HALTON
BOROUGH COUNCIL

STATEMENT OF ACCOUNTS

2024/25

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Narrative Report by the Director of Financial Services

Introduction

The aim of this narrative is to provide an understandable guide to the Council's year-end financial position and future outlook which are relevant to the performance of the Council.

The Statement of Accounts sets out the Council's income and expenditure for the year and also provides a snapshot of the financial position as at 31st March 2025. Included are core financial statements supported by supplementary statements, which will help to provide an analysis of the financial performance of the Council over the financial year 2024/25.

Whilst the publication of the Statement of Accounts is a statutory requirement, the purpose is to provide stakeholders with clear information regarding the Council's financial performance over the past year. The Council continues to review the style and content of information within the Statement of Accounts to ensure the content included is relevant and material from both a quantitative and qualitative viewpoint.

The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting 2024/25 (known as The Code), which in turn is underpinned by International Financial Reporting Standards.

The Core Statements are:

- **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 which is funded from taxation. The end result is a very different position to how net outturn spend compared to budget is reported. A reconciliation between the two is provided as part of this narrative statement and also the Expenditure and Funding Analysis Statement, included within Note 1.

- **Balance Sheet** – The Balance Sheet shows the value as at 31st March 2025 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.

- **Movement in Reserves Statement** – 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 (both capital and revenue) or reduce local taxation, and "Unusable Reserves", reserves which highlight changes to unrealisable gains or losses.

- **Cash Flow Statement** – this statement shows the changes in cash and cash equivalents (cash invested for 3 months or under) 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. 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.

- **Notes to the above Statements** – extensive notes to support the core statements are set out in accordance with the requirements of the Code. The notes shall:
    1. Present information about the basis of preparation of the financial statements and the specific accounting policies used.
    2. Disclose the information required by the Code that is not presented elsewhere in the core financial statements.

The Supplementary Financial Statements are:

- **Collection Fund Account** – this is a statement that reflects the statutory obligation for the Council as a billing authority to maintain a separate Collection Fund. The statements show the transactions of the Council in relation to the collection from taxpayers and distribution to major and local preceptors of council tax and non-domestic rates.

Other Statements / Financial Reports are:

- **Statement of Responsibilities for the Statement of Accounts** – this statement sets out the responsibilities of the Council and the Chief Financial Officer (Section 151 Officer).
- **Statement of Accounting Policies** – this statement explains the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.
- **Independent Auditor's Report to Members** – this is the report and certificate following the external audit of the Council's accounts, carried out by Grant Thornton UK LLP.

Organisational Overview

The Council is structured with an Executive Board comprising ten portfolio holders, whose areas of responsibility reflect the Council's corporate priorities. There are six Policy and Performance Boards and an Audit and Governance Board, which also reflect the corporate priorities and undertake an overview and scrutiny role, along with a number of regulatory and other boards. Financial and non-financial key performance indicator data is reported to Policy and Performance Boards on a quarterly basis and is published on the Council's website. Council-wide revenue and capital financial performance is reported to Executive Board every other month.

Council Operational Structure

The Council's operational structure is made up of five directorates, led by Executive Directors, who along with the Chief Executive make up the Council's senior management team. It has responsibility for the day-to-day management of the Council and responsibility for delivering the priorities set out within the Corporate Plan.

The five directorates are:
• Adults Directorate
• Chief Executive's Directorate
• Children's Directorate
• Environment & Regeneration Directorate
• Public Health Directorate

Governance

Further details regarding the effectiveness of the Council's governance arrangements can be found in the Annual Governance Statement which is reviewed, reported and published annually alongside the Statement of Accounts.

Partnership Working

The Council operates with a Joint Senior Leadership Team (JSLT) between HBC Adult Social Care and NHS Cheshire and Merseyside Integrated Care Board (ICB), responsible for the direction, oversight and monitoring of the Better Care Fund (BCF) Plan and associated Pooled Budget. The JSLT is supported in this duty via the Better Care Commissioning Advisory Group (BCCAG). The BCCAG reviews in detail information pertaining to the BCF Plan, impact of the Pool Budget, quality, performance, activity and finances, and make recommendations to the JSLT on remedial action plans or future use of the Pool as appropriate.

By working together collaboratively and in partnership, the JSLT is able to achieve and sustain good health and wellbeing for the people of Halton and is able to provide a range of options to support people in their lives by jointly designing and delivering services around the needs of local people rather than focusing on the boundaries of individual organisations. This aids in the ability to ensure that services are sustainable, particularly with continued challenges.

The Council is a member of the Liverpool City Region (LCR) Combined Authority and works closely with the other five member councils in respect of a number of key service areas, including economic regeneration, highways and transport services. In addition, the Council is part of the LCR Business Rates Retention pilot scheme, designed to incentivise councils to develop their local economy by permitting them to retain any resulting growth in business rates. The pilot scheme will continue to operate through 2025/26, however participation in the scheme beyond March 2026 is uncertain.

Corporate Plan

In March 2024 the Council approved a new Corporate Plan. The Corporate Plan sets out the Council's priorities and ambitions of what it wants to achieve for the residents, communities, and businesses of Halton between 2024 and 2029.

The Corporate Plan has six priority areas, consisting of:

Priority 1 - Improving Health, Promoting Wellbeing and Supporting Greater Independence - Encouraging good quality health, wellbeing and social care, by involving everyone in our community. To support the people of Halton to feel safe, be active, happy and lead their best lives.

Priority 2 - Building a Strong, Sustainable Local Economy - Fostering a strong, diverse local economy where there is access to good jobs and successful businesses in our community, providing opportunities for all.

Priority 3 - Supporting Children, Young People and Families - Supporting families to nurture and protect every child and young person and raise their aspirations. We will invest in Early Years, education and youth provision to ensure they reach their full potential and help Halton families flourish.

Priority 4 - Tackling Inequality and Helping Those Who Are Most In Need - Addressing inequalities by helping the people of Halton to receive the good quality and accessible advice, information and services that they need to achieve their aspirations and ambitions.

Priority 5 - Working Towards a Greener Future - Working with everybody to keep our neighbourhoods clean and tidy, and create a sustainable environment for current and future generations.

Priority 6 - Valuing and Appreciating Halton and Our Community - Supporting Halton's residents to live in decent and affordable homes, surrounded by safe and thriving communities.

Transformation Programme

Public Sector austerity continues to have a significant impact on the Council. Using the Government's own interpretation of Spending Power, since 2010/11 Halton has had its spending power reduced in real terms by £46.7m (22%), the equivalent of £790 per dwelling. This compares to an average reduction for all English councils of 15.9%, the equivalent of £504 per dwelling. This continues to bring exceptional challenges for the Council in setting a robust, balanced budget each year whilst continuing to deliver high quality, essential public services. During the same period, demand, increasing complexity of care and costs for adults' and children's social care services continues to increase, adding further challenges and pressures on the budget.

On 1st February 2023 Council approved the three-year transformation programme and funding arrangements. The programme formally commenced on 1st April 2023, and is an addition to the Council's establishment using a mix of seconded employees from other service areas and external expertise. The programme is funded through £7m of capital receipts as per the capitalisation direction agreed with Central Government. At the time of approving the programme it was tasked with finding efficiency savings of £20m over the three years through to March 2026.

The delivery phase of the programme has looked at a number of priority action areas including:

- Enabling Greater Independence and Flexibility for Adults.
- Becoming an Employer of Choice.
- Simplifying the Customer Journey – a digital vision and delivery strategy for the Council linked to focused investment in long term delivery capability, people and platforms.
- A Stable, Sustainable Children's Service
- Environment and Regeneration – Maximising Outcomes and Opportunities
- Environment and Regeneration – Accelerating Growth

On 11th July 2024 Executive Board approved the establishment of a Transformation Programme Board and a working party consisting of ten executive members. Created in order to provide more intensive governance to the operation of the Transformation Programme. This is due to breadth and depth of the projects within the programme growing, the monitoring of project performance, the interface with other disciplines within the Council, and the monitoring and management of benefits, risks and issues having become more complex.

The ability to deliver the £20m programme target through to March 2026 is very unlikely based on current progress against project timescales. Given the increasing pressure on the Council budget and widening budget deficit over the medium term, it requires an expanded programme to be developed to deliver much larger savings. This will be achieved through a refocus of programme activity, linked to prioritising activity that will generate the greatest level of return based on benchmarking analysis comparing the Council against authorities with similar characteristics to Halton.

Children's Services

In May 2024 Ofsted undertook a Children's Services inspection, it found there had been a significant deterioration in the quality of practice for children and young people since the last inspection in March 2020, when services for children were judged to be 'requires improvement to be good'. A lack of stable and effective leadership had led to shifting strategic priorities and an absence of continuous systematic improvement planning. This had been further compounded by weak governance arrangements, limited performance information and workforce instability.

The report did identify early signs of progress through the newly appointed permanent Director of Children's Services (DCS) and leadership team having a solid understanding of many service weaknesses. It found work had focused on building the scaffolding needed to support steady and sustainable improvement, staff and partners were starting to be reengaged and governance mechanisms were being strengthened and supported by improved performance monitoring.

The report identified 12 areas requiring improvement:

1. Partnership arrangements, so that these provide effective governance and lead to effective multi-agency support for children and young people.
2. The identification of, and response to, risk by social workers, so that children and young people receive a swift and robust response, including timely, effective strategy meetings and coherent multi-agency work.
3. The quality of social work practice, specifically assessments, plans and planning, including for disabled children, and the timely and effective transition planning for young people leaving care.
4. The quality of help and support for children with vulnerabilities, specifically children aged 16 and 17 years who present as homeless, the response to children who go missing from home and care, and young carers.
5. The identification, assessment and support for those children living in private fostering arrangements and those living with kinship carers.
6. The timeliness of decision-making for children and young people, specifically when children come into care, so that children achieve permanence without delay. This includes the effectiveness of independent reviewing officers (IROs), so that concerns relating to care planning are identified, escalated and quickly resolved.
7. The sufficiency of suitable placements to meet children's and young people's assessed needs, including increasing the use of 'staying put' arrangements.
8. The support for children in care, so that they can safely have family time with those who are important to them.
9. The quality of support, advice and guidance for care leavers, including those with additional vulnerabilities, to ensure that this is timely, consistent and responsive to levels of need.
10. The quality of visiting and direct work with children and young people, including life-story work.
11. Social workers' and foster carers' access to, and completion of, relevant training, so that they are supported to deliver good-quality services for children and young people.
12. The quality of supervision and oversight of frontline practitioners so that children and young people receive a timely, consistent service that is responsive to their needs, and meets those needs.

To help support the much needed improvements to the service and to create an action plan to address the 12 areas of improvement, a Halton Improvement Board for Services to Children was created with four principal aims:

1. To ensure that improvements are delivered across all agencies that support and deliver services for children in Halton to ensure that all children and young people in the area have the opportunity to reach their full potential.

2. To oversee the development and sustainable implementation of a restorative approach that works *with* families to enable positive change
3. To oversee, support and challenge the Children and Young People's Plan, the Children's Services Improvement Plan and SEND Action Plan, documents that address the deficits and concerns found by Ofsted and CQC.
4. To ensure partnership alignment, at both strategic and operational levels, to support the coordinated delivery of services for children and young people in Halton and ensure all partners can make effective contributions to early help, to support child in need and child protection plans and to children in care and care leavers as corporate parents, so as to improve outcomes for these children and young people.

The Improvement Board meet on a monthly basis with the Chair being an Independent Improvement Advisor and the membership including key external partners as well as key officers across the Council. The Board review, monitor and RAG rate progress and impact against the 12 key areas. To date 7 of the 12 areas are rated green for progress, meaning that activity is expected to be complete or activity is on track to meet timescales. The other 5 are rated Amber, whilst activity is in progress, it may not achieve the deadline. With regard to impact one area is rated green, with evidence of impact and in line with expectations. The remainder are rated Amber, with evidence of some progress on impact.

On 24th October 2024, Executive Board approved annual investment of £4.2m in each of the next three years to invest into the Improvement Programme for Children Services. As well as addressing the concerns raised by Ofsted there is a wider need to redesign the Children's Services system for Halton to refocus as an early intervention and prevention system and to address the exponential growth in expenditure. The aim of the redesign is to develop and implement transformation of the system in a sustainable manner. From a financial perspective the funding will bring about financial recovery for Children Services (supported by the Transformation Programme) through cost control and reductions to two key spend areas, agency staffing and residential placements.

Financial Performance 2024/25

The Council incurs both revenue and capital expenditure. Revenue expenditure is generally on items which are used in the year and net expenditure is generally financed by council tax, retained business rates and top-up funding. Capital expenditure generally has a life beyond one year and increases the value of an asset. The financing of capital expenditure is charged to revenue over a number of years in accordance with statutory requirements.

The Council operates a pilot scheme for the retention of 99% of business rates (the remaining 1% going to Cheshire Fire and Rescue Service). The pilot is part of a scheme with all six member authorities of the Liverpool City Region. Government gave a guarantee that as a result of the pilot the Council would be no worse off than had it continued with business rate retention of 49%.

The impact of the pilot scheme for the Council during 2024/25 is that both Revenue Support Grant and Improved Better Care Fund are no longer paid as separate grants but instead replaced by the additional retained business rates and an increased element of top-up funding.

On 6th March 2024 Council set a 2024/25 revenue budget of £149.5m. At the same time Council approved a council tax requirement for the year of £64.0m, setting the Band D rate at £1758.89 (excluding preceptors). This was inclusive of a 2.99% increase to basic council tax and a 2% increase to the Adult Social Care precept levy.

For 2024/25 the Council's total Government Settlement Funding Allocation was £58.0m. This is made up of £54.1m Business Rates Baseline Funding and Top-Up Grant of £3.9m. The increase to the Settlement Funding Assessment from 2023/24 was £4.6m Government also continued to provide the social care grant worth £13.7m to Halton. Whilst this represented an increase of £2.1m (18%) on the previous year, it was insufficient to keep pace with increasing demand and complexity of care for both children's social care and adult social care.

There was an increase to the Market Sustainability and Improvement Fund Grant, worth £2.8m to Halton. This grant is aimed at addressing pressures within adult social care, specifically to address discharge delays, social care waiting times, low fee rates and workforce pressures.

Funding of the Council's budget position continues to be driven by locally raised taxes (i.e.. council tax and business rates) as opposed to support from Central Government. In 2010/11 local taxes accounted for 60% of the Council's net budget, compared to over 97% for 2024/25.

Frequency of financial performance and outturn forecasts of the Council's annual net spend were increased from quarterly to bi-monthly during 2024/25. This helped the Council act in a more timely manner to the worsening budget position. Financial performance reports are shared with both the Council Executive Board and the Policy and Performance Boards.

A budget risk register is maintained and updated on a bi-monthly basis, key risks are evaluated and control measures put in place.

Overall, the Council reported net spend for the year of £165.6m, £16.1m over the original budget of £149.5m. The final position was an improvement on the forecast outturn of £18.9m estimated at the end of January 2025 but still represents a major concern for the Council given the value of the overspend. Further details on day-to-day operational spending are included further on in this report.

The final overspend against budget was funded through both a combination of earmarked reserves and use of Exceptional Financial Support provided by Government. This had the impact of the Council's General Fund balance of £5.1m remaining consistent from the reported position as at 31st March 2024.

The Council holds earmarked reserves which have been set aside to cover known future one-off costs. These reserves are reviewed on a bi-monthly basis and released for general fund purposes where possible. The value of earmarked reserves as at 31st March 2025 total £27.6m.

Details of the earmarked reserves are shown in Note 36.

The table below shows the movement on the Council's General Fund position compared to budget.

	2024/25 Original Budget £000	2024/25 Actual £000
Net Expenditure	149,496	160,617
Parish Precepts	214	214
Total	**149,710**	**160,831**
Financed by Local Taxpayers – Council Tax	(64,253)	(64,253)
Financed by Local Taxpayers – Business Rates	(63,091)	(63,091)
Financed by Section 31 Grant*	(15,141)	(16,262)
Financed by Local Taxpayers – Council Tax Surplus	(2,706)	(2,706)
Financed by Top-Up Funding	(4,519)	(4,519)
(Surplus)/Deficit for Year	**-**	**10,000**
Use of Exceptional Financial Support	**-**	**(10,000)**
General Fund Balance Brought Forward	**(5,149)**	**(5,149)**
General Fund Balance Carried Forward	**(5,149)**	**(5,149)**

*Note – Actual level of NNDR Section 31 receipts in 2024/25 of £16.262m was £1.121m higher than forecast when the 2024/25 budget was set due to an in-year recalculation of the grant to the Council.

Financial Performance 2024/25 – Operational Spending

In overall terms, net Council spending as at 31st March 2025 was £16.073m over budget. This is an improvement from the forecast outturn position of £18.906m reported at the end of January 2025. Whilst an improved position, given the scale of the budgetary overspend it was clear the level of Council reserves was insufficient to meet the scale of additional costs over the approved budget, therefore during the year Council were actively engaging with the Ministry of Housing, Communities and Local Government (MHCLG) to secure Exceptional Financial Support (EFS).

As part of the review of earmarked reserves at financial year-end, the Council were able to utilise earmarked reserves to go some way to balancing the budget. This left a figure of £10m which the Council funded from borrowing via the approval of Exceptional Financial Support.

The largest pressure on the Council's budget continued to be within the Children & Families Department and the Adults Directorate. Against Children & Families, operational net spend for the year was £6.132m (15.5%) above 2023/24 actual spend. Against the Adults

Directorate, net operational spend for the year was £4.873m (9.0%) higher than 2023/24 actual spend.

The use and cost of agency staff continues to be one of the main contributing factors to the overspend position for the year. This was most evident within the Children & Families Department and the Care Homes Division. Initiatives and support from the Transformation Programme are ongoing to reduce reliance upon agency staff.

Detailed information on the Council's 2024/25 financial performance can be found on the Council's website at this link.

Exceptional Financial Support

The Exceptional Financial Support (EFS) process exists to support councils facing unmanageable financial pressures. This government understands that fragility in the system has left some councils in difficult positions and recognises that support is required in exceptional circumstances to balance budgets.

Exceptional Financial Support was provisionally agreed by the Ministry of Housing, Communities and Local Government (MHCLG) on 24th February 2025. With respect to the financial years 2024/25 and 2025/26, the Deputy Prime Minister was minded to approve a capitalisation direction of a total not exceeding £52.8m million. The total is broken down by each financial year as follows:

- £20.8m in 2024/25.
- £32m in 2025/26.

In practice, whilst the Council had provisional approval for £20.8m of EFS for 2024/25 only £10m of this was required to balance the budget.

Consistent with those councils that have previously sought Exceptional Financial Support, in order for MHCLG to provide a final capitalisation direction, the council is required to undergo an external assurance review which will include, but will not be limited to, an assessment of the council's financial position and governance arrangements. The scope of the review may be extended to consider any other relevant issue that is deemed necessary.

Schools

Expenditure incurred in relation to the Schools budget, both by individual schools and the Council totalled £100.1m and is shown in more detail in Note 8.

School balances at 31st March 2025 total £6.2m (£6.5m 31st March 2024).

At 31st March 2025 there was a deficit of £14.469m (£5.3m as at 31st March 2024) of schools related central spend compared to the available funding. This balance will be carried forward into 2025/26. The main budget pressures against the Dedicated Schools Grant relates to High Needs. The in-year overspend for High Needs block was substantial due to the ongoing pressures of increasing volumes of pupils requiring an Education, Health and Care Plan (EHCP) with all associated costs including top-up funding as well as high-cost specialist placements in or out of Borough. The notable areas of overspend include:

- Independent and Non-Maintained Special Schools (INMS) out of borough placements
- Post-16 SEND placements
- EHCP top-up funding in Maintained and Academy provision

The Council are currently working with the Department for Education as part of the Delivering Better Value (DBV) in SEND programme, aiming to support local authorities and their local area partners to improve the delivery of SEND services for children and young people whilst working towards financial sustainability.

DBV is a Department for Education programme working to identify and implement local opportunities to improve the outcomes for children and young people with SEND across 54 LAs, and aid local systems (alongside existing local and other DfE programmes) in their objective of achieving financial sustainability.

Halton was identified as eligible to apply for DBV grant funding and subsequently a grant application was submitted on the 20th December 2023. The Council requested £1m of grant funding, primarily to build resilience across all educational systems to support and include learners with Social, Emotional Mental Health Needs.

The initiatives outlined in the Council's bid were designed to allow schools and settings to support SEND children effectively, without necessarily having to request an Education Health and Care assessment, alleviating the demand for specialist placements, and reducing both the risk of out of borough placement and permanent exclusions.

The scale of the deficit is a huge concern for the Council. There is currently a statutory override in place which ensures the DSG deficit is excluded from the Council's balance sheet up to 31st March 2028.

Comprehensive Income & Expenditure Statement

As previously mentioned, the Council's overspend position of £16.073m against budget was funded from both earmarked reserves and Exceptional Financial Support which helped to protect the General Fund position. Therefore, whilst there was no movement to the General Fund balance, the accounting position presented in the Comprehensive Income & Expenditure Statement (CIES) shows a deficit for the year of £75.314m. The CIES takes a wider view of financial performance than that shown in the General Fund and shows the true accounting position for the year. This surplus represents the total amount by which the Council's equity has increased over the year as shown in the Balance Sheet.

Supporting the CIES is the Expenditure and Funding Analysis included in Note 1 to the accounts. It shows the movement by Council directorate from the year-end outturn position reported to the Council's Executive Board to what is included in the deficit position on the provision of services, included as part of the CIES.

The table below reconciles the General Fund overspend, via the deficit position on the provision of services, to the total surplus for 2024/25 on the Comprehensive Income & Expenditure Statement. Included below the table are supporting notes to the amounts within the table.

	2024/25 £000
General Fund Overspend	**-**
Accounting Adjustments Provision of Services:	
Adjustment for Capital Purposes	
- Depreciation, Impairment and Revaluation Losses of Non-Current Assets	33,573
- Capital Grant Income	(20,770)
- Revenue Expenditure Funded from Capital	12,356
- Gain on De-Recognition of Non-Current Assets	8,281
- Minimum Revenue Provision	(13,510)
- Exceptional Financial Support	10,000
- IFRS Revaluation of Mersey Gateway PFI Liability	46,117
- Other Capital Adjustments	(22,121)
Pension Adjustments	(2,317)
Movement in Reserves	7,893
Other Differences	9,393
Deficit on the Provision of Services	**68,895**
Accounting Adjustments Other:	
Deficit on Revaluation of Non-Current Assets	(2,615)
Loss on Pension Assets	18,687
Gain on Pension Assumptions (Demographic, Financial and Other)	(89,061)
Pension Asset Ceiling Adjustment	77,470
Pension Other Experience	(5,241)
Revaluation of Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,349
Total Comprehensive Income & Expenditure	**69,484**

	2024/25 £000
General Fund Overspend	**-**
Accounting Adjustments Provision of Services:	
Adjustment for Capital Purposes	
- Depreciation, Impairment and Revaluation Losses of Non-Current Assets	33,573
- Capital Grant Income	(20,770)
- Revenue Expenditure Funded from Capital	12,356
- Gain on De-Recognition of Non-Current Assets	8,281
- Minimum Revenue Provision	(13,510)
- Exceptional Financial Support	10,000
- IFRS Revaluation of Mersey Gateway PFI Liability	46,117
- Other Capital Adjustments	(22,121)
Pension Adjustments	(2,317)
Movement in Reserves	7,893
Other Differences	9,393
Deficit on the Provision of Services	**68,895**
Accounting Adjustments Other:	
Deficit on Revaluation of Non-Current Assets	(2,615)
Loss on Pension Assets	18,687
Gain on Pension Assumptions (Demographic, Financial and Other)	(89,061)
Pension Asset Ceiling Adjustment	77,470
Pension Other Experience	(5,241)
Revaluation of Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,349
Total Comprehensive Income & Expenditure	**69,484**

Adjustment for Capital Purposes

- Depreciation and Revaluation Loss of Non-Current Assets – Reflects the annual cost of assets consumed during the year
- Capital Grant Income – Used to help fund the capital programme, recognised in the CIES in line with proper accounting practice.
- Revenue Expenditure Funded from Capital – Capital funded expenditure charged to the CIES under statute.
- Loss on De-Recognition of Non-Current Assets and Financial Instruments –Net capital receipt loss over the year and loss on transfer of academies.

- Minimum Revenue Position – Amount set aside in the General Fund to recognise the repayment of debt. In line with proper accounting practice this is not required to be included in the CIES.
- IFRS Revaluation of Mersey Gateway Liability – Accounting adjustment only relating to the liability relating to the MG unitary charges, in accordance with statutory accounting practice.
- Exceptional Finance Support – Capitalisation of running costs as per agreement with MHCLG.

- **Pension Adjustments** - Denotes the difference between the accounting cost of pensions (included in the CIES) and the actual employer contributions to the pension fund. More information on pensions is included elsewhere within the narrative report.
- **Movement in Reserves** - As per proper accounting practice, changes to reserves are not required to be included in the CIES.
- **Other Differences** – Includes the Collection Fund adjustment, i.e. the difference between amounts credited to the CIES and amounts to be recognised under statutory provisions relating to council tax and business rates.
- **Deficit on Revaluation of Non-Current Assets** - Decrease in the value of those non-current assets that have been revalued during the year.
- **Loss on Pension Assets / Gain on Pension Adjustments** – Information on these adjustments is included within the Pension Liability heading as part of the narrative report.
- **Pension Asset Ceiling Adjustment** – An adjustment to reflect the amount by which the pension asset attributable to the Council exceeds the accrued pension liability, which is not able to be immediately realised by the Council.
- **Revaluation of Financial Assets Measured at Fair Value Through Other Comprehensive Income** – Increase in the value of financial instruments held. This has no impact on the General Fund.

Capital Planning

The Council prepares and reports on a rolling capital programme to forecast the probable level of capital spend over the next three years, along with the likely sources of funding. The Council also maintains a capital reserve, which has been generated from revenue contributions in order to support funding the capital programme. The forecast shows that there are sufficient resources over the medium-term to cover the current capital programme, funded from borrowings, grants, revenue contributions, capital receipts and use of reserves.

At 31st March 2025 unused capital receipts were £2.2m, and the balance on the revenue backed capital reserve was £0.5m. The forecast level of receipts as at 31st March 2028 is £1.4m. This is inclusive of meeting the costs of the Transformation programme over the next year.

The Council considers any new additions to the capital programme in light of the resources available.

On 5th March 2025, Council approved the 2025/26 Capital Strategy. This helps to provide a high-level, long-term overview of how capital expenditure, capital financing and treasury management will contribute to the provision of services. It also provides an overview of how associated risks are managed and implications for future financial sustainability. The Council's Asset Management Working Group meet on a quarterly basis to plan and develop the Council's Asset Management Plan.

Capital Expenditure

The Council spent £49.4m on capital schemes in 2024/25 compared with planned expenditure of £50.7m (which historically assumes 20% slippage in the £43.4m capital programme). The shortfall of spending is linked mainly to delays on Bridge & Highway Maintenance schemes and the Town Deal schemes. Major elements of spend on the 2024/25 capital programme include £8.9m on Halton Leisure Centre and £3.2m on the Town Deal Programme.

Analysis of capital expenditure is included as part of the notes to the financial statements in Note 16.

Pension Liability

Under International Accounting Standard 19, the Council is required to adjust its accounts to reflect the activities of the two major pension providers, the Cheshire Pension Fund and the Teachers' Pension Agency.

As at 31st March 2025, the Council has defined pension net liabilities of £4.0m. This is a decrease of £0.5m to the net liabilities of £4.5m from 31st March 2024. Scheme obligations have decreased by £69.7m over the course of the past year, and there has been an increase of £14.4m linked to the scheme assets attributable to the return on plan assets. Due to accounting regulations the net pension asset value has been reduced by £221.1m due to the asset ceiling calculation. Please see Note 32 for further details.

Funding levels of the pension fund are monitored on an annual basis. Following the triennial review in 2022, Council contribution rates to the pension fund have reduced from 20.5% to 20.0% for 2024/25. Rates will remain at 20% for 2025/26 following which it is proposed will reduce by 1% in each of the following three years.

Treasury Management

The Council operates within a Treasury Management framework, which requires that each year a strategy is prepared including setting prudential indicators to form a framework for the Council's borrowing and lending activities. The Council has adopted the CIPFA Code of Practice on Treasury Management. Performance is regularly monitored throughout the year with reports presented to the Council's Executive Board at the halfway point of the year and a report on the final outturn position.

Over the past year there has been a steady decrease on the Bank of England base rate, reducing from the peak of 5.25% in July 2024 to 4.25% in June 2024. Given the Council's financial position with a steady reduction in reserves and net costs increasing on the general budget and Dedicated Schools Grant it is highly likely the Council will need to undertake additional borrowing over the next year. The reduction in the base rate will be helpful to the Council's financial position, so long as the PWLB rates follow the Bank of England base rate reduction.

The Council's Treasury Management Strategy for 2025/26 was approved by Council on 5th March 2025. The aim of the treasury management operation is to ensure that cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments, with security being prioritised over yield.

As at 31st March 2025 long term borrowing totalled £212m, well within the authorised borrowing limit. Borrowing of £212m comprises of loans from the Public Works Loan Board.

Of the £212m, total borrowing of £142m relates to the contribution from the Council towards the Mersey Gateway Bridge construction costs. This borrowing has been taken with a maturity period of between 26-30 years and will be repaid fully using toll income from the Mersey Gateway Crossing.

The Council's cash flow position continues to be well managed. Cash held (and deposits payable within 3 months) totals £17.4m (£57.4m in 2023/24), and short-term deposits (up to 1 year) total £32.4m (£24.7m in 2023/24). Deposits over 12 months total £5.0m (£15.0m in 2023/24) and £8.7m (£8.5m in 2023/24) is held as a longer-term investment in a property fund.

The Council has a prompt payment discount scheme, whereby in agreement with suppliers it will arrange early payment of invoices in return for a percentage discount on the invoice total, a scheme that is equally beneficial to both parties.

All transactions relating to investments and borrowings complied with the approved guidelines for the year. Treasury management risk is evaluated within the Treasury Management Strategy and reviewed by the Council's Internal Audit function.

Collection Fund

The transactions on this fund record the collection of council tax and non-domestic rates.

The Business Rate Retention Scheme was implemented on 1st April 2013 with the Liverpool City Region pilot scheme introduced on 1st April 2017. As part of the pilot scheme the Council collects non-domestic rates on behalf of Cheshire Fire & Rescue Service, and itself.

For the period to 31st March 2025 the Council as the Billing Authority collects council tax on behalf of Cheshire Fire & Rescue Service, Cheshire Police & Crime Commissioner, Liverpool City Region Combined Authority, and itself.

As at 31st March 2025 the council tax position showed the Council had a gross surplus position of £1.208m (to be shared with major preceptors). In setting the 2025/26 budget the Council forecast there would no surplus/deficit.

As at 31st March 2025 the Business Rates position showed the Council had a gross surplus position of £1.922m. In setting the 2025/26 budget the Council forecast there would be a small deficit of £0.116m.

Further details on the Collection Fund can be found within the supplementary financial statements.

Performance Measures 2024/25

The Council's Corporate Plan for 2024/25 identified the Council's vision, values and principles and six strategic themes which underpin the work of the various departments and service areas across the Council. They are:

- Improving Health, Promoting Wellbeing and Supporting Greater Independence
- Building a Strong, Sustainable Local Economy
- Supporting Children, Young People and Families
- Tackling Inequality and Helping Those Who Are Most In Need
- Working Towards a Greener Future
- Valuing and Appreciating Halton and Our Community

These strategic themes provide the basis for the development of key actions and activities, and performance measures, which are reported on a quarterly basis to the Policy and Performance Board with responsibility for scrutiny in each of these strategic areas. These Priority Based Performance Reports also contain information concerning the key developments and emerging issues that have arisen during the period of reporting.

These reports are placed on public deposit and are available on the Council's website via the relevant Policy and Performance Board agenda packs. The reports identify what progress is being made throughout the year in relation to the delivery of predetermined actions and the progress of a range of measures including direction of travel and achievement of targets.

The reports provide financial statements identifying variation in planned spend during the period and providing an explanatory comment.

Policy and Performance Boards also receive a mid-year update concerning the implementation of mitigation measures for those risks contained within the Directorate Risk Registers which have been assessed as high.

This approach allows the opportunity for the effective scrutiny of the Council's performance during the course of the year in order that any underperformance can be addressed in a timely manner and/or resources can be realigned in response to prevailing conditions or pressures.

Listed below are a number of key performance indicators used in assessing the Council putting in place economy, efficiency and effectiveness in its use of resources:

- The average number of working days lost during the year due to sickness absence has increased from 11.46 in 2023/24 to 14.19 in 2024/25.
- Council tax collection for the financial year ending 31st March 2025 is 93.98% which is 0.17% up on the 2023/24 collection rate. The figure of 93.98% is the highest collection rate % since 2021/22 and is the first year since 2013/14 (when council tax reduction scheme was introduced), that the collection rate for the current year is an improvement on the previous year. Debt relating to previous years continues to be collected, £2.615m (14.85%) has been collected in relation to previous year debt. This is an improvement of £0.332m compared to prior year debt collected in 2023/24.
- Business rate collection for the financial year ending 31st March 2025 is 98.74% which is 2.05% higher than the collection rate at the same point last year. £2.257m has been collected in relation to previous year debt.

Financial Planning

The Medium-Term Financial Strategy (MTFS) is a major element of the Council's corporate planning process. It brings together resources and spending plans and identifies financial constraints over the medium-term. Its purpose is to ensure that resources are properly targeted towards Council priorities, to avoid excessive council tax rises, to deliver a balanced and sustainable budget, and to continue to identify efficiencies.

Demand, price pressures and complexity of care has had a significant impact upon the Council's finances over the medium-term and this has been reflected in the MTFS.

Via the Transformation Programme, the Council is continuing to review its services, changing the way in which services are delivered in order to realise efficiencies. In addition, the Council has continued to seek improved procurement, better utilisation of assets, changes to staff terms and conditions, collaborative working with other Councils and partner agencies, and increased income from external sources in order to manage costs within the funding constraints imposed by Government.

The most recent MTFS was reported to the Council's Executive Board in November 2024 and subsequently updated as part of the budget report in March 2025. The latest report identified shortfalls in funding for the Council over the following three years of approximately £42.1m (2026/27), £13.5m (2027/28) and £17.0m (2028/29). It is likely that Exceptional Financial Support will be required during this period prior to the Council achieving a sustainable budget position.

The 2025/26 net budget requirement of £183.1m was approved by Council on 5th March 2025. The budget will be funded from £68.2m of council tax (increase of 4.99% on the 2024/25 Band D level), business rates of £65.5m, top-up funding of £5.6m, Government Grant to fund business rate reliefs of £14.4m, with the balance made up of Exceptional Financial Support of £29.4m.

Beyond 2025/26 there is great uncertainty regarding the funding of Local Government, due to the potential impact of a number of changes to the local government funding regime, including the Fair Funding Review, Business Rates Retention Review and the scale of funding available across local government.

Conclusion

The Council's financial pressures have increased significantly over the past year. Early monitoring of the Council's budget position identified at the end of May 2024 net spend for the year was estimated to be much higher than the available budget. At that point the forecast outturn for the year was estimated at slightly over £20m. The forecast outturn was at a similar level throughout the year and whilst the Council were able to bring the final overspend to budget down to just over £16m, the financial position remains a real concern.

In addressing the increased spend for 2024/25 the Council had to approach the Ministry of Housing, Communities and Local Government (MHCLG) to apply for Exceptional Financial Support. In doing so the Council were able to capitalise £10m of day-to-day running costs. It will have to do the same for 2025/26 with the estimate of £29m of costs being capitalised to achieve a balanced budget position.

It is clear Exceptional Financial Support is a short-term measure only. The Council's immediate priority will be to look to achieve a sustainable budget position over the medium-term. This can only be done through the Council having a budget recovery plan in place which will involve reducing costs through transformation or cessation of services/programmes and looking to increase income where possible. Refocus of the Transformation Programme will be key to this, led by the Council examining benchmarking work to identify where net costs are higher than the average nearest neighbour comparators. It is clear the Council's unit costs across Adults, Children's and Environmental services are much higher than councils with similar characteristics to Halton. Action will need to be taken as soon as possible to bring the level of spend on an similar footing to these authorities.

As well as reviewing the Council's net cost base, what will also be instrumental to achieving a sustainable budget position will be the Government's fair funding review. Formulae used to assess local authorities' current needs are a decade out of date and need to be updated to target money where it needs to go and ensure those places that have been overlooked get their fair share. The system needs to be simplified to give security to Councils such as Halton with multi-year settlements, reduce the vast range of small grants into simplified larger consolidated pots and scrapping bureaucracy and unnecessary reporting. It needs to provide certainty to the Council to ensure planning over the medium-term becomes much better informed allowing key decisions to be taken in a timely manner.

In September 2024 the Council's External Auditor (Grant Thornton UK LLP) issued its Annual Report which highlighted the Council's financial sustainability as a significant weakness. The report identified three significant weaknesses in financial sustainability, resulting in two statutory and one key recommendation made in relation to short- and medium-term financial planning, the Council's transformation programme, and the Dedicated Schools Grant (DSG) deficit.

In September 2024 the Council invited the Local Government association (LGA) to undertake a Corporate Peer Challenge (CPC). This involved a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information, spending four days at Halton Borough Council to provide robust, strategic, and credible challenge and support. CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

The peer team voiced a high level of concern about the council's financial resilience, including the immediate 2024/25 position. They called this 'the biggest budget challenge the Council has ever faced'. The peer team made a number of recommendations to the Council, which included:

- Take urgent action to address the highly significant 2024/25 budget overspend position.
- Reset the budget setting culture, planning and grip to ensure the council has confidence that it can set a recurring, balanced budget.
- Put in place quickly a finance improvement plan that can be monitored regularly by members and officers around the progress against the range of actions required.

The Council have pulled together an action plan in response to the Peer recommendation which will be reviewed upon the Peer Team return in June 2025. **Need to update in final accounts**

Ed Dawson

Director of Financial Services

Core Financial Statements

Comprehensive Income & Expenditure Statement as at 31st March 2025

Services	Note	Gross Expenditure 2024/25 £000	Gross Income 2024/25 £000	Net Expenditure 2024/25 £000
CONTINUING OPERATIONS				
Chief Executive's Directorate		51,921	(41,776)	10,145
Environment & Regeneration		74,988	(23,453)	51,535
Public Health		14,581	(13,102)	1,479
Adult Social Care		127,521	(61,874)	65,647
Children's Services		115,493	(52,819)	62,674
Schools		88,008	(82,246)	5,762
Corporate & Democracy		2,733	(945)	1,788
Mersey Gateway	**6**	89,895	(81,230)	8,665
Net Expenditure of Continuing Operations		**565,140**	**(357,445)**	**207,695**
Other Operating Expenditure	**3**			8,949
Financing and Investment Income & Expenditure	**4**			40,769
Taxation and Non-Specific Grant Income	**5**			(188,518)
(Surplus) or Deficit on the Provision of Services				**68,895**
(Surplus) or Deficit on revaluation of Non-Current Assets	**37**			(2,615)
(Surplus) or Deficit on revaluation of financial assets measured at fair value through other comprehensive income	**37**			1,349
Remeasurement of net defined benefit liability	**32**			1,855
Other Comprehensive Income & Expenditure				**589**
TOTAL COMPREHENSIVE INCOME & EXPENDITURE				**69,484**

Comprehensive Income & Expenditure Statement as at 31st March 2024

Services	Note	Gross Expenditure 2023/24 £000	Gross Income 2023/24 £000	Net Expenditure 2023/24 £000
CONTINUING OPERATIONS				
Chief Executive's Directorate		49,402	(41,754)	7,648
Environment & Regeneration		68,584	(20,810)	47,774
Public Health		13,719	(12,161)	1,558
Adult Social Care		114,419	(53,087)	61,332
Children's Services		90,108	(40,077)	50,031
Schools		92,240	(86,229)	6,011
Corporate & Democracy		2,095	(951)	1,144
Mersey Gateway	**6**	48,261	(80,600)	(32,339)
Net Expenditure of Continuing Operations		**478,828**	**(335,669)**	**143,159**
Other Operating Expenditure	**3**			(2,406)
Financing and Investment Income & Expenditure	**4**			33,555
Taxation and Non-Specific Grant Income	**5**			(158,813)
(Surplus) or Deficit on the Provision of Services				**15,495**
(Surplus) or Deficit on revaluation of Non-Current Assets	**37**			(23,669)
(Surplus) or Deficit on revaluation of financial assets measured at fair value through other comprehensive income	**37**			(133)
Remeasurement of net defined benefit liability	**32**			97
Other Comprehensive Income & Expenditure				**(23,705)**
TOTAL COMPREHENSIVE INCOME & EXPENDITURE				**(8,210)**

Balance Sheet as at 31st March 2025

31/03/2024 £000		Note	31/03/2025 £000
874,379	Non-Current Assets – Property Plant & Equipment	**17**	876,878
1,425	Heritage Assets	**18**	1,425
1,323	Investment Properties	**19**	2,182
784	Intangible Assets	**20**	731
5,002	Investments in Associates and Joint Ventures	**22**	3,653
23,533	Long-Term Investments	**22**	13,725
13,113	Long-Term Debtors	**23**	12,044
919,559	**Total Long Term Assets**		**910,638**
	Current Assets		
337	Inventories		357
987	Assets Held for Sale < 12 months	**21**	591
52,848	Short-Term Debtors	**23**	54,288
24,648	Short-Term Investments	**22**	32,404
57,372	Cash and Cash Equivalents	**24**	10,554
136,192	**Total Current Assets**		**98,194**
	Current Liabilities		
(38,150)	Short-Term Borrowing	**26**	(21,072)
(114,073)	Short-Term Creditors	**25**	(70,359)
(7,216)	Short-Term Grants Receipts in Advance	**7**	(7,064)
(3,366)	Provisions < 1 year	**27**	(4,200)
(162,805)	**Total Current Liabilities**		**(102,695)**
(26,613)	**Net Current Assets/(Liabilities)**		**(4,501)**
892,946	**Total Net Assets**		**906,137**
	Long Term Liabilities		
(172,000)	Long-Term Borrowing	**26**	(212,000)
(23,426)	Provisions > 1 year	**27**	(29,199)
(1,540)	Long-Term Grants Receipts in Advance	**7**	-
(342,654)	Other Long-Term Liabilities	**29**	(381,097)
(539,620)	**Total Long Term Liabilities**		**(622,296)**
353,326	**Total Assets Less Liabilities**		**283,841**
(76,006)	Usable Reserves	**35**	(78,146)
(277,320)	Unusable Reserves	**37**	(205,695)
(353,326)	**Total Equity**		**(283,841)**

Signed by:

Ed Dawson – Director of Financial Services Date: 30th September 2025

Movement in Reserves Statement

	General Fund	Capital Receipts Reserve	Capital Grants Unapplied	TOTAL USABLE RESERVES (Note 35)	TOTAL UNUSABLE RESERVES (Note 37)	TOTAL COUNCIL RESOURCES
	£000	£000	£000	£000	£000	£000
Balance as at 31st March 2023	**(51,799)**	**(2,790)**	**(28,937)**	**(83,526)**	**(261,590)**	**(345,116)**
Movement in Reserves during 2023/24						
Total Comprehensive Income and Expenditure	15,495	-	-	**15,495**	(23,705)	**(8,210)**
Adjustments between Accounting Basis and Funding Basis under Regulations (**note 34b**)	(4,360)	(2,188)	(1,425)	**(7,973)**	7,973	**-**
Other Adjustments	(2)	-	-	**(2)**	2	**-**
(Increase)/Decrease in the year	**11,133**	**(2,188)**	**(1,425)**	**7,520**	**(15,730)**	**(8,210)**
Balance at 31st March 2024 carried forward	**(40,666)**	**(4,978)**	**(30,362)**	**(76,006)**	**(277,320)**	**(353,326)**
Balance as at 31st March 2024	**(40,666)**	**(4,978)**	**(30,362)**	**(76,006)**	**(277,320)**	**(353,326)**
Movement in Reserves during 2024/25						
Total Comprehensive Income and Expenditure	68,895	-	-	**68,895**	589	**69,484**
Adjustments between Accounting Basis and Funding Basis under Regulations (**note 34a**)	(61,002)	2,760	(12,794)	**(71,036)**	71,036	**-**
Other Movements	-	1	-	**1**	-	**1**
(Increase)/Decrease in the year	**7,893**	**2,761**	**(12,794)**	**(2,140)**	**71,625**	**69,485**
Balance at 31st March 2025 carried forward	**(32,773)**	**(2,217)**	**(43,156)**	**(78,146)**	**(205,695)**	**(283,841)**

Please note that the General Fund Balance includes Earmarked Reserves and School Reserves. See Notes 1 and 36 for further details.

Cash Flow Statement

2023/24 £000		Note	2024/25 £000
15,495	**Net (surplus) or deficit on the provision of services**		**68,895**
(42,413)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	**38**	(45,814)
28,182	Adjust for items in the net (surplus) or deficit on the provision of services that are investing and financing activities	**38**	38,670
1,264	**Net cash flows from Operating Activities**		**61,751**
(34,270)	Net cash flows from Investing Activities	**39**	(614)
(12,205)	Net cash flows from Financing Activities	**40**	(14,319)
(45,211)	**Net (increase)/decrease in Cash and Cash Equivalents**		**46,818**
(12,161)	Cash and Cash Equivalents at the beginning of the reporting period	**24**	(57,372)
(57,372)	**Cash and Cash Equivalents at the end of the reporting period**	**24**	**(10,554)**

Notes to the Core Financial Statements

Please note the Accounting Policies are shown on page 116.

1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the Council for the year (including government grants, council tax and business rates) has been used to provide services in comparison with those resources consumed or earned under generally accepted accounting practices. This also shows how this expenditure is allocated for decision making purposes between the Council's Directorates.

Expenditure and Funding Analysis 2024/25

	Outturn Reported to Management	Movement in Earmarked Reserves	Net Expenditure Chargeable to the General Fund Balances	Adjustments Between the Funding and Accounts Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2024/25	2024/25	2024/25	2024/25	2024/25
	£000	£000	£000	£000	£000
Chief Executive's Directorate	8,288	393	8,681	1,464	10,145
Environment & Regeneration	48,728	83	48,811	2,724	51,535
Public Health	1,193	415	1,608	(129)	1,479
Adult Social Care	65,049	477	65,526	121	65,647
Children's Services	59,078	(284)	58,794	3,880	62,674
Schools	-	737	737	5,025	5,762
Corporate & Democracy	(24,624)	607	(24,017)	25,805	1,788
Mersey Gateway	8,030	(1,356)	6,674	1,991	8,665
Net Cost of Services	**165,742**	**1,072**	**166,814**	**40,881**	**207,695**
Other Income and Expenditure	(158,927)	6	(158,921)	20,121	(138,800)
(Surplus) or Deficit	**6,815**	**1,078**	**7,893**	**61,002**	**68,895**
Opening General Fund Balance	**(5,149)**	**(35,517)**	**(40,666)**		
Transfer to / from Earmarked Reserves to General Fund	(6,815)	6,815	-		
(Surplus) or Deficit in year	6,815	1,078	7,893		
Closing General Fund Balance at 31st March	**(5,149)**	**(27,624)**	**(32,773)**		

Note to Expenditure and Funding Analysis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Other Income and Expenditure £000	Adjustments for Capital Purposes £000	Net change for the Pension Adjustments £000	Other Adjustments £000	Total Adjustments £000
Chief Executive's Directorate	(1,748)	3,202	(285)	295	**1,464**
Environment & Regeneration	(1,548)	4,976	(400)	(304)	**2,724**
Public Health	(24)	-	(55)	(50)	**(129)**
Adult Social Care	-	495	(398)	24	**121**
Children's Services	9,659	(626)	(291)	(4,862)	**3,880**
Schools	(9,659)	790	(527)	14,421	**5,025**
Corporate & Democracy	1,492	23,028	(524)	1,809	**25,805**
Mersey Gateway	(5,608)	7,601	-	(2)	**1,991**
Net Cost of Services	**(7,436)**	**39,466**	**(2,480)**	**11,331**	**40,881**
Other Income and Expenditure from the Expenditure and Funding Analysis	7,436	4,460	163	8,062	**20,121**
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**-**	**43,926**	**(2,317)**	**19,393**	**61,002**

Expenditure and Funding Analysis 2023/24

	Outturn Reported to Management	Movement in Earmarked Reserves	Net Expenditure Chargeable to the General Fund Balances	Adjustments between the Funding and Accounts Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2023/24	**2023/24**	**2023/24**	**2023/24**	**2023/24**
	£000	**£000**	**£000**	**£000**	**£000**
Chief Executive's Directorate	6,845	910	7,755	(107)	7,648
Environment & Regeneration	48,102	(61)	48,041	(267)	47,774
Public Health	1,157	436	1,593	(35)	1,558
Adult Social Care	60,487	860	61,347	(15)	61,332
Children's Services	52,139	446	52,585	(2,554)	50,031
Schools	-	992	992	5,019	6,011
Corporate & Democracy	(21,325)	3,583	(17,742)	18,886	1,144
Mersey Gateway	-	(1,678)	(1,678)	(30,661)	(32,339)
Net Cost of Services	**147,405**	**5,488**	**152,893**	**(9,734)**	**143,159**
Other Income and Expenditure	(141,772)	14	(141,758)	14,094	(127,664)
(Surplus) or Deficit	**5,633**	**5,502**	**11,135**	**4,360**	**15,495**
Opening General Fund Balance	**(5,147)**	**(46,652)**	**(51,799)**		
Transfer to from Earmarked Reserves to General Fund	(5,633)	5,633	-		
(Surplus) or Deficit in year	5,633	5,502	11,135		
Closing General Fund Balance at 31st March	**(5,147)**	**(35,517)**	**(40,664)**		

Note to Expenditure and Funding Analysis 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Other Income and Expenditure £000	Adjustments for Capital Purposes £000	Net change for the Pension Adjustments £000	Other Adjustments £000	Total Adjustments £000
Chief Executive's Directorate	(2,241)	2,334	(18)	(182)	**(107)**
Environment & Regeneration	(993)	912	(21)	(165)	**(267)**
Public Health	(23)	-	(3)	(9)	**(35)**
Adult Social Care	-	-	(20)	5	**(15)**
Children's Services	(2,465)	(121)	(13)	45	**(2,554)**
Schools	2,465	190	(174)	2,538	**5,019**
Corporate & Democracy	2,710	22,470	(305)	(5,989)	**18,886**
Mersey Gateway	(31,214)	(7,476)	-	8,029	**(30,661)**
Net Cost of Services	**(31,761)**	**18,309**	**(554)**	**4,272**	**(9,734)**
Other Income and Expenditure from the Expenditure and Funding Analysis	31,761	(16,366)	217	(1,518)	**14,094**
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**-**	**1,943**	**(337)**	**2,754**	**4,360**

Other Income and Expenditure

This column moves all items that are shown within the directorate spend reported to management but are shown below the Net Cost of Services in the Comprehensive Income and Expenditure Statement. These include:

- Interest Payable and Receivable
- Levy Payments

Adjustments for Capital Purposes

This column adjusts for any capital transactions that are not included in the directorate spend reported to management but are shown in the Comprehensive Income and Expenditure Statement. These include:

- Capital funding
- Revaluation gains and losses
- Revenue Expenditure Funded by Capital Under Statute

This column also includes items that are included in the spend reported to management but are not shown in the Comprehensive Income and Expenditure Statement. This includes:

- Minimum Revenue Provision
- The reversal of depreciation transactions shown in Corporate and Democracy

Net Charge for Pension Adjustments

This column includes the net change for the removal of pension contributions and the addition of IAS 19 employee benefits pension related income and expenditure:

- For services, this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Other adjustments

This column includes:

- The difference between what is chargeable under statutory regulations for council tax and non-domestic rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code.

This is a timing difference, as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

- Adjustments to show Schools income and expenditure separately on the Comprehensive Income and Expenditure Statement. This is reported under the Children's Services Directorate when reported to management.

Segmental Income and Expenditure

Income and expenditure received on a segmental basis is analysed below:

2024/25	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Chief Executive's	(1,984)	-	-	678
Environment & Regeneration	(15,067)	-	-	14,312
Public Health	(147)	-	-	-
Adult Social Care	(16,885)	-	-	678
Childrens Services	(394)	-	-	299
Schools	(727)	-	-	2,485
Corporate & Democracy	(34)	(5,491)	4,325	(26,482)
Mersey Gateway	(58,613)	-	34,563	8,030
Net Cost of Services	**(93,851)**	**(5,491)**	**38,888**	**-**

2023/24	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Chief Executive's	(1,995)	-	-	817
Environment & Regeneration	(14,772)	-	-	14,428
Public Health	(172)	-	-	-
Adult Social Care	(14,513)	-	-	583
Childrens Services	(375)	-	-	110
Schools	(210)	-	-	2,438
Corporate & Democracy	(196)	(5,862)	2,925	(26,405)
Mersey Gateway	(58,081)	-	31,214	8,029
Net Cost of Services	**(90,314)**	**(5,862)**	**34,139**	**-**

2. Expenditure and Income Analysed by Nature

2023/24 £000		2024/25 £000
	Expenditure	
165,311	Employee benefits	172,504
292,535	Other service expenses	317,786
27,248	Depreciation, amortisation and impairment	84,364
34,139	Interest payments	38,888
3,820	Precepts and levies	3,975
523,053	**Total Expenditure**	**617,517**
	Income	
(134,449)	Fees and charges and other service income	(143,855)
(6,226)	Gain on disposal of non-current assets	4,578
(121,251)	Income from Council Tax and Business Rates	(129,995)
(239,770)	Government grants income	(273,859)
(5,862)	Interest and investment income	(5,491)
(507,558)	**Total Income**	**(548,622)**
15,495	**(Surplus) or Deficit on the Provision of Services**	**68,895**

3. Other Operating Expenditure

2023/24 £000		2024/25 £000
166	Parish Council Precepts	214
3,654	Levies	3,761
-	Movement in value of Assets Held for Sale	396
(6,226)	(Gains)/Losses on the Disposal of Non-Current Assets	4,578
(2,406)	**Total**	**8,949**

4. Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
34,139	Interest payable and similar charges	38,888
216	Net interest on the net defined benefit liability	163
(5,862)	Interest receivable and similar charges	(5,491)
(76)	Income and expenditure in relation to investment properties and changes in their fair value	(896)
346	Movement in fair value of financial instruments	(193)
4,960	Loss on transfer of academies	3,703
-	IFRS Revaluation Loss on Grange School	4,673
(168)	Other investment income and expenditure	(78)
33,555	**Total**	**40,769**

5. Taxation and Non-Specific Grant Income

2023/24 £000		2024/25 £000
(60,892)	Council Tax income	(65,238)
(60,359)	Non-domestic rates	(64,757)
(18,632)	Non-ringfenced government grants	(16,951)
(3,918)	NNDR Top Up Grant	(3,940)
(15,012)	Capital grants and contributions	(37,632)
(158,813)	**Total**	**(188,518)**

6. Material Items of Income and Expenditure

Capitalisation Direction

In February 2025 the Minister of State for Local Government and English Devolution provided an ‘in principle’ Capitalisation Direction of £52.8m, comprising £20.8m in 2024/25 and £32m in 2025/26.

The Capitalisation Direction permits the Council to charge to capital, expenditure which would otherwise be revenue expenditure and then to finance the capitalised revenue to be funded from future additional Minimum Revenue Provision Payments.

The capitalisation direction has been used to meet a £10m overspend on the revenue budget in 2024/25 and allow the General Fund balance to remain at the acceptable level of £5.1m.

IFRS16 lease accounting

Due to the implementation of IFRS 16 lease accounting from 1st April 2024 (see note 30) the financial element of the lease liabilities relating to the Council's two PFI schemes The Grange, and the Mersey Gateway (see note 31) have been restated based on the value of the indexed unitary charge payments due. As the value of the two assets has not been impacted by this change, this has resulted in a the following two items of expenditure in the Comprehensive Income and Expenditure Statement in 2024/25.

- Mersey Gateway - Mersey Gateway Expenditure - £46.118m
- The Grange – Schools Expenditure - £4.673m

It should be noted that these two items are purely accounting adjustments and any impact is removed through the Movement in Reserves Statement, and has no impact on the Council's General Fund.

7. Grant Income

The Council has received a number of grants and contributions that have yet to be recognised as income. At the balance sheet date, conditions existed which remain to be satisfied. The balances at year-end are as follows:

	31/03/2024 £000	31/03/2025 £000
Long Term Receipts in Advance		
Capital		
Ministry of Housing, Communities and Local Government	(1,540)	-
Other Grants	-	-
Total	**(1,540)**	**-**

	31/03/2024			31/03/2025		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Short Term Receipts in Advance						
Ministry of Housing, Communities and Local Government	(521)	(2,000)	**(2,521)**	(789)	(2,468)	**(3,257)**
Department for Education	(597)	(395)	**(992)**	(6)	(233)	**(239)**
Department for Environment, Food & Rural Affairs	-	-	**-**	-	(1,019)	**(1,019)**
Other Grants	(2,846)	(13)	**(2,859)**	(2,536)	(13)	**(2,549)**
Contributions	(844)	-	**(844)**	-	-	**-**
	(4,808)	**(2,408)**	**(7,216)**	**(3,331)**	**(3,733)**	**(7,064)**

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

	2023/24 £000	2024/25 £000
Revenue Grants Credited to Services		
Ministry of Housing, Communities and Local Government	(17,038)	(26,454)
Dedicated Schools Grant	(86,564)	(92,008)
Department for Education	(21,634)	(22,336)
Department for Environment, Food & Rural Affairs	(120)	(295)
Department for Transport	(22,566)	(22,550)
Department for Work & Pensions	(3,497)	(3,543)
Department of Health & Social Care	(15,439)	(12,430)
Home Office	(2,289)	(2,413)
Rent Allowance Subsidy	(30,035)	(30,128)
Other Grants	(3,026)	(3,179)
Total	**(202,208)**	**(215,336)**

8. Disclosure of Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2019. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are shown below:

Total 2023/24 £000		Central Expenditure 2024/25 £000	Individual Schools Budget 2024/25 £000	Total 2024/25 £000
(143,178)	Final DSG before academy recoupment			(154,223)
56,564	Academy figure recouped in year			61,942
(86,614)	**Total DSG after academy recoupment**			**(92,281)**
-	Plus brought forward			-
-	Less carry forward agreed in advance			-
(86,614)	**Agreed budget distribution**	**(39,729)**	**(52,552)**	**(92,281)**
50	In-year adjustments	-	545	545
(86,564)	**Final budget distribution**	**(39,729)**	**(52,007)**	**(91,736)**
22,701	Less actual central expenditure	48,850		48,850
66,320	Less actual ISB deployed to schools		52,006	52,006
-	Plus Council contribution			-
2,457	**Carry forward**	**9,121**	**(1)**	**9,120**
-	Plus carry forward agreed in advance			
2,457	**Carry forward to following year**			**9,120**
2,892	DSG Unusable Reserve brought forward			5,349
2,457	Addition to DSG Unusable Reserve in year			9,120
5,349	**Total DSG Unusable Reserve at end of year**			**14,469**
5,349	**Net DSG position at end of year**			**14,469**

9. Pooled Budgets

Better Care Fund

In 2015 the Government introduced a £3.8 billion Better Care Fund, a pooled budget for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people. The pooled budget, hosted by the council, continues to provide an integrated system enabling resources to be used efficiently and effectively in the delivery of personalised, responsive and holistic care to those who are most in need within the community. This results in the alignment of systems, improved pathways, speeding up the discharge processes, transforming patient/care satisfaction and ensuring the future sustainability of meeting the needs of people with complex needs.

The Improved Better Care Fund (iBCF) was first announced in the 2015 Spending Review, with a condition that it is pooled into the local BCF plan. Grant allocations were increased in the 2017 Spring Budget. The grant determination enables the funding to be spent on three purposes:

- Meeting adult social care needs.
- Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready.
- Ensuring that the local social care provider market is supported.

In addition to BCF and iBCF allocations, the Council and Health each contributed additional funds equal to 53% and 47% respectively (excluding the BCF allocation) for 2024/25.

On 1st July 2022, integrated care systems (ICSs) became legally established through the Health and Care Act 2022, and CCGs were closed down. ICSs are partnerships of organisations that come together to plan and pay for health and care services to improve the lives of people who live and work in their area.

Each integrated care system has two statutory elements, an integrated care partnership (ICP) and integrated care board (ICB). Across England, local partnerships made up of all the public services that provide health and care (NHS, GPs, local councils and the community and voluntary sector) plan how best to deliver high quality, affordable services that meet the needs of local people. Although partnership working has taken place nationally for some years, these changes make it easier for people to get access to better, more efficient and joined-up care, and to enjoy better health.

In Halton the "One Halton" partnership operates at a "Place" level within the larger NHS Cheshire & Merseyside Integrated Care System (ICS). The NHS Cheshire & Merseyside Integrated Cate Board (ICB) is responsible for planning NHS services across the region including Halton and work alongside the wider Integrated Care Partnerships. One Halton acts as the Place-based Partnership for Halton bringing together local organisations to improve health and wellbeing.

This is a joint arrangement between Halton Borough Council and the Cheshire and Merseyside Integrated Care Board, and all the relevant activities of the arrangement require unanimous consent of all parties.

		2023/24 £000		2024/25 £000
Balance Brought Forward		**(148)**		**-**
Funding provided to the pooled budget:				
- Halton Borough Council		(3,144)		(3,176)
- Halton Place		(2,865)		(2,957)
- Better Care Fund		(12,762)		(13,485)
- Additional Better Care Fund		(6,982)		(6,983)
- Adult Social Care Discharge Grant		(979)		(1,631)
- Integrated Care Board Discharge Grant		(942)		(1,282)
- Other Grants		(144)		-
- Reserves		(193)		-
		(28,011)		**(29,514)**
Income raised through the pooled budget:				
- Halton Borough Council		-		-
		-		**-**
Expenditure met from the pooled budget:				
- Halton Borough Council		4,540		4,806
- Halton Place		3,875		4,241
- Better Care Fund and Additional Better Care Fund		19,744		20,466
		28,159		**29,513**
Net (surplus)/deficit arising on the pooled budget during the year		**148**		**(1)**
Share of the (surplus)/deficit for the year:				
- Halton Borough Council	54%	80	53%	(1)
- Halton Place	46%	68	47%	-
		148		**(1)**
Balance Carried Forward		**-**		**(1)**

10. Officers Remuneration

The number of employees whose remuneration, inclusive of redundancy payments and car benefit but excluding pension contributions, was £50,000 or more, grouped in rising bands of £5,000 is shown below. This list is inclusive of officers reported in the senior officers disclosure note.

Remuneration Band		2023/24 Number of Employees		2024/25 Number of Employees	
		Teaching	Non-Teaching	Teaching	Non - Teaching
£50,000	£54,999	29	75	46	92
£55,000	£59,999	13	20	20	14
£60,000	£64,999	17	7	8	19
£65,000	£69,999	7	12	12	9
£70,000	£74,999	7	10	5	11
£75,000	£79,999	8	4	10	6
£80,000	£84,999	4	7	4	6
£85,000	£89,999	1	2	3	7
£90,000	£94,999	-	2	3	4
£95,000	£99,999	-	3	-	-
£100,000	£104,999	-	3	-	5
£105,000	£109,999	-	1	-	-
£110,000	£114,999	-	-	-	2
£115,000	£119,999	-	1	-	1
£120,000	£124,999	-	1	-	-
£125,000	£129,999	-	-	-	2
£130,000	£134,999	-	-	-	1
£135,000	£139,999	-	-	-	-
£140,000	£144,999	-	-	-	-
£145,000	£149,999	-	1	-	-
£150,000	£154,999	-	-	-	-
£155,000	£159,999	-	-	-	-
£160,000	£164,999	-	-	-	1
£165,000	£169,999	-	1	-	-
£170,000	£174,999	-	-	-	1
		86	**150**	**111**	**181**

The note excludes salaries for staff at Voluntary Aided Schools who are employed directly by the school's governing body. 72 staff with a total salary value of £4,356,504.73 have been excluded from the 2023/24 figures. In 2024/25, 85 staff members of Voluntary Aided Schools with a total salary value of £5,285,989 were excluded from Note 10.

Halton Borough Council is required to disclose to local taxpayers the total remuneration package for the senior officers charged with the stewardship of the organisation.

A senior employee has a significant level of responsibility for contributing to the strategic decision making of the Council. Senior officers will include those that have a statutory duty under legislation.

Senior employees whose salary is between £50,000 and £150,000 are disclosed by job title. Senior employees whose salary is more than £150,000 are disclosed by job title and name.

These notes refer to the detailed table below:

Note 1: Two individuals covered the long-term absence of the Statutory Director - Children's Education, Inclusion and Provision on an interim basis between 1st April 2024 and 18th October 2024, when the Director left the authority. The interim arrangement continued until 23rd December 2024, when one of the individuals was appointed on a permanent basis.

Note 2: The Director - Community & Greenspace left the authority on 31st May 2024 and was replaced on 1st June 2024.

Post Title		Salary (including fees & allowances)		Compensation for loss of employment		Benefits in kind		Total remuneration excluding pension contributions		Employers pension contributions		Total remuneration including pension contributions	
		2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
		£	£	£	£	£	£	£	£	£	£	£	£
Chief Executive – Stephen Young		167,557	174,904	-	-	-	-	167,557	174,904	34,144	34,781	201,701	209,685
Statutory Executive Director - Adult's Services		124,548	131,952	-	-	-	-	124,548	131,952	25,327	26,188	149,875	158,140
Statutory Executive Director - Children's Services		53,565	127,998	-	-	-	-	53,565	127,998	10,890	25,400	64,455	153,398
Executive Director of Public Health & Public Protection - Dr Ifeoma Onyia		145,602	160,109	-	-	-	-	145,602	160,109	20,872	22,616	166,474	182,725
Executive Director - Environment & Regeneration		101,250	128,225	-	-	-	-	101,250	128,225	20,585	25,445	121,835	153,670
Corporate Director - Chief Executive's Delivery Unit		103,940	110,270	-	-	-	-	103,940	110,270	21,103	21,854	125,043	132,124
Director - Commissioning & Provision		82,716	90,870	-	-	-	-	82,716	90,870	16,760	17,974	99,476	108,844
Director - Care Management, Safeguarding & Quality		82,716	90,870	-	-	-	-	82,716	90,870	16,760	17,974	99,476	108,844
Director - Children's Social Care		23,174	90,279	-	-	-	-	23,174	90,279	4,696	17,856	27,870	108,135
Statutory Director - Education, Inclusion & Provision	1	98,566	93,406	-	-	-	-	98,566	93,406	20,001	10,968	118,567	104,374
Interim Statutory Director - Education, Inclusion & Provision	1	-	61,694	-	-	-	-	-	61,694	-	12,339	-	74,033
Interim Statutory Director - Education, Inclusion & Provision	1	-	44,584	-	-	-	-	-	44,584	-	8,805	-	53,389
Statutory Director - Education, Inclusion & Provision	1	-	39,491	-	-	-	-	-	39,491	-	7,810	-	47,301
Director - Community & Greenspace	2	91,154	17,025	-	-	-	-	91,154	17,025	18,482	3,087	109,636	20,112
Director - Community & Greenspace	2	-	73,914	-	-	-	-	-	73,914	-	14,616	-	88,530
Director - Economy, Enterprise & Property		35,867	101,005	-	-	-	-	35,867	101,005	7,278	20,001	43,145	121,006
Director - Policy, Planning & Transportation		100,233	104,338	-	-	-	-	100,233	104,338	20,343	20,668	120,576	125,006
Director - Finance		98,566	101,676	-	-	-	-	98,566	101,676	20,001	20,135	118,567	121,811
Director - ICT & Support Services		106,066	110,676	-	-	-	-	106,066	110,676	21,935	21,935	128,001	132,611
Director - Legal & Democratic Services		98,566	101,005	-	-	-	-	98,566	101,005	20,001	20,001	118,567	121,006
		1,514,086	**1,954,291**	**-**	**-**	**-**	**-**	**1,514,086**	**1,954,291**	**299,178**	**370,453**	**1,813,264**	**2,324,744**

11. Exit Packages and Termination Benefits

The number of exit packages with total cost per band and total cost of compulsory and voluntary redundancies and early retirements are set out in the table below:

Exit package cost band	Number of compulsory redundancies		Number of voluntary redundancies		Number of early retirements		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24 £000	2024/25 £000
£0 - £20,000	3	5	24	11	-	-	27	16	229	124
£20,001 - £40,000	-	1	13	6	-	-	13	7	395	173
£40,001 - £60,000	1	-	2	-	-	-	3	-	131	-
£60,001 - £80,000	-	1	1	1	-	-	1	2	70	142
£80,001 - £100,000	-	1	-	-	-	-	-	1	-	96
£100,001 - £150,000	-	-	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-	-	-
£250,001 - £300,000	-	-	-	-	-	-	-	-	-	-
Total	**4**	**8**	**40**	**18**	**-**	**-**	**44**	**26**	**825**	**535**

The total cost of exit packages in 2024/25 is £0.535m (2023/24 - £0.825m) charged to the authority's Comprehensive Income and Expenditure Statement (CIES). Costs associated with redundancies include officers aged 55 or over being able to access their pensions immediately, the costs of which amounted to £0.180m in 2024/25. There were no early retirements taken in 2024/25 (2023/24 - £0.000m).

Termination Benefits

The Council incurred no liabilities relating to past early retirements charged to the Comprehensive Income and Expenditure Statement.

12. Members Allowances

During the year £928,024.46 (2023/24 - £893,428.26) was paid to Members, including Mayoral and Deputy Mayoral allowances.

13. Related Party Transactions

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

Once these relationships are brought to the attention of users, transactions are disclosed so that readers can assess for themselves whether these relationships might have had an effect or could have an effect in the future.

Materiality

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

Central Government

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

Grants received from government departments are set out in Note 7.

Members and Officers

Members of the Council have direct control over the Council's financial and operating policies. The Council operates a system of self-regulation which requires each Executive Director and Member to complete a declaration highlighting whether they or any members of their family have been involved in any material financial transactions between the Council and any external bodies they are affiliated to during the financial year.

The total of members allowances paid in 2024/25 is shown in Note 12. The total of senior officers' remuneration paid in 2024/25 is shown in Note 10.

In 2024/25, 5 Members had interests in various organisations and voluntary sector bodies involving payments worth £2.114m and receipts worth £0.055m for various works and services.

At 31st March 2025, there were outstanding creditors of £0.117m and outstanding debtors of £0.003m with these organisations.

In 2024/25, no senior officers had interests in organisations which were party to transactions with the Council.

	2024/25		31/03/2025	
Payments/receipts from organisations where Members or their spouse hold an interest	**Expenditure £000**	**Income £000**	**Creditor £000**	**Debtor £000**
Halton Play Council	110	(4)	-	-
Mersey Gateway Crossings Board	2,004	(51)	117	(3)
Total	**2,114**	**(55)**	**117**	**(3)**

Other Public Bodies

The Council is a member of Liverpool City Region Combined Authority, from which it received £18.924m of income in 2024/25, including outstanding debtors of £11.225m. This related to highways grant funding of £17.042m from Merseytravel, funding for regeneration projects of £0.114m, funding for skills and apprenticeship programmes of £1.133m, £0.057m for IT hosting services, £0.365m for business support programmes, £0.204m of funding from the UK Shared Prosperity Fund, and £0.009m for other services.

The Council had one pooled budget arrangement with NHS Cheshire and Merseyside Integrated Care Board during 2024/25 under s75 of the Health Act 2006. Transactions and balances are highlighted in Note 9. In addition to the pooled budget arrangement there were further payments of £0.193m relating to other services. There was additional income received of £16.150m for contributions to care packages, £0.537m for the Joint Speech and Language Therapy Service, a £0.207m contribution towards the Positive Behaviour Support Service £0.289m for the Learning Disability Nursing Service, contributions of £0.177m towards the Benefits Advice Service, and £0.473m for other services. Inclusive of these figures, there were debtors outstanding at year end of £1.129m for joint funded care packages and a £0.022m contribution towards the benefits advice scheme.

£0.734m of expenditure was paid to Warrington and Halton Hospitals NHS Trust from the pooled budget, comprising £0.272m for the Early Supported Discharge Scheme, £0.265m for the Community Team Project, £0.192m for the Integrated Care and Frailty Service, and £0.004m for other services. There were £0.134m of creditors outstanding at 31st March 2025 which are included in these figures. Outside of the pooled budget, £0.020m was paid to the Trust for other services. One member of the Council is a Governor of the Trust.

The Council incurred £2.362m of expenditure with Bridgewater Community Healthcare NHS Trust in 2024/25 from the pooled budget, relating to the Intermediate Care and Frailty Service (£1.500m) and the Integrated Community Equipment Service (£0.862m). Outside of the pooled budget, the Council incurred £3.752m of expenditure for the 0-19 public health service, £0.338m for the Family Hubs programme, £0.129m for infection control services, £0.067m for children's therapy equipment, and £0.058m for vision and deafness support services. Included within these figures are £0.213m of creditors outstanding at the end of the 2024/25 financial year. £0.002m of income was received from the Trust in 2024/25 for room hire.

£0.134m of expenditure to Cheshire Police was incurred in 2024/25, comprising £0.064m for staffing costs, £0.060m for project contributions, and £0.010 for emergency planning exercises. £0.189m of income was received for the Domestic Abuse Prevention Service. Two members of the Council represent Halton on the Cheshire Police and Crime Panel.

The Council has contracted with Merseyside Recycling and Waste Authority (MRWA) to manage the disposal of household waste, the processing of recyclables, and to run the Household Waste and Recycling Centres within Halton. Expenditure of £6.356m was incurred during 2024/25, including £3.572m of creditors outstanding at 31st March 2025. £0.051m of income was received during 2024/25. One member of the Council represents Halton as a member of MRWA.

Three members of the Council sit on the Committee of Cheshire Fire and Rescue Service. There were no significant financial transactions between Halton Borough Council and Cheshire Fire and Rescue Service during the 2024/25 financial year.

Full details of the Council's pension fund transactions can be found in Note 32, Pension Schemes.

Entities Controlled or Significantly Influenced by the Council

Halton Borough Council are joint venture partners in Daresbury SIC (Pub Sec) LLP, which has significant influence over Daresbury SIC LLP. Total payments of £0.431m were received in 2024/25, including interest income of £0.154m. The total debtor outstanding is £5.594m and further details of the lease are provided in Note 30, Finance Leases – Authority as a Lessor. The Council also received £0.414m (including interest income of £0.117m) from the Enterprise Zone Rates in relation to the repayment of a contribution towards the construction of Project Violet.

Halton Borough Council are joint venture partners in Halton & Kent Commercial Services LLP which delivers managed temporary and interim staffing services on behalf of the Council. A loan of £0.150m was made by the Council to the partnership in 2024/25 to fund initial start-up costs and is included within the accounts as a long-term debtor. Total payments of £6.918m were made to the partnership in 2024/25 for temporary staffing services.

Details of the Council's interests in companies are disclosed in Note 41, Interest in Companies and Other Entities.

14. External Audit Fees

The Council paid the following amounts to Grant Thornton in 2024/25 for fees relating to external audit, inspection and additional services.

	2023/24 £000	2024/25 £000
Fees payable for:		
- Audit	324	387
- Grants and returns	30	70
Total	**354**	**457**

15. Events after the Balance Sheet Date

These accounts have been authorised for issue by the Director of Financial Services, on the 30th June 2025 and reflect all known events for the financial year. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31st March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

16. Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below, 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.

	2023/24 £000	2024/25 £000
Opening Capital Financing Requirement	**604,079**	**605,940**
Capital Investment:		
Property, Plant & Equipment	34,123	41,548
Investment Properties	-	-
Intangible Assets	296	220
Revenue Expenditure Funded from Capital under Statute	9,783	7,683
Additional borrowing need from IFRS16 PFI Revaluation	-	50,790
Capitalisation of Revenue costs under Exceptional Financial Support	-	10,000
Source of Finance:		
Capital Receipts	(3,238)	(3,240)
Capital Receipts to Reduce MRP Liability	(7,744)	(558)
Government Grants & Other Contributions	(19,656)	(29,174)
Direct Revenue Contributions	(294)	(64)
Minimum Revenue Provision	(11,409)	(13,509)
Closing Capital Financing Requirement	**605,940**	**669,636**
Explanation of movement in year:		
Increase in underlying need to borrow	21,014	74,828
Minimum Revenue Provision statutory set aside	(11,409)	(13,510)
Use of Capital Reserves to reduce MRP liability	(7,744)	(558)
Assets acquired under Finance Leases	-	2,936
Increase/(Decrease) in Capital Financing Requirement	**1,861**	**63,696**

The table above shows the Council spent £49.4m on capital during 2024/25.

Disposal of Assets/Capital Receipts

Land/Dwellings/Recovered Advances – the Council received £0.383m from the sale of land, vehicles and various properties.

Under residual arrangements, the Council received £0.081m (£0.290m in 2023/24) from Halton Housing Trust for the sale of homes during the year, and a further £0.049m (£0.080m in 2023/24) under VAT Shelter arrangements.

17. Non-Current Assets, Property, Plant and Equipment

Movements during 2024/25

	Land and Buildings £000	Community Assets £000	Vehicles, Plant and Equipment £000	Surplus Assets £000	Under Construction / Development £000	Total 2024/25 £000
Cost or Valuation						
As at 1st April 2024	**214,272**	**5,969**	**14,650**	**12,700**	**25,220**	**272,811**
Additions and Enhancements	6,500	785	3,019	93	11,002	**21,399**
Revaluations Recognised in the Revaluations Reserve	16	(1)	-	(822)	-	**(807)**
Revaluations Recognised in the Provision of Services	(3,545)	-	-	(3,562)	-	**(7,107)**
Derecognition – Disposals	(8,450)	-	(2,740)	(648)	-	**(11,838)**
Derecognition – Others	-	-	-	-	-	**-**
Assets Reclassified (to)/from Held for Sale	-	-	-	-	-	**-**
Other Movements	29,475	-	-	1,154	(30,638)	**(9)**
As at 31st March 2025	**238,268**	**6,753**	**14,929**	**8,915**	**5,584**	**274,449**
Depreciation						
As at 1st April 2024	**(1,144)**	**(2,962)**	**(9,019)**	**(232)**	**-**	**(13,357)**
Depreciation for the Year	(6,520)	(222)	(1,465)	(112)	-	**(8,319)**
Depreciation written out to Revaluation Reserve	3,382	-	-	41	-	**3,423**
Depreciation written out to Surplus/Deficit on the Provision of Services	570	-	-	-	-	**570**
Derecognition – Disposals	302	-	2,740	36	-	**3,078**
Derecognition – Other	-	-	-	-	-	**-**
Other Movements in Depreciation	-	-	-	-		**-**
As at 31st March 2025	**(3,410)**	**(3,184)**	**(7,744)**	**(267)**	**-**	**(14,605)**
Balance Sheet Amount as at 31st March 25	**234,858**	**3,569**	**7,185**	**8,648**	**5,584**	**259,844**
Balance Sheet Amount as at 1st April 24	**213,128**	**3,007**	**5,631**	**12,468**	**25,220**	**259,454**

Movements during 2023/24

	Land and Buildings £000	Community Assets £000	Vehicles, Plant and Equipment Restated £000	Surplus Assets £000	Under Construction / Development £000	Total 2023/24 £000
Cost or Valuation						
As at 1st April 2023	**209,919**	**5,586**	**12,997**	**6,839**	**6,313**	**241,654**
Additions and Enhancements	17	383	1,653	87	18,907	**21,047**
Revaluations Recognised in the Revaluations Reserve	10,001		-	324	-	**10,325**
Revaluations Recognised in the Provision of Services	49	-	-	-	-	**49**
Derecognition – Disposals	(5,506)	-	-	-	-	**(5,506)**
Derecognition – Others	-	-	-	-	-	**-**
Assets Reclassified (to)/from Held for Aale	-	-	-	5,242	-	**5,242**
Other Movements	(208)	-	-	208	-	**-**
As at 31st March 2024	**214,272**	**5,969**	**14,650**	**12,700**	**25,220**	**272,811**
Depreciation						
As at 1st April 2023	**(8,575)**	**(2,739)**	**(7,685)**	**(88)**	**-**	**(19,087)**
Depreciation for the Year	(6,372)	(223)	(1,334)	(144)	-	**(8,073)**
Depreciation written out to Revaluation Reserve	13,346	-	-	-	-	**13,346**
Depreciation written out to Surplus/Deficit on the Provision of Services	207	-	-	-	-	**207**
Derecognition – Disposals	250	-	-	-	-	**250**
Derecognition – Other	-	-	-	-	-	**-**
Other Movements in Depreciation	-	-	-	-	-	**-**
As at 31st March 2024	**(1,144)**	**(2,962)**	**(9,019)**	**(232)**	**-**	**(13,357)**
Balance Sheet Amount as at 31st March 24	**213,128**	**3,007**	**5,631**	**12,468**	**25,220**	**259,454**
Balance Sheet Amount as at 1st April 23	**201,344**	**2,847**	**5,312**	**6,751**	**6,313**	**222,567**

Please note that the brought forward gross valuation of Vehicles, Plant and Equipment and associated depreciation have been reduced by £2.156m as the carrying amounts included items no longer held by the Council. These items were fully depreciated and this change therefore has no impact on the net asset values recorded on the Balance Sheet.

Highways Infrastructure Assets

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

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

	2023/24 £000	2024/25 £000
Infrastructure Assets		
Net book value (modified historical cost)		
At 1st April	**620,093**	**614,925**
Additions	13,075	20,152
Derecognition	-	-
Depreciation	(18,243)	(18,043)
Impairment	-	-
Other movements in cost	-	-
At 31st March	**614,925**	**617,034**
Service Concession Assets		
(included in Infrastructure Assets)		
Net book value		
At 1st April	**431,946**	**424,649**
Additions	-	-
Derecognition	-	-
Depreciation	(7,297)	(7,297)
Impairment	-	-
Other movements in cost	-	-
At 31st March	**424,649**	**417,352**

	2023/24 £000	2024/25 £000
Infrastructure Assets	614,925	617,034
Other PPE Assets	259,454	259,844
Total PPE Assets	**874,379**	**876,878**

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.

Depreciation

Depreciation is calculated on a straight-line basis and the following useful lives and depreciation rates have been used:

Buildings and Other Operational Properties	10-60 years
Community Assets	15 years
Infrastructure Assets	15-120 years
Vehicles, Plant and Equipment	3-10 years
Intangible Assets	5 years

Capital Commitments

At 31st March 2025, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment.

The major commitments are:

Contact Centre System	£1.119m
Runcorn Busway	£0.231m
Fleet Vehicles	£0.876m
East Runcorn Development	£0.166m
Green Cycle / Walk Corridors	£0.146m
Open Spaces Schemes	£0.386m
Town Centre Development	£0.944m
Pot Hole & Flood Resilience	£0.597m

At 31st March 2025 the capital commitments totalled £4.465m (£14.233m at 31st March 2024).

Revaluations

The Council carries out a rolling programme that ensures all Property, Plant and Equipment required to be measured at fair value is revalued every 3 years. A mixture of revaluations from each of the below categories are valued each year. Valuations were carried out by Sanderson Weatherall LLP and by the Council's in-house valuer Louise Risk MRICS. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

- Corporate Properties
- Children's centres, children's homes and miscellaneous properties, land and open spaces
- Day care centres, homes, leisure centres, sports fields and changing rooms, allotments, community centres, libraries and cemeteries
- Nursery, infant, junior, primary, secondary, special and PRU schools.

All assets are subject to an annual review to ensure valuations have not materially changed in the years they are not valued and that the carrying value is not significantly different to their fair value.

Assets which were subject to a revaluation in 2024/25 are dated the 31st March 2025. The valuation report which is used in the preparation of the Council's Statement of Accounts takes account of all known events throughout 2024/25 which could subsequently affect the asset's value and is therefore dated the 31st March 2025.

The assets shown by year of valuation are shown in the table below:

	Other Land & Buildings	Community Assets	Infrastructure Assets	Vehicles, Plant & Equipment	Surplus	Under Construction / Development	Total
	£000	£000	£000	£000	£000	£000	£000
Valued at current value as at:							
31st March 2025	140,704				7,448		**148,152**
31st March 2024	82,485				240		**82,725**
31st March 2023	10,956				678		**11,634**
31st March 2022	450				125		**575**
31st March 2021	263				157		**420**
Valued at Historic Cost		3,569	617,034	7,185		5,584	**633,372**
Total	**234,858**	**3,569**	**617,034**	**7,185**	**8,648**	**5,584**	**876,878**

Land & Buildings

Non-specialised property is valued at Fair Value – Existing Use Value. Specialised Property is valued on the basis of Depreciated Replacement Costs.

Community Assets

This group includes parks, cemetery land and other identifiable assets held in perpetuity, usually at Depreciated Historical Cost.

Infrastructure

These are included on the balance sheet at Depreciated Historical Cost in accordance with the guidelines contained in the RICS Appraisal and Valuation Standards.

Vehicles, Plant and Equipment

The majority of the Council's plant and equipment is included in the valuation of the buildings. The vehicles and other equipment are valued at Depreciated Historical Cost.

Intangible Assets

This group consists mainly of software licences for computer systems held at Depreciated Historical Cost.

Surplus Assets

Assets held for sale have strict criteria to be met before any assets can be included under this heading. Where assets are not in use but do not meet the criteria, they are accommodated within surplus assets. They are held at highest and best use value.

Assets under Construction/Development

These schemes are held temporarily on the balance sheet at Historic Cost until the asset is completed, when it is replaced with a formal valuation.

Fair Value Hierarchy for Investment Properties, Surplus Assets and Assets Held for Sale

Investment Properties, Surplus Assets and Assets Held for Sale have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (see Statement of Accounting Policies 9 – Fair Value).

Valuation Techniques Used to Determine Level 2 Fair Values

The fair value of Investment Properties, Surplus Assets and Assets Held for Sale have been measured using a market approach, which takes into account quoted prices for the existing or similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's Asset portfolio. This information is contained within the Valuation Assumptions and Evidence note agreed between the authority's Asset Manager and professional staff. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as Level 2 on the fair value hierarchy.

There has been no change in the valuation techniques used during the year for Investment Properties, Surplus Assets or Assets Held for Sale.

Highest and Best Use

In estimating the fair value of the Council's Investment Properties, the highest and best use is their current use, though Assets Held for Sale have been valued taking their development potential into account.

De-minimis Assets

At 31st March 2025, the Council had 66 assets with a total value of £0.922m that were not recorded on the Balance Sheet as they fell below its de-minimis level of £35,000.

18. Heritage Assets

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

	2023/24			2024/25		
	Civic Regalia £000	Outdoor Sculpture £000	Total £000	Civic Regalia £000	Outdoor Sculpture £000	Total £000
Cost or Valuation						
1st April	**858**	**567**	**1,425**	**858**	**567**	**1,425**
Additions		-	-		-	-
Disposals	-	-	-	-		
Revaluations	-	-	-	-		
Impairment Losses/(Reversals) Recognised in the Revaluation Reserve	-	-	-	-		
Impairment Losses/(Reversals) Recognised in the Surplus or Deficit on the Provision of Services	-	-	-	-		
31st March	**858**	**567**	**1,425**	**858**	**567**	**1,425**

Other Heritage Assets

For the following Heritage Assets, no valuation is held as the records for the cost of acquisition / construction are no longer available, and they are not insured as individual items so are not recorded on the Council's balance sheet. Although these assets have a cultural significance to the local community, they are not considered to have a material financial value.

War Memorials
The Council has two war memorials, one in Runcorn on Moughland Lane and the other in Widnes in Victoria Park.

Duck Decoy (Hale Village)
The Duck Decoy in Hale Village has been restored for use as a nature reserve with assistance from the Heritage Lottery Fund

Outdoor Works of Art
A metal sculpture called Spire in Church Street, Runcorn and works of art on Runcorn Promenade and within sets of railings and panels around Halton Castle.

Halton Castle
One of only two Norman Castles remaining in Cheshire, managed on behalf of the Council by Norton Priory Museum Trust.

19. Investment Properties

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

2023/24 £000		2024/25 £000
(39)	Rental Income from Investment Property	(38)
15	Direct Operating Expenses from Investment Property	1
(24)		**(37)**

Investment Properties are not directly involved in the delivery of a service and are valued annually.

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 obligations to purchase, construct or develop investment property or undertake repairs, maintenance or enhancement.

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

	2023/24 £000	2024/25 £000
Balance at the start of the year	**1,344**	**1,323**
Additions:		
- Purchases	-	-
- Construction	-	-
- Subsequent expenditure	-	-
Disposals	(73)	-
Net gain/(losses) from fair value adjustments	52	859
Transfers:		
- (To)/from Inventories	-	-
- (To)/from Property, Plant and Equipment	-	-
Other changes	-	-
	1,323	**2,182**

For details of the fair value valuations used for Investment Properties, see Note 17.

20. Intangible Assets

The Council accounts for its software as intangible assets, with the exception of software which is an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council are 5 years.

The carrying amounts of intangible assets are amortised on a straight-line basis. The amortisation of £0.273m charged to revenue in 2024/25 was charged to various cost centres and then absorbed as an overhead across all service headings in the Net Expenditure of Continuing Operations.

The movement on Intangible Asset balances during the year is as follows:

	2023/24 Restated £000	2024/25 £000
Balance at start of year:		
Gross carrying amounts	1,069	10,443
Accumulated amortisation	(343)	(9,659)
Net carrying amount at start of year	**726**	**784**
Additions:		
Purchases	296	220
Amortisation for the period	(238)	(273)
Net carrying amount at end of year	**784**	**731**
Comprising:		
Gross carrying amounts	1,365	10,663
Accumulated amortisation	(581)	(9,932)
	784	**731**

Please note that the brought forward gross valuation of Intangible Assets and associated depreciation have been reduced by £9.078m as the carrying amounts included items no longer held by the Council. These items were fully depreciated and this change therefore has no impact on the net asset values recorded on the Balance Sheet.

21. Assets Held for Sale

	2023/24 £000	2024/25 £000
Balance Outstanding at Start of Year	**12,229**	**987**
Assets Newly Classified as Held for Sale:		
- Property, Plant and Equipment	-	-
- Intangible Assets	-	-
Revaluation Losses	-	(396)
Revaluation Gains	-	-
Impairment Losses	-	-
Assets Declassified as Held for Sale:		
- Property, Plant and Equipment	(5,242)	-
- Intangible Assets	-	-
Assets Sold	(6,000)	-
Transfers from Non-Current to Current	-	-
Other Movements	-	-
Balance Outstanding at Year-End	**987**	**591**

For details of the fair value valuations used for Assets Held for Sale, see Note 17.

Please note all Assets Held for Sale are due to be sold within a year and are shown as Current Assets on the Balance Sheet.

22. Investments

Investments in Associates and Joint Ventures are shown below:

	31/03/2024 £000	31/03/2025 £000
Associates		
Daresbury SIC LLP (25% equity shares)	5,003	3,794
Joint Ventures		
Halton & Kent Commercial Services LLP		(140)
	5,003	**3,654**

Copies of the accounts for Daresbury SIC LLP and Halton & Kent Commercial Services LLP will be available from Companies House (gov.uk/get-information-about-a-company).

Long-term Investments consist of:

Subsidiaries	31/03/2024 £000	31/03/2025 £000
Mersey Gateway Share Capital - de minimis	-	-
	-	**-**
Other Long Term Investments		
Municipal Bonds Agency	10	10
CCLA Property Fund	8,523	8,715
Long Term Deposits	15,000	5,000
	23,533	**13,725**
Total Long Term Investments	**23,533**	**13,725**

Short-term investments consist of:

	31/03/2024 £000	31/03/2025 £000
Non-UK Banks		
Bank of Montreal	5,000	-
Local Authorities		
Aberdeen City Council	7,000	10,000
Adur District Council	1,000	-
Gravesham Borough Council	5,700	-
Police and Crime Commissioner for Kent	5,000	7,000
Warrington Borough Council	-	10,000
West Northamptonshire Council	-	5,000
Interest accrued on investments 31st March	948	404
	24,648	**32,404**

23. Debtors

	Gross Debtors	Impairment	Net Debtors	Gross Debtors	Impairment	Net Debtors
	31/03/2024			31/03/2025		
Short Term	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Mersey Gateway						
- Toll and registration fees	2,597	(2,137)	**460**	2,958	(2,568)	**390**
- Public charge notices	32,632	(30,849)	**1,783**	36,078	(34,733)	**1,345**
VAT	6,401	-	**6,401**	5,869	-	**5,869**
Other receivable amounts	41,899	(5,760)	**36,139**	44,981	(6,147)	**38,834**
Prepayments	3,036	-	**3,036**	2,698	-	**2,698**
Local Taxation	22,431	(17,402)	**5,029**	22,426	(17,274)	**5,152**
	108,996	**(56,148)**	**52,848**	**115,010**	**(60,722)**	**54,288**
Long Term						
Other receivable amounts	13,113	-	**13,113**	12,044	-	**12,044**
	13,113	**-**	**13,113**	**12,044**	**-**	**12,044**

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

	31/03/2024	31/03/2025
	£000	£000
Less than one year	2,354	2,218
One to two years	1,062	1,110
Two to three years	687	705
Three to four years	382	485
Four to five years	273	306
Five years and above	271	328
	5,029	**5,152**

24. Cash and Cash Equivalents

	31/03/2024	31/03/2025
	£000	£000
Cash held by the Council	45	255
Bank current accounts	1,352	(5,201)
Short-term deposits	55,975	15,500
	57,372	**10,554**

25. Creditors

	31/03/2024	31/03/2025
	£000	£000
Mersey Gateway		
- Payment to toll collection company	(2,608)	(2,496)
- Payment of unitary charge	(6,582)	(6,819)
- Construction costs	(363)	(2)
- Mersey Gateway excess revenue share repayable to DFT	(44,750)	-
Short-term element of long-term liabilities	(9,139)	(11,570)
Other payable amounts	(50,631)	(49,472)
	(114,073)	**(70,359)**

26. Borrowings

Short-term borrowings consist of:

	31/03/2024 £000	31/03/2025 £000
Source of loans:		
Ashfield District Council	(5,000)	-
Cambridge and Peterborough Combined Authority	(5,000)	-
Chichester District Council	(5,000)	-
Gwynedd Council	(5,000)	-
Lancaster City Council	-	-
London Treasury Liquidity Fund	-	(10,000)
Public Works Loan Board	-	(10,000)
Swansea County Council	(5,000)	-
West Midlands Combined Authority	-	-
West Yorkshire Pension Fund	(10,000)	-
Interest accrued on borrowing	(3,150)	(1,072)
	(38,150)	**(21,072)**

Long-term borrowings consist of:

	31/03/2024 Restated £000	31/03/2025 £000
Source of loans:		
Public Works Loan Board	(172,000)	(212,000)
	(172,000)	**(212,000)**
Analysis of loans by maturity:		
Maturing in 1-2 years	(10,000)	(50,000)
Maturing in 2-5 years	-	-
Maturing in 5-10 years	-	-
Maturing in more than 10 years	(162,000)	(162,000)
	(172,000)	**(212,000)**

Please note the 31/03/24 figure on analysis by maturity has been updated to move £10m PWLB borrowing to 1-2 years, which was included in 2-5 years in error.

27. Provisions

	Short-Term					Long-Term		
	NNDR Appeals £000	Insurance Provision £000	Mersey Gateway Grant £000	Other Provisions £000	Total £000	NNDR Appeals £000	Mersey Gateway Grant £000	Total £000
Balance at 1st April 2023	**(987)**	**(1,251)**	**(46,345)**	**(354)**	**(48,937)**	**(990)**	**(16,150)**	**(17,140)**
Movement in use of provision in year	(1,016)	242	46,345	-	45,571	990	(7,276)	(6,286)
Amounts reclassified from >12 months	-	-	-	-	-	-	-	-
Amounts reclassified from <12 months	-	-	-	-	-	-	-	-
Balance at 31st March 2024	**(2,003)**	**(1,009)**	**-**	**(354)**	**(3,366)**	**-**	**(23,426)**	**(23,426)**
Balance at 1st April 2024	**(2,003)**	**(1,009)**	**-**	**(354)**	**(3,366)**	**-**	**(23,426)**	**(23,426)**
Movement in use of provision in year	(383)	(152)	-	(299)	(834)	-	(5,773)	(5,773)
Amounts reclassified as <12 months	-	-	-	-	-	-	-	-
Amounts reclassified from <12 months	-	-	-	-	-	-	-	-
Balance at 31st March 2025	**(2,386)**	**(1,161)**	**-**	**(653)**	**(4,200)**	**-**	**(29,199)**	**(29,199)**

NNDR Appeals
The Council is required to make a provision for NNDR valuation appeal claims. It is assumed that appeals outstanding on the 2023 list will be settled in 2025/26.

Insurance Provision
The Council have a number of insurance claims outstanding in relation to employers' liability and public liability claims. The provision shown above reflects the expected cost to the Council, up to the value of the excess for each claim. It is assumed that all claims will be settled during 2025/26.

Mersey Gateway Grant Repayment
As part of the agreement with the Department for Transport, following each 3-year project review, the next being in 2026/27, 85% of any unused grant is to be repaid to Central Government.

28. Contingent Liabilities

At 31st March 2025, the Council had no categories of material Contingent Liabilities.

29. Other Long-Term Liabilities

	31/03/2024	31/03/2025
	£000	**£000**
Defined benefit pension liability	(4,504)	(4,042)
PFI lease liability due in more than 12 months	(15,924)	(19,489)
Mersey Gateway unitary charge due in more than 12 months	(320,351)	(354,776)
Other lease liabilities due more than 12 months	-	(2,790)
Repayment of grant due in more than 12 months	(1,846)	-
Deferred liabilities	(29)	-
	(342,654)	**(381,097)**

30. Leases

IFRS16 Transition

In 2024/25, the council applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of- use asset and a lease liability are to be brought into the Balance Sheet at 1st April 2024. Leases for items of low value and leases that expire on or before 31st March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1st April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- liabilities are measured at the present value of the remaining lease payments at 1 April 2024 discounted by the authority's incremental borrowing rate at that date.
- the weighted average of the incremental borrowing rates used to discount liabilities was 5.20%
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31st March 2024 – any initial direct costs have been excluded
- all leases were assessed as to whether they were onerous at 31st March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31st March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet:

- £2.936m Property, plant and equipment – land and buildings (right-of-use assets)
- £2,864m Non-current creditors (lease liabilities)
- £0.072m Current creditors (lease liabilities

The newly recognised lease liabilities of £2.936m compare with the operating lease commitments of £10.210m at 31st March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £2.936m (using the incremental borrowing rate at 1st April 2024), there is a difference of £7.274m from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31st March 2025.

Authority as Lessee

The authority's lease contracts comprise leases of operational land and buildings. Most are individually immaterial however, material leases include:

- Lease for Rutland House, which commenced in December 1972 for a term of 122 years. The value of the asset as at 31st March 2025 was £2.9m.

Right of use assets

This table shows the change in value of right of use assets held under lease by the authority.

	Land and Buildings £000
Balance at 1st April 2024	**-**
Additions	(2,936)
Revaluation	-
Depreciation and Impairment	-
Disposals	-
Balance at 31st March 2025	**(2,936)**

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases

	2024/25 £000
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	154
Expense relating to short term assets	16
Expense relating to low value items	170
Income from subletting right of use assets	(103)
Cash flow statement	
Minimum lease payments	226

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

	31/03/2024	31/03/2025
	£000	£000
Not later than one year	196	177
Later than one year and not later than five years	602	615
Later than five years	9,412	9,841
	10,210	**10,633**

Authority as a Lessor

Operating Leases

The Council leases out property under operating leases to supplement the Council's income, to allow short-term use of assets being retained for longer-term asset strategy and to allow the use of Council assets by the third sector.

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

	31/03/2024	31/03/2025
	£000	£000
Not later than one year	653	730
Later than one year and not later than five years	1,800	1,824
Later than five years	6,697	7,851
	9,150	**10,405**

Finance Leases

The authority leases buildings in Venture Fields and Daresbury SciTech. 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 properties when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the authority in future years while the debtor remains outstanding. The gross investment is made up of the following amounts:

	31/03/2024	31/03/2025
	£000	£000
Finance lease debtor (net present value of minimum lease payments)		
- Current	552	566
- Non-Current	9,768	9,201
Unearned finance income	2,281	2,025
Gross investment in the lease	**12,601**	**11,792**

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

	Gross Investment in the Lease		Minimum Lease Payments	
	31/03/2024	31/03/2025	31/03/2024	31/03/2025
	£000	£000	£000	£000
Not later than one year	810	810	810	810
Later than one year and not later than five years	3,238	3,238	3,238	3,238
Later than five years	8,553	7,744	8,553	7,744
	12,601	**11,792**	**12,601**	**11,792**

As the Council is unaware of any financial circumstances that might result in lease payments not being made, there has been no provision set aside for uncollectable amounts. This will be reviewed on an annual basis.

31. Private Finance Initiatives and Similar Schemes

Halton Grange School PFI Scheme

On 20th June 2011 the Council entered into a 25-year Private Finance Initiative (PFI) arrangement with HTP Grange Ltd for the provision of 1 new high school. There is a 25-year PFI contract for the construction, maintenance, and facilities management of Grange School. The new school building was handed over to the Council on 15th April 2013 and on 1st January 2018 the school converted to an academy.

The Grange PFI School was removed from the Council's Property Plant and Equipment during 2017/18 at a cost of £21.4m. As the Council is party to the contract with the PFI Operator, the PFI liability is retained on the Council's Balance Sheet and the income from the Academy school is recognised to reduce the overall charge in the year.

The contract specifies minimum standards for the services provided by the contractor to the school. The contractor took on the obligation to construct the school and maintain it in a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the school. The buildings and any plant and equipment installed in them at the end of the contract will be transferred to the Council for nil consideration. The Council only has rights to terminate the contract if it compensates the contractor in full for the costs incurred and future profits that would have been generated over the remaining term of the contract.

Payments

The Council makes an agreed payment each year which is increased annually by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed.

Payments remaining to be made under the PFI contract at 31st March 2025 are as follows:

	Payment for Services £000	Reimbursements of Capital Expenditure £000	Interest £000	Total £000
Payment in 2025/26	1,525	929	1,752	4,206
Payable within 2-5 years	6,013	4,701	6,114	16,828
Payable within 6-10 years	7,955	8,038	5,042	21,035
Payable within 11-15 years	4,660	6,750	1,207	12,617
Total	**20,153**	**20,418**	**14,115**	**54,686**

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. The liability outstanding to the contractor for capital expenditure incurred is shown below.

The liability outstanding at 1st April 2024 has been increased in line with the implementation of IFRS 16, and the liability now includes the indexation of unitary charges since the start of the scheme (see policy 25).

	2023/24 £000	2024/25 £000
Balance outstanding at 31st March	**17,162**	**16,546**
IFRS16 Restatement of Liability	-	4,673
Balance outstanding at 1st April	**17,162**	**21,219**
Payments during the year	(616)	(801)
Capital expenditure incurred in the year	-	-
Balance outstanding at 31st March	**16,546**	**20,418**

The carrying value of the PFI liability is the present value of the payments due using the interest rate implicit in the contract.

Mersey Gateway – Unitary Payments

On 13th October 2017 the Mersey Gateway Bridge opened. The project was funded through a mixture of capital payments from Halton Borough Council and monthly unitary charge payments to Merseylink paid using the toll income raised. Unitary Charge payments cover the costs of construction and ongoing maintenance of the bridge for a period of 27 years.

The Mersey Gateway Bridge is recognised in Infrastructure Assets on the Council's Balance Sheet. Movements in the value of the Mersey Gateway over the year are detailed in the analysis of the movement on the property, plant and equipment balance in Note 17.

The Project Company took on the obligation to construct the bridge and associated roads and maintain them in a minimum acceptable condition. At the end of the contract the assets will be handed back to the Council for nil consideration. Full details of the requirement to achieve acceptable handback condition are in the Project Agreement. The Council has rights to terminate the contract if it compensates the contractor in full as detailed in the Project Agreement. There are also provisions for termination by either party for certain breaches of performance.

Payments

The Council makes an agreed payment each month to Merseylink which is increased annually by inflation and can be reduced if traffic flows fall below an agreed level.

Payments remaining to be made under the scheme at 31st March 2025 (excluding any deductions) are as follows:

	Payment for Services £000	Reimbursements of Capital Expenditure £000	Interest £000	Total £000
Payment in 2025/26	3,413	10,640	28,182	42,235
Payable within 2-5 years	18,077	46,780	104,084	168,941
Payable within 6-10 years	28,681	74,985	107,510	211,176
Payable within 11-15 years	30,031	108,124	73,021	211,176
Payable within 16-20 years	21,476	124,887	22,576	168,939
Total	**101,678**	**365,416**	**335,373**	**802,467**

Please note, the services element of the contract is calculated using the estimated costs over the life of the agreement.

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. The liability outstanding to the contractor for capital expenditure incurred is shown below.

The liability outstanding at 1st April 2024 has been increased in line with the implementation of IFRS 16, and the liability now includes the indexation of unitary charges since the start of the scheme (see policy 25).

	2023/24 £000	2024/25 £000
Balance outstanding at 31st March	**336,188**	**328,862**
IFRS16 Restatement of Liability		46,118
Balance outstanding at 1st April	**336,188**	**374,980**
Payments during the year	(7,326)	(9,563)
Capital expenditure incurred in the year	-	-
Balance outstanding at 31st March	**328,862**	**365,417**

32. Pension Schemes

Disclosure of Net Pensions Asset/Liability

Participation in pension schemes

As part of the terms and conditions of employment of its officers and other employees, the Council makes contributions towards the cost of post-employment retirement 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 employees earn their entitlement.

The Council participates in three pension schemes, all of which offer defined benefit schemes:

The Local Government Pension Scheme administered by Cheshire West and Chester Council - this is a funded career average revalued earnings (CARE) defined benefit scheme, meaning that the Council and its employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The principal risks to the authority of the scheme are the longevity assumptions, changes to inflation, bond yields, the performance of the equity investments held, and any significant statutory or structural changes to the scheme. The risks are, in part, mitigated by the annual process of charging to the General Fund any increase/decrease in the net asset or liability, as identified in the actuarial valuation.

The Teachers' Pension Scheme – this is a centralised scheme administered by Teachers' Pensions Agency. Although the scheme is unfunded, the Agency uses a notional fund as the basis for calculating the employers' contribution rate paid by Local Education Authorities.

The NHS Pension Scheme relates to 19 employees. The scheme operates on a similar basis to the Teachers' Pension Scheme.

Local Government Pension Scheme

Transactions Relating to Post-Employment Benefits

In 2024/25, the Council paid an employer's contribution to the Cheshire Pension Fund of £16.882m (£16.010m in 2023/24).

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the General Fund Balance via the Movement in Reserves Statement during the year.

Following the revaluation by our actuary it was determined that the fair value of the pension plan asset outweighed the present value of the plan obligations as at 31st March 2025, which resulted in a plan asset. IAS 19 Employee Benefits requires that, where a pension asset exists, it is measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. The calculation was completed by the actuaries and it was determined that the asset ceiling is nil. An adjustment has been added to notes below to reflect this.

	2023/24	2024/25
Comprehensive Income & Expenditure Statement		
Cost of Services	**£000**	**£000**
Current service costs	15,916	15,088
Past service costs/(gain)	335	48
Losses/(gains) from settlements	(369)	(296)
Finance & Investment Income & Expenditure		
Net interest expense	(4,600)	(6,481)
Interest on the effect of the asset ceiling	4,816	6,644
Total Post-Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**16,098**	**15,003**
Other Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement		
Re-measurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(12,383)	18,687
Actuarial (gains) and losses arising on changes in demographic assumptions	(3,842)	(1,021)
Actuarial (gains) and losses arising on changes in financial assumptions	(32,769)	(88,040)
Other experience	18,311	(5,241)
Asset ceiling adjustment	30,780	77,470
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	**97**	**1,855**
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	**(16,098)**	**(15,004)**
Actual amount charged against the General Fund Balance for pensions in the year:		
Contributions in respect of unfunded benefits	**425**	**439**
Employers' contributions payable to scheme	**16,010**	**16,882**

Pension 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:

	2023/24 £000	2024/25 £000
Present value of funded liabilities	(574,476)	(504,753)
Present value of unfunded liabilities	(4,504)	(4,042)
Fair value of plan assets	711,469	725,860
Sub Total	**132,489**	**217,065**
Other movement in the asset / liability	-	-
Net asset / (liability) arising from defined benefit obligation	**132,489**	**217,065**

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets.

	2023/24 £000	2024/25 £000
Opening fair value of scheme assets	670,796	711,469
Interest income	31,788	34,443
Remeasurement gain / (loss)	-	-
The return on plan assets, excluding the amount included in the net interest expense	12,383	(18,687)
Contributions from employer	16,010	16,882
Contributions from employees into the scheme	4,873	5,221
Benefits paid	(23,743)	(22,943)
Effect of settlements	(638)	(525)
Closing fair value of scheme assets	**711,469**	**725,860**

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

	2023/24 £000	2024/25 £000
Opening balance at 1st April	**(574,143)**	**(578,980)**
Current service cost	(15,916)	(15,088)
Interest cost	(27,188)	(27,962)
Contribution from scheme participants	(4,873)	(5,222)
Remeasurement (gains) and losses:		-
- Actuarial gains / losses arising from changes in demographic assumptions	3,842	1,021
- Actuarial gains / losses arising from changes in financial assumptions	32,769	88,040
- Other	(18,311)	5,241
Past service cost	(335)	(48)
Benefits paid	24,168	23,382
Liabilities extinguished on settlements	1,007	821
Closing balance at 31st March	**(578,980)**	**(508,795)**

Reconciliation of Asset Ceiling Adjustment.

	2023/24 £000	2024/25 £000
Opening effect of the asset ceiling	(101,397)	(136,993)
Interest on the effect of the asset ceiling	(4,816)	(6,644)
Changes in the effect of the asset ceiling	(30,780)	(77,470)
Closing effect of the asset ceiling	**(136,993)**	**(221,107)**

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets 2023/24			Fair value of scheme assets 2024/25		
	Quoted prices in active markets £000	Unquoted prices not in active markets £000	Total £000	Quoted prices in active markets £000	Unquoted prices not in active markets £000	Total £000
Cash and cash equivalents	**-**	**8,148**	**8,148**	**-**	**6,337**	**6,337**
Equity securities						
- Consumer	3,441	-	3,441	3,531	-	3,531
- Manufacturing	3,585	-	3,585	3,299	-	3,299
- Energy & utilities	-	-	-	-	-	-
- Financial institutions	743	-	743	704	-	704
- Health & care	1,309	-	1,309	1,499	-	1,499
- Information technology	23,828	-	23,828	24,215	-	24,215
- Other	1,847	-	1,847	2,632	-	2,632
Sub-total equity	**34,752**	**-**	**34,752**	**35,880**	**-**	**35,880**
Debt securities						
- Corporate bonds	-	-	-	-	-	-
- Government bonds	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Sub-total bonds	**-**	**-**	**-**	**-**	**-**	**-**
Property						
- UK property	-	49,891	49,891	-	53,780	53,780
- Overseas property	-	953	953	-	926	926
Sub-total property	**-**	**50,844**	**50,844**	**-**	**54,706**	**54,706**
Private Equity	**-**	**48,356**	**48,356**	**-**	**47,918**	**47,918**
Other investment funds						
- Equities	205,359	-	205,359	213,171	-	213,171
- Bonds	162,019	106,890	268,909	153,417	118,977	272,394
- Hedge funds	-	50,553	50,553	-	47,919	47,919
- Infrastructure	-	11,606	11,606	-	13,601	13,601
- Other	-	32,941	32,941	-	33,934	33,934
Sub-total investment funds	**367,378**	**201,990**	**569,368**	**366,588**	**214,431**	**581,019**
Total Assets	**402,131**	**309,338**	**711,468**	**402,468**	**323,392**	**725,860**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries.

The principal assumptions used by the actuary are shown below:

	2023/24	**2024/25**
Mortality Assumptions		
Longevity at 65 for current pensioners:		
- Men	20.8 years	20.8 years
- Women	23.5 years	23.5 years
Longevity at 65 for future pensioners:		
- Men	21.3 years	21.2 years
- Women	24.8 years	24.7 years
Rate of inflation	2.8%	2.8%
Rate of increase in salaries	3.5%	3.5%
Rate of increase in pensions	2.8%	2.8%
Rate for discounting scheme liabilities	4.9%	5.8%
Take-up of option to convert annual pension into retirement lump sum		
- Service to April 2008	65%	65%
- Service from April 2008	65%	65%

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

Change in assumptions at 31st March 2025	Approximate % increase to Defined Benefits Obligation	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	8,648
1 year increase in Member Life Expectancy	4%	20,264
0.1% increase in the Salary Increase Rate	0%	410
0.1% increase in the Pension Increase Rate	2%	8,478

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the 20 years following the last valuation. Funding levels are monitored on an annual basis and the next triennial valuation was completed on 31st March 2025.

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

The authority is anticipated to pay contributions of £16.490m to the scheme in 2025/26.

The weighted average duration of the defined benefit obligation for scheme members is 18 years in 2024/25 (18 years in 2023/24).

Further information can be found in Cheshire West and Chester Council's Pension Funds Annual Report, which is available from Cheshire Pension Fund, Cheshire West and Chester Council, 4 Civic Way, Ellesmere Port, CH65 0BE.

Teachers' Pension Scheme

Defined Contribution Scheme

In 2024/25, the Council paid an employers' contribution to the Teachers' Pension Agency of £7.899m (£6.365m in 2023/24) in respect of teachers' pension costs. The contribution rate for 2024/25 was 23.7% (23.7% in 2023/24) of teachers' pensionable pay.

The scheme is a defined benefit scheme. Although the scheme is unfunded, Teachers' Pensions use 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 a share of the underlying liabilities in the scheme attributable to its own employees. For the purpose of the statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The Council is responsible for any additional benefits granted upon early retirement, outside the standard terms of the scheme. For the year 2024/25 the cost was £0.154m (£0.168m in 2023/24).

NHS Pension Scheme

Defined Contribution Scheme

In 2024/25 the Council paid an employers' contribution to the National Health Service Pension Scheme in respect of 19 employees, the amount paid was £0.150m (£0.157m in 2023/24) in respect of these former NHS employees' pension costs. The contribution rate was 14.4% (14.4% in 2023/24) of pensionable pay, with an additional 2.5% bi-annual contribution towards the increase in employer contributions of 6.3% in 2019. The NHS are responsible for funding the remaining 3.8% of the increase.

The scheme is a defined benefit scheme. Although the scheme is unfunded, the NHS use a notional fund as the basis for calculating the employers' contribution rate paid by local authorities.

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

33. Financial Instruments

Categories of Financial Instruments

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

Financial Assets

	Long Term 31/03/2024	Current 31/03/2024	Long Term 31/03/2025	Current 31/03/2025
	£000	£000	£000	£000
Fair value through profit and loss	8,523	-	8,715	-
Amortised cost				
- Investments	15,000	24,648	5,000	32,404
- Debtors	13,112	38,199	12,044	40,256
- Cash & cash equivalents	-	57,372	-	10,554
Fair value through other comprehensive income				
- Designated equity instruments	10	-	10	-
- Other	5,003	-	3,654	-
Total financial assets	**41,648**	**120,219**	**29,423**	**83,214**
Assets not defined as financial instruments	877,911	15,973	881,215	14,980
Total assets	**919,559**	**136,192**	**910,638**	**98,194**

Financial Liabilities

	Long Term 31/03/2024	Current 31/03/2024	Long Term 31/03/2025	Current 31/03/2025
	£000	£000	£000	£000
Financial liabilities at amortised cost				
- Borrowings	(172,000)	(38,150)	(212,000)	(21,072)
- Other lease liabilities and PFI	(15,924)	(628)	(22,276)	(1,006)
- Mersey Gateway Unitary Charge	(320,351)	(8,511)	(354,776)	(10,640)
- Creditors	(1,845)	(99,605)	-	(57,483)
Fair Value through profit or loss	-	-	-	-
Total financial liabilities	**(510,120)**	**(146,894)**	**(589,052)**	**(90,201)**
Liabilities not defined as financial instruments	(29,500)	(15,911)	(33,244)	(12,494)
Total liabilities	**(539,620)**	**(162,805)**	**(622,296)**	**(102,695)**

Financial Instruments Designated at Fair Value through Profit or Loss

The Council's investment in the CCLA Property Fund has been disclosed at Fair Value through Profit or Loss and is valued at £8.715m at 31st March 2025 (£8.522m at 31st March 2024).

The valuation is based on the net asset value provided by CCLA at 31st March 2025.

As the property fund has been classified at Fair Value through Profit or Loss, the changes in the valuation would have a direct impact on the General Fund Balance, but to comply with the IFRS statutory override, any unrealised gains or losses since the acquisition of the fund units have been moved to the Pooled Investment Fund Adjustment Account. Further details can be found in Note 37.

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

The Council holds a 25% equity holding in Daresbury SIC LLP, valued at a net asset value of £3.794m at 31st March 2025 (£5.003m at 31st March 2024).

The Council holds a 50% equity holding in Halton & Kent Commercial Services LLP, valued with a net liability value of £0.140m at 31st March 2025. 2024/25 is the first year that this holding has been recognised in the accounts.

The Council also holds a £0.010m shareholding in the Municipal Bonds Agency, which is valued at cost based on materiality.

Income, Expense, Gains and Losses

	2023/24		2024/25	
	Surplus or Deficit on the Provision of Services £000	**Other Comprehensive Income and Expenditure £000**	**Surplus or Deficit on the Provision of Services £000**	**Other Comprehensive Income and Expenditure £000**
Net (gains)/losses on:				
Financial assets measured at fair value through profit or loss	347	-	(192)	-
Financial assets measured at fair value through other comprehensive income	-	(134)	-	1,349
Interest revenue				
Financial assets measured at amortised cost	(5,438)	-	(5,053)	-
Financial assets measured at fair value through profit or loss	(424)	-	(438)	-
Interest expense	34,139	-	38,888	-
Net Gain/(Loss)	**28,624**	**(134)**	**33,205**	**1,349**

Fair Values of Financial Assets

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

Recurring fair value measurements	Input level in fair value hierarchy £000	Valuation technique used to measure fair value £000	31/03/2024 £000	31/03/2025 £000
Fair Value through Profit or Loss: CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	8,523	8,715
Fair Value through Other Comprehensive Income & Expenditure:				
Daresbury SIC LLP	Level 2	Net Asset Valuation	5,003	3,794
Halton & Kent Commercial Services LLP	Level 2	Net Asset Valuation	-	(140)
Municipal Bonds Agency	Level 3	At Cost	10	10

There have been no transfers between input levels during the year, and no change in the valuation technique used.

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value disclosures are required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets held by the authority are carried in the Balance Sheet at amortised 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 (Level 2), using the following assumptions:

- Estimated ranges of interest rates at 31st March 2025 for loans from PWLB and other loans receivable and payable, based on new lending rates for equivalent loans at that date.
- No early repayment or impairment is recognised for loans or investments.
- Short Term Investments, Cash, and Cash Equivalents are held at carrying value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount less a provision for impairment.
- Short-term creditors are carried at cost.

The fair values are shown below:

	2023/24		2024/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets - short-term	**£000**	**£000**	**£000**	**£000**
Investments	24,648	24,648	32,404	32,404
Cash and cash equivalents	57,372	57,372	10,554	17,361
Debtors	38,199	38,199	40,256	40,256
Financial Assets - long-term				
Investments	15,000	15,162	5,000	5,199
Debtors	13,112	13,113	12,044	12,044
Fair value through profit and loss	8,523	8,522	8,715	8,715
Fair value through other comprehensive income	5,013	5,013	3,664	3,664

Where the fair value of assets is higher than the carrying amount, this is because the Council's portfolio of investments includes a number of fixed rate investments where the interest receivable is higher than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain (based on economic conditions at the 31st March 2025) attributable to the commitment to receive interest above current market rates.

	2023/24		2024/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities - short-term	**£000**	**£000**	**£000**	**£000**
Borrowings	(38,150)	(38,150)	(21,072)	(21,072)
Other lease liabilities & PFI	(628)	(628)	(1,006)	(1,006)
Mersey Gateway unitary charge	(8,511)	(8,511)	(10,640)	(10,640)
Creditors	(99,605)	(99,605)	(57,483)	(57,483)
Financial Liabilities - long-term				
Borrowings	(172,000)	(138,491)	(212,000)	(167,597)
Other lease liabilities & PFI	(15,924)	(19,844)	(22,276)	(22,276)
Mersey Gateway unitary charge	(320,351)	(407,015)	(354,776)	(354,776)
Creditors	(1,845)	(1,845)	-	-

Where the fair value of the liabilities is lower than the carrying amount, this is because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31st March 2025) arising from a commitment to pay interest to lenders below current market rates.

Nature and Extent of Risks from Financial Instruments

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

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 enough funds available to meet its commitments to make payments

Market Risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the treasury management section, under policies approved by the Council in the Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest risk, credit risk and the investment of surplus cash.

Fair Value

The Code requires that each class of financial asset and liability should disclose the "fair value" in a way that permits it to be compared with its carrying amount, as well as the method used in determining such fair values. The Council has used Link Asset Services, its treasury management advisors, to calculate these values and they have based the calculation on the appropriate PWLB rate for new loans as at 31st March 2025.

Credit Risk

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

Risks are minimised through the Annual Investment Strategy by ensuring that cash deposits are only placed with financial institutions identified on the Council's Approved List of Counterparties that meet identified minimum credit criteria and imposes a maximum sum to be invested with a financial institution located within each category. This list was established as one of the series of controls recommended by the CIPFA Code of Practice on Treasury Management (the Code) which the Council has adopted. The Annual Investment Strategy is regularly reviewed, as is the approved counterparty list, to help minimise the Council's exposure to risk.

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

The Council's maximum exposure to credit risk in relation to its investments held in banks and building societies of £0.213m cannot be assessed generally, as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all Council deposits, but there was no evidence at 31st March 2025 that this was likely to crystallise.

During the year the Council complied fully with the requirements laid out in the Code and no counterparty indicated any problem with repaying any deposit placed by the Council.

The counterparties on the Councils' list are grouped and ranked by a mixture of credit ratings and size, and are set out below:

Maximum Deposit per institution £000	**Counterparties**	**Exposure at 31/03/2025 £000**
40,000	UK Government	-
	UK Banks and Building Societies	
30,000	- Minimum Rating AAA	-
25,000	- Minimum Rating AA	-
20,000	- Minimum Rating A	213
10,000	- Minimum Rating BBB	-
	Foreign Banks (with Sovereign Rating of AAA)	
25,000	- Minimum Rating AAA	-
20,000	- Minimum Rating AA	-
10,000	- Minimum Rating A	-
	Money Market Funds	
20,000	- Minimum Rating AAA	10,500
10,000	Property Funds	8,715
40,000	Local Authorities	42,000
		61,428

The amount invested in the CCLA Property Fund is £10m, the value of which was £8.715m at 31st March 2025 (£8.522 at 31st March 2024).

The counterparties on the list are under constant assessment using a variety of sources including rating agencies and professional advice.

The following table analyses the Council's potential maximum exposure to credit risk on financial assets. The historical experience of default has been provided by Link Asset Services based on the rating of each institution.

	Amount outstanding at 31/03/2025 £000	Historical experience of default %	Estimated maximum exposure to default and non-collection at 31/03/2025 £000
Deposits with AA rated banks and building societies			
- 1 year and over	-	0.02	-
- under 1 year	-	0.00	-
Deposits with A rated banks and building societies			
- 1 year and over	-	0.05	-
- under 1 year	213	0.00	-
Deposits with other Local Authorities	42,000	0.00	-
Deposits with MMF	10,500	0.00	-
Deposits with property funds	8,715	0.00	-
	61,428		**-**

None of the Council's counterparties had any difficulty in repaying their liabilities during 2024/25. There has been no impairment of any financial assets during the course of the year. The Council does not anticipate any losses due to non-performance of its counterparties.

An analysis of the customer/client debt is shown below. As at 31st March 2025, £54.483m of this debt is overdue:

	31/03/2024 £000	31/03/2025 £000
Less than 3 months	10,277	9,856
3 to 6 months	5,784	4,660
6 months to 1 year	8,661	7,407
More than 1 year	29,153	33,845
	53,875	**55,768**
Provision for non-payment	(38,746)	(43,448)

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets and the Public Works Loans Board (PWLB). There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the proportion of its fixed rate borrowing during specified periods.

The maturity analysis of financial liabilities is as follows.

	31/03/2024	31/03/2025
	£000	£000
Less than 1 year	146,894	90,202
Between 1 and 2 years	12,024	62,104
Between 2 and 5 years	43,032	39,506
More than 5 years	455,063	487,442
	657,013	**679,254**

Market Risk

Interest Rate Risk

The Council is exposed to interest rate movements on its borrowing and investments. Movements in interest rates can have a complex impact on the Council. For example, a rise in interest rates would have the following effects:

Borrowing at variable rates – the interest expense charged to the Comprehensive Income & Expenditure Statement will rise

Borrowing at fixed rates – the fair value of liabilities will fall (with no impact on revenue balances)

Investment at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise

Investment at fixed rates – the fair value of assets will fall (with no impact on revenue balances)

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

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this strategy, the treasury management section monitors interest rates within the year and adjusts exposures accordingly. 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 and fixed rate investments may be taken for longer periods to secure better long-term results. Similarly, the drawing of longer-term fixed rate borrowing would be postponed.

If interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31/03/2025
	£000
Increase in interest payable on short-term borrowings	158
Increase in interest receivable on short-term investments	(873)
	(715)

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

Price Risk

The Council has invested £10m in the CCLA property fund as at 31st March 2025. The price of the investment is subject to potential gains and losses based on market volatility. The investment is shown in the accounts at its value as at 31st March 2025 and any gains or losses relating to this investment are shown in the Comprehensive Income and Expenditure Statement, but due to the IFRS statutory override there is no impact on the General Fund.

The Council has no other holdings that are subject to market volatility, an example of which would be shares traded on the equity market.

Foreign Exchange Risk

Other than £5k held in petty cash, the Council has no financial assets or liabilities, denominated in foreign currencies and thus has no exposure to loss or movement in exchange rates.

34. Adjustments between Accounting Basis and Funding Basis under Regulation

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

(a) 2024/25

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	**Movement in Usable Reserves £000**	**Movement in Unusable Reserves £000**
Capital adjustment account reversal of items debited or credited to the CIES:					
Charges for depreciation and impairment on non-current assets	(26,368)	-	-	**(26,368)**	**26,368**
Revaluation losses on Property, Plant and Equipment	(6,932)	-	-	**(6,932)**	**6,932**
Movements in the Market Value of Investment Properties	859	-	-	**859**	**(859)**
Amortisation of Intangible Assets	(273)	-	-	**(273)**	**273**
Capital Grants and Contributions applied	20,770	-	8,404	**29,174**	**(29,174)**
Revenue Expenditure Funded by Capital Under Statute	(12,356)	-	-	**(12,356)**	**12,356**
Exceptional Financial Support	(10,000)			**(10,000)**	**10,000**
IFRS Revaluation of Mersey Gateway PFI Liability	(46,117)			**(46,117)**	**46,117**
Amounts written off on disposal of Academies to CIES	(3,703)	-	-	**(3,703)**	**3,703**
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(4,578)	(1,038)	-	**(5,616)**	**5,616**
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of Capital investment	13,510	-	-	**13,510**	**(13,510)**
Capital expenditure charged against the General Fund Balance	64	-	-	**64**	**(64)**
Capital Grants Unapplied Account					
Capital Grants and Contributions unapplied credited to the CIES	21,198	-	(21,198)	**-**	**-**

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	**Movement in Usable Reserves £000**	**Movement in Unusable Reserves £000**
Capital Receipts Reserve					
Use of Capital Receipts Reserve to Finance new Capital Expenditure	-	3,240	-	**3,240**	**(3,240)**
Use of Capital Receipts to reduce MRP liability	-	558	-	**558**	**(558)**
Pensions Reserve					
Reversal of items relating to retirement benefits debited/credited to the CIES	(15,003)	-	-	**(15,003)**	**15,003**
Employers pension contributions and direct payments to pensioners	17,320	-	-	**17,320**	**(17,320)**
Collection Fund Adjustment					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(58)	-	-	**(58)**	**58**
Accumulated Absences Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration in accordance with statutory requirements	(408)	-	-	**(408)**	**408**
Pooled Investment Fund Adjustment Account					
Reversing the impact of CCLA Property Fund valuation on the General Fund	193	-	-	**193**	**(193)**
Dedicated Schools Grant Adjustment Account					
Reversing impact of overspent Dedicated Schools Grant on General Fund	(9,120)	-	-	**(9,120)**	**9,120**
TOTAL ADJUSTMENTS	**(61,002)**	**2,760**	**(12,794)**	**(71,036)**	**71,036**

(b) 2023/24

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	**Movement in Usable Reserves £000**	**Movement in Unusable Reserves £000**
Capital adjustment account reversal of items debited or credited to the CIES:					
Charges for depreciation and impairment on non-current assets	(26,316)	-	-	**(26,316)**	**26,316**
Revaluation losses on Property, Plant and Equipment	255	-	-	**255**	**(255)**
Movements in the Market Value of Investment Properties	52	-	-	**52**	**(52)**
Amortisation of Intangible Assets	(238)	-	-	**(238)**	**238**
Capital Grants and Contributions applied	11,553	-	8,103	**19,656**	**(19,656)**
Revenue Expenditure Funded by Capital Under Statute	(9,783)	-	-	**(9,783)**	**9,783**
Amounts written off on disposal of Academies to CIES	(4,960)	-	-	**(4,960)**	**4,960**
Amounts of non-current assets written off on disposal or sale as gain/loss on disposal to the CIES	6,262	(13,170)	-	**(6,908)**	**6,908**
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of Capital investment	11,410	-	-	**11,410**	**(11,410)**
Capital expenditure charged against the General Fund Balance	294	-	-	**294**	**(294)**
Capital Grants Unapplied Account					
Capital Grants and Contributions unapplied credited to the CIES	9,528	-	(9,528)	**-**	**-**

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	**Movement in Usable Reserves £000**	**Movement in Unusable Reserves £000**
Capital Receipts Reserve					
Use of Capital Receipts Reserve to Finance new Capital Expenditure	-	3,238	-	**3,238**	**(3,238)**
Use of Capital Receipts to reduce MRP liability	-	7,744	-	**7,744**	**(7,744)**
Pensions Reserve					
Reversal of items relating to retirement benefits debited/credited to the CIES	(16,098)	-	-	**(16,098)**	**16,098**
Employers pension contributions and direct payments to pensioners	16,435	-	-	**16,435**	**(16,435)**
Collection Fund Adjustment					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(65)	-	-	**(65)**	**65**
Accumulated Absences Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration in accordance with statutory requirements	113	-	-	**113**	**(113)**
Pooled Investment Fund Adjustment Account					
Reversing the impact of CCLA Property Fund valuation on the General Fund	(346)	-	-	**(346)**	**346**
Dedicated Schools Grant Adjustment Account					
Reversing impact of overspent Dedicated Schools Grant on General Fund	(2,456)	-	-	**(2,456)**	**2,456**
TOTAL ADJUSTMENTS	**(4,360)**	**(2,188)**	**(1,425)**	**(7,973)**	**7,973**

35. Usable Reserves

Usable reserves are those reserves that contain resources that the Council can apply to the provision of services, either by incurring expenses or undertaking capital investment. Usable reserves include the General Fund Balance, any earmarked reserves under the General Fund umbrella, the Capital Receipts Reserve and any Capital Grants Unapplied.

General Fund Balance

The General Fund Balance records the Council's accumulated income over expenditure for each financial year. The fund manages the reversal of a number of transactions that are required to be included in the preparation of the financial statements, but which are subsequently removed under statutory mitigation.

Earmarked Reserves

These reserves help to meet specific known or predicted future requirements and are legally part of the General Fund Reserve. The earmarked reserves also include unspent school balances of budgets delegated to individual schools.

The movements in earmarked reserves are analysed in Note 36.

Capital Receipts Reserve

This reserve holds the proceeds from the sale of assets and can only be used for funding capital investment or the repayment of borrowing.

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement.

Capital Grants Unapplied

This reserve holds Capital Grants income for which all conditions have been met, but the funding has yet to be used to finance capital expenditure.

2023/24 £000		**2024/25 £000**
	General Fund	
(5,149)	- Excluding Earmarked Reserves	(5,149)
(35,517)	- Earmarked Reserves	(27,624)
	Capital Reserves	
(4,978)	- Capital Receipts Reserve	(2,217)
(30,362)	- Capital Grants Unapplied	(43,156)
(76,006)	**Total Usable Reserves**	**(78,146)**

36. Transfers to/from Earmarked Reserves

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

General Fund	Balance at 31st March 2023 £000	Movement (to)/from Reserve £000	Balance at 31st March 2024 £000	Movement (to)/from Reserve £000	Balance at 31st March 2025 £000
Schools Reserves Balances held by schools under the scheme of delegation	**(7,207)**	688	**(6,519)**	721	**(5,798)**
Capital To support the Council's Capital Programme	**(1,173)**	672	**(501)**	101	**(400)**
Insurance General Fund To self-fund possible insurance claims	**(1,355)**	355	**(1,000)**	151	**(849)**
Building Schools for the Future Capital To fund future capital costs	**(6,917)**	388	**(6,529)**	-	**(6,529)**
Enterprise and Employment Employment activities for future years	**(577)**	89	**(488)**	(405)	**(893)**
Health & Community To support future Adult Social Care revenue budgets	**(2,203)**	1,634	**(569)**	(15)	**(584)**
Transformation Fund To fund costs arising from future efficiency reviews	**(2,424)**	(4,008)	**(6,432)**	6,432	**-**
Highways Feasibility Costs To fund initial expenditure on new highways schemes	**(102)**	(862)	**(964)**	733	**(231)**
Public Health & Health To fund future Public Health activities	**(2,350)**	469	**(1,881)**	377	**(1,504)**
Education, Inclusion & Provision Education Grant Income held for a specific purpose but with no repayment conditions attached	**(587)**	31	**(556)**	(509)	**(1,065)**
Revenue Efficiencies To help fund budget gaps over the medium term	**(2,748)**	2,748	**-**	-	**-**
Mersey Gateway Reserve To fund any potential surplus Mersey Gateway income to be paid to Department for Transport	**(11,029)**	6,894	**(4,135)**	(1,018)	**(5,153)**

General Fund	Balance at 31st March 2023 £000	Movement (to)/from Reserve £000	Balance at 31st March 2024 £000	Movement (to)/from Reserve £000	Balance at 31st March 2025 £000
Employment, Learning & Skills To fund Adult Education Schemes and Work Programmes	**(1,288)**	532	**(756)**	340	**(416)**
Local Authority Domestic Abuse Duty Grant Ringfenced grant funding for new Domestic Abuse Duties	**(877)**	(309)	**(1,186)**	271	**(915)**
Other Earmarked Reserves Total of reserves under £750k	**(5,813)**	1,813	**(3,999)**	712	**(3,287)**
TOTAL ALL RESERVES	**(46,651)**	**11,135**	**(35,515)**	**7,891**	**(27,624)**

In order to streamline the note, any reserves under £0.750m have been summarised as 'Other Earmarked Reserves' in the table above.

37. Unusable Reserves

2023/24 £000		2024/25 £000
(152,745)	Revaluation Reserve	(144,365)
4,505	Pensions Reserve	4,043
(120,210)	Capital Adjustment Account	(67,802)
(10,551)	Deferred Capital Receipts	(9,993)
(2,958)	Collection Fund Adjustment Account	(2,900)
(5,002)	Financial Instruments Revaluation Reserve	(3,653)
2,814	Accumulated Absences Account	3,221
5,349	Dedicated Schools Grant Adjustment Account	14,469
1,478	Pooled Investment Fund Adjustment Account	1,285
(277,320)	**Total Unusable Reserves**	**(205,695)**

Revaluation Reserve

The revaluation reserve contains the gains and losses made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

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

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

2023/24 £000		£000	2024/25 £000
(136,275)	**Balance at 1st April**		**(152,745)**
(27,554)	Upward revaluation of assets	(11,439)	
3,885	Downward revaluation of assets and impairment losses not charged to the Surplus/(Deficit) on the Provision of Services	8,824	
(23,669)	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus/(Deficit) on the Provision of Services**		**(2,615)**
4,439	Difference between fair value depreciation and historical cost deprecation	4,981	
2,688	Accumulated gain on academies transferred	2,555	
72	Accumulated gains on assets sold or scrapped	3,459	
7,199	Amount written off to the Capital Adjustment Account		**10,995**
(152,745)	**Balance at 31st March**		**(144,365)**

Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption on non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance costs of acquisition, cons0truction or enhancement.

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that are yet to be consumed by the Council.

The account also contains revaluation gains accumulated on property, plant and equipment before 1st April 2007, the date the revaluation reserve was created to hold such gains.

2023/24 £000		£000	2024/25 £000
(118,028)	**Balance at 1st April**		**(120,210)**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
26,316	Charges for depreciation and impairment of non-current assets	26,368	
-	IFRS16 Mersey Gateway PFI Revaluation Loss	46,117	
-	Capitalisation of Revenue costs under Exceptional Financial Support	10,000	
(255)	Revaluation losses on Property, Plant and Equipment	6,933	
238	Amortisation of intangible assets	273	
9,783	Revenue expenditure funded from capital under statute	12,356	
4,960	Carrying value of Academies transferred	3,703	
6,369	Carrying amount of non-current assets sold	5,058	
47,411			**110,808**
(7,199)	Adjusting amounts written out of the Revaluation Reserve		(10,995)
40,212	**Net written out amount of the cost of non-current assets consumed in the year**		**99,813**
	Capital financing applied in the year:		
(3,238)	Use of the Capital Receipts Reserve to finance new capital expenditure	(3,240)	
(11,553)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(20,770)	
(8,103)	Application of grants to capital financing from the Capital Grants Unapplied Account	(8,404)	
(11,410)	Statutory provision for the financing of capital investment charged against the General Fund	(13,510)	
(7,744)	Use of Capital Receipts to reduce MRP liability	(558)	
(294)	Capital expenditure charged against the General Fund	(64)	
(42,342)			**(46,546)**
(52)	Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement		(859)
(120,210)	**Balance at 31st March**		**(67,802)**

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

Statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. IFRIC 14 restricts the value of any surplus on the pension fund to the amount that the employer has the right to receive as a refund at the end of the reporting period. Under the terms of the Local Government Pension Scheme, this value is zero. The asset ceiling adjustment shown in the table below removes the amount by which the pension asset attributable to the Council, exceeds the accrued pension liability. The debit balance on the Pension Reserve shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them which relate to the Council's unfunded pension schemes. More details can be found in Note 32.

2023/24 £000		£000	2024/25 £000
4,745	**Balance at 1st April**		**4,505**
	Re-measurement of the net defined benefit liability comprising:		
(3,842)	Changes in demographic assumptions	(1,021)	
(32,769)	Changes in financial assumptions	(88,040)	
18,311	Other experience	(5,241)	
30,780	Asset Ceiling Adjustment	77,470	
(12,383)	Returns on assets excluding amounts included in net interest	18,687	
97			**1,855**
16,098	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement		15,004
(16,435)	Employers pensions contributions and direct payments to pensioners payable in the year		(17,321)
4,505	**Balance at 31st March**		**4,043**

Deferred Capital Receipts Reserve

Deferred Capital Receipts are amounts derived from the sale of assets, which will be received in instalments over an agreed period of time.

2023/24 £000		2024/25 £000
(232)	Castlefields Equity Advances	(232)
(5,872)	Sci-Tech Daresbury Lease	(5,595)
(4,447)	Venture Fields Lease	(4,166)
(10,551)		**(9,993)**

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

2023/24 £000		2024/25 £000
(11,090)	**Balance at 1st April**	**(10,551)**
-	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-
539	Transfer to the Capital Receipts Reserve upon receipt of cash	558
(10,551)	**Balance at 31st March**	**(9,993)**

Collection Fund Adjustment

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

2023/24 £000		2024/25 £000
(3,023)	**Balance at 1st April**	**(2,958)**
1,161	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income collected in the year in accordance with statutory requirements	(750)
(1,096)	Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income collected in the year in accordance with statutory requirements	808
(2,958)	**Balance at 31st March**	**(2,900)**

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the authority arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

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

2023/24 £000		2024/25 £000
(4,869)	**Balance at 1st April**	**(5,002)**
-	Upward revaluation of investments	-
(133)	Downward revaluation of investments	1,349
-	Change in impairment loss allowances	-
(5,002)		**(3,653)**
-	Accumulated gains or losses on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income	**-**
-	Accumulated gains or losses on assets sold and maturing assets written out to the General Fund Balances for financial assets designated to Fair Value through Other Comprehensive Income	**-**
(5,002)	**Balance at 31st March**	**(3,653)**

Accumulated Absences Account

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

2023/24 £000		2024/25 £000
2,926	**Balance at 1st April**	**2,813**
(2,926)	Settlement or cancellation of accrual made at the end of the preceding year	(2,813)
2,813	Amount accrued at the end of the current year	3,221
(113)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	**408**
2,813	**Balance at 31st March**	**3,221**

Dedicated Schools Grant Adjustment Account

Statutory arrangements require that any school budget deficits must not be charged to the General Fund, and the deficit must be carried forward to be funded from future Dedicated Schools Grant Income. The deficit balance is held in the Dedicated Schools Grant Adjustment Account as shown below:

2023/24 £000		2024/25 £000
2,892	**Balance at 1st April**	**5,349**
2,457	Amount by which Dedicated Schools Grant is in deficit at 31st March	9,120
5,349	**Balance at 31st March**	**14,469**

Pooled Investment Funds Adjustment Account

Accounting regulations state that the fair value of movements in the value of pooled investment funds are shown in the Comprehensive Income and Expenditure Statement under Other Comprehensive Income and Expenditure, but should not impact the Council's General Fund balance. This reserve is a mechanism that is required by the capital finance and accounting regulations to hold the fair value movements in those pooled investment funds specified by the regulations.

2023/24 £000		2024/25 £000
1,132	**Balance at 1st April**	**1,478**
346	Fair value movements transferred to/from the General Fund in accordance with the statutory requirements	(193)
1,478	**Balance at 31st March**	**1,285**

38. Cash Flow Statement – Operating Activities

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

2023/24 £000		2024/25 £000
(26,316)	Depreciation	(26,368)
255	Impairment and downward valuation	(6,932)
(238)	Amortisation of intangible assets	(273)
52	Movement in market value of investment properties	859
(12,711)	(Increase)/decrease in impairment debtors	(4,574)
(48,641)	(Increase)/decrease in creditors and receipts in advance	47,803
-	Restatement of IFRS16 PFI Liabilities	(50,791)
19,597	Increase/(decrease) in debtors	5,769
(70)	Increase/(decrease) in inventories	20
337	Non-cash pension adjustments	2,317
39,285	Contributions (to)/from provisions	(6,607)
(6,369)	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(5,058)
(4,960)	Loss on transfer to academies	(3,703)
(2,634)	Other non-cash adjustments	1,724
(42,413)	**Total non-cash movements**	**(45,814)**

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

2023/24 £000		2024/25 £000
15,012	Capital grants credited to the surplus or deficit on the provision of services	37,632
13,170	Proceeds from the sale of non-current assets	1,038
28,182	**Net cash flows from investing or financing activities**	**38,670**

The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
(5,760)	Interest received	(6,035)
36,529	Interest paid	36,810
30,769		**30,775**

39. Cash Flow Statement – Investing Activities

2023/24 £000		2024/25 £000
32,221	Purchase of property, plant and equipment, investment property and intangible assets	40,365
17,000	Purchase of short-term and long-term investments	(48,700)
(13,262)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,208)
(60,000)	Proceeds from short-term and long-term investments	47,000
(10,229)	Other receipts from investing activities	(38,071)
(34,270)	**Net Cash flows from Investing Activities**	**(614)**

40. Cash Flow Statement – Financing Activities

2023/24 £000		2024/25 £000
(50,000)	Cash receipts of short-term and long-term borrowing	(128,000)
(8)	Agency treatment of Collection Fund balances	488
7,803	Cash payments from the reduction of the outstanding liabilities relating to leases and PFI contracts	10,193
30,000	Repayments of short-term and long-term borrowing	103,000
-	Net adjustment for agency treatment of government grants	-
(12,205)	**Net Cash flows from Financing Activities**	**(14,319)**

Reconciliation of Liabilities Arising from Financing Activities

	Note	31/03/2024 £000	Financing Cash Flows £000	Non-Cash Changes £000	31/03/2025 £000
Long-Term Borrowings	26	(172,000)	(40,000)	-	(212,000)
Short-Term Borrowing	26	(38,150)	15,000	2,078	(21,072)
On Balance Sheet PFI and Lease Liabilities	31	(345,408)	10,193	(53,486)	(388,701)
Net Cash flows from Financing Activities		**(555,558)**	**(14,807)**	**(51,408)**	**(621,773)**

41. Interest in Companies and Other Entities

The Council is involved with several companies over which it has varying degrees of control and influence. The Council is required to classify the entities according to whether they are subsidiaries, associates, or joint ventures.

Subsidiary

An entity is only a subsidiary if the Council has power over the entity, exposure, or rights, to variable returns from its involvement with the entity and ability to use its power over the entity to affect the amount of the Council's returns.

As at 31st March 2025 the following was a subsidiary of the Council:-

- Mersey Gateway Crossings Board Ltd - The principal activity of the company is to administer and oversee the maintenance of the Mersey Gateway Bridge and the tolling of the Silver Jubilee Bridge. The Council holds 100% of the shares issued by the company. An amount of £500k is held as a long-term debtor on the Council's Balance Sheet; this is the amount which has been passed to Mersey Gateway Crossings Board Ltd as working capital.

In accordance with paragraph 9.1.1.7 of the Code, the subsidiary has not been consolidated into group accounts as they are not considered to be of material value.

Copies of the accounts for Mersey Gateway Crossings Board Ltd are available from Companies House.

Joint Ventures

These are arrangements under which two or more parties have contractually agreed to share control, such that decisions about activities that significantly affect returns require the unanimous consent of the parties sharing control, and joint parties have rights to the net assets of the arrangement.

As at 31st March 2025 the Council were party to the following joint ventures:-

- Daresbury SIC (Pub Sec) LLP - The principal activity of the company during the year was to assist, promote, encourage, develop and secure the development of the International Science Park at Daresbury, Cheshire. Members of the partnership are Halton Borough Council and United Kingdom Research & Innovation.
- Halton & Kent Commercial Services LLP – The principal activity of the company during the year was to deliver temporary and interim staffing services on behalf of the Council. Members of the partnership are Halton Borough Council and Commercial Services Kent Ltd.

In accordance with paragraph 9.1.1.7 of the Code, the Council's equity within the joint venture has not been consolidated into group accounts as it is not considered to be of material value.

Associates

Associates are entities for which the Council is an investor and has significant influence. The Council can have an associate relationship with an entity that is a joint venture under the control of other investors.

As at 31st March 2025 the Council had associate relationships with the following:-

- Daresbury SIC LLP- The principal activity of the LLP is the management and development of the Sci-Tech Daresbury Campus in the North West. Designated members of the partnership are Langtree Daresbury Ltd and Daresbury SIC (Pubsec) LLP, in which the Council is an equal partner. Amounts of £5.3m are held as a long-term debtor and £0.3m held as a short-term debtor on the Council's Balance Sheet. This relates to a long-term lease agreement between the Council and the company for a property asset based at the Sci-Tech Daresbury Campus.

In accordance with paragraph 9.1.1.7 of the Code, the Council's equity within the associate relationship has not been consolidated into group accounts as it is not considered to be of material value.

42. Transport Act 2000 – Mersey Gateway Crossing

The Mersey Gateway Bridge, which opened in October 2017, is a second crossing which spans the River Mersey and the Manchester Ship Canal and was built to ease congestion on the previous crossing, the Silver Jubilee Bridge.

The crossing was funded through a mixture of capital payments from Halton Borough Council, and a monthly unitary charge to Merseylink which covers the costs of construction and ongoing maintenance of the bridge for a period of 27 years (see Note 31 for further detail).

Since the opening of the Mersey Gateway, both crossings (Mersey Gateway and Silver Jubilee Bridge) have operated as toll crossings and the unitary charges and other running costs are funded from a mixture of toll income and Government Grant funded from the Department for Transport.

As part of the agreement with Department for Transport all funds relating to the Mersey Gateway must be accounted for separately and any surplus must be held in a separate reserve until all debt relating to the crossing, including unitary charge payments and the repayment of Council borrowing specifically for the scheme, has been repaid.

Due to the mandatory introduction of IFRS 16 for the 2024/25 financial year, the value of the liability relating the unitary charges was recalculated based on indexed value of future unitary charge payments. As the value of infrastructure assets are valued at Depreciated Historic Cost, the valuation of the Mersey Gateway Crossing will not be altered in the accounts, and the revaluation loss is shown as expenditure the Mersey Gateway line of the Comprehensive Income and Expenditure Statement. It should be noted that this is purely an accounting adjustment and has no impact on the General Fund balance, or Mersey Gateway reserve position (see policy 25 – Service Concessions).

The income raised from, and charges relating to the crossings are shown in the table below, along with the year-end position on the Mersey Gateway Grant Reserve.

		2023/24			2024/25		
		Charge to General Fund £000	**Accounting Adjustments £000**	**Income and Expenditure £000**	**Charge to General Fund £000**	**Accounting Adjustments £000**	**Income and Expenditure £000**
Income	Toll Income	(37,224)		(37,224)	(38,687)		(38,687)
	Penalty Charge Notices	(19,000)		(19,000)	(17,948)		(17,948)
	Registration Fees	(1,153)		(1,153)	(1,978)		(1,978)
	DfT Grant Income	(22,566)		(22,566)	(22,468)		(22,468)
	Other Income	(657)		(657)	(149)		(149)
		(80,600)	**-**	**(80,600)**	**(81,230)**	**-**	**(81,230)**
Expenditure	Unitary Charge Payments	41,241	(32,891)	8,350	41,980	(38,517)	3,463
	DMPA Fee	13,378	-	13,378	14,057	-	14,057
	MG Environmental Trust	227	-	227	90	-	90
	Bus Support	401	-	401	500	-	500
	Depreciation		8,029	8,029	-	8,030	8,030
	Interest Costs	5,648	(5,648)	-	5,609	(5,609)	-
	Bad Debt Provision	9,526	-	9,526	9,371	-	9,371
	DFT Grant Provision	(39,069)	-	(39,069)	5,773	-	5,773
	DFT Grant payable to DFT	44,750	-	44,750	-	-	-
	DFT Grant payable to HBC	7,897	(7,897)	-	-	-	-
	IFRS16 Revaluation loss	-	-	-	-	46,118	46,118
	Other Costs	3,496	(827)	2,669	2,832	(339)	2,493
		87,495	**(39,234)**	**48,261**	**80,212**	**9,683**	**89,895**
Total		**6,895**	**(39,234)**	**(32,339)**	**(1,018)**	**9,683**	**8,665**

Mersey Gateway Grant Reserve

	2023/24	2024/25
Balance Brought Forward	**(11,029)**	**(4,135)**
Movement In year	**6,894**	**(1,018)**
Balance Carried Forward	**(4,135)**	**(5,153)**

Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and the distribution to local authorities and the Government in relation to council tax and non-domestic rates.

Collection Fund Statement

2023/24				2024/25		
Council Tax £000	Non Domestic Rates £000	Total £000		Council Tax £000	Non Domestic Rates £000	Total £000
			Income			
(75,731)		(75,731)	Council Tax	(80,676)		(80,676)
	(59,247)	(59,247)	Non Domestic Rates		(64,825)	(64,825)
	(3,976)	(3,976)	Transitional Protection Payment	-	(1,381)	(1,381)
(75,731)	**(63,223)**	**(138,954)**		**(80,676)**	**(66,206)**	**(146,882)**
			Expenditure			
			Precepts, Demands & Shares			
	-	-	Central Government		-	-
60,714	57,330	118,044	Halton Borough Council	64,039	63,093	127,132
9,076		9,076	Cheshire Police Authority	9,573		9,573
3,170	579	3,749	Cheshire Fire Service	3,280	637	3,917
689		689	Liverpool City Region	692		692
166		166	Parish Precept	214		214
			Apportionment of Previous Year's Surplus			
	-	-	Central Government		-	-
1,172	1,933	3,105	Halton Borough Council	234	2,472	2,706
173		173	Cheshire Police Authority	35		35
61	20	81	Cheshire Fire Service	12	25	37
14		14	Liverpool City Region	3		3
			Charges to Collection Fund			
386	(1)	385	Write-off Uncollectable Amounts	291	607	898
1,822	1,228	3,050	Increase / (Decrease) in Bad Debt Provision	1,392	(1,289)	103
	26	26	Increase / (Decrease) in Appeals Provision	-	387	387
	157	157	Cost of Collection	-	157	157
	31	31	Interest Payable	-	61	61
(306)		(306)	Council Tax Support Income	-		-
	814	814	Disregarded Amounts	-	872	872
77,137	**62,117**	**139,254**		**79,765**	**67,022**	**146,787**
(1,703)	**(1,632)**	**(3,335)**	**Balance Brought Forward**	**(297)**	**(2,738)**	**(3,035)**
1,406	**(1,106)**	**300**	**Movement on Fund Balance**	**(911)**	**816**	**(95)**
(297)	**(2,738)**	**(3,035)**	**Balance Carried Forward**	**(1,208)**	**(1,922)**	**(3,130)**

Further information on the Collection Fund balance as at 31st March 2025 can be found within the Narrative Report (Page 16).

Collection Fund Balance Sheet

2023/24					Council Tax	2024/25				
Halton BC	Cheshire P&CC	Cheshire Fire	LCR	Total		Halton BC	Cheshire P&CC	Cheshire Fire	LCR	Total
£000	£000	£000	£000	£000		£000	£000	£000	£000	£000
14,296	2,137	745	161	17,339	Arrears	15,915	2,378	830	180	19,303
(10,609)	(1,586)	(553)	(119)	(12,867)	Provision for Doubtful Debts	(11,756)	(1,757)	(613)	(133)	(14,259)
(809)	(121)	(42)	(9)	(981)	Overpayments / Prepayments	(866)	(129)	(45)	(10)	(1,050)
(244)	(37)	(13)	(3)	(297)	(Surplus)/Deficit	(996)	(149)	(52)	(11)	(1,208)
(2,634)	(393)	(137)	(30)	(3,194)	Cash	(2,297)	(343)	(120)	(26)	(2,786)
-	-	-	-	-		-	-	-	-	-

2023/24				Non-Domestic Rates	2024/25			
Central Gov	Halton BC	Cheshire Fire	Total		Central Gov	Halton BC	Cheshire Fire	Total
£000	£000	£000	£000		£000	£000	£000	£000
-	8,135	82	8,217	Arrears	-	6,511	66	6,577
-	(6,793)	(69)	(6,862)	Provision for Doubtful Debts	-	(5,518)	(56)	(5,574)
-	(2,003)	(20)	(2,023)	Appeals Provision	-	(2,386)	(24)	(2,410)
-	(480)	(5)	(485)	Overpayments / Prepayments	-	(662)	(6)	(668)
-	(2,711)	(27)	(2,738)	(Surplus)/Deficit	-	(1,903)	(19)	(1,922)
-	3,852	39	3,891	Cash	-	3,958	39	3,997
-	-	-	-		-	-	-	-

Notes to the Collection Fund

1. Introduction of the Council Tax

The property-based council tax was introduced on the 1st April 1993, replacing the personal liability Community Charge. The Council determined its Band D equivalent tax base for 2024/25 at 36,409 (2023/24 – 36,241)

2. The Council Tax Base Determination

Band	Properties	Ratio	Band D Equivalents
Disabled	113	5/9	63
A	23,456	6/9	15,637
B	11,359	7/9	8,835
C	7,566	8/9	6,726
D	4,773	9/9	4,773
E	3,628	11/9	4,434
F	1,179	13/9	1,703
G	328	15/9	546
H	31	18/9	62
Total	52,433		42,779
Reductions relating to Non-Collection and changes in assumptions			**(6,370)**
Tax Base set for 2024/25			**36,409**

The parishes' individual tax bases are shown below:

	2023/24	2024/25
Hale	668	667
Daresbury	186	212
Moore	336	341
Preston Brook	370	370
Halebank	528	534
Sandymoor	1,473	1,606

3. Precepting Authorities

Halton Borough Council has three precepting authorities; Cheshire Police & Crime Commissioner, Cheshire Fire Authority, and Liverpool City Region Combined Authority. The Band D charge and total precept are shown in the table below:

	2023/24 £	2024/25 £
Cheshire Police and Crime Commissioner		
- Band D Charge	250.44	262.94
- Precept	9,076,196	9,573,382
Cheshire Fire Authority		
- Band D Charge	87.48	90.09
- Precept	3,170,363	3,280,087
Liverpool City Region		
- Band D Charge	19.00	19.00
- Precept	688,579	691,771

4. Non-Domestic Rates

The non-domestic rate replaced locally fixed rates from 1st April 1990. The rateable value at 31st March and the business rate multiplier, which is fixed by the Government, are shown in the table below:

	2023/24 £	2024/25 £
Rateable value at 31st March	149,733,919	151,240,908
Non Domestic rating multiplier	51.2	54.6
Small Business Non Domestic rating multiplier	49.9	49.9

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, the Director of Financial Services has that responsibility;

To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

To approve the Statement of Accounts.

The Director of Financial Services Responsibilities

The Director of Financial Services is responsible for the preparation of the Council's statement of accounts which, in terms of CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code of Practice"), is required to present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year (ended 31st March 2025).

In preparing this Statement of Accounts, the Director of Financial Services has:

Selected suitable accounting policies and then applied them consistently;

Adopted the principal of "True and Fair" regarding the Council's financial position;

Made judgements and estimates that were reasonable and prudent;

Complied with the Code of Practice.

The Director of Financial Services has also:

Kept proper accounting records which were kept up to date;

Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that this Statement of Accounts presents a true and fair view of the financial position and income and expenditure of Halton Borough Council for the year ended 31st March 2025.

Signed by: 

Director of Financial Services

Date: 30th September 2025

Statement of Accounting Policies

1. General

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-ending 31st March 2025.

Halton Borough Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which is required to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice of Local Authority Accounting in the United Kingdom 2024/25 supported by International Financing Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Changes to the 2024/25 Accounting Policies

The Council's accounting policies are subject to regular review arising from changes in the way costs are accounted for and changes in the requirements of the Code of Practice. Changes have been made during 2024/25 to the following accounting policies due to the mandatory first-time adoption of IFRS 16 Leases:

- 14. Leases
- 25. Service Concessions

IFRS 16 removes the traditional distinction between finance leases and operating leases for lessors. Under finance lease arrangements, assets are recognised on the Balance Sheet, alongside the corresponding lease liability. In contrast, operating lease payments have previously been treated as an in-year expense, with no asset or liability accounted for on the Balance Sheet. Under IFRS 16, all leases where the Council is the lessee above a de-minimis amount require an asset and corresponding liability to be recognised on the Balance Sheet.

Under the previously adopted accounting standard, IAS 17, finance lease liabilities were not remeasured when indexation was applied to the value of payments. Under IFRS 16, where indexation impacts on future payments, the lease liability is remeasured, along with the value of the corresponding right-of-use asset.

3. Accruals of Income and Expenditure

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

3(a) Revenue Recognition

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.

3(b) Employee Costs

The full cost of employees is charged to the period which the employees worked. Accruals are made for pay awards awaiting settlement and for the cost of holiday entitlements and time off in lieu earned by employees but not taken before the year-end. To ensure that the actual costs to the Council falls in the year in which they are paid, a transfer is made to the Accumulated Absences Account.

3(c) 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 in exchange for those benefits. They are charged on an accrual basis 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, 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.

3(d) Interest

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

3(e) Supplies and Services

Supplies and services are accounted for in the period that they are consumed or received. Accruals are made for all material sums unpaid at year end for goods and services received or works completed. Where there is a gap between the date supplies are received and consumption, they are carried as inventories on the Balance Sheet.

3(f) 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 3 months or less from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change of 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.

3(g) Debtors and Creditors

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

Known uncollectable debt is written off with a charge being made to the Bad Debt Provision.

4. Contingent Assets

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

Contingent assets are not recognised on the Balance Sheet but by way of notes to the accounts where it is probable that there will be an inflow of economic benefit or service potential.

5. 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 non-occurrence of uncertain future events not wholly within the control of the Council.

Contingent liabilities are not recognised on the Balance Sheet but disclosed by way of notes to the accounts.

6. The Collection Fund

The Council is 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 national non-domestic rates.

6(a) Council Tax Income

In its capacity as a billing authority the Council acts as an agent. It collects council tax income on behalf of the major preceptors (The Police and Crime Commissioner for Cheshire, Cheshire Fire & Rescue Service, and Liverpool City Region Combined Authority) and itself.

6(b) National Non-Domestic Rates (NNDR)

As part of the Business Rate Retention Pilot Scheme, the Council acts as an agent and collects national non-domestic rates on behalf Cheshire Fire & Rescue Service and itself.

6(c) Accounting for Council Tax and Non-Domestic Rates

While the council tax and non-domestic rates income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the General Fund. The amount credited to the General Fund under statute is the Council's demand for the year plus the Council's agreed share of the surplus (or less its share of the deficit) on the Collection Fund.

The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required 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.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and non-domestic rates 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 (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income & Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

7. Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and adverse, that occur between the end of the reporting period and the date when the Statement of Accounts are 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 are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

8. Financial Instruments

The Council invests and borrows money as part of its day to day business and Treasury Management Strategy. It is required to present on the Balance Sheet at fair value its outstanding financial obligations and assets in relation to these transactions. Assets exclude short term investments i.e. invested for periods of less than 3 months at inception and not due for repayment at the Balance Sheet date. These investments are treated as cash equivalents due to their liquid nature.

The Council uses Link Asset Services to provide independent valuations of the position at the period end.

Link Asset Services use the Net Present Value valuation technique to value borrowings. The discount rate used within the calculation is the Public Works Loans Board new borrowing rate.

8(a) Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. Financial liabilities due to be settled within 12 months of the Balance Sheet date, along with accrued interest on all financial liabilities, are recorded as a current liability.

8(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.

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)

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime expected credit loss basis. Only lifetime expected credit losses are recognised for trade receivables (debtors) held by the Council.

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 expected credit loss basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

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

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price

- other instruments with fixed and determinable payments – discounted cash flow analysis.

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

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

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

9. Fair Value

The Council measures some of its non-financial assets such as surplus assets and investment properties, and some of its financial instruments, such as equity shareholdings (other financial instruments as applicable), 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 Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

10. Government Grants, Other Contributions and Donated Assets

Whether paid on account, by instalments, or 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 until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential are required to be consumed by the Council as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund in the Movement in Reserves Statement from the Capital Adjustment Account. Where the grant is yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

11. Interest in Companies and Other Entities

The Council has an interest in subsidiaries, joint ventures and associated entities that would require it to prepare group accounts. As the transactions relating to group entities are not material, no group financial statements are being produced for the 2024/25 accounts.

The definition of materiality as per the Code of Practice on Local Authority Accounting is:

The relevance of information contained in the financial statements is affected by its nature and materiality. Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Therefore, materiality provides a threshold or cut-off point rather than a primary qualitative characteristic which information must have if it is to be useful. An authority need not comply with the Code, as to both disclosure and accounting principles, if the information is not material to the true and fair view of the financial statements and to the understanding of users.

In assessing the materiality of group entities an assessment has been undertaken of the following quantitative and qualitative factors:

Quantitative Factor

- The activities of group entities are not significant to the representation of the operational activities of the authority as a whole.
- Gross Value of the investments in group entities are not significant in terms of the Balance Sheet of HBC.
- Gross Value of the borrowings or other liabilities of group entities are not significant to the Balance Sheet of HBC.
- An adjustment to usable reserves that would arise on consolidation would not be significant.

Qualitative Factor

- The authority does not depend significantly on group entities for continued provision of statutory services.
- There is no concern to which the Council has passed on control of its assets to other parties.
- There is no concern about the extent to which the Council is exposed to commercial risk.
- Not consolidating group entities does not mask significant trends.
- Grouping the accounts would not provide any more useful disclosures.

12. Intangible Assets

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

Intangible assets are initially measured at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined with reference to an active market. In practice, no intangible asset held by the Council meets these criteria, and they are therefore carried at amortised cost. The depreciable amount of any intangible asset is amortised over its useful live to the relevant service line in the Comprehensive Income and Expenditure Statement.

13. Inventories and Long-Term Contracts

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

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

14. Leases

14(a) The authority as lessee

The authority 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 IFRS 16 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 in excess of one year but may have extension options. The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority'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 authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority 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 authority 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 authority 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 income statement.

Low value and short lease exemption

As permitted by the Code, the authority 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 authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line 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.

14 (b) The authority as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to [the deferred capital receipts reserve in the Movement in Reserves Statement.

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 therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Operating leases

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

15. Non-Current Assets, Property, Plant and Equipment

15(a) Recognition

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

Expenditure on the acquisition, creation or enhancement of a non-current asset is capitalised on an accruals basis. Expenditure is only capitalised when it adds to or extends, and not merely maintains the value of an existing asset.

15(b) Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

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

Assets are then carried on the Balance Sheet using the following measurement bases:

- Infrastructure, assets under construction and community assets are measured on the basis of depreciated historic cost.
- Surplus assets, investment properties and assets held for sale are based on their fair value, estimated at highest and best use from a market participant's perspective.
- School buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value.
- All other assets are measured at current value which is determined as the amount that would be paid for the asset in its existing use ("existing use value" – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. For non-property assets (e.g. vehicles, plant and equipment) that have short useful lives or low values (or both) depreciated historical cost basis is used as a proxy for current value.

Assets are subject to an annual impairment check. A proportion of the assets will be subject to revaluation each year to allow for the workload of revaluation to be more evenly spread and the Balance Sheet to be more accurate. Each asset will be revalued on a 3-year cycle.

All assets are subject to an annual review to ensure valuations have not materially changed in the years they are not valued and that the carrying value is not significantly different to their fair value.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for 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 Comprehensive Income and Expenditure Statement.

The Council operates a de-minimis level of £35,000 at acquisition, in respect of land and property, and a qualified valuer certifies the valuation. In respect of vehicles, plant and equipment, these are carried at depreciated historic cost subject to an initial recognition de-minimis of £5,000.

15(c) Impairment

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

Where impairment losses are identified, the carrying amount of the asset is written down first against the accumulated gains in the revaluation reserve.

Where there is no longer a balance in the revaluation reserve to consume the loss, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

When an impairment loss is reversed, the reversal is credited to the relevant service lines in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss and adjusted for depreciation that would have been charged if the loss had never been recognised.

15(d) Disposals and Non-Current Assets Held for Sale

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

To be classified as held for sale an asset must meet all of the following criteria:

- The asset (or disposal group) must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets (or disposal groups).

- The sale must be highly probable; the appropriate level of management must be committed to a plan to sell the asset (or disposal group) and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset (or disposal group) must be actively marketed for a sale at a price that is reasonable in relation to its current value.
- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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 carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Receipts from the disposal of property, plant and equipment assets greater than £10,000 are credited to the useable capital receipts reserve on an accruals basis. Lower amounts are treated as de-minimis and credited to the revenue account.

15(e) Depreciation

Depreciation is provided for on all property, plant and equipment assets with a finite useful life. The provision for depreciation is calculated by allocating the cost less any estimated residual value of the asset over its useful life. The useful lives of assets are estimated on a realistic basis and reviewed regularly, and where necessary revised.

The estimated useful lives of assets by class are as follows:

Buildings and Other Operational Properties	Up to 60 years
Existing Highway Infrastructure and Community Assets	15 Years
New Highway Infrastructure	25 Years
Mersey Gateway Crossing - In line with the policy on Componentisation (Para 15g), significant components are:	
• Structures (Main Crossing, Earthworks, Bridge Approaches)	120 Years
• Highways (incl. Street Lighting)	25 Years
• Other (Tolling, Landscaping, Signage)	30 Years
• General (Financing and Development Costs)	Split pro-rata across above elements
Vehicles, Plant and Equipment	3-10 Years
Intangible Assets	5 Years

Leases – vehicles, plant and equipment	3-10 Years equal to length
Leases – buildings	Up to 60 years

All assets are depreciated on a straight line basis, with depreciation commencing the year after acquisition. In exceptional circumstances, for example, if a particularly expensive asset is acquired with a short life expectancy, then a charge may be levied in the year of acquisition to ensure the charge to the service is more in line with the consumption of the asset.

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.

An exception to depreciation is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction); these are not depreciated.

15(f) Investment Property

Investment property is property (land or a building – or part of a building – or both) held solely to earn rentals or for capital appreciation or both, rather than for:

(a) Use in the production or supply of goods or services or for administrative purposes; or

(b) Sale in the ordinary course of operations.

Investment properties are initially measured 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 revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain to the General Fund balance. 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 reversed out of the General Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

15(g) Componentisation

The objective of component accounting is to follow proper accounting practice by ensuring that items of Property, Plant and Equipment are accurately and fairly included in the Balance Sheet and the Comprehensive Income and Expenditure Statement. Consumption of economic benefits should be properly reflected over the assets individual useful lives, through depreciation charges.

The overall value of an asset must be fairly apportioned over significant components, which need to be accounted for separately, with their useful lives and the method of depreciation being determined on a reasonable and consistent basis.

Having identified individual material assets or groups of similar assets with similar characteristics, each component part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the asset shall be depreciated separately.

Once individual material assets and asset groups have been identified, items of Property, Plant and Equipment will be categorised as follows based on their significance, useful life and depreciation method:

Component	**Detail**
Superstructure and substructure	Frame, upper floors, roof, stairs, external walls, external windows and doors, internal walls and partitions, internal doors
Internal Finishes and Fittings	Wall, floor, ceiling finishes, fittings and furnishings
Services	Sanitary appliances, services equipment, disposal installations, water installations, heat source, space heating and air conditioning, ventilating systems, electrical installations, fuel installations, fire and lightning protection, communication and security installations, builders' work in connection and management and commissioning of services
Land	Land upon which the property is constructed

The basis upon which the calculation of the value of components will be made is replacement cost. The actual split will be determined following individual valuation of the property.

Land is a separate component in its own right, but is not considered for depreciation purposes. Generally, land is considered to have an infinite life.

When an asset is enhanced or replaced, the cost of the replacement component is compared with the cost of the total asset. If the cost of the enhancement or replacement is above 15% or £35,000 of the overall cost of the asset, a proportion of the relevant component's carrying value is derecognised and replaced by the cost of the new replacement asset.

When an asset is acquired or revalued, the cost of its component parts will be broken down into Superstructure and Substructure, Internal Finishes and Fittings and Services. Land will be identified as a separate component in its own right.

15(h) Charges to Revenue for Non-Current Assets

Services are debited with the following amounts to record the cost of holding non-current assets during the year:

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

The Council does not raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, the Council is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund balance from the Capital Adjustment Account in the Movement in Reserves Statement known as the Minimum Revenue Provision (MRP).

15(i) Schools (Land & Buildings)

Section 20 of the Schools Standards and Framework Act 1998 established the following categories of maintained schools in England and Wales:

(a) Community Schools
(b) Foundation Schools
(c) Voluntary Schools comprising Voluntary Aided and Voluntary Controlled
(d) Community Special Schools, and
(e) Foundation Special Schools

In order to recognise a non-current school's asset on the Council's Balance Sheet, the Council has followed the recognition criteria of the Code and determined the extent to which the Council has control of the service potential associated with the school's assets.

The Council has concluded that a) Community Schools and d) Community Special Schools will form part of the Council's non-current assets.

For all other schools the Council is merely using the non-current asset under licence. A licence passes no interest in the non-current asset to the Council and is always revocable, therefore these schools will not form part of the Council's non-current assets.

15(j) Accounting for Schools Transferring to Academy Status

The accounting standards on group accounts and consolidation mean all types of school are now considered to be entities controlled by the Council. When a school transfers to academy status this control is transferred to a third party. As a result, the school as an entity needs to be derecognised in the Council's accounts by writing off the net assets of the school to the Comprehensive Income and Expenditure Statement.

15(k) Highway Network Infrastructure Assets

Highways network 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.

Recognition

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

Measurement

Highways network 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.

Depreciation

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

Annual depreciation is the depreciation amount allocated each year. Useful lives of the various parts of the highways network are shown below:

- Newly constructed carriageways, footways, cycle tracks – 25 years
- Repairs and maintenance of all highways assets – 15 years
- Mersey Gateway Bridge
    - Structures (main crossing, earthworks, bridge approaches) – 120 years
    - Highways (including street lighting) – 25 years
    - Other (tolling, landscaping, signage) – 30 years
    - General (financing and development costs) – split pro rata across elements above
- Street lighting and street furniture – 15 years

Disposals and derecognition

When a component of the network is disposed of or decommissioned, if material, 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.

From 2020/21, in accordance with the temporary relief by the update to the code on infrastructure assets, the accounts do not show the gross cost and accumulated depreciation for infrastructure assets, and shows the net position in a separate table to other Property, Plant and Equipment.

16. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply and service. The total absorption costing principal is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

17. Pension Costs

General

The cost of providing pensions for employees is charged in accordance with the requirements of IAS19 Retirement Benefits subject to the interpretation set out in the Code governing the pension schemes. The Council pays an employer's contribution to the Cheshire Pension Fund; Teachers' Pension Agency and the National Health Service Pension Scheme.

Pensions Reserve

Where there is a difference between the amount charged to the Comprehensive Income and Expenditure Statement in the year and the amount payable to the pension funds, that sum is taken to the Pension Reserve. This additional debit or credit to the services is shown as a reconciling item in the Movement in Reserves Statement within the Adjustments between Accounting Basis and Funding Basis under regulations note.

Classification of Schemes

Defined Benefit Schemes

Accounting policies set out as below apply in respect of pension costs arising from the Local Government Pension Scheme and unfunded discretionary benefits paid:

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

(ii) Liabilities are discounted to their value at current prices, using the relevant discount rate.

(iii) The assets of Cheshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

a. Quoted securities – current bid price
b. Unquoted securities – professional estimate
c. Unitised securities – current bid price
d. Property – market value

(iv) The change in the net pensions liabilities is analysed into the following components:

a. Service cost comprising:
   i. Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement of the services for which the employees worked
   ii. Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of services earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement
   iii. Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of the contribution and benefit payments.
b. Re-measurements comprising:
   i. The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
   ii. 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 Pension Reserve as Other Comprehensive Income and Expenditure.
c. Contribution paid to Pension Funds – cash paid as employer’s contributions to the pension fund in settlement of liabilities: not accounted for as an expense.

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

Defined Contribution Schemes

The arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot ordinarily be specified by the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments or benefits is recognised on the Balance Sheet. The relevant service line in the Comprehensive Income and Expenditure Statement is charged with the Council's contributions payable to Teachers' Pensions and NHS Pension Scheme in the year.

Discretionary Benefits

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

18. Pooled Budgets

Under Section 75 of the Health Act, the Council is able to establish joint working arrangements with NHS bodies and other Councils to pool funds from both organisations to create a single pot. Where pooled budgets are established, the Council's accounts reflect only the Council's share of the overall pot and exclude the share attributable to partner organisations.

19. Prior Period Adjustments

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

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

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

20. 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 or service potential and a reliable estimate can be made of the amount of the obligation. Provisions are created by a charge to a service and as such appear in the Comprehensive

Income and Expenditure Statement in the Cost of Services in the year the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking account of risks and uncertainties. Where it becomes apparent that a lower settlement is anticipated than first thought, the provision is reversed and credited back to the relevant service.

When payments are eventually made, they are charged to the provision carried on the Balance Sheet.

21. Repurchase of Borrowing

Gains or losses arising on the repurchase or early settlement are charged in the Comprehensive Income and Expenditure Statement in the period during which the repurchase is made. If the repurchase was coupled with refinancing or restructuring, gains or losses are charged over the life of the replacement loan.

22. Reserves

The Council sets aside specific amounts as reserves for future policy purposes to cover contingencies. Reserves are created by apportioning amounts out of the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from the reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

The reserve is then appropriated back in the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

The Council maintains two kinds of reserve, Usable and Unusable Reserves.

Usable reserves comprise:

Capital Receipts Reserve
General Fund Balance
Schools Balances
Earmarked Reserves
Capital Grants Unapplied

Unusable reserves comprise:

Revaluation Reserve
Capital Adjustment Account
Financial Instruments Revaluation Reserve
Pensions Reserve
Collection Fund Adjustment Account
Deferred Capital Receipts Reserve
Accumulated Absences Account
Dedicated Schools Grant Adjustment Account
Pooled Investment Fund Adjustment Account

Usable reserves are available to fund expenditure, either revenue or capital, incurred by the Council. Unusable reserves are not available to fund expenditure since they do not represent new resources available to the Council.

23. Revenue Expenditure Funded from Capital under Statute

Legislation allows some expenditure to be classified as capital for funding purposes when it does not result in the creation of a non-current asset on the Balance Sheet. Such expenditure is charged to the appropriate service account within the Comprehensive Income and Expenditure Statement in accordance with the provisions of the Code.

Where the Council has determined to meet the cost of this expenditure from existing capital resources or borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses the amounts charged so that there is no impact on the council tax.

24. Senior Officers

The Council is required to disclose senior officers who are paid a salary of more than £150,000 by name and job title. The requirement also extends to those officers whose salary is more than £50,000 and have a statutory role defined by legislation or are responsible for directing and controlling the day-to-day operations of the Council; disclosure is restricted to job title.

25. Service Concessions

PFI (Private Finance Initiatives) 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 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 at fair value (based on the cost to purchase the property, plant and equipment) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are re-valued and depreciated in the same way as property, plant and equipment owned by the Council.

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

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a lease)
- Life cycle replacement costs – where material, a proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

Following the introduction of IFRS 16 on 1st April 2024, the PFI lease liabilities will be remeasured each year to take account of the impact of indexation of future payments. This would normally impact the value of the associated right-of-use asset, but for the Council's two PFI Schemes the impact will be shown in the Comprehensive Income and Expenditure Statement as detailed below:

- The liability relating to the Unitary Charge element of Mersey Gateway Bridge has increased by £46.1m during the year. As Infrastructure assets are held at historic depreciated cost, this has been treated as a revaluation loss shown in Mersey Gateway expenditure in the Comprehensive Income and Expenditure Statement.
- The liability relating to the Grange School has been increased by £4.7m during the year. This has been treated as Revenue Expenditure Funded by Capital Under Statute in the Schools expenditure figure in the Comprehensive Income and Expenditure Statement as the Council no longer owns the asset following its conversion to academy status in January 2018.

These costs do not impact the General Fund as they are reversed through the Movement in Reserves Statement to the Capital Adjustment Account.

26. Heritage Assets

Where applicable, heritage assets are measured at insurance valuation on the Balance Sheet.

Unlike other non-current assets depreciation is not required on heritage assets which have infinite useful lives. Similarly, impairment reviews are only required in limited circumstances, for example if a heritage asset has suffered breakage or physical deterioration.

27. Accounting Standards that have been Issued but not yet Adopted

Under the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), the Council is required to disclose information setting out the impact of an accounting change required by new accounting standards which have been issued at the balance sheet date but which will not apply to local authorities' accounts until subsequent financial years.

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:

(i) The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) (Amendments to IAS 21).
(ii) Insurance Contracts (Adoption of IFRS 17).

(iii) Changes to the measurement of non-investment assets, setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets, and a requirement to value intangible assets using the historical cost approach (Adaptations to IAS 16 and IAS 38, and relief from the requirements of IAS 8).

With the exception of the adaptations to IAS 16, these amendments are not expected to have a material impact on the Council's Statement of Accounts.

28. Critical Judgements in Applying Accounting Policies

The Council has made judgements about different transactions and the uncertainty of future events. The critical judgements made in the Statement of Accounts are:

Capitalised expenditure

On 20th February 2025 the Minister of State for Local Government and English Devolution wrote to the Council that he was 'minded to' approve a capitalisation direction of a total not exceeding £52.8m, comprising £20.8m in 2024/25 and £32m in 2025/26.

In order for the department to provide a final capitalisation direction, the council is required to undergo an external assurance review which will include, but will not be limited to, an assessment of the council's financial position and governance arrangements and must comply with the following conditions

- the authority may only capitalise expenditure when it is incurred;
- where expenditure is capitalised, the authority shall charge annual MRP using the asset life method with a proxy 'asset life' of no more than 20 years.

Only £10m of the potential capital direction of £20.8m was utilised in 2024/25 and the Statement of Accounts include the £10m capitalisation direction which can be seen in the Capital Financing Note (see Note 16) and the Movement in Reserves Statement (see note 34a Adjustments between Funding and Accounts Basis).

Although the Council has not received a capitalisation direction letter from the Minister of State issued under section 16(2)(b) of the Local Government Act 2003, the Council believe that it is complying with the intent of the Secretary of State's letter of 20th February 2025 by capitalising revenue expenditure in advance of receipt of the direction. The Council believes that in its judgment the Minister of State's intention was that the financial statements would include the capitalised expenditure. Formal approval of the capitalisation direction will be provided by the Minister of State following the Council undergoing an assessment of its financial position and governance arrangements. The Minister of State reserves the right to extend the scope of the review to consider any other relevant issue that is deemed necessary. Consequently, as the Council has concluded it has met all the requirements in the Minister of State's letter it has capitalised £10m of expenditure as a result.

29. Assumptions Made about the Future and other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

29(a) Property, Plant and Equipment

The carrying amount in the Balance Sheet at the 31st March 2025 is £876.9m, of which £417.3m relates to the Unitary Charge element of the Mersey Gateway Crossing.

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. The current economic climate makes it uncertain that the Council will be able to sustain its spending on repairs and maintenance, bringing into doubt the useful lives of those assets. Ongoing maintenance for the Mersey Gateway Crossing is covered by unitary payments and therefore has no impact on the Council's on-going repairs and maintenance spending.

If the useful life of Buildings included in Property, Plant and Equipment is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings could increase between 10%-15% equating to an additional £0.652m to £0.978m for every year that useful lives had been reduced.

29(b) Pensions Liability / Asset

The carrying amount in the Balance Sheet at the 31st March 2025 is a liability of £4.044m.

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Hymans Robertson LLP is engaged on behalf of the Council by Cheshire West and Chester Council to provide expert advice about the assumptions to be applied.

An estimate of the impact of any changes to the principal assumptions provided by the actuary are shown in the Note 32.

30 Going Concern

The statement of accounts has been prepared on an assumption that the Council will continue in operational existence for the foreseeable future. This a requirement of the Code, which reflects the fact that since the management of a statutory local authority does not have the power to cease operations and wind up the entity, a statutory local authority will always be a going concern as defined by IAS 1 (Presentation of Financial Statements)

Glossary of Terms

For the purposes of the Code of Practice the following definitions have been adopted:

Accruals

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

Accounting Policies

Those principals, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

(a) Recognising;
(b) Selecting and measuring bases for; and
(c) Presenting.

Assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the Income and Expenditure account or Balance Sheet it is to be presented.

Acquired Operations

Operations comprise services and divisions of service as defined in SeRCOP. Acquired operations are those operations of the Council that are acquired in the period.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

(a) Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or

(b) The actuarial assumptions have changed.

Capital Expenditure

Expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Class of Non-Current Assets

The classes of non-current assets required to be included in the accounting statements are:

Property, Plant and Equipment:

- Other land and buildings
- Vehicles, plant, furniture and equipment
- Infrastructure assets
- Community assets
- Assets under construction
- Surplus assets

Other classes of assets:

- Investment properties
- Assets held for sale
- Heritage assets

Community Assets

Assets that the Council intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Consistency

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

Constructive Obligation

An obligation that derives from a Council's actions where:

(a) By an established pattern of past practice, published policies or a sufficiently specific current statement, the Council has indicated to other parties that it will accept certain responsibilities; and
(b) As a result, the Council has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Local Authority's control.

Contribution

A contribution may be received from a partner to help perform a particular function (i.e. PCT and third sector in health/education, S106 developers etc…)

Contingent Liability

A contingent liability is either:

(a) A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
(b) A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Corporate and Democratic Core

The corporate and democratic core comprises all activities which Local Authorities engage in specifically because they are elected multi-purpose Authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no basis for apportioning these costs over or across services.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

(a) Termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business; and
(b) Termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Deferred Charges

Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets. Examples of deferred charges are expenditure on items such as improvement grants and the expenses of private acts.

Defined Benefit Scheme

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

Defined Contribution Scheme

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

Depreciation

The measure of cost or revalued amount of the benefits of the non-current asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a non-current asset whether arising from use, effluxion of time or obsolescence through either changes in technology or demand for the goods or services produced by the asset.

Discontinued Operations

Operations comprise services and divisions of service as defined in CIPFA's Standard Classification of Income and Expenditure. An operation should be classified as discontinued if all of the following conditions are met:

(a) The termination of the operation is completed either in the period before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved;
(b) The activities related to the operation have ceased permanently;
(c) The termination of the operation has a material effect on the nature and focus of the Local Authority's operations and represents a material reduction in its provision of services resulting either from its withdrawal from a particular activity (whether a service or division of service, or its provision in a specific geographical area) or from a material reduction in net expenditure in the Local Authority's continuing operations;
(d) The assets, liabilities, income and expenditure of operations and activities are clearly distinguishable physically, operationally and for financial reporting purposes.

Operations not satisfying all the conditions are classified as continuing.

Discretionary Benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to award which are awarded under the Council's discretionary powers, such as The Local Government (Discretionary Payments) Regulations 1996, the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, or the Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.

Estimation Techniques

The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains losses and changes to reserves.

Estimation techniques implement the measurement aspects of accounting policies. An accounting policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique. Estimation techniques include, for example:

(a) Methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of a tangible non-current asset consumed in a period.
(b) Different methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as a whole rather than individual balances.

Events after the Balance Sheet Date

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the responsible financial officer.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Exit Packages

Exit packages are defined as amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits. Exit packages also include enhancement of retirement benefits, when an employee retires early without actuarial reduction of pension.

Expected Rate of Return on Pensions Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Extraordinary Items

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Council and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase of use of the asset.

Going Concern

The concept that the Council will remain in operational existence for the foreseeable future, in particular that the Income and Expenditure Account and Balance Sheet assume no intention to curtail significantly the scale of the operations.

Government Grants

Assistance by Government and Inter-Government Agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to a Council in return for past or future compliance with certain conditions relating to the activities of the Council.

Heritage Assets

Heritage Assets are assets that have historical, artistic, scientific, technological, geophysical or environmental qualities. Examples of heritage assets held by the Council include civic regalia, paintings and artefacts.

Impairment

A reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

Infrastructure Assets

Non-current assets that are inalienable, expenditure on which is recoverable only by continued use if the asset created. Examples of infrastructure assets are highways and footpaths.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period of present value of the scheme liabilities because the benefits are one period closer to settlement.

Inventories

The amount of unused or unconsumed stocks held in expectation of future use, comprising the following categories:

(a) goods or other assets purchased for re-sale;
(b) consumable stores;
(c) raw materials and components purchased for incorporation into products for sale;
(d) products and services in intermediate stages of completion;
(e) long-term contract balances; and
(f) finished goods.

Investments (Non-Pensions Fund)

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be classified only where an intention to hold the investment for the long-term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments, other than those in relation to the pensions fund, that do not meet the above criteria should be classified as current assets.

Investments (Pensions Fund)

The investments of the Pensions Fund will be accounted for in the statements of that Fund. However, councils are also required to disclose, as part of the transitional disclosures relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

Investment Properties

Interest in land and/or buildings:

(a) In respect of which construction work and development have been completed; and
(b) Which is held for its investment potential, and rental income being negotiated at arm's length.

Liquid Resources

Current asset investments that are readily disposable by the Council without disrupting its business and are either readily convertible to known amounts of cash or close to the carrying amount, or traded in an active market.

Long-Term Contracts

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

Net Book Value

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.

Net Current Replacement Cost

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Debt

The Council's borrowings less cash and liquid resources. Where cash and liquid resources exceed borrowings, reference should be to net funds rather than debt.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in case of non-operational assets), less the expenses to be incurred in realising the asset.

Operating Lease

A lease other than a finance lease.

Past Service Cost

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvements to, retirement benefits.

Prior Period Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Projected Unit Method

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefit valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

(a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases; and
(b) The accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

Related Parties

Two or more parties are related parties when at any time during the financial period:

(a) A party has direct or indirect control of the other party; or
(b) The parties are subject to common control from the same source; or
(c) One party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or

(d) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interest.

Examples of related parties of a Council include:

(a) Central government;
(b) Local authorities and other bodies precepting or levying demands on the council tax;
(c) Its subsidiary and associated companies;
(d) Its joint ventures and joint ventures partners;
(e) Its members
(f) Its chief officers; and
(g) Its pension fund.

Examples of related parties of a pension fund include its:

(a) Administering authority and its related parties
(b) Scheduled bodies and their related parties; and
(c) Trustees and advisors

This list is not intended to be comprehensive.

For individuals identified as related parties, the following are also presumed to be related parties:

(a) Members of the close family, or the same household; and
(b) Partnerships, companies, trusts or other entities in which the individual, or a member of their close family or the same household, has a controlling interest.

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Examples of related party transactions include:

(a) The purchase, sale, lease rental or hire of assets between related parties;
(b) The provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund;
(c) The provision of a guarantee to a third party in relation to a liability or obligation of a related party;
(d) The provision of services to a related party, including the provision of pension fund administration services;
(e) Transactions with individuals who are related parties of the Council or a pension fund, except those applicable to other members of the community or the pension fund, such as council tax, rents and repayments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the Council, but also in relation to its related party.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances and the money value of any other benefits received other than in cash. Pension contributions payable by the employee are excluded.

Residual Value

The net realisable value of an asset at the end of its useful life. Residual values are based on prices prevailing at the date of acquisition (or revaluation) of the asset and do not take account of expected future prices.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date, or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Settlement

An irrevocable action that relieves the employee (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

(a) A lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits;
(b) The purchase of an irrevocable annuity contract sufficient to cover vested benefits; and
(c) The transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

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.

Total Cost

The total cost of a service or activity includes all costs which relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies and services, third party payments, transfer payments, support services and capital charges. This includes an appropriate share of all support services and overheads, which need to be apportioned.

Useful Life

The period over which the Council will derive benefits from the use of a non-current asset.

Vested Rights

In relation to a defined benefit scheme, these are:

(a) For active members, benefits to which they would unconditionally be entitled on leaving the scheme;
(b) For deferred pensioners, their preserved benefits;
(c) For pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants.