	31-Mar-24 £000s
Amortised Cost	158,501	158,519	321	307	1,618	31,676	60,465	59,758	220,905	250,260
<b>Total financial liabilities</b>	<b>158,501</b>	<b>158,519</b>	<b>321</b>	<b>307</b>	<b>1,618</b>	<b>31,676</b>	<b>60,465</b>	<b>59,758</b>	<b>220,905</b>	<b>250,260</b>
Liabilities not defined as financial instruments	0	0	9,317	3,285	0	0	14,527	13,717	23,844	17,002
<b>Total</b>	<b>158,501</b>	<b>158,519</b>	<b>9,638</b>	<b>3,592</b>	<b>1,618</b>	<b>31,676</b>	<b>74,992</b>	<b>73,475</b>	<b>244,749</b>	<b>267,262</b>

### Detailed Financial Instruments Breakdown

	Long-term		Current	
	31 Mar 25 £000s	31 Mar 24 £000s	31 Mar 25 £000s	31 Mar 24 £000s
<b>Investments</b>				
Banks and other financial institutions (net of impairment)	0	0	118,328	144,752
Fair Value through Other Comprehensive Income (Manchester Airport)	43,400	46,300	0	0
Fair Value through Other Comprehensive Income (JP Morgan Trust)	584	566	0	0
Fair Value through Other Comprehensive Income (Manchester Airport Drop & Go 'C' shares)	4,400	4,400	0	0
<b>Total Investments</b>	<b>48,384</b>	<b>51,266</b>	<b>118,328</b>	<b>144,752</b>
<b>Cash &amp; Cash Equivalents</b>				
Bank current accounts & overdrafts	0	0	9,919	9,932
Bank Call accounts and Money Market Funds	0	0	25,903	38,537
<b>Total Cash &amp; Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>35,822</b>	<b>48,469</b>
<b>Debtors</b>				
Advances and Interest due re Manchester Airport PLC	39,534	39,174	0	0
Farnworth Precinct	2,364	2,364	0	0
Former Magistrates Authorities (10 Greater Manchester Districts)	507	535	0	0
Long term leasing	0	49	0	0
Financial assets carried at contract amounts	0	0	67,678	71,418
Non-financial assets	0	0	40,535	32,611
NW Evergreen Ltd Partnership	131	131	0	0
<b>Sub total</b>	<b>42,536</b>	<b>42,253</b>	<b>108,213</b>	<b>104,029</b>
Expected Credit Loss	(1,606)	(1,351)	(45,535)	(43,068)
<b>Total Debtors</b>	<b>40,930</b>	<b>40,902</b>	<b>62,678</b>	<b>60,961</b>
<b>Borrowings</b>				
Financial liabilities at amortised cost – Market Loans	40,000	40,000	0	0
PWLB	118,000	118,000	0	0
Short-term borrowings	0	0	1,618	31,676
LOBO Interest Rate Equalisation	501	519	0	0
<b>Total Borrowings</b>	<b>158,501</b>	<b>158,519</b>	<b>1,618</b>	<b>31,676</b>
<b>Other Creditors and Liabilities</b>				
Finance Leases	307	307	0	0
Ex-GMC residual debt	14	0	55	55
Financial liabilities carried at contract amounts	0	0	60,411	59,703
Non-financial liabilities	9,317	3,285	14,527	13,717
<b>Total Creditors</b>	<b>9,638</b>	<b>3,592</b>	<b>74,992</b>	<b>73,475</b>

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

Further to the introduction of IFRS9 in 2018/19 financial year, the authority designated the following equity as fair value through other comprehensive income (fair values as at 31 March 2025 shown):

	Fair Value Level	Nominal Value	Fair Value	Change in fair value during 2024/25
Description		£000s	£000s	£000s
Manchester Airport Shares	2	10,214	43,400	(2,900)
Manchester Airport C Shares	2	5,610	4,400	0
J P Morgan Trust	2	390	584	18

**Manchester Airport Shares**

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

The Council has made an equity investment in Manchester Airport Car Park Limited, (along with the other nine Greater Manchester District Councils). The Council's investment is to provide car parking facilities at Manchester Airport. The Council holds 3 Class C ordinary shares. The shareholding will be classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS9 the shareholding (investment) will be designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income.

**J P Morgan Trust**

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

**Council Shareholdings**

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

- Bolton Council owns 3.22% of the non-voting shares in Manchester Airport Holdings Ltd (MAHL) and will receive 3.22% of any dividends paid. The shares in this company are not traded in an active market, the fair value shown above has been based on valuation techniques that are observable for the asset on an open market basis. The earnings-based method (EBITA) has been used based on data for comparable quoted companies operating in the same sector and these shares are subject to an annual valuation. The fair value of the shares using this 'level 2' (observable outputs) method at 31st March 2025 is £43.4m (a decrease of £2.9m

compared to last year). In 2024/25, a special dividend of £0.414m was received by the Council due to the improved performance of the group. MAHL's most recent accounts for the year ending 31st March 2024 indicated the company had net assets of £683.3m (£703m the previous year) and made a profit of £2m after taxation (loss of £159.6m in the previous year). Further information and details of the Manchester Airport Holdings Limited financial statements may be obtained from the company's website ([www.manchesterairport.co.uk](http://www.manchesterairport.co.uk)).

- The Council also holds 10% of the issued C Shares in Manchester Airport Car Park (MACP) Limited which represents a minority holding and does not confer any voting rights. The 10% holding in MACP is valued on the updated financial forecast and taking into account the Council valuation of its shareholding in MAHL. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. The fair value of the Council's holding in MACP using 'level 2' (observable outputs) method at 31st March 2025 (based on discounted income cash flow) remained at £4.4m.
- J.P. Morgan is an investment held for the benefit of the Maintenance of Graves in Perpetuity account.
- In August 2015 the Council agreed to the creation of a Local Authority Trading Company (LATC) to deliver certain Adult Social Care Services. In September 2015 three companies were registered at Companies House:
  - Bolton Care and Support Limited
  - Bolton Care and Support (A) Limited
  - Bolton Care and Support (B) Limited

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

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

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

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

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

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

assets, facilitation of regeneration schemes, portfolio management and the investment of private sector funds in projects to mutual benefit.

- The Council initially granted Options to Purchase on several assets to PSP Bolton for £1 each. Assets are sold to third parties, and the Council is guaranteed a minimum receipt determined by professional valuers and agreed by both parties. Assets can be added to the list as opportunities are identified.
- On 26 July 2013 a fully owned subsidiary of PSP Bolton LLP was established - PSP Bolton (GR) LLP - to create a separate vehicle which would specifically acquire a large number of low value assets from the Council, mainly ground rents, and either dispose of them or manage them. The value of these assets was £14.25 million, with the Council receiving in return either a smaller number of higher value assets, generating the same income flow as the assets disposed of the income flow from any PSP developed assets, or cash. To date, the Council has received 2 assets - Bolton Travelodge and The Bolton Interchange Office Block – with the Council receiving rental income from both properties.
- The amount owed to Bolton Council by PSP (Bolton) LLP is £5k.

**Financial Instruments - Income, Expenses, Gains and Losses**

	2024/25				2023/24			
	Financial Liabilities measured at amortised cost	Financial Assets measured at amortised cost	Financial Assets: designated fair value through other comprehensive income	Total	Financial Liabilities measured at amortised cost	Financial Assets measured at amortised cost	Financial Assets: designated fair value through other comprehensive income	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Interest expense & similar charges	(6,506)	0	0	(6,506)	(6,627)	0	0	(6,627)
<b>Total expense in Surplus or (Deficit) on the Provision of Services</b>	<b>(6,506)</b>	<b>0</b>	<b>0</b>	<b>(6,506)</b>	<b>(6,627)</b>	<b>0</b>	<b>0</b>	<b>(6,627)</b>
Interest income and dividends	0	10,041	4,299	<b>14,340</b>	0	8,741	3,841	<b>12,582</b>
Interest income accrued on impaired financial assets	0	0	0	<b>0</b>	0	0	0	<b>0</b>
<b>Total income in Surplus or (Deficit) on the Provision of Services</b>	<b>0</b>	<b>10,041</b>	<b>4,299</b>	<b>14,340</b>	<b>0</b>	<b>8,741</b>	<b>3,841</b>	<b>12,582</b>
Gains (Loss) on revaluation	0	0	(2,882)	<b>(2,882)</b>	0	0	26,345	<b>26,345</b>
<b>Surplus/(Deficit) arising on revaluation of financial assets in Other Comprehensive Income and Expenditure</b>	<b>0</b>	<b>0</b>	<b>(2,882)</b>	<b>(2,882)</b>	<b>0</b>	<b>0</b>	<b>26,345</b>	<b>26,345</b>
<b>Net gain/(loss) for the year</b>	<b>(6,506)</b>	<b>10,041</b>	<b>1,417</b>	<b>4,952</b>	<b>(6,627)</b>	<b>8,741</b>	<b>30,186</b>	<b>32,300</b>



**Note** – During 2018/19 the authority incurred a premium of £13.018m paid on the early redemption of one of the authority’s borrowings. The authority elected to apply statutory provisions allowing it to spread the impact of the premium over what would have been the remaining term of the loan resulting in annual charge of £303k.

### Fair value of Assets and Liabilities

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

- For loans the Public Works Loan Board (PWLB) premature repayment rates from the PWLB at 31 March 2025 have been applied to provide the fair value for all loans using PWLB debt redemption procedures.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment is recognised, impairment has been provided separately within the Expected Credit Loss Provision.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31-Mar-25		31-Mar-24	
	Carrying amount £000s	Fair value £000s	Carrying amount £000s	Fair value £000s
Financial Liabilities:				
Market Loans	40,501	31,408	40,519	35,068
PWLB Loan	118,000	61,733	118,000	70,159
Trade Creditors	60,411	60,411	60,334	60,334
Bank Overdrawn and Short Term Borrowing	4,292	4,292	34,928	34,928
<b>Total Financial Liabilities</b>	<b>223,204</b>	<b>157,844</b>	<b>253,781</b>	<b>200,489</b>

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

	31-Mar-25		31-Mar-24	
	Carrying amount £000s	Fair value £000s	Carrying amount £000s	Fair value £000s
Loans and receivables:				
Loan to Manchester Airport	29,927	31,657	29,927	32,524
Loan to Capital & Centric (Farnworth Precinct)	2,265	2,265	2,265	2,265
Money Market Loans Less than One Year	118,328	118,328	144,752	144,752
Other Long Term Debtors	8,637	8,637	8,710	8,710
Trade Debtors	43,789	43,789	52,464	52,464
Cash and Cash Equivalents	41,732	41,732	51,721	51,721
<b>Total Loans and Receivables</b>	<b>244,678</b>	<b>246,408</b>	<b>289,839</b>	<b>292,436</b>

The difference between carrying amount and fair value of the Manchester Airport Loan is due to the fixed interest instrument held by the Council including an interest rate that is higher than the prevailing rate estimated to be available at 31st March 2025. This increases the fair value of the loans. Short term debtors and creditors are carried at cost, and this is a fair approximation of their value.

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

Recurring fair value measurements at 31 Mar 25		Other significant observable inputs (Level 2) £000s
Financial Liabilities	Financial liabilities held at amortised cost:	
	PWLB	118,000
	Non-PWLB	40,501
	Short term debt	0
	Finance lease liability	376
	<b>Total</b>	<b>158,877</b>
Financial Assets	Financial assets held at amortised cost:	118,328
	Other financial assets - Long Term	0
	<b>Total</b>	<b>118,328</b>

Recurring fair value measurements at 31 Mar 24		Other significant observable inputs (Level 2) £000s
Financial Liabilities	Financial liabilities held at amortised cost:	
	PWLB	118,000
	Non-PWLB	40,519
	Short term debt	30,000
	Finance lease liability	376
	<b>Total</b>	<b>188,895</b>
Financial Assets	Financial assets held at amortised cost:	144,752
	Other financial assets - Long Term	0
	<b>Total</b>	<b>144,752</b>

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

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

## **16. Nature and Extent of Risks Arising from Financial Instruments**

### **Key Risks**

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

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

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

### **Overall procedures for managing risk**

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

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice.
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders / constitution.
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
  - The Council's overall borrowing;

- Its maximum and minimum exposures to fixed and variable rates.
  - Its maximum and minimum exposures to the maturity structure of its debt.
  - Its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported on a quarterly basis.

The annual treasury management and investment strategies, which incorporates the prudential indicators were approved by Council in February 2024 and are available on the Council's website.

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

## **Credit risk**

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

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

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

Counterparty type	Criteria for investing
Banks 1 - good credit quality	The Council will only use banks which are UK banks; and have, as a minimum, the following Fitch, Moody's and Standard and Poor's credit ratings (where rated). Short term – F1/P1/A1 Long term – A-/A3/A-
Banks 2	The Council's own banker if the bank falls below the above criteria.
Building Societies	The Council will use all societies which meet the ratings for Banks 1 outlined above
UK Government (the DMADF)	UK public authority - not applicable
Local authorities, parish councils etc.	UK public authority - not applicable
Money Market Funds	AAA with a Fixed Net Asset Value (NAV).

Deposits are not made with banks and financial institutions unless they are rated independently to have a sound credit rating. Based upon experience the investments held at the 31 March 2025 were of a low risk of default.

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

The Council had a total of £140.8m deposited with a number of financial institutions at 31 March 2025. The Council's maximum exposure to credit risk in relation to this amount cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. A risk of recoverability applies to all of the Council's deposits, but there was no evidence at the 31 of March 2025 that this was likely to crystallise.

### **Amounts Arising from Expected Credit Losses**

We have assessed the Councils short- and long-term investments and concluded that the expected credit loss is not material therefore no allowances have been made.

A summary of the credit quality of the Council's investments at 31st March 2025 is shown below, along with the potential maximum exposure to credit risk, based on experience of default and collectability.

Unaudited Statement of Accounts 2024/25

Deposits with banks, financial institutions, and other local authorities	Fitch Rating (Long Term / Short Term)	Moody's Rating (Long Term / Short Term)	Standard & Poor Rating (Long Term / Short Term)	Amount invested at 31 March 2025	Historical experience of default	Estimated maximum exposure to losses at 31 March 2025
				£000s	%	£000s
<b>Banks</b>						
Goldman Sachs International Bank	A+ / F1	A1 / P1	A+ / A1	5,000	0.009%	0.436
Santander UK Plc	A+ / F1	A1 / P1	A / A1	5,000	0.005%	0.253
Barclays Bank Plc	A+ / F1	A1 / P1	A+ / A1	250	0.000%	0
<b>Local Authorities</b>						
Doncaster MBC				10,000	0.021%	0
Aberdeen City Council				5,000	0.014%	0
Lancashire County Council				5,000	0.020%	0
Moray Council				5,000	0.021%	0
Fife Council				10,000	0.009%	0
Fife Council				5,000	0.009%	0
Blackpool Council				5,000	0.005%	0
Wrexham County Borough Council				5,000	0.013%	0
Eastleigh Borough Council				10,000	0.009%	0
Rushmoor Borough Council				5,000	0.020%	0
Police and Crime Commissioner for Lancashire				5,000	0.017%	0
Eastbourne Borough Council				10,000	0.021%	0
Somerset Council				5,000	0.021%	0
Cornwall County Council				10,000	0.002%	0
Liverpool City Council				5,000	0.020%	0
Police and Crime Commissioner for Merseyside				5,000	0.002%	0
<b>Money Market Funds</b>						
Aberdeen Standard MMF	AAAmf	Aaa-mf	AAAm	20,000	0.000%	0
Goldman Sachs MMF	AAAmf	Aaa-mf	AAAm	50	0.000%	0
Morgan Stanley MMF	AAAmf	Aaa-mf	AAAm	5,500	0.000%	0
<b>Totals</b>				<b>140,800</b>		<b>0.689</b>

As at the 31 of March 2025, the Council had a debtors balance of £108m. A review of significant balances suggested that an expected credit loss of £46m was appropriate and sufficient. The calculation is based on the life-time expected credit losses for trade receivables, and they have been collectively assessed according to the groupings shown in Note 18, for the purposes of calculating expected credit losses. Write offs occur only when all possible debt recovery procedures have been unable to secure

payment. The Council's long-term debtors have been reviewed and assessed for an expected credit loss.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

### Liquidity risk

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

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

Source of Loan	Interest Rates %	Total Outstanding 31 March	
		2024/25 £000s	2023/24 £000s
Bonds	3.90 to 4.825	40,000	40,000
PWLB	2.55 to 2.64	118,000	118,000
Mortgages		0	0
Local Authorities	6.20 to 6.60	0	30,000
<b>Total Borrowing</b>		<b>158,000</b>	<b>188,000</b>
Less: Due within 12 Months on demand		0	0
		<b>158,000</b>	<b>188,000</b>
An Analysis of Loans by Maturity at 31 March:			
Amounts of Principal to be Repaid			
Within 1 year		0	30,000
In 1 to 2 Years		0	0
In 2 to 5 Years		0	0
In 5 to 10 Years		0	0
10 - 20 Years		0	0
After 20 Years		158,000	158,000
		<b>158,000</b>	<b>188,000</b>

## **Refinancing and Maturity risk**

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

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

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

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

## **Market risk**

### **Interest rate risk**

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

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

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

The Council has several strategies for managing interest rate risk. Policy aims to keep a maximum of 50% of its net debt in variable rate loans and investments. None of the Council's borrowings held at the 31 March 2025 were in variable rate loans (accordingly our policy was satisfactorily met). During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.



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

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

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

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

Description	£000s
Increase in interest payable on fixed rate borrowings	2,571
Increase in interest receivable on fixed rate investments	(1,580)
<b>Impact on Income and Expenditure Account</b>	<b>991</b>
Decrease in fair value of “amortised cost” investment assets	484
Impact on MIRS	484
<b>Decrease in fair value of fixed rate investment assets – (no impact on CIES &amp; MIRS)</b>	<b>0</b>

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

### Price risk

The Council does not generally invest in equity shares or marketable bonds but does have shareholdings to the value of £29.92m. In common with all Greater Manchester Authorities, the Council has shareholdings in the Manchester Airport Group. The fair value of the total shareholding at the Balance Sheet date is £47.8m (more information about the shareholding is provided at Note 15). Whilst this holding is generally illiquid (no active market), the Council is exposed to losses arising from movements in the price of the shares.

The Council also has a holding to the value of £0.584m in an investment trust, which will only be realised in favourable circumstances.

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

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

Of the shares mentioned above £47.8m have been elected as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the price of shares (positive or negative) would thus have resulted in a £2.419m gain or loss being recognised in the Financial Instrument Revaluation Reserve for 2024/25.

### Foreign exchange risk

The Council has no foreign exchange exposure.

### 17. Inventories

Description	Consumable Stock	
	2024/25 £000s	2023/24 £000s
<b>Balance outstanding at start of year</b>	980	955
Purchases	676	1,070
Recognised as an expense in the year	(911)	(1,045)
Written-off balances	0	0
<b>Balance outstanding at year end</b>	<b>745</b>	<b>980</b>

### 18. Debtors

Classification	31 March 2025 £000s	31 March 2024 £000s
Central government bodies	16,678	17,551
Other local authorities	2,766	2,741
NHS bodies	6,895	3,284
Public corporations and trading funds	13,769	13,533
Other entities and individuals	68,105	66,920
<b>Sub total</b>	<b>108,213</b>	<b>104,029</b>
Less: Impairment Allowance <sup>1</sup>	(45,535)	(43,068)
<b>Total</b>	<b>62,678</b>	<b>60,961</b>

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

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

## 19. Debtors for Local Taxation

The past due but not impaired amount for local taxation (Council Tax and Non-Domestic Rates) can be analysed by age as follows:

Classification	31 March 2025 £000s	31 March 2024 £000s
Less than three months	3,162	3,050
Three to six months	3,162	3,050
Six months to one year	6,324	6,099
More than one year	26,051	24,844
<b>Total</b>	<b>38,699</b>	<b>37,043</b>

## 20. Cash and Cash Equivalents

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

Description	31 March 2025 £000s	31 March 2024 £000s
<b>Cash held by the Council</b>		
Bank current accounts	15,829	13,184
Bank Call accounts and Money Market Funds	25,903	38,537
<b>Total Cash held by the Council</b>	41,732	51,721
Bank Overdraft	(5,910)	(3,252)
<b>Total Cash and Cash Equivalents</b>	<b>35,822</b>	<b>48,469</b>

## 21. Creditors

Classification	31 March 2025 £000s	31 March 2024 £000s
Central government bodies	6,821	7,083
Other local authorities	6,872	6,750
NHS bodies	2,989	2,467
Public corporations and trading funds	44,540	40,729
Other entities and individuals	3,682	8,107
Teacher's Pensions Scheme	3,940	3,380
Short term accumulated absences account	6,148	5,590
<b>Total</b>	<b>74,992</b>	<b>74,106</b>

## 22. Provisions

Description	Self-insurance – liability & fire (1) £000s	Business Rates Appeals (2) £000s	Planning Guarantee (3) £000s	Creams Mill Development – Cost Award (4) £000s	Horrocks Fields (5) £000s	Total £000s
<b>Balance at 1 April 2024</b>	<b>6,650</b>	<b>9,927</b>	<b>233</b>	<b>70</b>	<b>0</b>	<b>16,880</b>
Additions in year	3,253	6,596	210	0	30	10,089
Amounts used in year	(1,874)	(7,691)	0	0	0	(9,565)
Unused amounts reversed in year	(1,688)	0	(26)	(70)	0	(1,784)
<b>Balance at 31 March 2025</b>	<b>6,341</b>	<b>8,832</b>	<b>417</b>	<b>0</b>	<b>30</b>	<b>15,620</b>
<b>Split as:</b>						
Short term	1,812	1,766	417	0	30	4,025
Long term	4,529	7,066	0	0	0	11,595
<b>Total</b>	<b>6,341</b>	<b>8,832</b>	<b>417</b>	<b>0</b>	<b>30</b>	<b>15,620</b>

## Notes

1. In accordance with IAS37 the Insurance Liabilities at 31st March 2025 are estimated to be £6,341,000. The provision covers outstanding claims under employer's and public liability where the settlement figure has yet to be agreed. Due to the nature of the claims involved settlement periods can be lengthy.
2. This is Bolton Council's share (99%) of the estimated impact of outstanding Business Rates Appeals at the 31 March 2025. The overall business rates provision has been calculated by reference to the provision percentage built into the Business Rates multiplier (the Government includes a figure within the multiplier to build in the effect of successful appeals). Business Rates appeals are dealt with by the Valuation Office Agency (VOA) through a 3 stage Check, Challenge & Appeal process outside of the Council's control. Therefore, the timings and amounts of successful appeals are uncertain, consequently a substantial provision is maintained.
3. Planning Guarantee - In July 2023 the Borough Solicitor, acting in their statutory role as Monitoring Officer, became aware that the Council was not correctly applying fees in relation to planning applications, submitted via an online Planning Portal, under the Town and Country Planning (Development Management) (England) Order 2015 and The Town and Country Planning (Development Management Procedure) (England) Order 2015.

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

Bolton Council recognises that a liability exists in instances where there have been cases that met the conditions for planning fee refunds, but no refund has been made, this issue dates to 2013. The Council also recognises that a liability exists in instances where applicants incurred a fee for submitting a planning application via the online Planning Portal, this issue dates to September 2018. The estimated cost outstanding at 31st March 2025 is £417k.

4. Creams Mill Development – Costs Award. The Council having a cost award against them in respect of their fees for a planning appeal at Creams Mill Development- Grizedale Close. The cost award applied for is £70k though Bolton have proposed a slight reduction on this which is being considered by our consultants.
5. Horrocks Fields – this relates to a potential Judicial Review against the Council by landowners at Horrocks Fields. This follows a rejection of the application to register the land as a village green.

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

Description	2024/25 £000s	2023/24 £000s
Depreciation of Non-Current Assets	(28,667)	(25,708)
Impairment of Non-Current Assets	0	0
Pension Fund adjustments	(1,110)	10,464
Contributions to Provisions	1,260	9,402
Carrying amount of PP&E, investment property and intangible assets sold or derecognised	(22,473)	(17,869)
Other non-cash movement	247	(41,667)
	<b>(50,743)</b>	<b>(65,378)</b>
Accruals adjustments:		
Increase/(Decrease) in Inventories	(234)	24
Increase/(Decrease) in Debtors	(11,387)	2,335
Increase/(Decrease) in Interest Debtors	(974)	2,903
(Increase)/Decrease in Creditors	(886)	1,419
(Increase)/Decrease in Interest Creditors	76	7
	<b>(13,405)</b>	<b>6,688</b>
<b>Total Adjustment to net Surplus or deficit on the provision of services for non-cash movements</b>	<b>(64,148)</b>	<b>(58,690)</b>

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

Description	2024/25 £000s	2023/24 £000s
Proceeds from the disposal of PPE, investment property and intangible assets	3,329	5,333
Capital Grants credited to Surplus or deficit on the provision of services	26,398	35,646
	<b>29,727</b>	<b>40,979</b>

**25. Cash Flow Statement - Operating Activities**

The cash flows for operating activities include the following items:

Description	2024/25 £000s	2023/24 £000s
Interest received	(11,042)	(5,864)
Interest paid	6,262	6,312
Dividends received	(4,306)	(26)

## 26. Cash Flow Statement - Investing Activities

Description	2024/25 £000s	2023/24 £000s
Purchase of property, plant and equipment, investment property and intangible assets	61,693	48,450
Purchase of short-term and long-term investments	219,250	160,451
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(3,329)	(5,333)
Proceeds from short-term and long-term investments	(244,700)	(140,000)
Other investing activities	(26,398)	(35,648)
<b>Net cash flows from investing activities</b>	<b>6,516</b>	<b>27,920</b>

## 27. Cash Flow Statement - Financing Activities

Description	2024/25 £000s	2023/24 £000s
Cash receipts of short-term and long-term borrowing	0	(60,000)
Other receipts from financing activities	(7,700)	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on balance sheet PFI contracts	1,654	615
Repayments of short-term and long-term borrowing	30,000	40,000
Other payments for financing activities	0	0
<b>Net cash flows from financing activities</b>	<b>23,954</b>	<b>(19,385)</b>

The reconciliation of liabilities arising from financing activities for 2024/25 is as follows:

	1 Apr 24 £000s	Financing Cashflows £000s	Non Cash Changes £000s	31 Mar 25 £000s
Long Term Borrowings	(158,000)	0	0	(158,000)
Short Term Borrowing	(30,000)	30,000	0	0
Lease Liabilities	0	(7,700)	0	(7,700)
On Balance Sheet PFI liabilities	(3,599)	1,654	0	(1,953)
<b>Total</b>	<b>(191,599)</b>	<b>23,954</b>	<b>0</b>	<b>(167,653)</b>

The equivalent reconciliation relating to the 2023/24 balances is as follows:

	1 Apr 23 £000s	Financing Cashflows £000s	Non Cash Changes £000s	31 Mar 24 £000s
Long Term Borrowings	(168,000)	10,000	0	(158,000)
Short Term Borrowing	0	(30,000)	0	(30,000)
Lease Liabilities	(4,214)	615	0	(3,599)
<b>Total</b>	<b>(172,214)</b>	<b>(19,385)</b>	<b>0</b>	<b>(191,599)</b>

## 28. Pooled Budget with Greater Manchester Integrated Care Board

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

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

### Aims and Objectives

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

### Governance

Joint governance arrangements have been set up and are exercised through the Locality Board comprised of Council and ICB representatives.

### Risk Share

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

### Financial Performance

The following table summarises the contributions made by GM ICB Group and Bolton Council.

Description	2024/25 £000s	2023/24 £000s
<b>Funding Provided to the Pool</b>		
NHS Greater Manchester ICB	35,650	34,015
Bolton Council	26,066	24,065
<b>Total Funding</b>	<b>61,716</b>	<b>58,080</b>
<b>Expenditure Met from the Pooled Budget</b>		
NHS Greater Manchester ICB	12,796	12,078
Bolton Council	48,920	46,002
	<b>61,716</b>	<b>58,080</b>
<b>Net (Surplus)/Deficit on Pool</b>	<b>0</b>	<b>0</b>

Whilst the section 75 agreement between the parties does constitute a 'joint operation' under IFRS11, the substance of the commissioning transactions related to the Fund's spending plan indicates that each party is acting as a single entity. Therefore, each organisation accounts for its own transactions without recognising its interest in its share of total assets, liabilities, revenue, and expenditure that relate to the whole fund.



## 29. Members' Allowances

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

Description	2024/25 £000s	2023/24 £000s
Allowances	889	883
Expenses	0	0
<b>Total</b>	<b>889</b>	<b>883</b>

### 30. Officers' Remuneration

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

Description	Note	Salary including Fees and Allowances	Expense Allowance	Compensation for Loss of Office	Total Remuneration Excluding Pension Contributions	Pension Contributions	2024-25 Total Remuneration Including Pension Contributions	2023-24 Total Remuneration Including Pension Contributions
		£	£	£	£	£	£	£
<u>Chief Executive</u>								
Sue Johnson		195,712	0	0	195,712	37,256	232,968	225,387
Director of Place		132,125	0	0	132,125	26,064	158,189	156,785
Director of Children's Services	1	99,021	0	0	99,021	19,606	118,627	0
Director of Children's Services	2	36,471	0	0	36,471	6,798	43,269	166,000
Director of Adults, Communities and Integration	3	125,801	0	0	125,801	24,888	150,689	149,327
Interim Assistant Director, Finance (S151)	4	61,963	0	0	61,963	12,269	74,232	0
Assistant Director, Finance (S151)	5	45,311	0	0	45,311	9,001	54,313	111,682
Borough Solicitor		117,637	0	0	117,637	21,748	139,385	130,510
Chief Executive of Bolton Cares*	6	97,735	95	0	97,830	4,054	101,884	19,036
Chief Executive of Bolton Cares*	7	0	0	0	0	0	0	44,155
Chief Executive of Bolton Cares*	8	0	0	0	0	0	0	53,566
Director of Public Health		100,510	0	0	100,510	24,817	125,327	142,975
Director of Corporate Resources		137,570	0	0	137,570	27,142	164,712	157,024
		<b>1,149,856</b>	<b>95</b>	<b>0</b>	<b>1,149,951</b>	<b>213,643</b>	<b>1,363,595</b>	<b>1,356,446</b>

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

**Notes:**

- 1 Interim from 1st July 2024 to 31<sup>st</sup> December 2024
- 2 To 30th June 2024
- 3 Previously titled Director of Adults, Housing and Integration
- 4 From 1st September 2024
- 5 To 31st August 2024
- 6 From 29 January 2024
- 7 To 31 August 2023
- 8 From 1 September 2023 to 9 February 2024

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

Description	Teachers		Other Staff	
	2024/25	2023/24	2024/25	2023/24
£50,000 - £54,999	159	87	78	61
£55,000 - £59,999	74	64	33	39
£60,000 - £64,999	53	33	27	26
£65,000 - £69,999	24	25	11	7
£70,000 - £74,999	27	25	7	7
£75,000 - £79,999	18	15	3	3
£80,000 - £84,999	16	14	2	1
£85,000 - £89,999	10	7	3	3
£90,000 - £94,999	5	3	3	2
£95,000 - £99,999	3	3	2	2
£100,000-£104,999	1	2	2	2
£105,000-£109,999	2	0	2	1
£110,000-£114,999	2	0	0	0
£115,000-£119,999	1	0	0	0
£120,000-£124,999	0	1	0	0

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

Exit package cost band (including special payments)	Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25 £	2023/24 £
£0-£20,000	16	17	138,763	164,636
£20,001-£40,000	8	6	245,613	175,808
£40,001-£60,000	2	3	99,238	152,974
£60,001-£80,000*	3	6	203,403	426,915
£80,001-£100,000*	3	5	280,820	419,118
£100,001-£150,000	3	0	394,660	0
£150,001-£650,000	4	7	1,238,762	2,512,568
<b>Total</b>	<b>39</b>	<b>44</b>	<b>2,601,259</b>	<b>3,852,019</b>

\* These lines were merged in 2023/24

### **31. Termination Benefits**

In 2024/25 all the £2,601,259 cost of exit packages was to cover the capitalisation costs of pensions (£3,736,121 in 2023/24). No costs were incurred in respect of voluntary severance and redundancy payments (£115,898 in 2023/24).

## 32. Dedicated Schools Grant

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

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

Details of the deployment of DSG receivable for 2024/25 are as follows (reference to the former MHCLG has been retained for historical context):

Description	Schools Budget Funded by Dedicated Schools Grant		
	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
Final DSG for 2024/25 before academy and high needs recoupment			395,116
Academy and high needs figure recouped for 2024/25			(149,302)
Total DSG after academy and high needs recoupment for 2024/25			245,814
Plus: Brought forward from 2023/24			4,488
Less: Carry-forward to 2025/26 agreed in advance			(4,488)
			<b>245,814</b>
Agreed initial budgeted distribution in 2024/25	95,643	150,171	245,814
In year adjustments	424	0	424
<b>Final Budget Distribution 2024/25</b>	<b>96,067</b>	<b>150,171</b>	<b>246,238</b>
Less Actual Central Expenditure	97,501	0	97,501
Less Actual ISB deployed to Schools	0	150,171	150,171
Plus Local authority contribution	0	0	0
<b>In year carry-forward to 2025/26</b>	<b>(1,434)</b>	<b>0</b>	<b>(1,434)</b>
Plus Carry-forward to 2025/26 agreed in advance			4,488
Carry-forward to 2025/26			3,054
DSG unusable reserve at end of 2023/24			(18,186)
Addition to DSG unusable reserve at end of 2024/25			0
Total of DSG unusable reserve at end of 2024/25			(18,186)
<b>Net DSG position at end of 2024/25</b>			<b>(15,132)</b>

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

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

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

Previous year comparator figures are shown below:

Description	Schools Budget Funded by Dedicated Schools Grant		
	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
Final DSG for 2023/24 before academy and high needs recoupment (a)			359,615
Academy and high needs figure recouped for 2023/24 (b)			(135,584)
Total DSG after academy and high needs recoupment for 2022/23 (a - b)			224,031
Plus: Brought forward from 2022/23			4,477
Less: Carry-forward to 2024/25 agreed in advance			(4,477)
			<b>224,031</b>
Agreed initial budgeted distribution in 2023/24	72,195	151,836	224,031
In year adjustments	1,252	0	1,252
<b>Final Budget Distribution 2023/24</b>	<b>73,447</b>	<b>151,836</b>	<b>225,283</b>
Less Actual Central Expenditure	73,436	0	73,436
Less Actual ISB deployed to Schools	0	151,836	151,836
Plus Local authority contribution	0	0	0
<b>In year carry-forward to 2024/25</b>	<b>11</b>	<b>0</b>	<b>11</b>
Plus Carry-forward to 2023/24 agreed in advance			4,477
Carry-forward to 2024/25			4,488
DSG unusable reserve at end of 2022/23			(18,186)
Addition to DSG unusable reserve at end of 2023/24			0
Total of DSG unusable reserve at end of 2023/24			(18,186)
<b>Net DSG position at end of 2023/24</b>			<b>(13,698)</b>

### 33. Financing and Investment Income and Expenditure

Description	2024/25 £000s	2023/24 £000s
Movement on investment property	(5,257)	(1,328)
Interest Payable and Investment Expenditure	6,275	6,556
Interest and Investment Income	(16,960)	(14,123)
Pension interest cost and return on assets	2,152	(9,848)
<b>Total</b>	<b>(13,790)</b>	<b>(18,743)</b>

### 34. Taxation and Non-Specific Grant Income

The Council raises Council Tax, Non-Domestic Rates (NDR) and receives grants from Central Government each year to support revenue expenditure which is not attributable to specific services. The Grants, NDR and Council Tax received for 2024/25 were:

Description	2024/25 £000s	2023/24 £000s
Council Tax	142,497	134,835
Non-Domestic Rates (NDR)Top-Up	24,639	24,940
Local Retained Business Rates	134,361	119,939
Collection Fund Adjustment Account	(10,261)	5,514
Capital Grants	26,398	35,646
<b>Total</b>	<b>317,634</b>	<b>320,874</b>

### 35. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25:

Description	2024/25 £000s	2023/24 £000s
<b>Credited to Services:</b>		
PFI Special Grant	1,014	1,014
Rent Allowance Subsidy	62,117	63,478
Non-HRA Rent Rebates Subsidy	2,325	2,345
HB and Council Tax Benefit Admin Grant	884	910
Dedicated Schools Grant	244,488	223,637
Pupil Premium	11,391	11,418
New Homes Bonus	475	326
Other Revenue Grants, reimbursements and contributions (Government)	167,373	156,236
Other Revenue Grants, reimbursements and contributions (Non-Government)	2,235	3,059
<b>Total</b>	<b>492,302</b>	<b>462,423</b>

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the end of 2024/25 are as follows:

Description	2024/25 £000s	2023/24 £000s
<b>Revenue Grants Receipts in Advance</b>		
NNDR 3 based transactions	106	0
Dept Levelling Up Housing and Communities (DLUHC)	7,214	5,436
Greater Manchester Combined Authority	1,188	1,519
Other Grants	4,307	3,342
<b>Total</b>	<b>12,815</b>	<b>10,297</b>

Description	2024/25 £000s	2023/24 £000s
<b>Capital Grants Receipts in Advance</b>		
Safer Roads Fund Round 3 A676/A579	2,340	2,450
Childcare Expansion Capital Grant 23/24	631	631
Dept Levelling Up Housing and Communities (DLUHC)	661	628
Greater Manchester Combined Authority	1,698	1,048
Green Heat Network Fund	10,000	0
Housing Infrastructure Fund	0	430
Mayors Challenge Fund	0	25
British Library Funding	0	3
Other Grants	398	0
<b>Total</b>	<b>15,728</b>	<b>5,215</b>



### **36. Related Parties**

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

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

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

The Council's Constitution sets out procedures for the declaration of Member Interests and those of their close family members, at Council meetings and for the withdrawal of Members from meetings in accordance with Section 27(2) of the Localism Act 2011. Several members of the Council are trustees, employees and Council representatives of various charitable and similar voluntary organisations that receive financial and other support from the Council. During 2023/24 and 2024/25 there were no material transactions paid by, or owed to, the Council with organisations in which Members had either a voluntary interest or held a stewardship role.

**Chief Officers of the Council** are the principal policy advisors and executives who are also subject to the requirements of the Council's Constitution to disclose any financial and non-financial interests with related parties.

#### **PSP Bolton LLP and PSP Bolton (GR) LLP**

Please see note 15, Financial Instruments.

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

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

#### **Other material related party transactions**

Bolton Community Leisure Trust was established to manage several of the Council's leisure centres. In 2024/25 the Trust received grant funding from the Council of £1.7m (£1.8m in 2023/24) towards running costs of the facilities.

Related party transactions with National Health Service bodies amounted to income to the Council of £18m in 2024/25 (£21.2m in 2023/24). This income relates to the Pooled Budget arrangement (see note 28) and various schemes to support Social Care.

The Greater Manchester Combined Authority (GMCA) was formally established on 1st April 2011 following agreement between the 10 Greater Manchester Councils and Central Government. GMCA has been established to co-ordinate key economic development, regeneration and transport functions and will, in the future, have financial implications which

will impact on the availability and use of resources by the Council. In 2024/25 the Council made payments of £42k to GMCA (£257k in 2023/24) and received £2m in income (£1.8m in 2023/24).

Transport for Greater Manchester (TfGM) is the executive body of GMCA in relation to its transport functions. The levies paid to TfGM are shown in the table below. In addition, the Council made payments of £15k (£164k in 2023/24) and received income of £28k (£31k in 2023/24).

The Association of Greater Manchester Authorities (AGMA) is a partnership between the 10 Greater Manchester Councils. They co-operate on a number of issues, both statutory and non-statutory, where there is a possibility of improving service delivery by working together. A number of AGMA units exist which the Council contributes to, and the expenditure is contained within the relevant service headings in the CIES. In 2024/25 the Council contributed £0k to AGMA (£88k in 2023/24).

### Other Public Bodies:

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

Description	Paid as Levies by Bolton Council during 2024-25 £	Balance due from Bolton Council at 31 Mar 25 £	Balance due to Bolton Council at 31 Mar 25 £
Transport for Greater Manchester	18,901,748	0	0
Greater Manchester Combined Authority – Waste Levy	21,164,000	0	0
The Environment Agency	159,588	0	0
	<b>40,225,306</b>	<b>0</b>	<b>0</b>

For comparison, the equivalent figures at 31 March 2024 were:

Description	Paid as Levies by Bolton Council during 2023-24 £	Balance due from Bolton Council at 31 Mar 24 £	Balance due to Bolton Council at 31 Mar 24 £
Transport for Greater Manchester	20,258,000	0	0
Greater Manchester Combined Authority – Waste Levy	15,264,000	0	86,086
The Environment Agency	154,714	0	0
	<b>35,676,714</b>	<b>0</b>	<b>86,086</b>

**Other related parties disclosed elsewhere in the Statement of Accounts:**

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

**37. Capital Expenditure and Capital Financing**

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

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

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

Description	Note	2024/25 £000s	2023/24 £000s
<b>Opening Capital Financing Requirement</b>		<b>274,213</b>	<b>271,903</b>
<b>Capital Investment</b>			
Property, Plant and Equipment	11	60,767	45,390
Investment Properties	13	64	2,969
Heritage Assets	12	23	9
Intangible Assets	14	839	82
Revenue Expenditure Funded from Capital under Statute		13,857	25,285
<b>Sources of Finance</b>			
Capital receipts		(5,544)	(2,532)
Government grants and other contributions		(51,855)	(39,428)
Sums set aside from revenue:			
Direct revenue contributions		(4,707)	(20,795)
Minimum Revenue Provision		(9,907)	(7,992)
Reduction in Long Term Liabilities		(667)	(594)
<b>Closing Capital Financing Requirement</b>		<b>277,082</b>	<b>274,213</b>
<b>Explanation of movements in year</b>			
Increase/ (Decrease) in underlying need to borrow (unsupported by government financial assistance)		2,869	2,310
<b>Increase/decrease in Capital Financing Requirement</b>		<b>2,869</b>	<b>2,310</b>

### 38. Leases

The Council adopted IFRS 16 from the 1st of April 2024, to recognise all right of use assets. Under this reporting standard, most leases where the council acts as lessee, will come on to the Balance Sheet. Lessor accounting is effectively unchanged. Right of use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

#### Council as Lessee

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (without recognising the leased vehicles, plant, equipment, property and land as an asset on future rents as a liability), a right of use asset and a lease liability are now shown on the balance sheet at the 1st of April 2024. Leases for items of low value and leases that expire before the 31st of March 2025 are exempt from the new arrangements.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the council. Under IFRS 16, the Council recognises right of use assets and lease liabilities for most leases.

The Council has decided to apply recognition exemptions to short term leases and has elected not to recognise right of use assets and lease liabilities for short term leases that have a term of 12 months or less and is of low value assets. The council recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Description	Other Land and Buildings	Vehicles, Plant and Equipment	Total
	£000s	£000s	£000s
<b>Balance at 1st April 2024</b>	5,935	0	<b>5,935</b>
Additions	8,700	0	<b>8,700</b>
Revaluations	13,146	0	<b>13,146</b>
Depreciation	(3,688)	0	<b>(3,688)</b>
Disposals	0	0	<b>0</b>
<b>Balance at 31 March 2025</b>	<b>24,093</b>	<b>0</b>	<b>24,093</b>

Description	2024/25	2023/24
	£000s	£000s
<b>Comprehensive income and expenditure statement</b>		
Interest expense on lease liabilities	683	222
Expense relating to short-term leases	1,627	
Expense relating to exempt leases of low-value items	312	
Variable lease payments not included in the measure of lease liabilities	0	0
Income from subletting right-of-use assets	(182)	(132)
Gains or losses from sale and leaseback transactions	0	0

Description	2024/25	2023/24
	£000s	£000s
<b>Cash Flow Statement</b>		
Minimum lease payments	1,654	615

### Maturity analysis of lease liabilities

Description	2024/25	2023/24
	£000s	£000s
Less than one year	2,623	2,352
One to five years	9,198	9,409
More than five years	2,206	3,396
<b>Total</b>	<b>14,027</b>	<b>15,157</b>

### Authority as Lessor

#### Finance Leases

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

Description	31 March 2025 £000s	31 March 2024 £000s
Finance lease debtors (NPV of minimum lease payments):		
Current	0	0
Non-current	0	49
Unearned finance income	0	149
<b>Gross Investment in the Lease</b>	<b>0</b>	<b>198</b>

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

Description	Gross Investment in the Lease		Minimum Lease Payments	
	31 March 2025 £000s	31 March 2024 £000s	31 March 2025 £000s	31 March 2024 £000s
Not later than one year	0	5	0	5
Later than one year and not later than five years	0	18	0	18
Later than five years	0	175	0	175
<b>Total</b>	<b>0</b>	<b>198</b>	<b>0</b>	<b>198</b>

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2024/25, no contingent rents were receivable by the Authority (2023/24 £105k).

### Operating Leases

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

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

Description	31 March 2025 £000s	31 March 2024 £000s
Not later than one year	2,622	2,461
Later than one year and not later than five years	9,356	9,012
Later than five years	71,304	70,146
<b>Totals</b>	<b>83,282</b>	<b>81,619</b>

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

	Property, Plant and Equipment	Investment Properties	Total
	£000s	£000s	£000s
<b>Cost or Valuation</b>			
Opening balance at 1 April 2023	2,245	45,268	47,513
Additions/Transfers	0	2,969	2,969
Revaluations/ Impairments	181	1530	1,711
Disposals	0	(3,677)	(3,677)
Transfers and Other Movements	0	(652)	(652)
<b>At 31 March 2024</b>	<b>2,426</b>	<b>45,438</b>	<b>47,864</b>
<b>Accumulated Depreciation / Amortisation and Impairment</b>			
Opening balance at 1 April 2023	71	0	71
Reversals due to Revaluations	0	0	0
Depreciation	21	0	21
<b>At 31 March 2024</b>	<b>92</b>	<b>0</b>	<b>92</b>
<b>Net book value as 31 March 2024</b>	<b>2,334</b>	<b>45,438</b>	<b>47,772</b>
<b>Net book value as 31 March 2023</b>	<b>2,174</b>	<b>45,268</b>	<b>47,442</b>

	Property, Plant and Equipment	Investment Properties	Total
	£000s	£000s	£000s
<b>Cost or Valuation</b>			
Opening balance at 1 April 2024	2,426	45,438	47,864
Additions		64	64
Transfers	(2,426)	2,352	(74)
Revaluations/ Impairments		4,758	4,758
Disposals		(75)	(75)
Transfers and Other Movements		499	499
<b>At 31 March 2025</b>	<b>0</b>	<b>53,036</b>	<b>53,036</b>
<b>Accumulated Depreciation / Amortisation and Impairment</b>			
Opening balance at 1 April 2024			0
Reversals due to Revaluations			0
Depreciation			0
<b>At 31 March 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net book value as 31 March 2025</b>	<b>0</b>	<b>53,036</b>	<b>53,036</b>
<b>Net book value as 31 March 2024</b>	<b>2,426</b>	<b>45,438</b>	<b>47,864</b>

### 39. PFI and Similar Contracts

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

- Castle Hill primary school
- Youth club

- Training centre and offices

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

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

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

At inception the Council committed to an annual unitary payment of £1.30m increasing annually by RPI until 2028/29, in 2024/25 the annual unitary payment was £2.59m.

The Council receives a PFI grant from the Government to part fund the scheme, the annual grant is £1.01m.

### Property, plant and equipment

The assets used to provide services at Castle Hill are recognised on the authority's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the property, plant and equipment balance in note 11.

### Payments

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

Payments remaining to be made under the PFI contract at 31st March 2025 (excluding any estimation of inflation and availability / performance deductions) are as follows:

Description	Payment for Services £000s	Reimbursement of Capital Expenditure £000s	Interest £000s	Total £000s
Payable in 2025/26	1,846	695	142	2,683
Payable within 2 to 5 years	4,615	1,935	157	6,707
Payable within 6 to 10 years	0	0	0	0
Payable within 11 to 15 years	0	0	0	0
<b>Total</b>	<b>6,461</b>	<b>2,630</b>	<b>299</b>	<b>9,390</b>

Comparable figures for the amounts remaining as at 31st March 2024 were as follows:



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

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

Description	2024/25 £000s	2023/24 £000s
Balance outstanding at start of year	3,285	3,900
Payments during the year	(654)	(615)
<b>Balance outstanding at 31 March</b>	<b>2,631</b>	<b>3,285</b>

### Other Contracts

In 2004, the Council entered into an agreement with Bolton Community Leisure to lease (at a peppercorn) and manage indoor leisure facilities for a period of 15 years and 3 months from January 2004. The Council paid a grant to the Trust during that period. The contract was extended for a further two years in 2019, and for a further five years in March 2021.

## 40. Pension Schemes Accounted for as Defined Contribution Schemes

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

	2024/25 Apr 24 - Mar 25	2023/24 Apr 23 - Mar 24
Percentage contributed (%)	28.68%	23.68%
Amount contributed (£000s)	£21,773	£17,389

With regards to the Teachers' Pension Scheme, there were employers' contributions of £1,778,212 remaining payable at the year end. The contributions due to be paid in 2025/26 are estimated to be £21,338,547.

The scheme is a multi-employer defined benefit scheme. Although the scheme is unfunded, Capita uses a notional fund as the basis for calculating the employers' contribution rate paid by local education authorities. It is not possible for the Council to identify its share of the

underlying financial position and performance of the scheme. For the purpose of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

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

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

Description	2024/25	2023/24
Percentage contributed (%)	14.38	14.38
Amount contributed (£000s)	16	18

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

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the NHS scheme. These benefits are fully accrued in the pension's liability described in note 41, however no such additional benefits have been awarded in the three financial years. It is to be noted that the Employer Rate is 14.38% and total contributions for 24/25 year is approximately £14k.

## 41. Defined Benefit Pension Schemes

### Participation in pension schemes

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

The Council participates in three post-employment schemes:

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

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

Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension

liabilities, and cash must be generated to meet actual pension payments as they eventually fall due.

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

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

Bolton Council's Net Pension Liability of £39.488m includes a share of the overall Greater Manchester Pension Fund investment assets as disclosed below. The Council disclosed that their share of the total UK property assets held by the Pension Fund is valued at £85m.

### **Transactions relating to retirement benefits**

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

	2024/25 £000s	2023/24 £000s
<b>Comprehensive Income and Expenditure Statement</b>		
<b>Cost of Services:</b>		
Current service cost	25,938	26,052
Past service costs	3,263	2,072
Effect of Settlements	761	0
<b>Financing and Investment Income and Expenditure</b>		
Net interest on assets and obligations	(14,235)	(9,848)
Interest on Asset Ceiling	16,387	2,007
<b>Total Post Employment Benefits Charged to the Deficit on the Provision of Services</b>	<b>32,114</b>	<b>20,283</b>
<b>Other Post-employment Benefit Charged to the CIES</b>		
<b>Remeasurement of the net defined benefit liability comprising:</b>		
Return on plan assets (excluding the amount included in the net interest expense)	15,069	(36,614)
Actuarial gains and losses arising on changes in demographic assumptions	(2,301)	(9,055)
Actuarial gains and losses arising on changes in financial assumptions	(191,747)	(72,146)
Other	(14,267)	42,210
Changes in the effect of the Asset Ceiling	186,845	295,610
<b>Total Post-employment Benefits charged to CIES</b>	<b>(6,401)</b>	<b>220,005</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	32,114	20,283
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>		
Employers' contributions payable to the scheme	31,004	28,740

## Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2024/25 £000s	2023/24 £000s
Present value of the defined benefit funded obligation	1,127,101	1,289,621
Present value of the defined benefit unfunded obligation	20,447	24,747
Fair Value of Plan Assets	(1,649,165)	(1,607,462)
Asset Ceiling Adjustment	541,105	337,873
<b>Net liability / (asset) arising from defined benefit obligation</b>	<b>39,488</b>	<b>44,779</b>

Impact of the Asset Ceiling Adjustment	2024/25 £000s	2023/24 £000s
Opening value of the additional liability	(337,873)	(42,263)
Interest on the effect of the asset ceiling	(16,387)	(2,007)
Changes in the effect of the asset ceiling	354,260	44,270
Additional Liability	(541,105)	(337,873)
<b>Closing Position as at 31 March 2025</b>	<b>(541,105)</b>	<b>(337,873)</b>

### Asset Ceiling

Following the pensions valuation by the Councils actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31st March 2025 resulting in a pension plan asset. IAS19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

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

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

The Council has therefore limited the Pension asset recognised in its Balance Sheet to the asset ceiling. The remaining represents the unfunded liabilities which are not included in the asset ceiling adjustment and any additional future liabilities that the Council need to settle in respect of services already received. The Council have taken in to account the secondary contribution which gave to rise to an additional liability in the Asset Ceiling adjustment amount. The adjustment will be recognised within other comprehensive income and expenditure of the CIES.

### Reconciliation of the Movements in the Fair Value of Plan Assets

	2024/25 £000s	2023/24 £000s
Opening fair value of scheme assets	1,607,462	1,518,006
Interest income	77,457	71,663
Effect of Settlements	(6,568)	0
<b>Remeasurement gain/(loss):</b>		
The return on the plan assets, excluding the amount included in the net interest expense	(15,069)	36,614
Contributions from employer	31,004	28,740
Contributions from employees into the scheme	8,827	8,332
Other experience	0	0
Benefits paid	(53,948)	(55,893)
<b>Closing fair value of scheme assets</b>	<b>1,649,165</b>	<b>1,607,462</b>

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

	2024/25 £000s	2023/24 £000s
Opening balance at 1 April	1,314,368	1,310,981
Current service costs	25,938	26,052
Effect of Settlements	(5,807)	0
Interest cost	63,222	61,815
Contributions by scheme participants	8,827	8,332
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains/losses arising from changes in demographic assumptions	(2,301)	(9,055)
Actuarial gains/losses arising from changes in financial assumptions	(191,747)	(72,146)
Other	(14,267)	42,210
Past service cost	3,263	2,072
Benefits paid	(53,948)	(55,893)
<b>Closing balance at 31 March</b>	<b>1,147,548</b>	<b>1,314,368</b>

**Local Government Pension Scheme assets comprised:**

	31-Mar-25				31-Mar-24			
	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets
Asset Category	£000s	£000s	£000s	%	£000s	£000s	£000s	%
<b>Equity Securities:</b>								
Consumer	105,717	0	105,717	6	97,335	0	97,335	6
Manufacturing	79,654	0	79,654	5	88,877	0	88,877	6
Energy & Utilities	87,826	0	87,826	5	86,816	0	86,816	5
Financial Institutions	134,084	0	134,084	8	136,457	0	136,457	9
Health & Care	74,967	0	74,967	5	80,383	0	80,383	5
Information Technology	89,081	0	89,081	5	83,849	0	83,849	7
Other	22,482	0	22,482	1	17,950	0	17,950	1
<b>Debt Securities:</b>	0			0				
Corporate Bonds (investment grade)	53,953	0	53,953	3	66,835	0	66,835	4
Corporate Bonds (non-investment grade)	0	0	0	0	0	0	0	0
UK Government	70,384	0	70,384	4	42,585	0	42,585	2

	31-Mar-25				31-Mar-24			
	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets	Scheme assets with quoted prices in active markets	Scheme asset values NOT from quoted active markets	Total	Percentage of total assets
Asset Category	£000s	£000s	£000s	%	£000s	£000s	£000s	%
Other	63,168	0	63,168	4	50,179	0	50,179	3
<b>Private Equity:</b>								
All	0	105,246	105,246	7	0	110,193	110,193	7
<b>Real Estate:</b>								
UK Property	0	85,013	85,013	5	0	65,100	65,100	4
Overseas Property	0	0	0	0	0	0	0	0
<b>Investment Funds &amp; Unit Trusts:</b>								
Equities	71,478	0	71,478	4	75,171	0	75,171	5
Bonds	165,914	0	165,914	10	161,174	0	161,174	9
Infrastructure	0	138,150	138,150	9	0	136,332	136,332	8
Other	40,635	214,449	255,084	16	37,003	229,410	266,413	16
<b>Derivatives:</b>								
Other	(2,569)	0	(2,569)	0	0	0	0	0
<b>Cash &amp; Cash Equivalents:</b>								
All	49,533	0	49,533	3	41,812	0	41,812	3
<b>Totals</b>	<b>1,106,307</b>	<b>542,858</b>	<b>1,649,165</b>	<b>100</b>	<b>1,066,426</b>	<b>541,036</b>	<b>1,607,462</b>	<b>100</b>



### Basis for estimating liabilities

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

The principal assumptions used by the actuary have been:

	2024/25	2023/24
<b>Mortality assumptions:</b>		
Longevity at 65 for current pensioners:		
Men	20.1	20.2
Women	23.3	23.3
Longevity at 65 for future pensioners:		
Men	21.0	21.1
Women	24.8	24.8
Rate of inflation (CPI)	2.75%	2.75%
Rate of increase in pensions	2.75%	2.75%
Rate of increase in salaries	3.55%	3.55%
Rate for discounting scheme liabilities	5.80%	4.85%

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

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £000s	Decrease in Assumption £000s
Rate of increase in salaries (increase or decrease by 0.5%)	4,415	
Rate of increase in pensions (increase or decrease by 0.5%)	93,430	
1 year increase in member life expectancy	45,902	
Rate for discounting scheme liabilities (increase or decrease by 0.5%)		95,205

## **Impact on the Council's Cash Flows**

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

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

It is estimated that the employers' contributions to the scheme will be approximately £28,064,000 in 2025/26.

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

## **42. Contingent Liabilities**

### **Municipal Mutual Insurance Ltd**

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

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

Therefore, in addition to the 25% levy which has been paid, (£1,298k for Bolton, and £165k for the GMC share), the Council has included for a further 10% (£381k) – giving 35% in total as a provision – based on the advice of the Actuary. The remainder of the total potential liability has been included as a contingent liability (£3,417k in total).

### **Business Rate Appeals**

From April 2013, Bolton Council became responsible for the collection and distribution of National Non-Domestic Rates (NDR). NDR taxpayers can appeal against the Rateable Value (RV) of their property. 99% of the impact of any successful appeal would need to be met by the Council. A provision has been established for the impact

of known appeals. Further appeals may be made but the Council is unable to quantify this potential liability or where properties are moved from the local list to the national list.

### 43. External Audit Costs

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

Description	2024/25 £000s	2023/24 £000s
Fees payable with regard to external audit services carried out by the appointed auditor for the year – Forvis Mazars	351	383
Additional fees in respect of Value for Money	0	0
Fees payable in respect of other services carried out by the appointed auditor for the year – Forvis Mazars	0	0
<b>Total</b>	<b>351</b>	<b>383</b>

#### 44. Trust Funds

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

Description	Balance at 1	Income	Expenditure	Balance at 31	Represented by:		Total
	April 2024			March 2025	Cash / Other Balances	External Investments	
	£	£	£	£	£	£	£
<b>Environmental Services</b>							
Red Lion Playing Field Trust	2,158	0	0	2,158	1,214	944	2,158
Topps Trust Fund	1,647	0	0	1,647	1,647	0	1,647
<b>Children's Services</b>							
Leigh Bramwell	108,027	1,088	108,939	176	176	0	176
Westhoughton Education Trust	40,282	1,185	0	41,467	17,101	24,366	41,467
<b>Total</b>	<b>152,114</b>	<b>2,273</b>	<b>108,939</b>	<b>45,448</b>	<b>20,138</b>	<b>25,310</b>	<b>45,448</b>

## Group Accounts

The Council has prepared the following Group Accounts due to its ownership of Bolton Cares Ltd and its link with PSP Bolton. Details of PSP Bolton are set out in note 15. Prior year adjustments narrative is in note 6.

### Comprehensive Income and Expenditure Statement

Restated 2023/24			Description	2024/25		
Expenditure	Income	Net		Expenditure	Income	Net
£000s	£000s	£000s		£000s	£000s	£000s
137,896	(109,800)	28,096	Leader's Portfolio	122,745	(99,223)	23,522
16,384	(1,954)	14,430	Culture	10,937	(2,719)	8,218
27,222	(10,537)	16,685	Highways, Transport and Regulatory Services	28,288	(12,029)	16,259
2,800	(1,415)	1,385	Stronger Communities	4,638	(1,176)	3,462
364,650	(285,986)	78,664	Children's Services	407,730	(314,990)	92,740
28,905	(10,806)	18,099	Climate Change and Environmental Services	29,628	(10,614)	19,014
180,976	(97,377)	83,599	Adult Social Care and Housing	199,386	(111,253)	88,133
62,981	(19,046)	43,935	Deputy Leader's Portfolio	32,813	(14,236)	18,577
19,749	(350)	19,399	Health and Wellbeing	22,447	(3,301)	19,146
(2,176)	(7,558)	(9,734)	Financial Services	6,005	(7,174)	(1,169)
<b>839,387</b>	<b>(544,829)</b>	<b>294,558</b>	<b>Cost of Services</b>	<b>864,617</b>	<b>(576,715)</b>	<b>287,902</b>
			<b>Other operating expenditure</b>			
		12,536	Gains / losses on disposal of non-current assets			18,825
		35,678	Levies			40,225
		452	Parish Precepts			510
		<b>48,666</b>	<b>Total Operating Expenditure</b>			<b>59,560</b>

Restated 2023/24			Description	2024/25		
Expenditure	Income	Net		Expenditure	Income	Net
£000s	£000s	£000s		£000s	£000s	£000s
		(18,881)	Financing & investment income and expenditure			(13,972)
		(320,874)	Taxation & non-specific grant income			(317,634)
		<b>3,469</b>	<b>Deficit / (Surplus) for year</b>			<b>15,856</b>
		(821)	Share of the surplus / deficit on the provision of services by joint ventures			5
		<b>2,648</b>	<b>Group surplus/deficit</b>			<b>15,861</b>
		(1,100)	Surplus / deficit on revaluation of Property, Plant and Equipment			(20,672)
		(26,345)	Surplus / deficit on Financial Instruments held at Fair Value through Other Comprehensive Income			2,873
		219,275	Remeasurements of the net defined benefit liability / asset			(8,781)
		<b>191,830</b>	<b>Other comprehensive Income</b>			<b>(26,580)</b>
		<b>194,478</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(10,719)</b>

### Movement in Reserves Statement

Summary MIRS	General Fund Balance	General Fund Balance – Collection Fund	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Council Share of Group Reserves	Total Group reserves
Description	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance 1 April 2023</b>	<b>10,660</b>	<b>0</b>	<b>147,731</b>	<b>18,982</b>	<b>63,814</b>	<b>241,187</b>	<b>688,563</b>	<b>7,585</b>	<b>937,335</b>
Adjustments to Opening Balance	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	(2,648)	0	0	0	0	(2,648)	(192,041)	123	(194,566)
Adjustments from income & expenditure charge under the accounting basis to the funding basis	26,633	0	0	5,007	(6,836)	24,804	(24,804)	0	0
Increase or (Decrease) in 2023/24	23,985	0	0	5,007	(6,836)	22,156	(216,845)	123	(194,566)
Transfers to/from earmarked reserves	(23,985)	0	23,486	0	0	(499)	0	92	(407)
<b>Balance at 31 March 2024 carried forward</b>	<b>10,660</b>	<b>0</b>	<b>171,217</b>	<b>23,989</b>	<b>56,978</b>	<b>262,844</b>	<b>471,718</b>	<b>7,800</b>	<b>742,362</b>
<b>Description</b>									
<b>Balance 1 April 2024</b>	<b>10,660</b>	<b>0</b>	<b>171,217</b>	<b>23,989</b>	<b>56,978</b>	<b>262,844</b>	<b>471,718</b>	<b>7,800</b>	<b>742,362</b>
Adjustments to Opening Balance	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	(15,861)	0	0	0	0	(15,861)	24,200	2,380	10,719
Adjustments from income & expenditure charge under the accounting basis to the funding basis	22,541	0	0	(2,166)	(16,274)	4,101	(3,465)	0	636
Increase or (Decrease) in 2024/25	6,680	0	0	(2,166)	(16,274)	(11,760)	20,735	2,380	11,355
Transfers to/from earmarked reserves	(3,180)	0	2,444	0	0	(736)	0	137	(599)
<b>Balance at 31 March 2025 carried forward</b>	<b>14,160</b>	<b>0</b>	<b>173,661</b>	<b>21,823</b>	<b>40,704</b>	<b>250,348</b>	<b>492,453</b>	<b>10,317</b>	<b>753,118</b>

**Balance Sheet**

<b>31 March 2024 £000s</b>	<b>Classification</b>	<b>31 March 2025 £000s</b>
	<b>Property, Plant &amp; Equipment</b>	
440,648	- Other land and buildings	447,184
3,259	- Vehicles, plant, furniture & equipment	13,256
159,125	- Infrastructure	165,592
13,231	- Community assets	6,920
0	- Assets under construction	0
651	- Surplus assets	754
<b>616,914</b>		<b>633,706</b>
66,791	Heritage assets	66,803
45,438	Investment property	53,036
105	Intangible assets	82
431	Investments in Joint Venture	5
51,266	Long Term Investments	48,384
3,237	Net Pensions Asset	5,791
40,902	Long Term Debtors	40,930
<b>825,084</b>	<b>Long Term Assets</b>	<b>848,737</b>
147,751	Short Term Investments	121,328
979	Inventories	745
61,445	Short Term Debtors	63,237
2,698	Prepayments	3,022
50,611	Cash and Cash Equivalents	38,559
<b>263,484</b>	<b>Current Assets</b>	<b>226,891</b>
(31,676)	Short Term Borrowing	(1,618)
(75,480)	Short Term Creditors	(76,248)
(4,476)	Provisions for current liabilities	(4,098)
(10,297)	Revenue Grants in Advance	(12,815)
<b>(121,929)</b>	<b>Current Liabilities</b>	<b>(94,779)</b>
(12,691)	Provisions for long term liabilities	(11,595)
(158,519)	Long Term Borrowing	(158,501)
(3,592)	Other Long Term Liabilities	(2,938)
(44,260)	Net Pensions Liability	(38,969)
(5,215)	Capital Grants Receipts in Advance	(15,728)
<b>(224,277)</b>	<b>Long Term Liabilities</b>	<b>(227,731)</b>
<b>742,362</b>	<b>Net Assets</b>	<b>753,118</b>



31 March 2024 £000s	Classification	31 March 2025 £000s
	<b>Represented by:</b>	
	<b>Usable Reserves</b>	
10,660	- General Fund Balance	14,160
16,642	- Earmarked Statutory Reserves	19,715
7,800	- Group reserves	10,317
154,575	- Earmarked Policy Reserves	153,946
23,989	- Capital Receipts Reserve	21,823
56,978	- Capital Grants Received in Advance	40,704
<b>270,644</b>		<b>260,665</b>
	<b>Unusable Reserves</b>	
288,575	- Revaluation Reserve	296,508
35,418	- Financial Instruments Revaluation Reserve	32,545
(11,211)	- Financial Instruments Adjustment Account	(10,908)
(44,260)	- Pensions Reserve	(38,969)
1,069	- Deferred Capital Receipts	1,020
212,176	- Capital Adjustment Account	233,124
(18,186)	- Dedicated Schools Grant Adjustment Account	(18,186)
13,727	- Collection Fund Adjustment Account	3,467
(5,590)	- Short-term Accumulating Compensated Absences Account	(6,148)
<b>471,718</b>		<b>492,453</b>
<b>742,362</b>	<b>Total Reserves</b>	<b>753,118</b>

## Cash Flow Statement

<b>31 March 2024 £000s</b>	<b>Description</b>	<b>31 March 2025 £000s</b>
2,648	Net (surplus) or deficit on the provision of services	15,861
(57,581)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(63,969)
40,979	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	29,727
<b>(13,954)</b>	<b>Net cash flows from Operating Activities</b>	<b>(18,381)</b>
28,779	Investing Activities	6,478
(19,385)	Financing Activities	23,954
<b>(4,560)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>12,051</b>
46,051	Cash and cash equivalents at the beginning of the reporting period	50,611
4,560	(Decrease) or Increase in cash as above	(12,052)
<b>50,611</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>38,559</b>

## Group Accounting Policies

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

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

It is to be noted that some employees of Bolton Cares are part of the LGPS.

## Pension Scheme – Group Summary

Transactions Relating to Retirement Benefits.

	2024/25 £000s	2023/24 £000s
<b>Comprehensive Income and Expenditure Statement</b>		
<b>Cost of Services:</b>		
Current service cost	26,096	26,221
Past service costs	3,263	2,072
Effect of Settlements	761	0
<b>Financing and Investment Income and Expenditure</b>		0
Net interest on assets and obligations	(14,417)	(9,986)
Interest on Asset Ceiling	16,387	2,007
<b>Total Post Employment Benefits Charged to the Deficit on the Provision of Services</b>	<b>32,090</b>	<b>20,314</b>
<b>Other Post-employment Benefit Charged to the CIES</b>		
<b>Remeasurement of the net defined benefit liability comprising:</b>		
Return on plan assets (excluding the amount included in the net interest expense)	15,255	(37,094)
Actuarial gains and losses arising on changes in demographic assumptions	(2,331)	(9,172)
Actuarial gains and losses arising on changes in financial assumptions	(194,048)	(72,866)
Other	(14,444)	42,797
Reversal of prior year Asset Ceiling Adjustment	0	(42,263)
Asset Ceiling calculation adjustment	(354,260)	337,873
<b>Total Post-employment Benefits charged to CIES</b>	<b>(549,828)</b>	<b>219,275</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	32,090	20,314
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>		
Employers' contributions payable to the scheme	31,154	28,873

## 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 plans is as follows:

	Local Government Pension Scheme	
	2024/25 £000s	2023/24 £000s
Present value of the defined benefit funded obligation	1,142,128	1,306,823
Present value of the defined benefit unfunded obligation	20,447	24,747
Fair Value of Plan Assets	(1,670,502)	(1,628,420)
Asset Ceiling Adjustment	(354,260)	337,873
<b>Net liability arising from defined benefit obligation</b>	<b>(862,187)</b>	<b>41,023</b>

### Asset Ceiling

Following the pensions valuation by the Group's actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31st March 2025 resulting in a pension plan asset. IAS19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

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

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Group's actuaries calculate the asset ceiling as the net present value of future service costs less net present value of future contributions. The adjustment will be recognised within other comprehensive income and expenditure of the CIES.

	2024/25 £000s	2023/24 £000s
Present value of the defined benefit funded obligation	1,127,101	1,289,621
Present value of the defined benefit unfunded obligation	20,447	24,747
Fair Value of Plan Assets	(1,649,165)	(1,607,462)
Asset Ceiling Adjustment	541,105	337,873
<b>Net liability / (asset) arising from defined benefit obligation</b>	<b>39,488</b>	<b>44,779</b>

**Reconciliation of the Movements in the Fair Value of Plan Assets**

	Local Government Pension Scheme	
	2024/25 £000s	2023/24 £000s
Opening fair value of scheme assets	1,628,420	1,538,119
late actuarial adjustment	58	(88)
Interest income	78,453	72,603
Effect of Settlements	(6,568)	0
Remeasurement gain/(loss):		
The return on the plan assets, excluding the amount included in the net interest expense	(15,255)	37,094
Contributions from employer	31,154	28,873
Contributions from employees into the scheme	8,870	8,372
Other experience	0	0
Benefits paid	(54,630)	(56,553)
<b>Closing fair value of scheme assets</b>	<b>1,670,502</b>	<b>1,628,420</b>

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

	Funded Liabilities: Local Government Pension Scheme	
	2024/25 £000s	2023/24 £000s
Opening balance at 1 April	1,331,570	1,328,082
late Actuarial adjustment	0	0
Current service costs	26,096	26,221
Effect of Settlements	(5,807)	0
Interest cost	64,036	62,617
Contributions by scheme participants	8,870	8,372
Remeasurement (gains)/losses:	0	0
Actuarial gains/losses arising from changes in demographic assumptions	(2,331)	(9,172)
Actuarial gains/losses arising from changes in financial assumptions	(194,048)	(72,866)
Other	(14,444)	42,797
Past service cost	3,263	2,072
Benefits paid	(54,630)	(56,553)
<b>Closing balance at 31 March</b>	<b>1,162,575</b>	<b>1,331,570</b>

## Pension Scheme Assets

Asset Category	31-Mar-25	31-Mar-24
	£000s	£000s
<b>Equity Securities:</b>	601,494	599,381
<b>Debt Securities:</b>	189,931	161,680
<b>Private Equity:</b>	106,607	111,630
<b>Real Estate:</b>	86,113	65,949
<b>Investment Funds &amp; Unit Trusts:</b>	638,785	647,422
<b>Derivatives:</b>		
<b>Other</b>	(2,602)	0
<b>Cash &amp; Cash Equivalents:</b>	50,174	42,357
<b>Totals</b>	<b>1,670,502</b>	<b>1,628,420</b>

### Basis for estimating assets and liabilities.

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

	2024/25	2023/24
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	19.6	19.7
Women	23.4	23.4
Longevity at 65 for future pensioners:		
Men	20.5	20.6
Women	24.6	24.6
Rate of inflation (CPI)	2.80%	2.80%
Rate of increase in pensions	2.80%	2.80%
Rate of increase in salaries	3.60%	0.00%
Rate for discounting scheme liabilities	5.80%	4.80%

### Group Sensitivity Analysis

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

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

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

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

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £000s	Decrease in Assumption £000s
Rate of increase in salaries (increase or decrease by 0.5%)	4,445	
Rate of increase in pensions (increase or decrease by 0.5%)	94,595	
1 year increase in member life expectancy	46,503	
Rate for discounting scheme liabilities (increase or decrease by 0.5%)		96,370

<b>Collection Fund</b>
------------------------

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

### Income and Expenditure Account

Council Tax 2023/24	NNDR 2023/24	Total 2023/24	Description	Council Tax 2024/25	NNDR 2024/25	Total 2024/25
£000s	£000s	£000s		£000s	£000s	£000s
164,084	0	164,084	<b>Income</b>	175,697	0	175,697
0	83,172	83,172	Council Tax	0	90,832	90,832
<b>164,084</b>	<b>83,172</b>	<b>247,256</b>	Business Rates	<b>175,697</b>	<b>90,832</b>	<b>266,529</b>
			<b>Expenditure</b>			
			<b>Distribution of Previous Year's surplus/(deficit)</b>			
1,362	3,198	4,560	Bolton Council	238	4,834	5,072
0	32	32	Greater Manchester Fire	0	49	49
782	0	782	Mayoral Police and Crime Commissioner Precept	34	0	34
357	0	357	Mayoral General Precept (including Fire Services)	15	0	15
0	0	0	Central Government	0	0	0
			<b>Precepts and Demands:</b>			
133,472	85,454	218,926	Bolton Council	142,260	94,752	237,012
0	0	0	Greater Manchester Fire	0	0	0
19,177	0	19,177	Mayoral Police and Crime Commissioner Precept	20,504	0	20,504
8,509	863	9,372	Mayoral General Precept (including Fire Services)	9,036	957	9,993
0	(5,826)	(5,826)	Transitional Relief	0	(1,070)	(1,070)
0	58	58	Disregarded Amounts	0	0	0
			Business Rates:			
0	404	404	Cost of Collection Allowance	0	404	404
			Appeals:			
0	(9,268)	(9,268)	Provision and Write Offs	0	(958)	(958)
			Allowance for Impairment:			
4,159	295	4,454	Provision and Write Offs	4,108	1,812	5,920
<b>167,818</b>	<b>75,210</b>	<b>243,028</b>		<b>176,195</b>	<b>100,780</b>	<b>276,975</b>
(3,734)	7,962	4,228	Surplus /(Deficit) for the Year	(498)	(9,948)	(10,446)
2,825	6,536	9,361	Surplus / (Deficit) at Beginning of Year	(909)	14,498	13,589
<b>(909)</b>	<b>14,498</b>	<b>13,589</b>	<b>Surplus / (Deficit) at End of Year</b>	<b>(1,407)</b>	<b>4,550</b>	<b>3,143</b>



## Notes to the Collection Fund Accounts

### Council Tax

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

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

This is done by multiplying the number of properties in the band by the specified fraction of the band D charge payable by each band and is shown for 2024/25 in the following table:

Band	Range of Values	Total Number of Dwellings After Adjustments*	Specified Fraction	Band D Equivalent	% of Total Band D
Band A (disabled)	Up to £40,000	115	5/9	64	0.1
Band A	Up to £40,000	44,568	6/9	29,712	36.4
Band B	£40,000 to £52,000	18,417	7/9	14,324	17.6
Band C	£52,001 to £68,000	16,400	8/9	14,578	17.9
Band D	£68,001 to £88,000	9,836	1	9,836	12.1
Band E	£88,001 to £120,000	5,277	11/9	6,450	7.9
Band F	£120,001 to £160,000	2,211	13/9	3,194	3.9
Band G	£160,001 to £320,000	1,785	15/9	2,975	3.6
Band H	More than £320,000	214	18/9	428	0.5
Totals		98,823		81,561	100.0

Estimated collection rate 98%

Council Tax base for tax setting 2024/25 79,930

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

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

From 1st April 2013 National Non-Domestic Rates are organised on a local basis. However, the Government specifies the amount (Standard 54.6p and Small Business 49.9p in 2024/25, compared to 51.2p in 2023/24. Please note the multipliers where split in 24/25) and local businesses pay rates calculated by multiplying their rateable values by that amount.

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

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

The NNDR rateable value for the Council's area at 31st March 2025 was £250,404,218 compared to £249,404,349 at 31st March 2024.

The Gross NNDR debit for the year was £127,556,810 (£126,487,130 after adjustments relating to transitional reliefs and appeals). After adjusting for mandatory and discretionary reliefs the net debit was £90,831,551.

## Statement of Responsibilities for the Accounts

### The Authority's responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Borough Treasurer) has responsibility for the administration of those affairs.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

### The Borough Treasurer's responsibilities

The Borough Treasurer is responsible for the preparation of the Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

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

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code.
- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.
- assessed the Authority's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- used the going concern basis of accounting on the assumption that the functions of the Authority and the Group will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error,

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31st March 2025 and of its income and expenditure for the year then ended.

Graeme Wilson  
Borough Treasurer (s151 Officer)  
25 June 2025

## Annual Governance Statement

### Introduction

- 1.1. This Annual Governance Statement (AGS) provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. A brief summary of significant governance challenges which the Council faces is also given, alongside an explanation of what actions have been taken to bring about required improvements, and what work is still to be done. This provides transparency, and gives assurance that the Council is committed to continuously improve the way in which it functions.
- 1.2. The Council operates in a complex and constantly changing financial, policy and legislative environment; and the role, responsibilities and funding models of local government continue to evolve in response to national, sub regional and local developments. Priorities are informed by this context and are set out in the Bolton 2030 strategy, Vision and Corporate Plan which is based on a programme of continuous engagement of staff, residents and stakeholders across the Borough. Arrangements for the achievement of priorities are set out in corporate and departmental plans and budgets that cascade into service, team and individual plans, targets and performance measures.
- 1.3. The context in which the Council operates are recognised in ongoing planning and support to support residents and businesses across the Borough. The Council is continuing to respond to a range of changes including increasingly complexity of demand and needs of residents; NHS reform and integration of health and care services through the GM Integrated Care System and Bolton Place Based Partnership; delivery of savings and financial resilience; economic development of the Borough through capital investment; work on the delivery of shared sub-regional priorities as part of the GM Combined Authority and Greater Manchester Strategy; and responding to changes in national priorities, legislation and standards.
- 1.4. These ongoing changes present both opportunities and challenges to develop and deliver improved outcomes for Bolton residents. To ensure that opportunities are seized and challenges overcome, the Council must ensure it has strong, transparent leadership, governance and decision making arrangements; robust financial planning, management and control; and a strong programme of prioritisation, business planning, development and improvement work so that it can maintain services for residents which are efficient, effective and value for money using available resources. This document explains the governance mechanisms in place to ensure appropriate oversight of this work.
- 1.5. The Council recognises that self-review, invitation of challenge and commitment to continuous improvement is a core part of good governance. As part of this a Local Government Association Peer Challenge was undertaken and actions have been progressed in response to this. The [report from the review](#) was positive and recommendations largely reflected the self-assessment completed by management and leadership in advance of the review. An action plan was developed and is subject to ongoing review by Members and CLT with the development of integrated risk, finance and performance reporting for example being one of the key outcomes that is

now being implemented. A follow up from the review team was arranged for June 2025.

## Scope of Responsibility

- 1.6. Bolton Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the [Local Government Act 1999](#) to make arrangements to secure continuous improvement in the way in which its functions are exercised.
- 1.7. In discharging these responsibilities, the Council must put in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes arrangements for the management of risk. The Council's Constitution sets out how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.
- 1.8. The Code of Corporate Governance and the [Council's Constitution](#) are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government. CIPFA issued a 2016 update to the Framework, which is applicable for the preparation of the Annual Governance Statement (AGS) and on which the revised Code is based.
- 1.9. This AGS explains how the Council has complied with the Code of Corporate Governance. The AGS also meets the requirements of the [Accounts and Audit \(England\) Regulations 2015](#) regulation 6(1) which requires all relevant bodies to prepare an Annual Governance Statement (AGS).

## The Purpose of the Governance Framework

- 1.10. The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 1.11. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Bolton Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

## The Governance Framework:

1.12. The governance framework has been in place at Bolton Council for the year ended 31 March 2025 and up to the date of approval of the statement of accounts. Key elements of the framework are set out below.

Planning and Performance	<p>A strategic planning system which identifies priorities and key aims. These are set out in the Borough’s Community Strategy: “Bolton: 2030” produced by Bolton’s partnership Bolton Vision. In addition to specific aims the plan embraces the underlying concepts of continuous improvement and delivery of priority developments to address big issues. This vision is supported by economic, regeneration and other development plans and aligns with sub regional priorities set out in the <a href="#">Great Manchester Strategy</a>.</p> <p>The delivery of key aims is addressed through the Corporate Business Planning Process and <a href="#">Corporate Plan</a>. Directorate and Service level Plans are in place and provide a golden thread from Strategy through directorate and service business planning and team and individual objectives. The</p> <p>Directorate and service plans set out how each Chief Officer and their teams will deliver the appropriate strategy outcomes, savings targets, and other divisional priorities.</p> <p>Individual objectives are linked to service plans and are the focus of Personal Development Review conversations that are an integral element of establishing priorities, understanding performance and supporting staff wellbeing. This process has been refreshed in the year to ensure that conversations and annual performance reviews remain a key focus with all our staff.</p> <p>Performance management processes confirm targets for agreed priorities, and are used to monitor and report performance and, where necessary drive improvement actions. Performance reports are reviewed by Departmental and Corporate Leadership Teams and provided to Executive Cabinet Members each quarter to update on key issues including those arising from the monitoring of performance and risks.</p> <p>Reporting of finance, risk and performance is integrated and used internally and made publicly available on the <a href="#">Bolton Council Dashboard</a>.</p> <p>The Council has a strategic budget process, which includes the delivery of the Council’s savings and efficiency programme. This is shaped by the priorities set out in Bolton 2030 and involves engagement with local residents, members and other institutions and stakeholders across the Borough. This process is overseen by the Section 151 Officer and Corporate Leadership Team</p> <p>There is a framework of policy plans (some statutory, some local) which are reviewed periodically and assist policy formulation. Protocols and formal agreements (where appropriate) are in place to manage partnership arrangements.</p>
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<p>Legal and Transparency</p>	<p>Legal, policy and procedural requirements are incorporated in the Council's Constitution and supporting documentation. Compliance is enforced by a range of measures including: Executive Cabinet Member reporting, Member scrutiny, external inspection and audit, performance management and benchmarking, management oversight, internal audit and physical and procedural controls.</p> <p>Legal compliance is overseen by the Borough Solicitor (Statutory Officer) supported by in house legal and democratic services teams, with authority to secure additional, external legal expertise for advice and support on complex matters.</p> <p>Openness is promoted through the Council's website and public access to Council and Committee meetings with agenda and reports available on the Council's <a href="#">website</a> (other than in limited circumstances where consideration of confidential or exempt information means that the public are excluded).</p> <p>The Council ensures compliance with the Transparency Code and responds to requests for information under the <a href="#">Freedom of Information Act</a> and data protection legislation; as well as through a corporate <a href="#">complaints</a> process.</p> <p>Residents and institutional stakeholders are consulted on changes in policy and approach as well as financial planning. Much of this links through the Bolton Vision partnerships and engagement with health education and other services and businesses across the Borough.</p>
<p>Risk</p>	<p>Risk Management processes are in place which include review of strategic risks by the Corporate Leadership Team and Directorate Leadership Teams. These include an assessment of the likelihood and potential impact of risks and the use of registers which record responsibility for managing risk and the action taken. Risks are integrated in the published Bolton Council Dashboard alongside finance and performance information.</p> <p>There are processes for Business Continuity Management including service review of key risks to the commissioning and delivery of services; and development of plans to ensure the ongoing delivery of critical services during times of crisis which could include loss of workforce, ICT or critical buildings.</p> <p>Internal continuity arrangements also link to Incident Response / Civil Contingency Planning that guides the Council's leadership response to critical incidents across the Borough that could include fire, flood or a health related outbreak.</p> <p>The Council has a Senior Information Risk Owner (SIRO) supported by an Information Governance Steering Committee and has adopted wide ranging guidance on information governance, risk and security. This includes processes for assessing the privacy impacts of new policies, systems or procedures and for the identification and management of potential information incidents or breaches.</p>

<p>People</p>	<p><a href="#">Officer and Member Codes of Conduct</a> guide and direct behaviours and standards expected of staff and Councillors.</p> <p>Staff engagement and development through process of staff feedback surveys, personal development reviews and programme of learning and development activity across services.</p> <p>Conduct and behaviours for staff are set out in a behaviours framework that clearly articulates the expectations of all those who work for, or with, the Council. This framework also informs individual development through Personal Development Reviews - a structured approach to strengths based conversations, performance management and personal learning and development.</p> <p>Engagement includes a comprehensive range of staff briefings, engagement events and senior officer leadership sessions. These are supported by regular Chief Executive communications and information cascade through email, team talks and use of the intranet / SharePoint.</p>
<p>Finance</p>	<p>Financial management arrangements comply with the governance requirements of the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010). The Council has a defined s151 officer and follows a clear process for the setting and approval of the budget, monitoring, reporting and completion of statutory accounts.</p> <p>The financial management of the authority is structured through Financial Regulations and Financial Standing Orders set out in the Constitution, which are subject to regular review and approval, supported by a framework of regular management information, administrative procedures, management supervision and a system of delegation and accountability.</p> <p>Value for Money is promoted across the organisation through the Council's corporate planning and budget setting process; commissioning and procurement processes; and performance management arrangements.</p> <p>Internal and External Audit provide independent assessment of the financial management and financial reporting of the Authority</p>
<p>Leadership</p>	<p>Political leadership is derived from the Cabinet which includes the Leader, Deputy Leader and Executive Cabinet Members.</p> <p>Officer Leadership is provided through the Council's Corporate Leadership Team led by the Chief Executive.</p> <p>Chief Officers oversee Directorate Leadership Team meetings to ensure that CLT priorities are cascaded and to enable the coordination of actions and management of risks across services and functions.</p>



<b>Review and Oversight</b>	<p>Audit Committee has responsibility for receiving and providing assurance on arrangements for managing risk, maintaining an effective governance framework and control environment and statutory financial reporting.</p> <p>Scrutiny Committees challenge policies and budget allocations, challenge decisions made by portfolio holders, monitor and challenge performance and make recommendations to the Cabinet/Executive Cabinet Members.</p> <p>There is a process for receiving and reviewing complaints, employee grievances and allegations of wrongdoing through whistleblowing and counter fraud policies and procedures.</p> <p>HR, Internal Audit and Legal Services liaise on key investigations to ensure good practice is shared, sanctions are consistent, and lessons are learned.</p> <p>There is a process for local assessment of allegations of failure to comply with the Code of Conduct for Members.</p>
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## Review of Effectiveness

- 1.13. Bolton Council has responsibility for conducting, at least annually a review of the effectiveness of its governance framework including the system of internal audit. The review of effectiveness is informed by the work of senior officers across the Council who have responsibility for the development and maintenance of the governance environment, the Head of Audit and Risk’s Management’s annual opinion and by comments made by the external auditor and other review agencies and inspectorates.
- 1.14. The review of governance arrangements is defined in the Council’s Assurance Framework as set out below which illustrates the individual elements of assurance.

Component of Governance	Evidence Source
Performance Management	Directorate and Corporate Leadership Team reports Executive Cabinet Member reports Scrutiny Committee reports
Internal Audit	Internal Audit reports and Assistant Director (Assurance and Risk) annual opinion 2024/25 Review of Internal Audit Service and service assessment of compliance with PSIAS
External Audit	Reports to Those Charged with Governance Annual Accounts Opinion Value for Money Opinion Other External Audit Reports
Management	Internal Audits Directorate Business Plans Directorate Performance Reports Reports to CLT and Cabinet Members Directorate and Service Risk Registers
Risk Management	Internal Audit reports and Assistant Director (Assurance and Risk) annual opinion 2024/25 Council and Directorate Risk Registers and Bolton Council Dashboard

Component of Governance	Evidence Source
	Corporate and service business continuity plans Project and programme risk registers Key risk reporting – safeguarding, compliance, health and safety etc by lead officers across the Council.
Legal and Regulatory Assurance	Monitoring Officer and Legal Services reports Legal Services review and commentary on decision reports
Financial Control	Annual Financial Statements External Audit of the Annual Accounts Compliance with CIPFA Role of the Chief Financial Officer Compliance with the CIPFA Financial Management Code Management assurances over core financial systems Internal Audit assurance on core financial systems
Members	Review of Constitution Workplans and reports to Cabinet and Cabinet Members Workplans and reports to Scrutiny Committees Audit Committee workplan and reports
Other	On-going assessment against the CIPFA/SOLACE framework; Delivering Good Governance in Local Government Framework. Feedback from external inspectors and agencies. Feedback from Peer Reviews

## Significant Governance Issues and Development Plan

- 1.15. The Council has continued to maintain good practice during 2024/25. The review process has not identified any significant governance issues necessary to highlight in this statement but there are challenges and opportunities that may impact on future ways of working and governance arrangements that continue to be reflected in the AGS Development Plan.
- 1.16. It is important to distinguish in the AGS between risks and governance challenges. Whilst there are no additional, significant governance issues to report for the year ended March 2025 the Council continues to monitor and respond to a wide range of risks through management and Member reporting structures. The Council will continue to focus on proactively responding to these and they include significant financial challenges and change across all public services, changes and increased complexity in needs, delivery of borough wide regeneration and economic development priorities, inflation and supply chain risks, cyber and ICT security, capacity and capability across the workforce, demographic change, new legislation and the requirement to deliver savings and future financial resilience.
- 1.17. Progress to date and areas of further focus in developing our governance arrangements during 2025/26 will include:

Areas of Focus	Update and Any Further Actions
<p>A report by the Monitoring Officer relating to a number of planning related issues was considered by the full Council on 29 November 2023 and a decision notice from the Planning Inspectorate in 2022 highlighted the need for significant improvement in governance and decision making. These related to a number of areas including the non-payment of refunds and a major planning decision.</p>	<p><b>Complete</b></p> <p>Report of the Monitoring Officer complete.</p> <p>Service change complete</p> <p>Planning fee refunds assessment complete.</p> <p>Oversight by Chief Executive and Director of Place</p>
<p>A substantial loss of money was identified Adults Services Finance and investigation highlighted weaknesses in internal controls. This was identified in 2022/23 but was close to year end and work continued into 2023/24 so is included in this statement</p>	<p><b>Complete</b></p> <p>Internal Audit Investigation and management review complete.</p> <p>Case referred to Greater Manchester Police and subject to ongoing investigation with GMP and Crown Prosecution Service (CPS). Assurance Updates will continue to be provided to CLT Audit Committee as the case progresses. Delays in this process are ongoing and have been escalated with both GMP and the CPS but they are outside Council control and do not constitute a Council governance challenge.</p> <p>Controls Improvement Action Plan place and assured by Internal Audit.</p> <p>Internal Audit Plan annual planning process includes proactive counter fraud work.</p> <p>Oversight on implementation of actions from the Director of Adults Social Services (DASS) and Borough Treasurer.</p>
<p>Refreshing the Council's anti-fraud strategy and associated training and awareness for staff and stakeholders.</p>	<p><b>Complete</b></p> <p>Revision of strategy, policies, procedures including new Counter Fraud Strategy agreed.</p> <p>Briefings and fraud risk assessment work completed with all Directorate Leadership</p>

Areas of Focus	Update and Any Further Actions
	Teams. This work will continue as part of the standard annual audit planning process
<p>Ensuring that structural changes in the NHS and the further development of the Integrated Care Partnership are designed to deliver improved health outcomes for Bolton residents and accountability to key stakeholders.</p>	<p><b>Part Complete</b></p> <p>Led by Director of Adult Social Services and Executive Cabinet member for Adults Social Care (with CLT and Cabinet).</p> <p>Greater Manchester Integrated Care System and Bolton Place Based Partnership established but risks arise from NHS financial challenges and change across the health system is ongoing to embed and develop effective governance across Greater Manchester and the Borough.</p> <p>Working with the trust and health system partners to support strengthening of governance and performance of Greater Manchester Mental Health Trust as a key partner remains an area of focus for the DASS</p>
<p>Internal Audit resources are reduced significantly and this has limited the ability to deliver the annual audit plan as reported to Audit Committee.</p>	<p><b>Part Complete</b></p> <p>Led by Assistant Director (Assurance and Risk)</p> <p>Resourcing strategy being led by Assistant Director (Assurance and Risk) and Director of Corporate Resources. High level strategy utilising external resources shared with Corporate Leadership Team and Audit Committee.</p> <p>Proposals to address capacity and options to strengthen the service and collaboration with Manchester City Council shared in outline with team and to be shared with Audit Committee and stakeholders including Trades Unions with plan for change and resources to follow September 2025.</p>
<p>Risk management strategy and framework for review of risks at strategic and directorate level is inconsistent and has not been updated on a regular basis. A corporate risk register was not in place during 2023/24.</p>	<p><b>Part Complete</b></p> <p>Led by Assistant Director (Assurance and Risk)</p> <p>New Risk Management Strategy agreed by Corporate Leadership Team and Audit Committee set out new approach and timescales for risk review and reporting. Council Risk Register in place and reported to Audit Committee from December 2024.</p>

Areas of Focus	Update and Any Further Actions
	<p>Risk now managed via sharepoint system and integrated into directorate and Council Dashboards but regularity of review and refresh and reporting to Audit Committee needs to be sustained and embedded so this will remain a reported governance challenge to be addressed fully in 2025/26.</p>
<p>Annual Governance Statement has been reviewed and compared to good practice. Recognised areas for development include engagement of directors and service heads in governance self-assessment and strengthening corporate oversight.</p>	<p><b>Part Complete</b></p> <p>Led by Assistant Director (Assurance and Risk) and Director of Corporate Resources</p> <p>Plan for AGS development shared with Director and CLT. Includes new format for statement, heads of service self-assessment; director assurance statements; and establishment of a corporate governance group including finance, HROD and Legal will be finalised and implemented in full for the 2025/26 AGS.</p>

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

Signed:  
Leader of the Council

Signed:  
Chief Executive

## Glossary of Terms

### **ACCRUALS**

Income and expenditure amounts are recognised as they are earned or incurred, rather than as received or paid.

### **ACTUARIAL GAINS AND LOSSES**

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

### **AGENCY SERVICES**

Services performed by or for another Council or public body where the principal (the authority responsible for the service) reimburses the agent (the authority doing the work) the cost of the work carried out.

### **AMORTISATION**

A charge to the comprehensive income and expenditure statement which spreads costs over a number of years in line with the Council's accounting policies.

### **APPOINTED AUDITORS**

These are appointed by the Public Sector Audit Appointments Ltd from major accountancy firms.

### **APPROPRIATION**

The transfer of land and buildings from one service to another.

### **ASSET**

Items of worth that are measurable in terms of value. Current assets may change daily, but the Council is expected to yield the benefit within the one financial year (e.g. short-term debtors). Non-current assets yield benefit to the Council for a period of more than one year (e.g. land).

### **ASSETS HELD FOR SALE**

An asset whose value is likely to be recovered through sale rather than use, that is highly likely to be sold, is available for immediate sale and is being actively marketed.

### **BALANCE SHEET**

A statement of the Council's assets and liabilities at a given date.

### **CAPITAL ADJUSTMENT ACCOUNT**

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the

credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

### **CAPITAL EXPENDITURE OR OUTLAY**

Expenditure on the acquisition of an item of property, plant and equipment or expenditure which enhances the value of an existing item of property, plant and equipment. It includes loans or grants to 3rd parties that are used for such purposes.

### **CAPITAL FINANCING CHARGES**

The annual charge to the Income and Expenditure Account in respect of interest and principal repayments of borrowed money. They include charges from Finance Leases (see below).

### **CAPITAL RECEIPTS**

Proceeds from the sale of land or other capital assets or the repayment of capital grants or loans. The receipts are available to finance other items of capital spending or to repay debt after any payment to due government has been made.

### **CI&E(S)**

Comprehensive Income & Expenditure (Statement).

### **CODE**

2024/25 Code of Practice on Local Authority Accounting.

### **COLLECTION FUND**

A statutory account maintained by the Council responsible for collecting Council Tax. Income received from taxpayers is held in this account and distributed to precepting authorities.

### **COMMUNITY ASSETS**

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

### **CONDITIONS**

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

### **CORPORATE AND DEMOCRATIC CORE**

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

### **CREDITORS**

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

### **DEBTORS**

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

### **DEDICATED SCHOOLS GRANT (DSG)**

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

### **DEFERRED CHARGES**

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

### **DEFINED BENEFIT SCHEME**

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

### **DEFINED CONTRIBUTION SCHEME**

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

### **DEPRECIATION**

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

### **FAIR VALUE**

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

### **FINANCE LEASE**

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

### **FINANCIAL INSTRUMENTS**

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

### **GENERAL FUND**

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

### **GOVERNMENT GRANTS**

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

## **HERITAGE ASSETS**

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

### **HISTORIC COST**

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

### **IFRS**

International Financial Reporting Standards.

### **IMPAIRMENT**

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

### **INFRASTRUCTURE ASSETS**

Items of property, plant and equipment that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

### **INTANGIBLE ASSETS**

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

### **INTEREST COST (PENSIONS)**

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

### **INVENTORIES**

Inventories comprise the following categories:

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

## **INVESTMENTS**

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

### **INVESTMENT PROPERTY**

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

### **LATC**

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

### **MINIMUM REVENUE PROVISION (MRP)**

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

### **MOVEMENT IN RESERVES STATEMENT (MIRS)**

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

### **NATIONAL NON-DOMESTIC RATES (NNDR)**

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

### **NET BOOK VALUE (NBV)**

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

### **NON-DISTRIBUTED COSTS**

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



### **OPERATING LEASES**

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

### **OUTTURN**

Actual Income and Expenditure in a financial year.

### **PENSION ASSET CEILING ADJUSTMENT**

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

### **PRECEPT**

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

### **PREMIUMS**

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

### **PROPERTY, PLANT AND EQUIPMENT**

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

### **PROVISIONS**

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

### **PUBLIC WORKS LOAN BOARD (PWLB)**

An arm of Central Government which is the major provider of loans to finance long-term funding requirements for Local Authorities

### **REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY**

Remeasurement of the Net Defined Benefit Liability (asset) comprises:

- a) actuarial gains and losses
- b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
- c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

### **RESERVES**

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

### **REVENUE EXPENDITURE**

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

### **REVENUE SUPPORT GRANT (RSG)**

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

### **SeRCOP**

CIPFA Service Reporting Code of Practice 2024/25.

### **SURPLUS ASSETS**

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

### **TRUST FUNDS**

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