

WARRINGTON

Borough Council



2021/22 DRAFT STATEMENT OF ACCOUNTS



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NARRATIVE REPORT

Message from the Deputy Chief Executive & Director of Corporate Services - Lynton Green

This Narrative Report provides information about Warrington Borough Council, including the key issues affecting the Council and its accounts. It also provides a summary of the financial position at 31 March 2022 and is structured as below:

1. An Introduction to Warrington
2. Performance Commentary for 2021/22
3. Financial Performance
4. Principal Risks and Uncertainties
5. Audit of the Statement of Accounts
6. Climate Change
7. Explanation of the Financial Statements
8. Receipt of Further Information
9. Acknowledgements

AN INTRODUCTION TO WARRINGTON

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

Warrington's population has increased from 202,228 in the 2011 Census to 210,900 in 2021. An increase of 4.3%. Warrington's increase is lower than the North West (5.2%) and England and Wales (6.3%). Warrington has more females (106,500) than males (104,400). Warrington's female population represents 50.5% of the overall population. The largest 5 year age band in Warrington is 50 to 54 for both males and females, making up 7.6% of Warrington's total population. Warrington has a lower percentage of those under 20 (22.3%) compared to the North West (23.4%) and England and Wales (23.1%). Warrington's 65 and over population (19.1%) is higher than both the North West (18.7%) and England and Wales (18.6%). The number of households (with at least one usual resident) in Warrington is 90,500 – an increase from 85,140 in 2011. This is an increase of 6.3%.

There are circa 9,135 business enterprises in the Borough employing 140,000 people. The unemployment rate in Warrington is low at 3.5%, compared to that of the North West (4.6%) and all of Great Britain (4.4%) (2021). There is a broad and diverse range of employment options available, with Professional occupations at 25.6% and Associate Professional & Technical at 16.3%. There is a nuclear industry cluster and a number of back office operations, specifically call centres, located in the borough.

Warrington also has one of the highest Gross Value Added (balanced) per head of population at current basic prices in the North West for 2020. Warrington has an average annual salary of £37,137 (which is higher than the North West at £25,363 and England at £29,757).

The Council's operating revenues amounted to £560.185m in 2021/22 (note 18). However, a sizeable chunk of this is related to services that are essentially pass-through. For instance, the central government funds £190.190m (note 19) that the Council spends on children and education services and nearly half of adult social care costs are borne by the central government. As a result the Council had direct responsibility for a budget of £130.516m in 2021/22.

Council tax of £109.926m (note 12) in 2021/22 funds over half of the direct budget requirement. Council taxes were increased by 4.98% in 2021/22, including a 3% Adult Social Care precept. Band D Council Tax (excluding precepts) was £1,567.67 in 2021/22.

Revenue Support Grant (Government funding) was £1.365m in 2020/21. The 2021/22 year saw a small inflationary increase to £1.372m however, going forward, it is expected this revenue source will remain effectively static and be completely eliminated, creating financial pressures for all local authorities. Due to cuts in Government funding the Council have made £63.4m (21/22 £11.6m; 20/21 £14.1m; 19/20 £22.2m; 18/19 £15.5m) of savings over the previous four years and plan to make a further £53.9m of savings over the four year period from 2022/23.

However, Revenue Support Grant accounts for just 1% of total revenues for the Council, which is a lower level than peers. Business rates are the third largest source of own-source funding and amounted to £49.1m in 2020/21. In 2021/22, this decreased to £41.366m (note 12). Government review of the business rates system has been pending for some years. A review could be positive for the Council as they currently must make tariff payments and retain less than 50% of what they receive. However, in the absence of any details we currently cannot assess the exact impact on the Council.

Warrington Borough Council employs 5,111 people (2,741 WBC, 2,370 schools).

Medium Term Financial Plan (MTFP)

The Council's Medium Term Financial Plan (MTFP) is based on a financial forecast over a rolling four-year timeframe from 2022/23 to 2025/26. The MTFP sets the financial context for the Council's resource allocation process and budget setting.

Over the four-year period there is an estimated funding gap of £54m. Within this financial context the Outcome Based Budgeting process has been built upon council wide working to deliver a sustainable long-term financial position.

The Council is facing unprecedented financial and demand pressures following a decade of austerity, the pandemic and the cost of living crisis. Achieving financial sustainability is critical to protect outcomes for the community and local economy. Medium-term financial planning is taking place against the background of significant funding cuts for local government alongside Government plans for major local

government finance reforms. In addition, the Council, in common with most local authorities, continues to be at risk from unfunded financial pressures, including workforce management, waste management, cost of living crisis and demand for social care and welfare reform as well as implementation of the national living wage. This environment, compounded by the COVID-19 pandemic, will be challenging over the coming years.

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

The pandemic has delayed some key Government decisions about the future direction of Local Government funding. The 2022/23 Local Government Finance Settlement was again a one year funding settlement, providing no certainty about funding beyond 2022/23. A multi-year spending review by Government to determine the distribution of funding across Local Authorities over a medium-term period is still expected but will be subject to the completion of delayed reforms linked to the Fair Funding Formula and Business Rates. Whilst this is in part due to the national economic impact of the pandemic and the Government's need to have certainty about the financial position for the country over the medium-term period, the uncertainty, volatility and complexity of the financial landscape is making the Council's own medium-term financial planning difficult.

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

During the year, the Finance Service has continued to provide excellent financial leadership across the Council through its robust financial management. This has been achieved despite the many challenges. The vision for the service continues to be a service which is innovative, providing excellent financial leadership, and enabling colleagues across the organisation to effectively manage the finances of the Council. A culture of continuous improvement is at the heart of this, ensuring the service is fit for the future and continues to provide robust and resilient financial management for the Council whilst identifying new ways of working and enabling services to deliver on their own transformation priorities and ambitions.

Democratic Structure

The composition of the Council at 31/03/2022 was:

- 36 Labour Councillors
- 11 Conservative Councillors
- 8 Liberal Democrat Councillors
- 3 Independent
- 58 Councillors

Following the Full Council meeting of 20 June 2022, a Conservative Councillor joined the Labour Party making the composition of the Council:

37 Labour Councillors
10 Conservative Councillors
8 Liberal Democrat Councillors
3 Independent
58 Councillors

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

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

As the financial statements demonstrate, the financial standing of the Council continues to be robust. We have established good financial management disciplines, processes and procedures and, recognising that we operate in an environment of continuous change, we will pursue our drive for on-going improvement and excellence.

COVID-19 Pandemic

Responding to the pandemic to support our residents and local communities continued in 2021/22, ensuring that vulnerable residents were supported. There was a shift in focus in December to support the delivery of “booster vaccinations”.

The Council in 2021/22 played a critical role in the overall national response to COVID-19, including the administration of business rate reliefs and grants, supporting households through the council tax reduction scheme, supporting the care sector, protecting the NHS, providing support to vulnerable residents and enabling much of our workforce to work remotely in order to maintain essential services. Our focus throughout has been to provide support to those who have needed us most.

As ever the Council continues to be at the heart of the community, distributing emergency funding to businesses, performing COVID-19 tests at facilities across the borough as well as providing food parcels and operating emergency helplines. As the vaccination roll out began, the Council again took a prominent stance co-ordinating the process with other public sector bodies. What is certain is that the impact has not been limited to the 2021/22 financial year, but instead will continue to influence our lives for many years to come.

I am immensely proud of our local response to the pandemic and incredibly grateful to be working in a place that has strived tirelessly to do the right thing. It hasn't just been the Council involved in the response either – immense credit must go to the health, police, fire, local business, schools, our community and voluntary sector, and not

forgetting our residents, who have all stepped up to the challenges COVID-19 has brought.

COVID-19 Grant Schemes

During the financial year the Council has administered a significant number of COVID-19 grant schemes on behalf of Government to support businesses and residents through the many challenges of the pandemic. These schemes have been a mix of non-discretionary, where schemes and eligibility criteria has been set nationally by Government, and discretionary, where schemes and eligibility criteria have been set locally by the Council. As part of the Council's 2021/22 Statement of Accounts, the Council has had to determine the accounting treatment for these grants including consideration of whether the Council was operating as principal or as an agent of Government when administering them. Accounting standards only require the Council to record transactions in its accounts where it is acting as principal i.e., it has control of the grants awarded. To provide a fuller picture, the table below provides a full summary of all the COVID-19 grant schemes administered by the Council during 2021/22.

DRAFT

Grant description (including Funding Body)	Credited to taxation & non- specific grant income £'000	Credited to services £'000	Balance C/Fwd as Receipt in Advance £'000
<u>Department for Levelling Up, Housing & Communities (DLUHC)</u>			
Covid-19 LA Support Grant	5,283		
Covid-19 LA Additional Relief	5,334		
Expanded Retail & Nursey Discount	20,394		1,066
Sales Fees and Charges Support Grant	369		
Rough Sleeping LAs		607	
Homelessness Prevention Grant		1,433	1,187
Council Tax Hardship		281	537
Tax Income Guarantee	1,429		
Extended Rights to Free Transport	58		
Reopening The High Street		273	
Clinically Extremely Vulnerable Support	371		
<u>MHCLG/European Regional Development Fund:</u>			
Opening High Streets Grant		274	
<u>Department of Education</u>			
COVID Mass-Testing for Schools & Colleges		116	
COVID Catch Up/Recovery		707	
Holiday Activities and Food Program		449	
Wellbeing for Education Grant		29	
<u>Department for Business, Energy & Industrial Strategy:</u>			
Business Support Grants		29	
Local Restrictions Support Grants		1,151	4,332
Restart Grant		10,247	
Additional Restrictions Grant		2,892	
<u>Department of Health and Social Care:</u>			
Workforce Capacity Funding		1,587	
Contain Outbreak Management Fund		3,279	3,626
Test and Trace service support		450	
Infection Control Fund		4,074	
Community Rapid Response		946	
Self Isolation Grant		496	
Community Testing Grant		516	47
Community Champions		281	37
Domestic Abuse Grant		40	360
<u>Department for Work and Pensions:</u>			
Covid Local Support Grant		947	
Local Council tax Support			1,954
Local Council Tax Support Administration Subsidy Grant		233	
Winter Package Grant		194	55
<u>Department of Transport</u>			
Covid Bus Services Support Grant		89	
<u>Others:</u>			
Various new burdens grants		251	
Total Covid-19 Grants	33,238	31,871	13,201

PERFORMANCE COMMENTARY FOR 2021/22

The Council's corporate strategy 2021-2024 was developed during 2021 and approved by Cabinet in September 2021. The refreshed strategy sets out the Council's pledges and priorities, and reflected on the pandemic, its impact on services and communities and our plans for COVID-19 recovery for 2021-2024. The Corporate

Strategy also incorporates a clear set of Corporate Priorities as developed and approved by Cabinet in July 2021.

There are four pledges:

- Our residents live healthy, happy & independent lives
- Everyone benefits from our thriving economy
- Communities are safe, strong & our most vulnerable are protected
- Our town is clean, green & vibrant

Supporting these pledges are cross cutting themes: sustainability, reducing inequalities and COVID-19 recovery. The strategy also sets out how the Council will work to deliver its vision and pledges (delivering our strategy).

Key performance indicators and targets support the delivery of priorities alongside a number of key projects.

Our residents live healthy, happy & independent lives

The Council's Community Led Support (CLS) programme aims to design and deliver, with partners, different ways of working across the adult social care sector to maximise the strengths and community connections of people locally. The programme has involved multi-agency workshops planning for future change, identifying a vision and developing agreed outcomes. An innovation site called 'Talking Well' has been located in Birchwood and was launched in December 2021. The programme provides opportunities for residents in Birchwood to drop in and have a good conversation about wellbeing. Positive feedback has been received to date and early reflections and evaluations are taking place in order to trial different approaches. Following the success of the Birchwood site plans are underway for a second innovation area 'Good Conversations at the Front Door to Adult Social Care' and extending CLS principles into social work practice.

During the year Intermediate Care recruited to increase capacity, but demand has been significant and the service is still experiencing ongoing challenges due to staff sickness. Demand in quarter 4 was as high as the height of the pandemic. There still continues to be a high number of people from hospital supported at home, but some have been moved into transitional care beds awaiting services to alleviate ongoing pressures for hospital beds. Other community services continue to develop and grow to keep people at home even when they need additional support. There is also a continued challenge of sustainable funding to meet demand. A feasibility study to utilise the Bewsey Old School site for a replacement new build bed based Intermediate Care Unit has been completed and more detailed work on funding arrangements is now underway.

The Carers Strategy action plans are in place to deliver the eight priorities set out. Work has been completed on a specification for the retender of our primary commissioned carers services.

In ensuring the Council has a local public health service that protects residents and supports COVID recovery, the Council continues to look at greater capacity and

flexibility to respond appropriately. Local COVID-19 outbreak management continued across different settings including care homes, education, prisons, homelessness hostel and businesses. This service has been resourced from the Contain Outbreak Management Fund. The outbreak management was led by Public Health working closely with other Council departments, the community and partners. Warrington was designated an Enhanced Response Area in June 2021 as its COVID-19 rates were higher than the national average and because of a sudden escalation along with the rest of the North West Local Authorities.

COVID-19 vaccination rates have been good across Warrington as a whole but lower rates of vaccination were identified in a number of Lower Super Output Areas (i.e. areas experiencing greater deprivation). Warrington was offered a menu of options, including a Department of Health and Social Care (DHSC) commissioned Surge Rapid Response Team (SRRT), which had also been deployed in Bolton and Blackburn with the aim to help bring COVID-19 rates down.

With the removal nationally of all remaining COVID-19 restrictions, the stepping down of Contact Tracing and the end to free COVID-19 testing, occurring at a time when infection rates are higher than ever, the Public Health team has been working with local settings, businesses, schools, care sector and other organisations supporting our most vulnerable residents. This support is to ensure that sectors understand the guidance and know what they can continue to do to protect staff, customers, students, clients, patients and service-users. A programme of work is underway to provide ongoing support and advice around infection prevention and control alongside awareness raising and support for implementing wider interventions to improve health address inequalities.

The school meals service experience high volumes of staff sickness due to COVID-19 alongside vacancies. The service has come in within budget for the year but there continues to be concerns with the escalating costs for fuel, utilities and the effect on food prices. This is being managed stringently and plans are in place to continue to ensure a tight financial management of the service whilst maintaining a high quality food offer. Staff are also carrying out quality audits of all school kitchens as part of our ongoing scrutiny and development of the service, ensuring high quality minimum standards are being met. The service is also looking into offering sustainable food options, and 'meat free Mondays' have been trialled to some success.

Elective Home Education (EHE) figures have reduced since July 2021. School Attendance figures continue to be above the national average and are nearing pre-pandemic levels. Attendance for all schools up to half term 3 is 93.0%.

The Living Well approach to prevention and early intervention to prevent long term conditions held a priorities workshop in March 2022. Six priority areas have been agreed for 2022/23. The next step is to formalise work streams for delivery of the priorities. Branding for Living Well has been developed in consultation with third sector partners and presented to the next Living Well Sub Group.

The Central Six Community Forum continue to meet monthly and representatives regularly attend the Renewal Board meeting. The forum is continuing to deliver projects that support the delivery of the Masterplan. Six community centres are located

in the Central Six areas and each delivers a programme of activity that supports the social, mental and physical wellbeing of residents whilst also adopting COVID-19 safe measures for the reassurance of attendees.

Funding for the Food Poverty Co-ordinator has been agreed for a further year based on the success of the role. The Bread and Butter Project is established in two areas of the town and two further sites are being explored. A venue for Community Shop has been agreed and has been consulted upon and was received positively. An anti-hunger partnership with Feeding Britain has been signed and they will work with the Council, partners and other agencies to look at ways to tackle hunger. Promotional work has taken place in respect of Healthy Start Vouchers which are now moving to be digital, to encourage take up. Food Poverty has been agreed as one of the priorities for the Health and Well Being Board.

The 0-19 service has continued to deliver against the mandated Health Visitor targets, and have worked creatively and effectively to incorporate COVID-19 safe practices and deal with workforce pressures. Throughout the pandemic the new and improved innovative ways of working have worked well and will be continued. These include Chat Health, the virtual offer (video consultations using 'Attend Anywhere') and the triage service.

Community participation in parks, clean up days and public spaces was resurrected following the relaxation of COVID-19 measures. Friends of Parks and volunteer cleansing teams have returned to their activities providing significant enhancements to the local environment and look of the borough. The Marshall Gardens development project, which is linked to the Armed Forces and local volunteers, is currently in progress to regenerate a key parkland site within the Central area. Community Sport, which is wholly reliant upon volunteers, restarted across Council sports facilities.

Everyone benefits from our thriving economy

Welcome Back Funding has been wholly allocated, with nearly the full allocation claimed. Working in partnership with the Business Improvement District (BID) the Council has undertaken a range of events, activities, safety measures, clean-ups and other initiatives aimed at encouraging visitors back to the town centre. Overall the town centre recovery figures look strong compared to other towns and cities.

The published Levelling Up White Paper references the future role of Local Enterprise Partnerships (LEP) and initial high level feedback on the LEP review received from Government. The Council is working with the LEP and Local Authorities in the sub-region to further strengthen the positive sub-regional working relationship and ensuring the maintenance of strong engagement with the business sector.

A one year contract is in place with Equans Engie to replace Mears for our building maintenance contract. This was successfully negotiated and implemented in time for 1 April deadline. A full five year contract procurement process will now commence.

The Local Plan was formally submitted to the Planning Inspectorate on 22nd April. The hearing sessions for the Examination in Public are anticipated to take place in the autumn.

The Journey First contract is due to finish in June 2023 and in ensuring our residents are benefiting from this investment, the Council is exploring being based in the Job Centre offering advice and support. This would also enable a direct referral into the Journey First Service. The Journey First offer is also being provided as part of the package support for Ukrainians and former Hong Kong residents.

The Business Improvement District (BID) refreshed their Board and delivery plan during the year. They continue to expand their reach through the 'We Are Warrington' brand.

Engaging local businesses to provide appropriate opportunities for people with SEND, autism or mental health needs has become even more challenging due to the issues created by the pandemic. Often these are driven by a risk averse approach given the nature and potential impact of COVID-19. It is also due to the economic challenges many organisations are facing, resulting in this being less of a priority at the moment. The Supported Internship offer remains strong at both local delivery settings (Warrington and Vale Royal College and Willow Green), and the extensions offered to Interns from academic year 2020/21 have proven successful in ensuring they have the opportunity to experience work in real settings. Paid outcomes are forecasted to be relatively strong, and, where not, Interns are benefiting from sustainable opportunities in the voluntary or third sector. A pilot with Amazon is showing lots of potential, both for the two participating Interns and as an ongoing offer, with Amazon committed to offering further opportunities in 2022/23.

Communities are safe, strong & our most vulnerable are protected

A training matrix developed by the Quality Assurance Team in children's services is providing quantitative and qualitative data to the workforce development group on the training attended. The matrix allows for analysis of both individual and team attendance and commitment to training. In quarter 4 the following training has been delivered jointly between the Systemic Hub, Quality Assurance Team and children's services managers; Assessment & Analysis, Intra-Familial sexual abuse and Legal training. These courses are in addition to the systemic training and the next cohort is being planned to include social workers, managers and Families First staff. A full year calendar of planned training has also been produced and will be provided to teams and to new social workers during their induction week.

Children's Service's continues to listen to families and social workers about how practice and process feels and have made a number of changes to process to support a more relationship based approach. An example of this is speaking to parents about the use of initial child protection conferences as a pathway to planning when exploitation by external sources was the only factor. In response to this and the views expressed a change of pathway has been agreed. There has also been conversations with social workers about reports to child protection conferences and these are more efficient and purposeful as a result.

During quarter 4 the number of open child protection pre-proceedings cases has reduced to the lowest level of the year. This is due to proactive tracking and reviewing of cases. There are still a number of care proceedings that are taking longer to complete than anticipated due to a number of issues including; turnover of social workers and delays in court processes due to COVID-19.

Children's Services are working with Cheshire and Mersey Local Family Justice Board to audit and review cases to inform improvements across the system. An in-house training programme has been developed and is being delivered jointly with legal services to equip social workers with the skills they need to work more effectively with care proceedings cases. A Warrington Legal Tool Kit has been developed to support staff with their work in this area. As in quarter 3 Child Protection rates are still higher than this time last year, however there is a large reduction in Interim Care Orders at home, and this means working with more children within the child protection framework rather than in court proceedings.

The rate of Child Protection plans starting during 2021/22 is higher than the previous year although the rate of Child Protection plans ending is also higher but there remains an overall increase. Although there have been Child Protection plans started since April 2021 when compared to the same period in the previous year the outcomes have significantly improved with a reduction of children coming into care.

- Of the 147 child protection plans ended from April 2020 to end of March 2021, 101 plans were ceased to child in need and 46 (31%) children came into care following child protection planning.
- Of the 158 child protection plans ended from April 2021 to March 2022, 127 plans were ceased to child in need and 31 (19%) children came into care following child protection planning.

Recruitment and Retention of children's social workers is a national issue which has been acknowledged via Cheshire, Warrington and Liverpool City Region Council Leaders and Mayors who have jointly written to the Secretary of State setting out a collective commitment to tackling growing issues with the recruitment and retention of children's social workers and articulate a shared view of the urgent need for a national response. It remains a priority for the leadership team in Warrington and a local recruitment campaign is underway which has included a recruitment event to reach out to social workers. Analysis of social workers leaving the Council has been completed and this demonstrates the impact of COVID-19 on practice pressures for some staff and is cited as the reason they have left the profession to pursue other career paths.

The Homelessness and Housing Advice team continued to support people presenting as homeless. There continues to be limited presentations post the removal of the eviction process although the team are ready to respond should this become a critical issue. The new outreach service managed by Your Housing Group/VTSS continues to perform twice daily street walks as well as responding to any need during the day. The Homelessness and Housing Advice Service have continued with their offer of training other agencies to assist with their understanding of how to access Under One Roof and to encourage people in care and those in supported housing to apply to Under One Roof earlier, reducing the need to present as homeless.

This new model will reduce homelessness applications in the future. The weekly homeless provider call remains in situ and discussion includes latest COVID-19 impact on residents and staff, issues around vulnerable and chaotic individuals and an update from each provider as well as presentations from external partners. The Council has

used its funding to support people in accommodation during the winter months. The Homelessness and Housing Advice team are seeing an increase in presentations of people who are sex offenders, prison releases and those more chaotic - which has had an impact on their accommodation offer. Many of these cases have been referred to the Hard to House panel.

Whilst all adult services sectors have shown some stabilising in the last quarters of the year, the Domiciliary Care market remains fragile. The number of people awaiting Domiciliary Care has fallen during quarter 4 compared to the high in quarter 3, this is due to some bolstering of provision using agency staffing. Residential and Nursing services have stabilised and there has been some growth in capacity which has reduced the dependency on out of area and higher cost services.

An independent review of the local Residential and Nursing market has indicated strengths and areas for development. These are part of the main plans for 2022-23 and will be incorporated in the national charging reforms and sustainability expectations. Supported Living has experienced workforce issues, mirrored in other sectors, and is a main inhibitor of growth and development. There are also some delays to new developments which have meant the waiting list has grown for those needing or looking to move to new properties. In turn this places pressures on short breaks as families understandably need more help to manage if they are living at home.

The Neighbourhoods service continues to deliver in line with its service plan. The Community Centres have programmes of activity to support residents and groups emerging from the pandemic and newer activities (e.g. drumming sessions) are proving very popular. Sixteen weekly community centre health and wellbeing drop-ins for local residents are now well established. The Financial Inclusion Service continues to be extremely busy supporting people needing benefit, Personal Independence Payment (PIP) and debt advice. The Wellbeing Service is continuing to receive client referrals for one to one support, a significant number of which have a COVID anxiety element to them on top of other issues affecting wellbeing. The Wellbeing service commission to support people with long COVID has been extended for a year. A second High Intensity user worker has been recruited through external funding. Support for refugee and asylum seekers has increased massively. A new worker has been recruited to help meet the demand. Five Afghan families have been welcomed to the Town. Work to support people from Ukraine is well underway and support for the growing Hong Kong community continues.

Our town is clean, green & vibrant

Full delivery of the 2021/22 Local Transport Plan and wider transport capital programme has been achieved. Short and medium term bus priority schemes from the Bus Priority/Mass transit study are being fed into the Town Deal and Bus Service Improvement Plan programmes.

A new bus depot received planning permission and Cabinet approval for construction in September 2021. This involves the relocation from the current site to a purpose built depot on Dallam Lane. The new depot will have capacity to support an all-electric fleet of buses.

A funding announcement for Active Travel Fund 3 in March 2022 secured a further £750K towards delivery of three further Local Cycling and Walking Infrastructure Plan schemes.

The ZEBRA (Zero Emission Bus Regional Areas) project has seen good progress and the Bus Services Improvement Plan (BSIP) was submitted to government following approval at Cabinet. Work is well advanced with bus operators to develop an Enhanced Partnership Scheme and Plan. All this work is part of the government's Bus Back Better agenda.

The Waste Service continues to work alongside colleagues in the enforcement team to effectively manage all incidents of side waste. There is a system in place where back office staff monitor the number of events logged by the drivers on their in-cab systems and report repeat offenders for potential Fixed Penalty Notice or community warning notices.

Delivering our Strategy

Digital

A Collaboration and Communication programme has been formalised and launched. The Steering Group is operational as are the Working Groups. Design of the new Contact Centre solution is underway in collaboration with the supplier. The approach for developing the content for the new intranet has been agreed with relevant content owners and the new templates have been published. The move of Telephony continues to make good progress with more Council colleagues being migrated and now the first two schools.

The Council continues to adopt all best practice and recommendations from organisations such as the National Cyber Security Centre, the Local Government Association and central government. Vigilance levels remain high during the Russia / Ukraine conflict. The Council continues to retain accreditation from various independent external assessors. Further Local Government Association funding has been secured for on-going training of the in-house IT Security team.

A citizen focussed Council

Customer contact performance has been reviewed in the quarter by member working group of the Organisational Improvement and Development Policy Committee who will maintain oversight of the Customer Contact Strategy as part of their annual work plan. The working group were supportive of current plans to improve and report on service performance which has taken a slight dip in the final quarter of the year. They are currently on track to recover as we move through the first quarter of the new financial year.

The Council has appointed a provider to deliver the Residents Engagement survey this year. Timescales have been agreed with Senior Leadership Team and the survey is being developed for distribution in the summer 2022.

Managing our finances

In reviewing and strengthening our commercial governance arrangements an agreed plan continues to be monitored by Senior Leadership Team and the Audit & Corporate Governance Committee. Continuous improvement is driven through the Council's

internal audit programme, additional periodic external reviews as commissioned and the annual governance statement process.

Rigour in financial decision making is maintained via the Council's internal and constitutional governance processes and the oversight of all financial decisions is maintained by senior Leadership Team and Cabinet.

Full Council approved the 2022/23 budget on 28th February 2022. The detailed budget process and timetable for the Medium Term Financial Plan for 2023/27 is currently being developed.

Promoting local democracy

Cabinet and Development Management meetings are now webcast and the recordings made available via <https://warrington.public-i.tv/core/portal/home>. A review of the ongoing usage of the committee management system is still outstanding.

Reducing the impacts of climate change

There has been significant activity during the year around reducing the impacts of climate change. In April 2021 the contract was signed enabling the Council to be supplied by green electricity from its Hull Solar Farm. York and Hull solar farms continue to perform well. The Council have incorporated an Environmental, Social, and Governance (ESG) Strategy into the Council's Treasury Management Strategy and issued a Community Investment Bond.

The Council recruited new employees to its Climate and Sustainability Section, a much needed resource to drive forward this agenda.

During quarter 4 a range of climate change activities took place:

- Report drafted on local climate emergency position paper consultation (currently being designed for publication)
- Heat Networks Delivery Unit (HNDU) funded heat mapping and heat network feasibility investigation invitation to tender issued
- Carbon Literate Organisation (CLO) Bronze Award achieved and plan for in house Carbon Literacy training programme approved
- Special issue of staff newsletter produced
- Recruitment of staff volunteer 'Climate Champions' commenced
- Design work for Ground Source Heat Pump system for Warrington Town Hall underway
- Electric Vehicle position paper produced
- Workshop held to help develop draft climate emergency strategy via Warrington Climate Emergency Commission with further workshops planned.

Workforce engagement and working arrangements

A staff survey was finalised in December 2021 and the positive results published across the Council.

A Corporate Working Arrangements Framework has been developed and implemented. Staff survey results confirm that a combined 91% of respondents felt generally happy with their current working arrangements, regardless of if that is at home, in the offices or hybrid. Managers are also reporting the framework is working

well, and we have seen an increased and increasing occupancy rate at 1 Time Square with up to 450 staff now working from the building each day. Framework to be kept under review on an ongoing basis along with accommodation requirements.

FINANCIAL PERFORMANCE

Revenue Outturn

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

The original budget set at the Council meeting on 1 March 2021 was £150.177m. Revisions made during 2021/22 to the original budget reflected the approved use of earmarked reserves and were reported quarterly through the Budget Monitoring reports presented to Cabinet. The table below summarises the Council's 2021/22 revenue outturn position for each Directorate when compared to the revised budget after allowing for:

- The use of the 2020/21 unspent budget carry forward £8.436m,
- The approved net movement to earmarked reserves £9.862m,
- The approved unspent budget carry forward to 2022/23 £15.505m.

The outturn for the Council is an overspend of £0.315m. This outcome reflects the strong financial management arrangements that are in place through the budget monitoring and financial planning processes.

Directorate	Budget £000	Actual £000	Total Variance £000
Corporate Services	6,560	6,522	38
Families & Wellbeing	109,594	112,296	(2,702)
Environment & Transport	24,473	22,895	1,578
Growth	8,053	8,157	(104)
Corporate Financing	(15,434)	(10,289)	(5,145)
Directorate Total	133,246	139,581	(6,335)
Support Funding - COVID-19			6,020
Outturn (Overspend)			(315)

Corporate Services Directorate main areas of overspend were within the Customer and Business Transformation and the Directorate divisions which were mitigated by underspends in the Finance division and Chief Executive unit.

For the Families and Wellbeing Directorate the most significant area of net overspend across the Directorate was in Children Services, primarily across children in care services.

Environment and Transport Directorate main areas of overspend were within Transport for Warrington and Engineering and Flood Risk divisions. These were offset by underspends, notably in the Directorate division.

For the Growth Directorate the main area of overspend was within the Development Control Management division, offset by underspends in the Property and Estates Management and Development Services divisions.

Corporate Financing, which manages the corporate budgets for the Council, experienced overspends in the Contingencies and Corporate Property divisions significantly mitigated by an underspend in the Capital Financing (Treasury) division.

In closing the 2021/22 accounts the Council was able to increase reserves by a net £10.563m (including an increase of schools reserves of £1.007m).

Capital Outturn

Capital expenditure represents money spent by the Council on purchasing, upgrading and improving assets that will be of benefit to the community over many years. At its meeting of 1 March 2021, Council approved a three year capital programme of £796.348m incorporating a 2021/22 capital programme of £404.064m. Revisions to the capital programme to incorporate slippage, additions and deletions take place in-year and are reported to the Cabinet on a quarterly basis. In-year revisions totalling £99.374m took place in 2021/22.

The table below shows that the Council spent £223.778m on its capital programme in 2021/22, representing a delivery rate of 73% which is shown in the table below by Directorate level. The financing of the capital programme also presented below shows the major funding sources were Prudential (Unsupported) Borrowing, Government grants and capital receipts.

2021/22 Capital Programme

Capital Programme	2021/22 Budget	2021/22 Outturn	2021/22 Variance	% Spent
Families & Wellbeing	8.437	4.321	- 4.116	51%
Corporate Services	5.032	3.343	- 1.690	66%
Environment & Transport	33.722	23.565	- 10.157	70%
Growth	10.210	10.836	0.626	106%
2021/22 Capital Programme (excluding Invest to Save)	57.401	42.065	- 15.337	73%
Invest to Save Programme	247.288	181.714	- 65.575	73%
2021/22 Invest to Save Programme	247.288	181.714	- 65.575	73%
Total 2021/22 Capital Programme	304.690	223.778	- 80.911	73%

2021/22 Capital Financing

Capital Programme Funding	2021/22 Budget	2021/22 Outturn	2021/22 Variance
Unsupported Borrowing - Corporate	26.084	12.766	- 13.317
Unsupported Borrowing - Invest to Save	247.288	112.174	- 135.114
Capital Grants and Reserves	18.484	20.795	2.312
Capital Receipts	3.106	71.786	68.680
Revenue Funding	0.330	0.454	0.124
External Funding	9.399	5.803	- 3.596
Total 2021/22 Capital Programme Funding	304.690	223.778	- 80.911

As can be seen from the above there was a variation between forecast capital expenditure and the final outturn. The majority of the expenditure will, however, be re-profiled into 2022/23 together with the financing and does not therefore present any financial issues for the Council to address. The forecast for planned spend was updated throughout the year and reported in the Quarterly Reviews of Performance to Cabinet.

The variation of £80.911m between the approved capital programme and the final outturn position primarily relates to an underspend across the Directorates and on the Invest to Save Programme. Due to the innovative and partnership nature of this programme, it is difficult to forecast future expenditure with great accuracy.

The major underspends across the Capital Programme relate to Families & Wellbeing (£4.116m), Environment & Transport (10.157m) and the Invest to Save Programme (£65.575m). The major scheme underspent for Families & Wellbeing is Bridgewater High Extension (£3.176m) and for Environment & Transport is Western Link (£5.381m). The major scheme underspent on the Invest to Save Programme is Loans to Housing Associations (£38.842m).

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

The Council has an innovative Invest to Save Programme, which works on the principal that capital resources are invested to generate a financial return to the Council above the cost of the initial investment. The major schemes of the Council's Invest to Save Programme are the Housing Associations and Commercial Loan Schemes. Other major areas of expenditure on the Invest to Save schemes in 2021/22 were Solar Farm projects.

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

- **Primary Schools – Total Spend £1.100m**
- **Secondary Schools – Total Spend £1.459m**
Bridgewater High Extension - £1.404m
- **Customer & Business Transformation – Total Spend £1.990m**
Change Delivery - £0.991m
ICT - £0.998m
- **Environment & Transportation – Total Spend £23.565m**
Highways Maintenance Investment - £4.269m
LTP Integrated Block - £2.225m
LTP Maintenance Block - £2.918m
Omega Local Highways Phase 1 to Phase 3 - £2.203m
Parks & Open Spaces - £0.625m
Fleet Replacement (Specialist Passenger Transport Vehicles) £0.511m
Western Link - Blight and Pre Construction - £3.675m

- **Growth – Total Spend £10.836m**
 Bewsey & Dallam Hub - £0.205m
 Bus Depot Relocation - £2.656m
 Green Homes Grant - £3.211m
 Warrington Youth Zone - £2.348m
- **Warrington Town Deal – Total Spend £0.678m**
- **Invest to Save – Total Spend £1.340m**
- **Invest for Income or Return – Total Spend £180.374m**
 Loans to Housing Associations - £11.158m
 Solar Farm Projects - £31.465m
 Capital Investment - £69.684m
 Regeneration Loans - £46.760m
 Housing Companies Loan - £10.000m

Financial Resilience

The past twelve months have illustrated the importance of the Council's financial resilience to the impact of unplanned/unforeseen events. Inevitably the pandemic has tested the Council's financial resilience together with the cost of living crisis. The impact has been unprecedented and is expected to have financial scarring impact over the medium-term period meaning the Council's financial resilience will continue to be tested. The Council's strong financial management has ensured its robustness and resilience to the many challenges during 2021/22 evidenced by the Council's ability to mitigate the financial impact and set a balanced budget in 2021/22. It is important that the Council continues to build on this to address and mitigate the financial challenges ahead.

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

- **MTFP Review and Updates** – regular reviews of the key assumptions and forecasts that underpin the Council's MTFP to ensure they remain robust and based on the most up to date information throughout the year;
- **Reserves Policy** – annual update of the Council's Reserves Policy to ensure earmarked reserves are aligned to the Council's corporate and strategic objectives over the medium-term period;
- **Budget Risk Assessment** – annual assessment of the adequacy of the Council's General Fund Balance to mitigate the impact of risks;
- **Scrutiny Committee and Audit Committee** - regular Member scrutiny of the Council's Financial Management throughout the year; and
- **Internal and External Audit** – independent audits of the Council's financial management throughout the year. An internal audit of the Council's financial governance and financial resilience will be completed in 2021/22.

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

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

Balance Sheet

Significant movements in the Council's 2021/22 Balance Sheet (page 36) were:

- The Council's net worth increased by £169.101m, this was largely due to a decrease in the Council's pension liability of £100.710m and increase in investment property assets of £120.043m.
- Long term assets increased by £137.945m. Plant, property and equipment has increased by £16.568m and Investment Property has increased by £120.043m. Long term investments has decreased by £11.563m. Long term debtors has increased by £11.218m.
- Short term assets also increased by £24.373m, with increases in cash and cash equivalents of £10.818m, and short term investments of £8.227m, as well as a decrease in short term debtors of £5.231m.
- Short term liabilities increased by £10.147m, of which the biggest contributors were borrowing, a decrease of £14.538m and by creditors, an increase of £23.179m.

- Long term liabilities increased by £16.930m. This was mainly due to an increase in long term borrowing of £55.819m, offset with an decrease in the Council's pension liability of £100.710m.

Reserves

The table below shows the position of the Council's reserves (pages 67 & 101). The Council's cash backed reserves increased by £10.563m to £123.586m (2021/22) from £113.023m in 2020/21.

The Council's non-cash backed reserves (unusable) increased in year. The increase of £161.152m was largely due to an increase in the pension reserve of £100.710m, as well as an increase in the Revaluation Reserve of £22.038m.

	Restated 2020/21 £'000	2021/22 £'000	Movement £'000
Usable Reserves (Cash Backed Reserves)			
<i>Revenue</i>			
General Fund	159	4,603	4,444
Earmarked Reserves (WBC)	103,944	109,056	5,112
Earmarked Reserves (Schools)	8,920	9,927	1,007
Total Revenue Reserves	113,023	123,586	10,563
<i>Capital</i>			
Capital Receipts	2,048	1,350	(698)
Capital Grants	19,555	17,639	(1,916)
Total Capital Reserves	21,603	18,989	(2,614)
Total Usable Reserves	134,626	142,575	7,949
Restated Unusable Reserves (Non-cash Backed Reserves)	(25,030)	136,122	161,152
RESTATED TOTAL RESERVES	109,596	278,697	169,101

Pensions

The table below shows the in-year movement on the Council's pension liability (page 92); the liability has decreased by £100.710m. The table shows that this movement is due to actuarial re-measurements caused primarily by changes in the underlying assumptions upon which the liability is valued.

	£'000
Opening Balance as at 1 April '21	(287,068)
Current Service Cost	(41,172)
Past Service Cost	(355)
Interest Cost	(5,958)
Settlements	1,382
Employer Contributions	16,638
Contributions in respect of Unfunded	163
Remeasurements	130,012
Closing Balance as at 31 March '22	(186,358)

Contingencies

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

Business Rates rating appeals provision	£6.976m at 31 March 2021	£8.078m at 31 March 2022
Business Rates write-off	£1.044m in 2020/21	£0.435m in 2021/22

Treasury Management

At the 31st March 2022 the Council had borrowings of £1.653bn and investments of £206.370m.

During the year the Council undertook £41.4m (net) worth of borrowing to fund its capital programme via £70m from PWLB and £328m short term loans from Local Authority Market. There was £356.6m of loans repaid during the year.

The Council continued its policy of investment diversification during the year and invested in various bonds totalling £16.7m, such as M7 Mailbox (£10m), Redwood Bank (£4.2m) and Altana Wealth Bond Funds £2.5m. The investments have been revalued which totalled £22.279m. All these investments were in line with the Council's Treasury Management Strategy which was agreed by Full Council in March 2021.

Warrington during 2015/16 obtained a credit rating from Moody's, one of the world's leading credit rating agencies. This credit rating is reviewed by Moody's annually. For 2021/22 Warrington was awarded A3 Stable, which reflects the strong institutional framework for UK local authorities, its track record of budget delivery and stable reserves balance. Warrington's credit challenges relate to its higher risk appetite than is the norm for the sector which is reflected in its capital strategy and fast pace of debt accumulation. Warrington's credit profile is supported by the strong institutional framework for UK local authorities which includes the requirement to pass balanced budgets and tight fiscal and regulatory oversight by Government.

The A3 rating reflects Moody's assessment of support from the UK government and the high likelihood it would intervene in the event that WBC were to face acute liquidity stress.

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

Cash Flow

	31/03/20	31/03/21	31/03/22
	£'000	£'000	£'000
Cash and cash equivalents	394	(186)	(9,171)
Short-term Deposits	111,563	46,911	66,715
TOTAL	111,957	46,725	57,543

Total cash and cash equivalents at 31 March 2022 is £57.543m. The main factors that would affect cash in the future are:

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

Group Accounts

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

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

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

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

Schools

The Council's expenditure on schools and education is predominantly funded by grant monies provided by the Government through the Dedicated Schools Grant (DSG). Separate grant funding for historic teacher pay awards and increases to employers' pension contributions have now been absorbed into DSG. Pupil Premium continues to be paid separately, although the qualifying census date has been pushed back, so that the same previous October census is used as for the mainstream schools funding formula calculation.

The DSG is ring-fenced and can only be used to cover either schools' expenditure, or specific central education services provided by the Council, mainly related to supporting High Needs. The Council underspent on its overall DSG in 2021/22 by £0.716m, representing 0.67% of Warrington's total DSG receipt of £106.749m (after recoupment for Academy budgets). Further details can be found in Note 18.

The closing figure included an in-year part-repayment of the historical aggregate DSG deficit, reducing that from £937,849 at the end of 2020/21, to £718,753. The Council intends to employ the 2021/22 DSG surplus to reduce that still further, to a modest £2,485.

At the end of 2020/21, school balances for Warrington maintained schools totalled £8.039m, while at the end of 2021/22 the aggregate of balances had increased to £9.046m. Overall balances now stand at 10.4%, up from 9.1% last year. These two figures are not directly comparable, though, as four primary schools converted to Academy status in May 2021, and their balances, included in the 2020/21 figure, are not part of the 2021/22 aggregate. Taking their reported balances out of last year's comparative figure reduces it to £7.664m, such that overall, in Warrington maintained schools, balances have increased by £1.382m. Initial analysis does suggest that these balances are to a large degree being used to balance future year budget projections.

Because of the Academy conversions, there was a transfer of assets from the Council's Balance Sheet of £14.632m. Funding of all current mainstream Academies resulted in a revenue recoupment from DSG of £81.424m.

Governance

Strong Corporate Governance is critical to the Council. This has become even more evident in recent times with the issue of section 114 Notices by Croydon and Slough Councils and government interventions in other local authorities. One of the reasons cited for their failures was poor Corporate Governance. The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework. The Code is updated annually, most recently in June 2022, and is available on the Council's website. The Annual Governance Statement accompanies this Statement of Accounts and explains how the Council has complied with the Code during 2021/22, meeting the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015.

Commercial Programme

The Council has attracted many comments related to its Commercial Programme, and in particular the level of borrowing associated with this activity. It is important that the entire programme is understood and does not focus on one or two high profile elements which, as in any investment portfolio, have performed less well. As at the 31 March 2022 the Council has borrowings of £1.648 billion. This is one of the highest levels within the Local Government sector. This is part of a diversified strategic approach of policy led investing in secure assets primarily in housing and property for the economic regeneration of Warrington and the surrounding region. Minimum Revenue Provision (MRP) is paid on the entire portfolio. During 2021/22 the Council's commercial programme generated a net return to the Council of £23.8m.

This return is largely from two areas, firstly the Council's secured loans programme which generated a net return of £16.3m and secondly the Council's property investments which generated a net return of £7.5m.

As at 31 March 2022 the Council had £916m of secured loan facilities in place with £458.5m of drawdowns. These facilities are with sixteen Housing Associations and nine companies (including Council owned/formed companies). The main purpose of the loans programme that the Council has successfully run since 2009 is to promote economic regeneration in Warrington and the surrounding area, but assisting other bodies/companies to invest in the area in place of the Council fully funding such needed schemes.

The Council's property portfolio increased by 8.6% in value during 2021/22 and recorded an overall increase in value of 11.4% since its original purchase. In total at 31 March 2022 the value of the Council's investment property investment portfolio stood at £553.4m. The Council has paid a total of £496m for the portfolio across the period from 2017, which is now showing an increase in value of £56.5m.

The Council has since 2019 made significant investment as part of addressing its Climate Change pledge, £102m has been invested in three solar farms, to help fulfil the Council's climate change ambitions. The solar farms have performed well during 2021/22, they have generated a direct net return to the Council of £2.3m via interest payments on loans the Council have provided. Also York, which has been operating for nearly two years, recorded a profit of £1.5m and Hull (which has only become fully operational during 2021/22) £23k. An independent valuation of the York solar farm showed a 35% (£14.2m) uplift in value in year. Hull was not revalued in 2021/22 (due to only being operational for part of the year) but a similar uplift is expected. The third solar farm in Preston (near Cirencester) will become operational later in the summer of 2022.

From April 2021 the Council's electricity has been supplied from the Hull solar farm, and when complete, the power from the Preston Solar Farm will power the new electric bus fleet of Warrington's Own Buses. Between them York and Hull solar farms sites saved a combined 13,664 tonnes of carbon – (consisting of: - York 8,232 tonnes - Hull 5,432 tonnes).

The Council formed a Local Housing Company, Incrementum Housing, in February 2019. The company's purpose is to build affordable homes through the construction and subsequent leasing of low carbon housing on vacant land (predominantly already owned by the Council) within the borough. An initial £11m of equity was provided, along with a £21m commercial loan, to facilitate the construction of 161 new homes on the former school sites at Sycamore Lane, Great Sankey, and Chatfield Drive, Birchwood.

These first two schemes commenced in November 2020 and are on target for completion by December 2022. They comprise a mix of private and affordable two- and three-bed townhouses and one- and two-bed apartments. The homes benefit from being powered by ground source heat pumps and roof-mounted solar panels. The homes are designed to be thermally efficient, far exceeding FutureHomes standards, in order to reduce running costs to tenants and virtually eliminate carbon emissions. The first tenants moved in on 1 February 2022. To-date, 44 of the properties are occupied, with all of the future phases being pre-let. Both schemes were finalists in the 2021 APSE Service Awards for 'Best Regeneration or New Build Initiative', with the judges complimenting the overall ambition and quality of the neighbourhoods that have been created.

In 2017/18 the Council purchased a 33% share in Redwood Financial Partners Limited, who wholly own Redwood Bank, which was a new challenger bank, with its main purpose of investing in small business. This was the outcome of nearly three years of consideration by the Council, including the Supporting the Local Economy Policy Committee, which started from an initial review of how the Council could help

to support SMEs within the town. The bank obtained its banking licence in August 2017 and is currently performing well. The Council, subject to the Bank's performance, planned to invest £30m in the bank over a 3 year period. In 2017/18 £10.2m was invested by the Council. The Council's current investment in the bank at 31 March 2022 was £19.060m this included £14.860m of equity and £4.2m of Tier 2 capital.

Redwood Bank was subject to a comprehensive business case and risk assessment that was scrutinised and agreed by the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority.

In preparing the final 2017/18 Statement of Accounts, the Council agreed, with the External Auditors, to commission an independent valuation of Redwood Financial Partners Limited (RFPL), in addition further shares were issued at the beginning of December 2021 at a price of £1.29 per share to Thurrock Council. Taking into account the result of the valuation, and the share price paid at this latest offering would indicate that the Council's current investment in RFPL would be impaired downwards to a value of £14.860m. As the shares were bought under the Capital Financing Regime the impairment would not affect the General Fund.

At the time of producing the draft 2021/22 Accounts, whilst the most recently published Bank results are likely to have increased the value of the Council's shareholding, the Council has decided to not undertake a more recent valuation, as this will likely be required again for further verification and to update for any post balance sheet events when the External Auditor is in a position to audit the 2021/22 Accounts.

The Bank has recorded a profit of £2m for the financial year ending December 2021, in its fourth full year of trading. This is a considerable achievement and the Bank is successfully lending, as planned, to business customers and SMEs, including over 24% (over £100m) of the Bank's lending to date having occurred in Warrington and the North West, supporting the growth of SMEs in the region. The Bank has a physical presence in Warrington town centre, and currently employs 12 staff in the Warrington Office at The Base, although this is shortly expected to grow to around 30 staff based out of the Warrington Office. It is also worth noting that the original business plan, written over five years ago (before COVID-19 and the adverse macro-economic influences to date) could not have predicted exact financial forecasts, taking into account that the events mentioned were largely unforeseeable and therefore impossible to predict beforehand. That said, the Bank continues to review/revise (as required) its budget and business plan annually, and aims to operate and deliver against these. The Bank has outperformed any reasonable expectations under market extreme conditions, and in four years has achieved profitability, unlike a number of other Challenger Banks.

In 2019 the Council made an equity and debt investment in Together Energy Limited (TE) to help fulfil its climate change policy ambitions.

In February 2022 due to volatility and challenges in the European energy markets TE was placed into administration and became one of 29 energy companies to fail in a short period of time. FRP Advisory were appointed as administrators.

At the time of going into administration the Council faced a potential liability of £66.17m, consisting of a £29.32m Orsted (energy supplier to TE) guarantee, £18.85m of loans, £18m of preference share capital.

TE was a well hedged company. Following TE liquidating its hedge position, it is forecast that TE will receive a substantial net return after full repayment of the Orsted liability over the period to October 2023.

The administrators have advised the Council that based on current information they anticipate that the Council loans (£18.8m) will be repaid in full and there should be no call under its guarantee to Orsted.

However, the administrators cannot assess the potential level of recovery, if any, against the equity investment. Based on the latest report from its advisors the Council has impaired the value of the equity down to £8.899m. Therefore based on information available at this time, the likely maximum exposure to WBC is the potential loss of the £8.899m equity investment. The Council has also written off the accrued dividend payments of £2.730m. This has been fully budgeted for in the Council's 2022/23 Budget, and since the purchase was undertaken using the capital financing regime any potential loss is already funded through the ongoing MRP charges, and therefore, there will be no further impact on the council tax payer.

The Council have set up a Commercial Risk Reserve to mitigate any under performance of the diversified investment portfolio and makes a yearly contribution to the reserve. During 2021/22 the Council contributed an additional £4m to the Commercial Risk Reserve. As at 31 March 2022 the reserve stood at £19.203m..

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

The emergence of the coronavirus pandemic has had a significant impact on the organisation in terms of new and emerging risks.

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

- SRR 9 – increasing levels of health inequalities and further pandemic outbreaks

- SRR 12 - the Council experiences a major cyber incident or major information governance breach
- SRR 17- the Council experiences a major breach of corporate governance
- SRR 19 – the potential failure of LiveWire Warrington, Culture Warrington or Warrington’s Own Buses
- SRR 20 – loss of access to a functional social care system
- SRR 21 – new and additional statutory duties for waste collection.
- SRR 22 - new and additional statutory requirements for a data warehouse and case management system for the Supporting Families programme.

AUDIT OF THE STATEMENT OF ACCOUNTS

With regards to the 2017/18 Statement of Accounts a member of the public raised an objection to them. The objection has since been over-ruled in the Council’s favour by the external auditor. This together with challenges in National Local Authority external audit identified by the Redmond Review (independent review carried out by the Government into Local Authority External Audit) and changes in audit standards has delayed the sign off of the 2017/18 accounts by the external auditor and subsequent years accounts (2017/18 have got to be signed off before future accounts can be). The 2017/18 accounts are awaiting sign off by Grant Thornton subject to the resolving of a national accounting issue on infrastructure assets by CIPFA. The 2017/18 accounts were agreed by the Audit & Corporate Governance Committee on 16 June 2022. The backlog of accounts however make it unlikely that Grant Thornton will be able to sign the Council’s 2021/22 Accounts off by the statutory deadline of 31 November 2022. Quarterly updates on this issue are reported to the Audit & Corporate Governance Committee.

CLIMATE CHANGE

The Council adopted a Climate Emergency Declaration with all party support at Council in July 2019. Following this the formation of the Climate Emergency Commission (CEC) was approved by Cabinet in March 2020 to advise the Council and lead the conversation on a wider borough-wide response. The following are highlights for 2021/22 climate activity:

- New staff recruited to form an in-house climate emergency team
- Volunteer staff ‘Climate Champions’ recruited
- Public climate pledge campaign launched in the run up to the UN’s COP26 conference in Glasgow
- Case studies of Warrington’s innovative climate work published to coincide with COP26
- Steps to raise the profile of the Warrington Climate Emergency Commission including a new webpage www.warringtonclimatecommission.org.uk, social media accounts and media releases
- Support for the climate commission to release a climate emergency position paper and associated public consultation in the wake of the UN’s climate conference in order to develop a borough-wide climate strategy
- Success with a bid for funding under the ZEBRA to support the replacement of Warrington’s Own Buses diesel fleet with electric buses

- Funding secured to help replace the Town Hall gas heating system with ground source heat pump
- Funding secured for a heat mapping and heat network feasibility study of central Warrington
- Input to the Innovate UK funded Rewire NW smart energy systems project
- A new electric vehicle strategy out to consultation with work started an on-street electric vehicle charging pilot
- Hull solar farm supplies the Council with its electricity needs
- Incrementum Housing builds affordable homes to high green standards

EXPLANATION OF THE FINANCIAL STATEMENTS

The 2021/22 Statement of Accounts shows the core financial statements together with detailed disclosure notes followed by the supplementary statements. The core financial statements are:

Expenditure and Funding Analysis (EFA)

While this is a note to the accounts it has been given prominence as it shows the annual expenditure of the Council and how it was funded. It clearly ties in with the Council's in year budget monitoring and shows how expenditure was allocated for decision making purposes between the Council's directorates.

The Movement in Reserves Statement (MIRS)

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

The Comprehensive Income and Expenditure Statement (CIES)

Identifies the income and expenditure on all services the Council provides and brings together all the recognised gains and losses of the Council during the period 1 April 2021 to 31 March 2022.

The Balance Sheet

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

The Cash Flow Statement

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

The Notes

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

The supplementary statements are:

The Collection Fund

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

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

RECEIPT OF FURTHER INFORMATION

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

ACKNOWLEDGEMENTS

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

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



Lynton Green CPFA
Deputy Chief Executive & Director of Corporate Services

Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

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

The Chief Finance Officer's Responsibilities

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

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

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

The Chief Finance Officer has also:

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

The Statement of Accounts gives a true and fair view of the financial position of the Council at 31 March 2022 and its income and expenditure for the year ended 31 March 2022.

Signed



Dated 28th July 2022

Lynton Green CPFA
Deputy Chief Executive & Director of Corporate Services

Movement in Reserves Statement for the Year Ended 31 March 2022	Note(s)	Restated General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Restated Total Usable Reserves £'000	Restated Total Unusable Reserves £'000	Total Reserves of the Authority £'000
Restated Balance as at 1 April 2020		65,617	25	18,889	84,531	215,895	300,426
<i>Movement in Reserves during the year</i>							
Restated Total Comprehensive Income and Expenditure		(47,254)	-	-	(47,254)	(143,576)	(190,830)
Restated Adjustments between accounting basis & funding basis under regulations	7	94,660	2,023	666	97,349	(97,349)	-
Restated Increase or (Decrease) in Year		47,406	2,023	666	50,095	(240,925)	(190,830)
Restated Balance as at 31 March 2021		113,023	2,048	19,555	134,626	(25,030)	109,596
<i>Movement in Reserves during the year</i>							
Total Comprehensive Income and Expenditure		4,359	-	-	4,359	164,742	169,101
Adjustments between accounting basis & funding basis under regulations	7	6,204	(698)	(1,916)	3,590	(3,590)	-
Increase or (Decrease) in Year		10,563	(698)	(1,916)	7,949	161,152	169,101
Balance as at 31 March 2022		123,586	1,350	17,639	142,575	136,122	278,697

The Movement in Reserves Statement prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

2020/21			2021/22			
Restated Gross Expenditure £'000	Gross Income £'000	Restated Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
12,440	(5,690)	6,750		13,077	(6,555)	6,522
287,664	(184,873)	102,791		302,713	(190,418)	112,295
36,368	(11,658)	24,710		39,391	(16,496)	22,895
11,357	(1,917)	9,440		11,259	(3,112)	8,147
59,957	(80,394)	(20,438)		66,981	(88,759)	(21,778)
94,271	-	94,271		71,725	-	71,725
502,055	(284,532)	217,523		505,146	(305,340)	199,806
		3,526	10			16,779
		12,141	11			(46,532)
		(185,936)	12			(174,412)
		47,254				(4,359)
		(3,155)	33			(34,730)
		-	33			-
		146,731	32			(130,012)
		143,576				(164,742)
		190,830				(169,101)

The Comprehensive Income and Expenditure Statement prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

Balance Sheet as at 31 March 2022

		Restated		
		Restated 1st	31st March	31st March
	Notes	April 2020	2021	2022
		£000	£000	£000
Property, Plant & Equipment	21	772,725	757,802	774,370
Heritage Assets	22	16,973	17,157	18,960
Restated Investment Property	23	565,112	565,221	685,264
Intangible Assets		574	778	654
Restated Long Term Investments	34	131,072	173,586	162,023
Long Term Debtors	25	164,399	433,916	445,134
Restated Long Term Assets		1,650,855	1,948,460	2,086,405
Short Term Investments	34	278,635	36,120	44,347
Inventories		883	829	926
Short Term Debtors	26	72,696	123,410	128,641
Cash and Cash Equivalents	27	111,957	46,725	57,543
Assets Held for Sale		-	-	-
Current Assets		464,171	207,084	231,457
Cash and Cash Equivalents	27	-	-	-
Short Term Borrowing	34	(153,614)	(243,668)	(229,130)
Short Term Creditors	28	(66,963)	(104,239)	(127,418)
Provisions	29	(8,367)	(8,758)	(10,264)
Current Liabilities		(228,944)	(356,665)	(366,812)
Long Term Creditors	28	(3,800)	(3,627)	(3,454)
Grants Receipts in Advance - Capital	20	(5,067)	(5,990)	(29,799)
Grants Receipts in Advance - Revenue	20	(21,390)	(22,390)	(26,715)
Provisions	29	(2,590)	(2,590)	(2,590)
Long Term Borrowing	34	(1,420,067)	(1,367,618)	(1,423,437)
Long Term Pension Liabilities	32	(132,742)	(287,068)	(186,358)
Long Term Liabilities		(1,585,656)	(1,689,283)	(1,672,353)
Restated Net Assets		300,426	109,596	278,697
Usable Reserves	9	84,531	134,626	142,575
Restated Unusable Reserves	33	215,895	(25,030)	136,122
Restated Total Reserves		300,426	109,596	278,697

The Balance Sheet prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

Cash Flow Statement for the year ended 31 March 2022

Restated 2020/21 £'000		Note(s)	2021/22 £'000
(47,254)	Restated Net (surplus) or deficit on the provision of services		4,359
563,586	Restated Adjustments to net surplus or deficit on the provision of services for non-cash movements	36	61,381
(740,122)	Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	36	(30,852)
(223,790)	Net Cash Flows from Operating Activities		34,888
92,674	Investing Activities	37	(65,445)
65,884	Financing Activities	38	41,375
(65,232)	Net (increase) or decrease in cash and cash equivalents		10,818
111,957	Cash and cash equivalents at the beginning of the reporting period		46,725
46,725	Cash and cash equivalents at the end of the reporting period	27	57,543

The Cash Flow Statement prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

Notes to the Single Entity Financial Statements

1 Statement of Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at 31 March 2022. The Council is required by the Accounts and Audit Regulations 2015 to prepare an annual Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2021/22 ("the Code"), supported by International Financial Reporting Standards (IFRS)

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

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

1.2 Accruals of Income and Expenditure (Creditors and Debtors)

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

1.3 Cash and Cash Equivalents

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

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

1.4 Council Tax and Business Rates

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

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

1.5 Employee Benefits

Benefits Payable during Employment

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

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

Post-Employment Benefits

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

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

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

Teachers' and NHS Pension Schemes

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

The Local Government Pension Scheme

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

- The liabilities of the Cheshire Pension Fund scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method. This is then discounted to current value using a discount rate based on the expected rate of return on high quality corporate bonds

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

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

1.6 Financial Instruments

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

Financial Assets

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

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

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

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

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

Financial Liabilities

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

The fair value of PWLB loans is calculated using the certainty rate published by the PWLB on 31 March 2022. For non-PWLB loans the fair value is calculated using the standard new loan rate, also published by the PWLB on 31 March 2022.

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

1.7 Fair Value

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

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

Valuations are based on the following principles:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations

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

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

- Level 3 inputs – unobservable inputs for the asset.

1.8 Government Grants and Contributions

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

1.9 Heritage Assets

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

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

1.10 Interest in Companies and Other Entities

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

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

1.11 Investment Property

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

1.12 Leases

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

The Council as Lessee

Finance Leases

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

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

Ongoing lease payments are then apportioned between:

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

Operating Leases

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

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet and replaced by a long-term debtor representing the current value of future lease payments. Lease rentals receivable are then apportioned between:

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

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES on a straight-line basis over the life of the lease, even if this does not match the actual pattern of payments.

1.13 Minimum Revenue Provision

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

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

1.14 Overheads and Support Services

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

1.15 Property, Plant and Equipment

Recognition

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

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

Measurement

Assets are initially measured at cost comprising:

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

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

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

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

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

Revaluations

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

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

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

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

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

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

Impairment

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

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

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

Depreciation

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

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

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

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are identified, valued and depreciated separately.

The Council has adopted a policy that recognises that the components of material assets when revalued i.e. assets that have a building value of over £500,000 are to be recognised separately if the component has a value of at least 20% of the building value and a useful life at least 20% lower than the asset as a whole.

Disposals

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

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

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

1.16 Private Finance Initiative (PFI) and service concession arrangements

PFI and service concession arrangements are contractual agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the lead contractor. The Council recognises the assets used under the contracts in its Balance Sheet within Property, Plant and Equipment because it both controls the services provided under these contracts such, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

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

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

1.17 Provisions, Contingent Assets and Contingent Liabilities

Provisions are charged as an expense to the appropriate service line in the CIES in the financial year that the Council becomes aware of the obligation, and are carried

forward in the Balance Sheet, measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

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

1.18 Reserves

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

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

1.19 Revenue Expenditure Funded from Capital under Statute (REFCUS)

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

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

1.20 Revenue Recognition

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

- Revenue is recognised when (or as) the Council satisfies a performance obligation and is measured at the transaction price of the consideration receivable (i.e. the amount to which the Council expects to be entitled in exchange for transferring promised goods or services). However, if payment is on deferred terms, the consideration receivable is recognised initially at the cash price equivalent. The difference between this amount and the total payments

received is recognised as interest revenue in the surplus or deficit on provision of services. Short duration receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial. There is no difference between the delivery and payment dates for non- contractual, non-exchange transactions, i.e. revenue relating to council tax and non-domestic rates, and therefore these transactions are measured at their full amount receivable.

1.21 Schools

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

The Council has assessed the rights, benefits and obligation of Voluntary Aided Schools and has determined that although the schools are owned by the Diocese or Charitable Trust, the schools are expected to receive all of the benefit of the school buildings for the whole of their remaining useful life. These assets and liabilities are therefore included in the Council's Balance Sheet in the same way as for maintained schools. The Council does not, however include the school land as this has an indefinite life and could be used by the Diocese or Charity in the future for other purposes.

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

1.22 Value Added Tax (VAT)

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

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

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2021/22 Code.

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

Accounting changes that are introduced by the 2022/23 Code are:

- IFRS 16 Leases (but only for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year).
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS

- IAS 37 (Onerous contracts) – clarifies the intention of the standard
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

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

3 Critical Judgements in Applying Accounting Policies

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

- The Council is deemed to control the services provided under the agreement for 105 social houses in Anson & Blenheim Close and 38 self-contained flats at John Morris House, for which it has nomination rights at the end of the term. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and are recognised as Property, Plant and Equipment on the Council's Balance Sheet.
- The Voluntary Aided Schools in the borough are owned by three individual dioceses and the Warrington Educational Trust. The dioceses have granted what they deem a 'mere licence' for usage of the school, which they can withdraw at any time. The Council acknowledges that the ownership of the school still lies with the various dioceses, but does not believe that the diocese would withdraw the rights of use for the asset, without giving sufficient notice that a replacement could be found for the further education of the children of the borough.
- Looking into the underlying nature of the transaction, the Council has determined that in accordance with the principle of 'substance over form' the school is an entity in its own right, receives all of the economic benefit from the use of the building of the school and should therefore be treated as its asset and consolidated into the Council's single entity accounts in line with the Code. The Council has also determined that the land occupied by the school, which is of an infinite useful life, may have other uses beyond the useful life of the school and should therefore not be consolidated into the accounts. Following consultation with the Diocese on this matter, no explicit instruction was received from the Diocese that they would withdraw the rights of use for the asset anytime in the near future.

There is a high degree of uncertainty regarding future levels of funding for local government. However, the Council takes the view that this uncertainty is not yet sufficient indication that the value of the Council's assets might need to be impaired due to reduced levels of service provision or the need to close facilities.

- The Council operates joint working arrangements with neighbouring local authorities. These arrangements are referred to as "shared services". These are

a Youth Offending Service with Halton and Cheshire West and Chester Councils, an Adoption Service with Wigan and St Helens Councils and a Gypsy & Travellers Service with Cheshire East and Cheshire West & Chester Councils. The Council believes that it is not necessary to impair any non-current assets in light of these shared working arrangements and any current proposals for changes to the way the services are to be delivered by the Council.

- The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. Therefore group accounts have been prepared to consolidate the Council's interests in subsidiaries and other entities within the group boundary into the Council's Group Accounts.
- Collecting in excess of £88.423m in 2021/22, the assumptions around the outcome of appeals against the NNDR valuations (either received to date or expected to be received in future years) represent a material and critical judgement applied to the accounts. The appeals provision is empirically derived from past experience of both the 2005 and 2010 Lists as well as appeals determinations so far made against the 2017 List. A 1% variance in the determined appeals provision would alter the net locally retained income to the Council by £0.165m. Due to the technical adjustment relating to the Collection Fund Adjustment Account this would not result in any change to the level of General Reserves.
- These accounts have been prepared on a going concern basis. The concept of a going concern assumes that an organisation, its functions and services will continue in operational existence for the foreseeable future. However, there is a high degree of uncertainty about future levels of funding for local government and the future national economic out-look. The Council's management has used its judgement and determined that its financial strategy is robust and that this uncertainty is not yet sufficient to affect the assumptions underpinning the strategy and that the Council will continue as a going concern.
- Investment properties have been assessed using the identifiable criteria under the International Accounting Standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation, to determine if there is an operational reason for holding the property, such as regeneration.
- The Council is liable to make contributions towards the cost of post-employment benefits. For the 3-year period 2020/21 – 2022/23, the Council agreed with the Cheshire Pension Fund that the employer contributions payable to the Local Government Pension Scheme (LGPS) could be paid as a single up-front payment. Subsequently, in December 2020 the Council paid £5.652m based on an estimated pensionable payroll of £79m per annum in order to make a budget saving. In line with the Council's accounting policies, in 2020/21 the amounts relating to 2021/22 and 2022/23 were offset against the pension liability on the balance sheet. These amounts will be reflected in the pension reserve in the years to which they relate.

- At the close of the triennial period the pension reserve and the pension liability will be brought into line with each other. For further details see note 32 Pensions.

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

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

The items in the Council's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Hymans Robertson actuaries are contracted to provide the Council with the estimate of the net liability.</p> <p>During 2021/22 the Council's actuaries advised that the net pension liability had increased by £130.012m as a result of updating of the assumptions.</p>	<ul style="list-style-type: none"> • A decrease of 0.1% in Real Discount Rate could increase the Council's liability by £22.146m. • An increase of 0.1% in Salary Increase Rate could increase the Council's liability by £2.236m. • An increase of 0.1% in Pension Increase Rate could increase the Council's liability by £19.733m.
Property, Plant and Equipment/ Investment Properties	<p>Professional opinions of the values of land and buildings are made by the Estates Service and estimates of the useful lives of property, plant and equipment are made by the relevant officers who have knowledge of such issues based on their professional judgement e.g. useful lives of properties are provided by in-house RICS qualified valuers. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets</p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>If the value of the Council's investment properties were to reduce by say 10%, this would result in a circa £68.526m charge to the</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>falls. It is estimated that the annual charge for buildings would increase in these circumstances.</p> <p>The present pressure on public sector expenditure could potentially have implications for the useful economic lives of the Council's property due to reduced spending on repairs leading to a decline in the condition of its buildings. There is no evidence that the estimated economic lives are being materially affected at this time, but this issue is being monitored.</p>	<p>Comprehensive Income and Expenditure Statement.</p> <p>An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>Depreciation charges for operational buildings will change in direct relation to changes in estimated current value. The net book value of non-current assets subject to potential revaluation is £696.332m</p>
Fair Value Measurements	<p>When the fair values of Investment Assets, PPE Surplus Assets and Assets Held for Sale cannot be measured on quoted prices in active markets (i.e. Level 1 inputs) their fair value is measured using the following approaches and valuation techniques:</p> <p>The fair value is based on either the income approach or the market approach and uses a combination of the following valuation techniques: comparison with similar assets in the active market, Development Appraisal models and discounted cash flow (DCF) models.</p> <p>Where the inputs to these valuation techniques are based on</p>	<p>Changes in the assumptions used could affect the fair value (either upwards or downwards) of the Council's assets and liabilities.</p> <p>The Council uses a combination of market comparables, DCF models and Development Appraisal models to measure the fair value of its Investment Assets, Surplus Assets and Assets held for Sale under IFRS 13 depending on which technique is most appropriate to the Asset.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>observable data they are categorised as Level 2.</p> <p>Where this is not possible judgement is required in establishing fair values. These judgements typically include assumptions as to future growth and include uncertainty and risk and these are categorised at Level 3.</p>	
Arrears	At 31 March 2022 the Council had a balance of debtors of £131.371m. A review of significant balances suggested that an impairment of doubtful debts of £18.487m was appropriate.	If collection rates were to deteriorate an increase in the amount of the impairment of the doubtful debts would be required.
Business Rate Appeals	<p>2021/22 is the sixth year of the Business Rates Retention Scheme whereby the Council retains 35.4% of the business rates income it collects (£31.33m out of £88.423m), but is subject to a £17.039m tariff.</p> <p>Following the 2017 revaluation of business hereditaments, we have seen unprecedented levels of appeals – the success of which are negatively impacting on the yield. A provision has been made for the estimated success of future appeals for losses for the period to the end of March 2022 of £16.485m. A safety net system protects the Council from losses below baseline funding levels of £29.980m.</p>	The Council's overall financial losses are protected by the safety net with any variance to our assumptions affecting the scale of the provision but being offset by a movement in the safety net entitlement (which is accrued for at year end).
Provisions	<p>During 2021/22 there was an increase in Short-term provisions of £1.507m from £8.757m in 2020/21 to £10.264m.</p> <p>Long-term Provisions stayed the same £2.590m as at 31 March 2022.</p>	If the drawdowns from the provisions were in excess of the estimates set aside, this would result in a charge to the General Fund.
Together Energy	The Council owns a 50% shareholding in Together Energy	The equity investment was purchased using the Capital

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>(TE). In January 2022 they initiated the Supplier of Last Resort process and appointed Administrators. FRP was appointed as administrators and have since been working through the process of insolvency and winding down TE.</p> <p>On 30th March 2022 the Council received reports from FRP confirming forecasting based on current information that the loans owed to WBC (£18.8m) would be repaid and that there would be no call under its guarantee to Orsted.</p> <p>However, it could not confirm full repayment of the initial equity injection of £18m.</p> <p>The Council has also accrued outstanding dividend payments of £2.730m.</p>	<p>Financing Regime, which if not repaid would be a charge to the Capital Adjustment Account.</p> <p>The resultant MRP charge has already been budgeted for and therefore there would be no further impact to the Council Tax payer.</p> <p>Money has been set aside in reserves to cover the potential loss if the accrued dividend is not recovered.</p>

Whilst there is always a requirement to make assumptions and always an element of uncertainty, the COVID-19 pandemic and the moving to a new normal has added an extra challenge which has heightened risk in considering future estimates.

5 Events after the Balance Sheet Date

There were no material events after the reporting period.

6 Expenditure and Funding Analysis

2021/22		Net Expenditure chargeable to the General Fund	Transfers (to)/from Earmarked Reserves	Adjustments for Reporting Purposes	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	Balance	£'000	£'000	£'000	£'000	£'000
Corporate Services	6,522		-	-	-	6,522
Families & Wellbeing	112,296		-	(1)	-	112,295
Environment & Transport	22,895		-	-	-	22,895
Growth	8,157		-	(10)	-	8,147
Corporate Finance	(10,289)		-	(11,489)	-	(21,778)
Central Charges	0		(6,119)	24,488	53,356	71,725
Net Cost of Services	139,581		(6,119)	12,988	53,356	199,806
Other Income and Expenditure	(144,026)		-	(12,988)	(47,151)	(204,165)
(Surplus) or Deficit	(4,444)		(6,119)	-	6,204	(4,359)
Opening General Fund at 31 March 2019	(159)		(112,864)			
Less/Plus (Surplus) or Deficit on General Fund in Year	(4,444)		(6,119)			
Closing General Fund at 31 March 2020	(4,603)		(118,983)			

2020/21

	Restated Net Expenditure chargeable to the General Fund Balance £'000	Transfers (to)/from Earmarked Reserves £'000	Adjustments for Reporting Purposes £'000	Restated Adjustments between Funding and Accounting Basis £'000	Restated Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Corporate Services	6,750	-	-	-	6,750
Families & Wellbeing	102,791	-	-	-	102,791
Environment & Transport	24,228	-	482	-	24,710
Growth	9,460	-	(20)	-	9,440
Corporate Finance	(2,786)	-	(17,652)	-	(20,438)
Restated Central Charges	(0)	(47,914)	51,665	90,519	94,271
Restated Net Cost of Services	140,442	(47,914)	34,475	90,519	217,523
Restated Other Income and Expenditure	(139,935)	-	(34,475)	4,141	(170,269)
Restated (Surplus) or Deficit	507	(47,914)	-	94,660	47,254
Opening General Fund at 31 March 2018	(666)	(64,950)			
Less/Plus (Surplus) or Deficit on General Fund in Year	507	(47,914)			
Closing General Fund at 31 March 2019	(159)	(112,864)			

The Expenditure and Funding Analysis prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

2021/22				
Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £'000	Net change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Corporate Services	-	-	-	-
Families & Wellbeing	-	-	-	-
Economic Regeneration, Growth & Environment	-	-	-	-
Corporate Finance	-	-	-	-
Central Charges	24,308	29,302	(255)	53,356
Net Cost of Services	24,308	29,302	(255)	53,356
Other Income and Expenditure	(38,687)	-	(8,464)	(47,151)
Difference between the General Fund Surplus or Deficit and the Comprehensive Income and Expenditure Statement Surplus or Deficit	(14,379)	29,302	(8,719)	6,204

2020/21				
Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Restated Adjustments for Capital Purposes £'000	Restated Net change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Corporate Services	-	-	-	-
Families & Wellbeing	-	-	-	-
Economic Regeneration, Growth & Environment	-	-	-	-
Corporate Finance	-	-	-	-
Restated Central Charges	81,904	7,499	1,116	90,519
Restated Net Cost of Services	81,904	7,499	1,116	90,519
Restated Other Income and Expenditure	(26,055)	3,102	27,094	4,141
Restated Difference between the General Fund Surplus or Deficit and the Comprehensive Income and Expenditure Statement Surplus or Deficit	55,849	10,601	28,210	94,660

Adjustments for Capital Purposes

- Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
 - **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - **Financing and investment income and expenditure** – the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
 - **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
 - **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

- For **Financing and investment income and expenditure** -- the net interest on the defined benefit liability is charged to the CIES.

Other Differences

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

Segmental Income

Income received on a segmental basis is analysed below:

Revenues from External Customers

	2020/21 £'000	2021/22 £'000
Corporate Services	(4,591)	(5,418)
Families & Wellbeing	(73,907)	(76,390)
Environment & Transport	(11,658)	(16,163)
Growth	(1,917)	(3,112)
Corporate Finance	(42,166)	(50,243)
Central Charges	-	-
Total Revenue from External Customers	(134,239)	(151,327)

Interest Revenue

	2020/21	2021/22
	£'000	£'000
Corporate Services	(13)	-
Families & Wellbeing	(35)	-
Environment & Transport	-	-
Growth	-	-
Corporate Finance	(19,135)	(26,523)
Central Charges	(1,798)	(24,077)
Total Revenue from External Customers	(20,981)	(50,600)

Segmental Expenditure

Expenditure received on a segmental basis is analysed below:

Interest Expense

	2020/21	2021/22
	£'000	£'000
Corporate Services	-	-
Families & Wellbeing	-	-
Environment & Transport	-	-
Growth	-	-
Corporate Finance	27,594	31,759
Central Charges	-	-
Total Revenue from External Customers	27,594	31,759

7 Adjustments between Accounting Basis and Funding Basis Under Regulations

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

		Usable Reserves		
		General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000
2021/22	Note(s)			
Adjustments to the Revenue Resources				
Amounts by which Income and Expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
- Pension costs (transferred to (or from) the Pensions Reserve)	32	(29,302)	-	-
- Financial instruments (transferred to the Financial Instruments Adjustment Account)		(4)	-	-
- Pooled Investment (transferred from the Pooled Investments Mitigation Reserve)		19,279	-	-
- Council Tax and NDR (transfers to or from Collection Fund Adjustment Account)		6,496	-	-
- Holiday pay (transferred to Accumulated Absences Reserve)		255	-	-
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)		(31,735)	-	(7,283)
Total Adjustments to Revenue Resources		(35,011)	-	(7,283)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	9	1,519	(1,519)	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	24	7,955	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)		19,333	-	-
Total Adjustments between Revenue and Capital Resources		28,807	(1,519)	-
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	24	-	2,218	-
Application of capital grants to finance capital expenditure	9	-	-	9,199
Cash payments in relation to deferred capital receipts	9	-	(1)	-
Total Adjustments to Capital Resources		-	2,217	9,199
Total Adjustments		(6,204)	698	1,916

	2020/21	Note(s)	Usable Reserves		
			Restated General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000
Adjustments to the Revenue Resources					
Amounts by which Income and Expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pension costs (transferred to (or from) the Pensions Reserve)		32	(10,601)	-	-
- Financial instruments (transferred to the Financial Instruments Adjustment Account)			(10)	-	-
- Pooled Investment (transferred from the Pooled Investments Mitigation Reserve)			757	-	-
- Council Tax and NDR (transfers to or from Collection Fund Adjustment Account)			(27,841)	-	-
- Holiday pay (transferred to Accumulated Absences Reserve)			(1,116)	-	-
- Restated Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)			(93,064)	-	(7,717)
Restated Total Adjustments to Revenue Resources			(131,875)	-	(7,717)
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve		9	4,977	(4,977)	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)		24	887	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)			31,351	-	-
Total Adjustments between Revenue and Capital Resources			37,215	(4,977)	-
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure		24	-	2,954	-
Application of capital grants to finance capital expenditure		9	-	-	7,051
Cash payments in relation to deferred capital receipts		9	-	-	-
Total Adjustments to Capital Resources			-	2,954	7,051
Restated Total Adjustments			(94,660)	(2,023)	(666)

The Adjustments between Accounting Basis and Funding Basis under Regulations note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

8 Transfers To/From Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2021/22.

	SAP	Balance at	Transfers	Transfers	Balance at	Transfers	Transfers	Balance at	Purpose of Reserve
	General	31 March	out 2020/21	in 2020/21	31 March	out 2021/22	in 2021/22	31 March	
	Ledger	2020	£'000	£'000	2021	£'000	£'000	2022	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Schools									
School Balances	975000	5,657	(35)	2,417	8,039	-	1,007	9,046	
Schools Re-organisation Contingency	973980	881	-	-	881	-	-	881	To contribute to the school deficit upon closure
Total Schools Reserves		6,538	(35)	2,417	8,920	-	1,007	9,927	
Council									
Armed Forces Covenant Grant	974720	9	-	-	9	-	-	9	To fund support for MoD activities
BCF Pooled		21	-	-	21	-	-	21	To fund better care pooled arrangements.
Commercial Risk Reserve (formerly Birchwood Park)		10,282	-	10,000	20,282	(13,579)	12,500	19,203	To act as a contingency for Commercial activity
Backdated MRP Reserve		-	-	-	-	-	10,849	10,849	To fund backdated payments of MRP
Business Rates Smoothing		14,877	(2,992)	30,970	42,855	(40,167)	33,027	35,715	To fund fluctuations in business rates deficit estimates.
Children's Comfort Funds	973940	7	-	-	7	-	-	7	Held on behalf of children in care
Climate Change	974750	-	-	500	500	-	91	591	To fund Climate Change schemes
Community Investment Fund	973390	91	-	-	91	-	-	91	To fund Community Investment Schemes
Community Safety Enabling		111	-	-	111	-	-	111	To fund Community Safety schemes
Coroners Judicial Review	973420	131	-	12	143	-	-	143	To fund any one off costs of future judicial reviews
Corporate Services Enabling	974440	187	(134)	472	525	(433)	1,463	1,555	To fund future expenditure in Corporate Services
COVID-19 Grant		5,323	(5,323)	134	134	(134)	-	-	To fund COVID-19 costs
DSG Deficit		(719)	-	(219)	(938)	219	716	(3)	To fund DSG deficit

		Balance at			Balance at			Balance at		Purpose of Reserve
	SAP General Ledger	31 March 2020 £'000	Transfers out 2020/21 £'000	Transfers in 2020/21 £'000	31 March 2021 £'000	Transfers out 2021/22 £'000	Transfers in 2021/22 £'000	31 March 2022 £'000		
Early Release	974680	610	-	-	610	-	-	610	To fund movements in the redundancy calculation	
Economic Regeneration, Growth & Environment Services (ERGE)	974420	1,015	(892)	675	798	(782)	2,770	2,786	To fund future expenditure in ERGE	
Families and Wellbeing Service Adults	974430	-	-	2,058	2,058	(2,058)	3,076	3,076	To fund future expenditure in FWB Adults	
Families and Wellbeing Service Childrens	974410	2,950	(2,950)	2,943	2,943	(2,943)	5,002	5,002	To fund future expenditure in FWB Children's	
Financial Protection Team	973390	20	-	-	20	-	-	20	To fund expenditure for Adults with specific criteria	
Homelessness	973900	91	-	-	91	-	-	91	To fund bond/deposits to secure accomodation for the homeless	
Insurance Fund	973820	2,054	-	-	2,054	-	-	2,054	Third party claim excesses and self insure areas of risk	
Local Authority Mortgage Scheme	974450	725	-	-	725	-	-	725	Potential future LAMS defaults	
Loans & Investment		5,000	-	3,500	8,500	(8,500)	3,000	3,000	To act as a contingency for any future problems which may occur in the repayment of the Council's loan portfolio and act as a pump primer to fund feasibility studies on potential future capital and treasury schemes	
Local Public Service Agreement		117	-	-	117	-	-	117	To fund 'Local Public Service Agreement' activity.	
Market Tenants Advertising		12	-	-	12	-	2	14	To fund market tenants advertising	
Mayor's Charity	973090	10	(1)	-	9	-	1	10	Money's collected for mayoral supported charities	
Members Voluntary Initiative	973100	8	-	-	8	-	-	8	To fund International Partnerships initiative	
Municipal Mutual Insurance (MMI)	974480	459	-	-	459	-	-	459	To fund future potential MMI clawback	
Medium Term Financial Plan	973830	4,896	(728)	6,005	10,173	(4,085)	7,996	14,084	To ensure the council's future financial sustainability	
Museum Arts	973250	13	-	-	13	-	-	13	To fund future museum exhibitions or art acquisitions	
Parish Council Elections	974730	11	-	-	11	-	-	11	To fund fluctuations in parish council elections income and expenditure	

		Balance at			Balance at			Balance at		Purpose of Reserve
	SAP General Ledger	31 March 2020 £'000	Transfers out 2020/21 £'000	Transfers in 2020/21 £'000	31 March 2021 £'000	Transfers out 2021/22 £'000	Transfers in 2021/22 £'000	31 March 2022 £'000		
Penketh Court	974635	-	-	-	-	-	293	293	To contribute to any refurbishment or enhancements of Penketh Court.	
Public Health Grant	973530	1,329	(1,329)	2,320	2,320	(2,320)	3,439	3,439	To fund public health expenditure	
Salary Sacrifice Car Lease	973530	93	-	-	93	-	-	93	Potential future liability on salary sacrifice car lease	
SALIX Revolving Fund	973755	129	-	-	129	-	-	129	Energy efficiency schemes	
Schools Forum Service Development	973790	59	-	-	59	-	-	59	Financial and advisory support to Schools Forum	
Sinking Fund	973930	719	-	282	1,001	(183)	128	946	Alder Lodge Homeless Unit refurbishment/enhancement	
Solar Panels Lifecycle Fund	974460	280	-	-	280	-	-	280	Future replacement cost on solar panels	
Strategic Reserve	973780	4,760	-	-	4,760	(4,760)	-	-	For emergency events such as unforeseen financial liabilities or natural disasters	
Taxi Account	973650	170	-	48	218	-	-	218	Ring-fenced account of Taxi Service surplus/deficit	
Time Square	973880	-	-	-	-	-	-	-	Regeneration of Time Square	
Town Centre Sinking Fund	973630	229	-	-	229	-	-	229	Potential future Town Centre overspends	
Union Learner Reps		17	-	-	17	-	-	17	Monies set aside to increase participation in union training services	
Unitary Charge	974480	1,958	-	234	2,192	-	402	2,594	Future variations on unitary charge on PFI schemes	
Walton Hall	973860	5	-	-	5	-	-	5	Walton Hall refurbishment	
Winwick Road	974320	111	-	-	111	(111)	-	-	Alder Lodge Homeless Unit refurbishment/enhancement	
Warrington YOT		119	(31)	25	113	(7)	50	156	Warrington Council YOT	
Halton YOT		56	(72)	25	9	-	50	59	Halton Council YOT	
Cheshire West YOT		67	(25)	25	67	-	50	117	Cheshire West Council YOT	
Cheshire East YOT		-	(25)	25	-	-	50	50	Cheshire East Council YOT	
Total Council Reserves		58,412	(14,502)	60,034	103,944	(68,994)	74,106	109,056		
Total Earmarked Reserves		64,950	(14,537)	62,451	112,864	(68,994)	75,113	118,983		
Net Transfer to/(from) Reserves				47,914			6,119			

9 Usable Reserves

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

	Note(s)	31/03/21 £'000	31/03/22 £'000
<u>Held for Revenue Purposes</u>			
General Fund		159	4,603
Earmarked Reserves	8	112,864	118,983
General Fund Balance	MiRS	113,023	123,586
<u>Held for Capital Purposes</u>			
Capital Receipts Reserve	MiRS	2,048	1,350
Capital Grants Unapplied Reserve	MiRS	19,555	17,639
Total Usable Reserves		134,626	142,575

Capital Receipts Reserve

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

	Note(s)	31/03/21 £'000	31/03/22 £'000
Balance as at 1 April		25	2,048
Tfr from Deferred Capital Receipts	7	-	1
Capital receipts from year	7	4,977	1,519
		5,002	3,568
Less:			
Capital receipts used for financing	7	(2,954)	(2,218)
Balance as at 31 March		2,048	1,350

Capital Grants Unapplied

	Note(s)	31/03/21 £'000	31/03/22 £'000
Balance as at 1 April		18,889	19,555
Grants received in year		7,717	7,283
Tfr to Capital Adjustment Account in year		(7,051)	(9,199)
Balance as at 31 March		19,555	17,639

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

10 Other Operating Expenditure

2020/21 £'000		2021/22 £'000
2,333	Parish council precepts	2,333
1,063	Losses on the disposal of non-current assets	14,312
130	Levies	134
3,526		16,779

11 Financing and Investment Income and Expenditure

2020/21 £'000		2021/22 £'000
27,594	Interest payable and similar charges	31,759
3,102	Pensions interest cost and expected return on pension assets	5,958
(18,484)	Interest receivable and similar income	(50,599)
(71)	Income and expenditure in relation to investment properties and changes in their fair value	(33,650)
12,141		(46,532)

12 Taxation and Non-Specific Grant Incomes

2020/21 £'000		2021/22 £'000
(102,099)	Council Tax Income	(109,926)
(49,069)	NDR Redistribution	(41,366)
(4,785)	Non-ringfenced government grants	(3,417)
(3,233)	COVID-19 grant	(370)
(26,750)	Capital grants	(19,333)
(185,936)		(174,412)

13 Material Items of Income and Expense

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

During the 2021/22 financial year 4 primary schools converted into academy, which resulted in £14.632m of assets being disposed from the Council's Balance Sheet.

14 Members' Allowances

During the year allowances paid to Members were £0.722m (£0.709m in 2020/21) and expenses paid were £0.071m (£0.072m in 2020/21).

15 Officers' Remuneration

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

Officer	Year	Salary, Fees and Allowances		Expenses Allowances	Taxable Benefits	Other Non- Compensation		Pension Contribution	Total
		(note 3)				Cash Benefits	for Loss of Office		
		£	£	£	£	£	£	£	£
Professor Steven Broomhead	2021/22	153,115	-	-	420	-	-	153,535	
Chief Executive (Note 1)	2020/21	151,266	-	-	-	-	-	151,266	
Lynton Green	2021/22	107,180	271	-	17,923	-	23,580	148,954	
Deputy Chief Executive/Director of Corporate Services	2020/21	109,115	910	-	14,139	-	25,200	149,364	
Matthew Cumberbatch	2021/22	101,579	846	-	-	-	22,347	124,772	
Director of Law & Governance	2020/21	99,759	846	-	-	-	22,945	123,550	
Dave Boyer	2021/22	106,834	-	-	420	-	23,596	130,850	
Director of Environment & Transport	2020/21	105,669	-	-	-	-	24,304	129,973	
Assistant Director	2021/22	98,604	-	-	-	-	21,693	120,297	
Asst. Director Integrated Commissioning (Note 2)	2020/21	97,147	-	-	-	-	22,344	119,491	
Gareth Hopkins	2021/22	91,880	1,310	-	6,724	-	-	99,914	
Director of Workforce and Organisational Change	2020/21	90,423	1,306	-	6,724	-	-	98,453	
Steve Park	2021/22	98,171	74	-	9,083	-	21,690	129,018	
Director of Growth	2020/21	95,956	-	-	9,713	-	22,070	127,739	
Paula Worthington	2021/22	104,432	-	-	-	-	22,975	127,407	
Director of Education, Early Help & SEND	2020/21	99,761	-	-	-	-	22,945	122,706	
Amanda Amesbury	2021/22	98,723	99	-	8,531	-	21,734	129,087	
Director of Children's Social Care (DCS)	2020/21	105,669	-	-	-	-	24,304	129,973	
Catherine Jones	2021/22	107,254	-	-	-	-	23,596	130,850	
Director of Adult Social Care (DASS)	2020/21	105,669	-	-	-	-	24,304	129,973	
Tara Raj	2021/22	106,834	-	-	420	-	23,596	130,850	
Director of Public Health (Started 01/08/20)	2020/21	70,446	-	-	-	-	16,203	86,649	

- **Note 1** – Excludes amounts paid to the Chief Executive for Returning Officer duties. The Chief Executive is 0.8 full time equivalent and is required to be named. In addition, the Council's Senior Leadership Team (SLT) are named.
- **Note 2** – 100% funded by Warrington CCG (100% included in the table).

- **Note 3** – Fees for election duties are not included within the table.

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

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2020/21				2021/22				
No. of Non-school Employees	No. of School Employees	No. of Agency Staff	Total No. of Staff	Bandings	No. of Non-school Employees	No. of School Employees	No. of Agency Staff	Total No. of Staff
38	27	3	68	£50,000 to £54,999	41	41	2	84
14	15	-	29	£55,000 to £59,999	14	12	1	27
12	21	1	34	£60,000 to £64,999	12	22	2	36
3	23	3	29	£65,000 to £69,999	14	19	-	33
13	7	-	20	£70,000 to £74,999	6	12	2	20
-	3	-	3	£75,000 to £79,999	1	5	-	6
4	2	-	6	£80,000 to £84,999	3	1	1	5
3	2	-	5	£85,001 to £89,999	4	1	-	5
1	2	-	3	£90,000 to £94,999	1	2	1	4
5	-	1	6	£95,000 to £99,999	5	-	-	5
1	-	-	1	£100,000 to £104,999	2	-	-	2
4	2	-	6	£105,000 to £109,999	5	1	1	7
-	-	1	1	£110,000 to £114,999	-	-	-	-
-	-	1	1	£115,000 to £119,999	-	-	-	-
1	-	-	1	£120,000 to £124,999	-	-	-	-
-	-	-	-	£125,000 to £129,999	1	-	-	1
-	-	-	-	£130,000 to £134,999	-	-	-	-
1	-	-	1	£135,000 to £139,999	-	-	-	-
-	-	-	-	£140,000 to £144,999	1	-	-	1
-	-	-	-	£145,000 to £149,999	-	-	-	-
1	-	-	1	£150,000 to £154,999	1	-	-	1
101	104	10	215		111	116	10	237

Exit Packages 2021/22

2021/22 Exit Package Cost Band (including special payments)	No. of Compulsory Redundancies			No. of Other Departures Agreed			Total No. of Exit Packages			Total Cost of Exit Packages		
	Schools	Non-Schools	Total	Schools	Non-Schools	Total	Schools	Non-Schools	Total	Schools £	Non-Schools £	Total £
£0 - £20,000	2	6	8	19	4	23	21	10	31	136,293	78,295	214,587
£20,001 - £40,000	-	-	-	-	4	4	-	4	4	-	111,339	111,339
£40,001 - £60,000	-	1	1	-	5	5	-	6	6	-	296,140	296,140
£60,001 - £80,000	-	2	2	-	5	5	-	7	7	-	498,827	498,827
£80,001 - £100,000	-	-	-	-	1	1	-	1	1	-	95,437	95,437
£100,001 - £150,000	-	-	-	-	2	2	-	2	2	-	221,760	221,760
£150,001 - £200,000	-	-	-	-	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-	-	-	-	-
Total	2	9	11	19	21	40	21	30	51	136,293	1,301,797	1,438,090

Exit Packages 2020/21

2020/21 Exit Package Cost Band (including special payments)	No. of Compulsory Redundancies			No. of Other Departures Agreed			Total No. of Exit Packages			Total Cost of Exit Packages		
	Schools	Non-Schools	Total	Schools	Non-Schools	Total	Schools	Non-Schools	Total	Schools £	Non-Schools £	Total £
£0 - £20,000	4	2	6	1	3	4	5	5	10	27,422	41,226	68,648
£20,001 - £40,000	-	2	2	-	6	6	-	8	8	-	251,749	251,749
£40,001 - £60,000	-	-	-	-	5	5	-	5	5	-	236,231	236,231
£60,001 - £80,000	-	1	1	-	3	3	-	4	4	-	280,410	280,410
£80,001 - £100,000	-	-	-	-	2	2	-	2	2	-	181,195	181,195
£100,001 - £150,000	-	-	-	-	1	1	-	1	1	-	138,969	138,969
£150,001 - £200,000	-	-	-	-	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-	-	-	-	-
Total	4	5	9	1	20	21	5	25	30	27,422	1,129,781	1,157,203

16 Termination Benefits

The Council terminated the contracts of 51 employees in 2021/22, incurring redundancy liabilities of £750,408 (2021/21 £574,825) and pension fund liabilities of £647,427 (2020/21 £582,378) as part of the Council's budget savings.

17 External Audit Costs

The fee payable to Grant Thornton UK LLP with regard to external audit services carried out for the year was £80,508 (2020/21 £97,916). The fee payable for the certification of grant claims and returns for the year was £0 (£22,800 in 20/21). The fee payable for the resolution of the elector challenge was £60,190 (£nil in 2020/21). The fee payable with regard to other services for the year was £0 (2020/21 £0).

18 Expenditure and Income Analysed by Nature

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

Expenditure/Income	Restated 2020/21 £'000	2021/22 £'000
<u>Expenditure</u>		
Employee benefits expenses	174,474	192,809
Other service expenses	284,069	309,075
Restated depreciation, amortisation, impairment	81,138	57,289
Interest payments	26,799	31,759
Expenditure relating to investment properties	566	(33,080)
Precepts and levies	2,333	2,333
Restated total expenditure	569,379	560,185
<u>Income</u>		
Fees, charges and other service income	(163,360)	(278,004)
Interest and investment income	(20,981)	(58,481)
Income relating to investment properties	(637)	(570)
Income from council tax, non-domestic rates	(102,099)	(109,926)
Government grants and contributions	(235,048)	(117,563)
Total Income	(522,125)	(564,544)
Restated Surplus or Deficit on the Provision of Services	47,254	(4,359)

The Expenditure and Income Analysed by Nature note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

19 Dedicated Schools Grant

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

Details of the deployment of DSG receivable for 2021/22 are as follows:

	Central Expenditure £'000	Individual Schools Budget £'000	Funding Total £'000
Final DSG for 2021/22 before academy recoupment			190,190
Academies figure recouped for 2021/22			83,442
Total DSG after academy recoupment for 2021/22			106,748
Plus: Brought forward from 2020/21			-
Less: Carry forward to 2022/23			-
Agreed initial budgeted distribution in 2021/22	38,294	68,454	106,748
In-year adjustments	-	-	-
Final budget distribution for 2021/22	38,294	68,454	106,748
Less: Actual Central Expenditure	(37,359)	-	(37,359)
Less: Actual Individual Schools Budget deployed to schools		(68,454)	(68,454)
Plus: Local Authority contribution for 2021/22	-	-	-
Carry forward to 2022/23	935	-	935

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

20 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22.

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

	2020/21	2021/22
	£'000	£'000
Credited to Taxation and Non-specific Grant Income		
Revenue		
Business Rates Retention Scheme Income	28,656	19,057
Revenue Support Grant	996	1,372
New Homes Bonus	1,285	381
Business Rates Section 31 Grants	6,840	4,635
Other Grants credited to Taxation & Non Specific Grant Income	19,310	19,708
Total Revenue Grants	57,087	45,153
Capital Grants and Contributions	26,750	19,333
Total	83,837	64,486

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

	2020/21	2021/22
	£'000	£'000
Credited to Services		
Grants		
Contain the Outbreak Management fund / Test and Trace	1,120	3,729
Covid 19 Additional Restrictions Grant	5,723	2,892
Covid 19 Local Restrictions Grant	-	1,151
Covid 19 Small Business Grant	1,778	-
COVID Restart Grant	-	10,207
Dedicated Schools Grant	103,481	106,264
Improved Better Care Fund	4,675	5,467
Infection Control Grant	4,758	4,074
Omicron Hospitality & Leisure Grant	-	1,217
Public Health Grant	11,434	11,431
Pupil Premium	5,091	5,140
Rent Allowance Subsidy	33,204	32,144
Teachers Pension Grant	2,610	97
Universal Schools Meals Grant	1,874	1,501
Workforce Development Grant	-	1,587
Youth Justice Grant	1,003	1,111
Capital Grant Income to fund Revenue Expenditure	4,601	5,799
Other Grants	15,848	18,352
Total Grants	197,200	212,164
Contributions		
High Costs Care Packages Contributions	1,326	1,348
Change Grow Live Substance Misuse	-	1,170
Coroner Service Contributions	21,576	21,164
Other Contributions	3,924	5,910
Total Contributions	26,826	29,592
Total	224,026	241,756

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

Grants Receipts in Advance (Short and Long-term)	2020/21 £'000	2021/22 £'000
Capital Grants	5,990	29,799
Revenue Grants		
Commutated Sums	6,475	6,236
Restated S106 Agreements	6,973	11,610
	8,942	8,869
Miscellaneous Revenue Grants	17,128	29,145
Total Revenue Grants	39,518	55,860
Total	45,508	85,659

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21 Property, Plant and Equipment (PPE)

Movements in 2021/22:

	Land & Buildings £'000	Infrastructure Assets £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total PPE £'000	PFI Assets included in PPE £'000	VA Schools included in PPE £'000
Cost or Valuation									
Balance as at 1 April 2021	437,439	322,607	57,664	17,719	17,859	5,246	858,534	3,670	80,597
Additions	3,434	16,805	1,549	315	8,492	-	30,595	-	163
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(7,036)	-	-	-	-	-	(7,036)	-	(1,637)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	32,788	-	-	-	-	140	32,928	-	7,479
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(12,396)	-	-	-	-	-	(12,396)	-	-
Derecognition - disposals	(15,792)	-	(916)	-	(47)	(140)	(16,895)	-	-
Reclassifications & transfers	(4,110)	10,250	-	1,095	(7,235)	-	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	1,750	-	-	-	-	-	1,750	-	-
Balance as at 31 March 2022	436,077	349,662	58,297	19,129	19,069	5,246	887,480	3,670	86,602
Depreciation and Impairment									
Balance as at 1 April 2021	18,104	50,707	31,915	6	-	-	100,732	-	8,261
Depreciation charge	8,744	8,295	3,561	-	-	-	20,600	148	3,072
Accumulated depreciation written out to GCA	(7,036)	-	-	-	-	-	(7,036)	-	(1,637)
Depreciation - disposals	(567)	-	(619)	-	-	-	(1,186)	-	-
Reclassifications & transfers	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	19,245	59,002	34,857	6	-	-	113,110	148	9,966
Net Book Value									
Balance as at 31 March 2022	416,832	290,660	23,440	19,123	19,069	5,246	774,370	3,522	76,906
Balance as at 31 March 2021	419,335	271,900	25,749	17,713	17,859	5,246	757,802	3,670	72,336

Comparable Movement in 2020/21:

	Land & Buildings £'000	Infrastructure Assets £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total PPE £'000	PFI Assets included in PPE £'000	VA Schools included in PPE £'000
Cost or Valuation									
Balance as at 1 April 2020	383,493	286,528	56,479	16,986	107,213	4,742	855,441	7,493	80,449
Additions	10,403	26,262	1,185	344	9,644	-	47,838	-	148
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(1,552)	-	-	-	-	(197)	(1,749)	(1,191)	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,282	-	-	-	-	693	2,975	(2,632)	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(47,364)	-	-	-	-	(80)	(47,444)	-	-
Derecognition - disposals	(4)	-	-	-	(3,368)	(2,822)	(6,194)	-	-
Reclassifications & transfers	82,729	9,817	-	389	(95,630)	2,695	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	7,452	-	-	-	-	215	7,667	-	-
Balance as at 31 March 2021	437,439	322,607	57,664	17,719	17,859	5,246	858,534	3,670	80,597
Depreciation and Impairment									
Balance as at 1 April 2020	11,377	43,561	27,772	6	-	-	82,716	962	5,183
Depreciation charge	8,477	7,146	4,143	-	-	-	19,766	229	3,078
Accumulated depreciation written out to GCA	(1,552)	-	-	-	-	(197)	(1,749)	(1,191)	-
Depreciation - disposals	(1)	-	-	-	-	-	(1)	-	-
Reclassifications & transfers	(197)	-	-	-	-	197	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	18,104	50,707	31,915	6	-	-	100,732	-	8,261
Net Book Value									
Balance as at 31 March 2021	419,335	271,900	25,749	17,713	17,859	5,246	757,802	3,670	72,336
Balance as at 31 March 2020	372,116	242,967	28,707	16,980	107,213	4,742	772,725	6,531	75,266

PFI Assets are those relating to Private Finance Initiatives.

Depreciation

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

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

Capital Commitments

The total capital commitments as at 31 March 2022 were £24.816m. This includes the following major projects:

- Western Link Pre Construction - £5.306m
- Bridgewater High Extension - £3.238m
- Grappenhall Heyes Expansion - £2.821m
- Bus Depot Relocation – £6.605m

Similar commitments at 31 March 2021 were £25.433m relating to previous year commitment totals including all of the projects listed above as well as Centre Park Link, Time Square Project and Highways Maintenance Investment.

Revaluations

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

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

	Land & Buildings £'000	Infrastructure Assets £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total PPE £'000
Carried at historic cost	18,838	349,662	58,297	19,129	19,069	-	464,995
Valued at fair value as at:							
31 March 2022	185,902	-	-	-	-	5,246	191,148
31 March 2021	50,196	-	-	-	-	-	50,196
31 March 2020	100,118	-	-	-	-	-	100,118
31 March 2019	62,849	-	-	-	-	-	62,849
31 March 2018	18,174	-	-	-	-	-	18,174
Total Cost or Valuation	436,077	349,662	58,297	19,129	19,069	5,246	887,480

22 Heritage Assets

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

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

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

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

	Museum Exhibits & Artworks £'000	Civic Regalia £'000	Ornamental Gates £'000	Statues & Town Centre Artwork £'000	Total Assets £'000
Cost or Valuation					
Balance as at 31 March 2020	10,353	332	2,700	3,588	16,973
Transfer from PPE	-	-	3	-	3
Revaluations	93	3	35	50	181
Balance as at 31 March 2021	10,446	335	2,738	3,638	17,157
Transfer from PPE	-	-	-	-	-
Revaluations	1,151	38	266	348	1,803
Balance as at 31 March 2022	11,597	373	3,004	3,986	18,960

Additions, Disposals and Donations of Heritage Assets

Work was finished in 2019/20 on the renovation of the Golden Gates. The cost of the renovation work was previously included as part of 'Assets under Construction' in 'Plant, Property & Equipment' (Note 21). Upon completion the cost was transferred to Heritage Assets.

The retention payment for the renovation of the Golden Gates is included as additions during 20/21. There were no disposals of Heritage Assets during 2020/21 and there has been no movement in acquisitions, donations or disposals over the past five years.

23 Investment Properties

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

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

	2020/21 £'000	2021/22 £'000
Rental income from investment property	(2,435)	(570)
Net (gains)/losses from fair value adjustments	(368)	(33,666)
Direct operating expenses arising from investment property	2,732	586
Net (gain)/loss	(71)	(33,650)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement of these assets.

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

	Restated 2020/21 £'000	2021/22 £'000
Restated as at the start of the year	565,112	565,221
Disposals	-	(170)
Net gains/(losses) from fair value adjustments	(11,828)	51,894
Transfers (to)/ from Assets Held for Sale	-	-
Additions:		
Restated Acquisitions	-	48,781
Restated Enhancements	898	502
Restated Assets Under Construction	18,706	20,786
Transfers (to)/ from Property, Plant and Equipment	(7,667)	(1,750)
Balance as at end of the year	565,221	685,264

The Investment Properties note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

Fair Value Hierarchy

Details of Warrington Borough Council investment properties and information about the fair value hierarchy as at 31 March 2022 and 2021 are as follows:

	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Historic Cost £000	Fair Value as at 31 March 2021 £000
2021/22					
Industrial Ground Rents	-	23,985	-	-	23,985
Retail Units	-	156,824	-	-	156,824
Industrial Units	-	200,136	-	-	200,136
Offices	-	259,190	-	39,492	298,682
Other	-	5,637	-	-	5,637
Total	-	645,772	-	39,492	685,264

	Quoted prices in active markets for identical assets (Level 1) £000	Restated Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Historic Cost £000	Fair Value as at 31 March 2021 £000
2020/21					
Industrial Ground Rents	-	19,083	-	-	19,083
Restated Retail Units	-	142,396	-	-	142,396
Restated Industrial Units	-	138,133	-	-	138,133
Restated Offices	-	242,400	-	18,706	261,106
Other	-	4,503	-	-	4,503
Restated Total	-	546,515	-	18,706	565,221

Transfers between Levels of the Fair Value Hierarchy

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

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

Significant Observable Inputs – Level 2

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

Significant Unobservable Inputs – Level 3

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

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

Highest and Best Use of Investment Properties

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

Valuation Techniques

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

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised within Level 3 of the Fair Value Hierarchy

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

	31 March 2021 £000	31 March 2022 £000
Opening Balance	334	-
Correction to Opening balance	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	(334)	-
Total gains (or losses) for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value	-	-
Additions	-	-
Disposals	-	-
Closing Balance	-	-

Valuation Process for Investment Properties

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

24 Capital Expenditure and Capital Financing

Total capital expenditure incurred in the year is shown in the table overleaf (including the value of assets acquired under finance leases and Private Finance Initiative (PFI) contracts), together with the relevant financing. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

		Restated	
	Note(s)	2020/21 £'000	2021/22 £'000
Restated Opening Capital Financing Requirement		1,271,310	1,579,626
Capital Investment			
Property, Plant and Equipment	21	47,719	30,549
Investment Properties	23	284	70,069
Intangible Assets		362	129
Revenue Expenditure Funded by Capital Under Statute		7,826	12,393
Non Treasury Investments			
Redwood Bank		2,584	-
Birchwood Park JPUT		23	-
Commercial Properties		19,290	-
Solar Farms - York		(30,076)	11
Solar Farms - Hull		7,387	18
Solar Farms - Cirencester		217	31,384
Housing Equity Loans		11,000	-
Long Term Debtors			
Loans to Registered Providers		60,000	9,750
Loan to Salbo Central		-	1,408
Together Energy RCF		16,000	7,050
Together Energy Loan Note		-	4,000
Loan to Housing Company		450	10,000
Solar Farms - York		30,214	-
Solar Farms - Hull		16,166	-
Solar Farms - Hull Batteries		10,100	833
Foster Carers Loans		18	257
Loan to Hut Group		151,960	46,760
		351,524	224,611
Sources of Finance			
Capital Receipts	9	(2,954)	(2,300)
Government Grants & Other Contributions		(28,179)	(26,067)
Payments Received for:			
Long Term Debtor - Warrington Housing Association		(127)	(133)
Long Term Debtor - Golden Gates Housing		(56)	(58)
Long Term Debtor - Your Housing		(194)	(239)
Long Term Debtor - Equity		(285)	(295)
Long Term Debtor - Muir		(353)	(367)
Long Term Debtor - Helena		(409)	(430)
Long Term Debtor - Wirral Methodist		(200)	(210)
Long Term Debtor - Arawak Walton		(61)	(69)
Long Term Debtor - One Housing Group Ltd		(1,633)	(1,633)
Long Term Debtor - Together Energy		(2,772)	(1,064)
Long Term Debtor - Together Energy RCF		(2,500)	(8,200)
Long Term Debtor - Hut Group		(93)	(71,570)
Long Term Debtor - Cirencester		-	(5,152)
Sums set aside from Revenue:			
Developers Contribution (S106)		(2,505)	(981)
Minimum Revenue Provision		(887)	(7,955)
		(43,208)	(126,723)
Closing Capital Financing Requirement		1,579,626	1,677,514
Explanations of movements in year			
Increase in underlying need for borrowing		308,316	97,888

The Capital Expenditure and Capital Financing note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

25 Long Term Debtors

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

	31/03/21	31/03/22
	£'000	£'000
<u>Long-term Debtors</u>		
Other entities and individuals:		
Deferred Care Charges	1,201	1,190
Finance Leases (Where Council is Lessor)	31,887	31,886
Warrington Housing Association	2,897	2,757
Golden Gates Housing	1,344	1,283
Muir Housing Group	10,438	10,056
Arena Housing Group	8,182	7,933
Equity Housing Group	8,441	8,134
Helena Housing Association	12,235	11,783
Wulvern Housing Limited	10,000	10,000
Wirral Methodist Housing	4,255	5,005
Peaks & Plains Housing	4,000	4,000
Arawak Walton Housing	1,557	1,728
One Housing Group	43,622	41,990
Together Energy	8,000	-
Johnnie Johnson	11,000	11,000
Citystyle Living	68,000	76,500
Salboy Central Ltd	-	1,408
Incrementum Housing	1,302	11,302
Hut Group Icon 3 Holding	149,994	125,606
Hull Solar Farm	25,611	26,261
York Solar Farm	29,932	28,089
Cirencester Solar Farm	-	26,947
Adoptions Lone Care	18	276
Total Long-term Debtors	433,916	445,134

26 Debtors

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

	31/03/21 £'000	31/03/22 £'000
Short-term Debtors		
Central Government Bodies	15,739	31,643
Other Local Authorities	4,676	4,500
NHS Bodies	12,475	4,059
Public Corporations and Trading Fund:	(2)	(2)
Other Entities and Individuals	90,522	88,441
Total Short-term Debtors	123,410	128,641

The amounts above are shown net of impairment for doubtful debts. For 2021/22 the impairment for doubtful debts totalled £18.487m of which £10.894m relates to Council Tax and Business Rates (2020/21: £15.507m with £9.621m relating to Council Tax and Business Rates).

27 Cash and Cash Equivalents

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

	31/03/21 £'000	31/03/22 £'000
Cash on hand and balances with banks	(186)	(9,171)
Short-term Deposits	46,911	66,714
Total Cash and Cash Equivalents	46,725	57,543

Note

28 Creditors

The Council's creditors are as follows:

	31/03/21 £'000	31/03/22 £'000
Short-term Creditors		
Central Government Bodies	45,800	58,235
Other Local Authorities	5,782	7,305
NHS Bodies	5,291	7,304
Public Corporations and Trading Fund:	-	-
Other Entities and Individuals	47,366	54,574
Total Short-term Creditors	104,239	127,418
Long-term Creditors		
Other Entities and Individuals	3,627	3,454
Total Creditors	107,866	130,872

29 Provisions

	Injury and Damage Compensation Claims £'000	Other Provisions £'000	Total £'000
Balance at 31 March 2020	2,551	8,406	10,957
Additional provisions made in year	-	7,551	7,551
Amounts used in year	-	(7,160)	(7,160)
Unused amounts reversed in year	-	-	-
Provisions unwound in year	-	-	-
Balance at 31 March 2021	2,551	8,797	11,348
Additional provisions made in year	-	10,007	10,007
Amounts used in year	-	(8,501)	(8,501)
Unused amounts reversed in year	-	-	-
Provisions unwound in year	-	-	-
Balance at 31 March 2022	2,551	10,303	12,854
Analysis			
		31/03/21	31/03/22
		£'000	£'000
Short-term Provisions		8,758	10,264
Long-term Provisions		2,590	2,590
Total Provisions		11,348	12,854

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

Other provisions relate to:

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

30 Private Finance Initiatives

The Council has two PFI Schemes, both of which were in the 15th year of a 30 year contract in 2021/22. The Anson Close and Blenheim Close scheme is for the construction, maintenance and tenancy management of 105 social houses and the John

Morris House scheme is for the construction, maintenance and tenancy management of 38 self-contained flats for social housing. This scheme focused on providing supported housing for 16 - 25 year olds with short to medium term housing needs.

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

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

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

Property, Plant and Equipment

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

Payments

Payments remaining to be made under the PFI contract at 31 March 2022 (excluding any estimation of inflation and availability/performance deductions) are as follows:

Anson & Blenheim Close

Total 31/03/2021 £000		Payment for Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total at 31/03/2021 £'000
305	Payable in 2022/23	41	79	184	304
1,218	Payable within 2 to 5 years	167	392	659	1,218
1,523	Payable within 6 to 10 years	216	716	590	1,522
1,521	Payable within 11 to 15 years	172	916	206	1,294
76	Payable within 16 to 20 years	-	-	-	-
4,643		596	2,103	1,639	4,338

John Morris House

Total 31/03/2021 £000		Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total at 31/03/2021 £'000
187	Payable in 2022/23	36	62	89	187
749	Payable within 2 to 5 years	146	300	303	749
937	Payable within 6 to 10 years	188	477	272	937
937	Payable within 11 to 15 years	195	622	121	938
321	Payable within 16 to 20 years	60	75	2	137
3,131		625	1,536	787	2,948

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

Anson & Blenheim Close

	2020/21 £'000	2021/22 £'000
Balance outstanding at start of year	(2,242)	(2,176)
Payments during the year	66	73
Balance outstanding at end of year	(2,176)	(2,103)

John Morris House

	2020/21 £'000	2021/22 £'000
Balance outstanding at start of year	(1,657)	(1,598)
Payments during the year	59	62
Balance outstanding at end of year	(1,598)	(1,536)

31 Leases

Council as Lessee

Finance Leases

The Council has acquired various land and buildings under finance leases. The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and the finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2021 £'000	31 March 2022 £'000
Finance lease liabilities (net present value of minimum lease payments):		
Current	-	-
Non-current	690	690
Finance costs payable in future years	7,162	7,066
Minimum lease payments	7,852	7,756

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

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000
Not later than one year	96	96	-	-
Later than one year and not later than five years	386	386	-	-
Later than five years	7,370	7,274	690	690
	7,852	7,756	690	690

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2021/22 £102,550 contingent rents were payable by the Council (2020/21 £102,975).

The Council has sub-let some of the retail accommodation held under these finance leases. The above disclosure shows the net result of the lessee and lessor finance leases in relation to this accommodation. The Council currently incurs a rental charge of £199k and receives rental income of £57k in relation to these properties.

The Council also sub-let other property resulting in total sub-lease rental income of £357k (2020/21 £530k).

Operating Leases

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

	2020/21 £'000	2021/22 £'000
Leases rolling over regularly	314	314
Not later than one year	365	414
Later than one year and not later than five years	1,104	1,075
Later than five years	17,269	17,059
	19,052	18,861

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

	Resources and Strategic Commissioning £'000	Families and Wellbeing: Children £'000	Environment & Transport £'000	Families and Wellbeing: Adults £'000	Total £'000
2021/22					
Minimum lease payments	3	278	412	17	710
Sublease payments receivable	-	-	(81)	-	(81)
	3	278	331	17	629

	Resources and Strategic Commissioning £'000	Families and Wellbeing: Children £'000	Environment & Transport £'000	Families and Wellbeing: Adults £'000	Total £'000
2020/21					
Minimum lease payments	3	278	363	17	661
Sublease payments receivable	-	-	(81)	-	(81)
	3	278	282	17	580

Council as Lessor

Finance Leases

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

Included within these leases is a material lease relating to Golden Square Shopping Centre Development. As at 31 March 2021, the total outstanding receivable amount remaining on this lease was £30.614m repayable over a 185 year period. The Council has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term, and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	31 March 2021 £'000	31 March 2022 £'000
Finance lease debtors (net present value of minimum lease payments):		
Current	-	0
Non-current	31,887	31,886
Unearned finance income	286,283	284,485
Gross investment in the lease	318,170	316,372

The unearned finance income relates to future income due from tenants over the term of the leases. The longest of these leases will be running for the next 184 years.

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

	Gross investment in the lease		Minimum Lease Payments	
	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000
Not later than one year	1,798	1,798	1,798	1,798
Later than one year and not later than five years	7,192	7,192	7,192	7,192
Later than five years	309,180	307,382	309,180	307,382
	318,170	316,372	318,170	316,372

As there is a possibility that worsening financial circumstances might result in lease payments not being made, the Council has set aside an allowance for uncollectable amounts as part of its sundry debtor impairment which includes rental income debtors raised by the Estates Department. The level of debtor impairment required is reviewed on an annual basis and is based on average actual collection rates.

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2021/22 £115,375 contingent rents were receivable by the Council (2020/21 £40,375).

Operating Leases

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

	2020/21	2021/22
	£'000	£'000
Leases rolling over regularly	905	908
Not later than one year	13,027	16,665
Later than one year and not later than five years	44,034	58,399
Later than five years	399,405	435,835
	457,371	511,808

The minimum lease payments receivable include rents that were contingent on events taking place after the lease was entered into up until 31 March 2022, such as adjustments following rent reviews. The minimum lease payments do not include future contingent rents such as adjustments following rent reviews from 1 April 2021 onwards.

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

	31/03/21	31/03/22
	NBV	NBV
	£'000	£'000
Land & Buildings	114,161	101,221
Investment Property	15,181	68,803
	129,342	170,024

32 Pension Schemes

Defined Contribution Pension Schemes

Teachers Pensions Schemes Accounted for as Defined Contribution Schemes

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

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

In 2021/22, the Council paid £8,023,363.08 to Teachers' Pensions in respect of teachers' retirement benefits, representing an average of 23.20% of pensionable pay. The figures for 2020/21 were £8,251,505.69 and 23.34%. Since September 2019, the national employer pension contribution rate has remained at 23.68%. The decrease in total contributions from Warrington Borough Council is because four primary schools converted to Academy status on 1st May 2021 and therefore generated a much smaller pay-over (roughly 8.6% of last year's figure). There were no contributions remaining payable at the year end.

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

NHS Pensions Schemes Accounted for as Defined Contribution Schemes

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

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

In 2021/22, the Council paid £59,343 to NHS Pensions in respect of Public Health professionals' retirement benefits, representing 17.2% of pensionable pay (£69.843 and 16.7% in 2020/21). There were no contributions remaining payable at the year end.

Defined Benefit Pension Schemes

Participation in Pension Schemes

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

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Cheshire Pension Fund by Cheshire West and Chester Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Transactions Relating to Post-employment Benefits

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

DRAFT

	2020/21 £'000	2021/22 £'000
Comprehensive Income and Expenditure Statement		
<u>Cost of Services:</u>		
<i>Service cost comprising</i>		
Current service cost	26,238	41,172
Past service costs (including curtailments)	412	355
(Gains) and losses on settlements	-	(1,382)
 <i>Financing and Investment Income and Expenditure</i>		
Net interest expense	3,102	5,958
Total post-employment benefit charged to the Surplus or Deficit on the Provision of Services	29,752	46,103
 <u>Other Post-employment Benefit Charged to the Comprehensive Income and Expenditure Statement</u>		
<i>Remeasurement of the net defined benefit liability comprising:</i>		
Return on plan assets (excluding the amount included in the net interest expense)	101,417	44,134
Actuarial gains and losses arising on the changes in demographic assumptions	-	6,719
Actuarial gains and losses arising on the changes in other experience	-	(2,056)
Actuarial gains and losses arising on changes in financial assumptions	(248,148)	81,215
Remeasurement of the net defined benefit liability	(146,731)	130,012
Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement	(116,979)	176,115
 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	(7,595)	(29,302)
 Actual amount charged against the General Fund balance for pensions in the year		
Employers' contribution payable to the scheme	(22,157)	(16,801)

Pension Assets and Liabilities Recognised in the Balance Sheet

	2020/21 £'000	2021/22 £'000
Present value of the defined benefit obligation	(1,135,275)	(1,088,883)
Fair value of plan assets	848,207	902,525
Sub-total	(287,068)	(186,358)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £186.358m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy:

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

The total contributions expected to be made to the Local Government Pension Scheme in the year to 31 March 2023 is £15.998m.

Assets and Liabilities in Relation to Post-Employment Benefits

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

	2020/21 £'000	2021/22 £'000
Opening balance as at 1 April	860,164	1,135,275
Current service cost	26,238	41,172
Interest cost	19,851	22,815
Contributions by scheme participants	5,050	5,206
Remeasurement gains and (losses):		
Actuarial gains and losses arising on the changes in demographic assumptions	241,279	(6,719)
Actuarial gains and losses arising on changes in financial assumptions	16,173	(81,215)
Other	(9,304)	2,056
Past service costs (including curtailments)	412	355
Benefits paid	(24,588)	(25,242)
Liabilities extinguished on settlements	-	(4,820)
Closing balance as at 31 March	1,135,275	1,088,883

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

	2020/21 £'000	2021/22 £'000
Opening fair value of scheme assets	727,422	848,207
Interest income	16,749	16,857
Remeasurement gain/(loss):		
The return on plan assets, excluding the amount included in the net interest expense	101,417	44,134
Contributions from employers	21,988	16,638
Contributions from employees into the scheme	5,050	5,206
Benefits paid	(24,419)	(25,079)
Other	-	(3,438)
Closing fair value of scheme assets	848,207	902,525

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Council Fund being based on the latest full valuation of the scheme as a 31 March 2020.

The principal assumptions used by the actuary have been:

	2020/21	2021/22
Long-term expected rate of return on assets in the scheme:		
Equity investments	2.0%	2.0%
Bonds	2.0%	2.0%
Property	2.0%	2.0%
Cash	2.0%	2.0%
Mortality assumptions		
<i>Longevity at 65 for current pensioners:</i>		
Men	21.4 years	21.2 years
Women	24.0 years	23.8 years
<i>Longevity at 65 for future pensioners:</i>		
Men	22.4 years	22.1 years
Women	25.7 years	25.5 years
Inflation/pension increase rate	2.9%	3.2%
Salary increase rate	3.6%	3.9%
Rate of increase in pensions	2.0%	2.7%
Rate for discounting scheme liabilities	2.0%	2.7%
Take-up option to convert annual pension into retirement lump sum:		
Service to April 2008	50.0%	50.0%
Service post April 2008	75.0%	75.0%

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

Asset Category	Period Ended 31 March 2022			
	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	Percentage of Total Assets
Equity Securities:				
Consumer	13,500	-	13,500	1%
Manufacturing	11,277	-	11,277	1%
Energy and Utilities	652	-	652	0%
Financial Institutions	6,026	-	6,026	1%
Health and Care	5,336	-	5,336	1%
Information Technology	48,678	-	48,678	5%
Other	7,172	-	7,172	1%
Debt Securities:				
Other	-	-	-	0%
Private Equity:				
All	-	44,842	44,842	5%
Real Estate:				
Uk Property	-	62,742	62,742	7%
Overseas Property	-	1,043	1,043	0%
Investment Funds and Unit Trusts:				
Equities	186,069	-	186,069	21%
Bonds	277,813	96,798	374,610	42%
Hedge Funds	-	52,802	52,802	6%
Infrastructure	-	109	109	0%
Other	-	34,127	34,127	4%
Cash and Cash Equivalents:				
All	-	53,540	53,540	6%
Totals	556,522	346,003	902,525	100%

Asset Category	Period Ended 31 March 2021			Percentage of Total Assets
	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	
Equity Securities:				
Consumer	13,804	-	13,804	2%
Manufacturing	16,538	-	16,538	2%
Energy and Utilities	707	-	707	0%
Financial Institutions	8,636	-	8,636	1%
Health and Care	6,140	-	6,140	1%
Information Technology	62,369	-	62,369	7%
Other	5,699	-	5,699	1%
Debt Securities:				
Other	-	-	-	0%
Private Equity:				
All	-	28,833	28,833	3%
Real Estate:				
Uk Property	-	60,406	60,406	7%
Overseas Property	-	1,077	1,077	0%
Investment Funds and Unit Trusts:				
Equities	161,725	-	161,725	18%
Bonds	298,988	59,096	358,083	40%
Hedge Funds	-	52,284	52,284	6%
Other	-	34,007	34,007	4%
Cash and Cash Equivalents:				
All	-	37,899	37,899	4%
Totals	574,605	273,602	848,207	94%

Unfunded Pensions

	Number at 31 March 2022	Annual Unfunded Pension £'000
Male	20	77
Female	49	91
Dependants	-	-
TOTAL	69	168

33 Unusable Reserves

	Restated	
	31/03/2021	31/03/2022
	£000	£000
Restated Capital Adjustment Account	113,044	125,423
Revaluation Reserve	148,176	170,214
Financial Instruments Adjustment Account	(1,269)	(1,273)
Available-for-Sale Reserve	-	-
Pooled Investment Mitigation Reserve	2,590	21,869
Financial Instruments Revaluation Reserve	3,506	3,506
Pensions Reserve	(290,074)	(189,364)
Deferred Capital Receipts Reserve (England and Wales)	31,888	31,887
Collection Fund Adjustment Account	(27,328)	(20,832)
Accumulating Compensated Absences Adjustment Account	(5,563)	(5,308)
Restated Total Unusable Reserves	(25,030)	136,122

The Unusable Reserves note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

Capital Adjustment Account

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

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

	Note(s)	Restated 31/03/21 £'000	31/03/22 £'000
Restated Balance as at 1 April		166,513	113,044
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
Depreciation and impairment of non-current assets	21	(19,766)	(60,951)
Revaluation loss on PPE	21	(47,444)	-
Amortisation of intangible assets		(158)	(254)
Revenue expenditure funded from capital under statute	24	(7,826)	(6,594)
Carrying amount of non-current assets sold		(4,055)	(6,185)
		(79,249)	(73,984)
Adjusting amounts written out of the Revaluation Reserve		3,083	3,046
Net written out of the cost of non-current assets consumed in year		(76,166)	(70,938)
Capital financing applied in year:			
Restated Use of the Capital Receipts Reserve	9	2,954	2,218
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing		23,634	12,050
Application of grants from the Capital Grants Unapplied Account	7	7,051	9,199
Statutory provision for the financing of capital investment		887	7,955
		34,526	31,422
Restated Movements in the market value of Investment Properties	23	(11,829)	51,895
Restated Balance as at 31 March		113,044	125,423

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

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

Revaluation Reserve

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

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

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

	31/03/21 £'000	31/03/22 £'000
Balance as at 1 April	150,089	148,176
Upward revaluation of assets	3,155	34,730
Surplus or deficit on revaluation of non-current assets not posted to the Surplus on the Provision of Services	3,155	34,730
Disposal of non-current assets	(1,985)	(9,646)
Difference between fair value depreciation and historical cost depreciation	(3,083)	(3,046)
Balance as at 31 March	148,176	170,214

Available-for-Sale Financial Instrument Reserve

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

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

	31/03/21 £'000	31/03/22 £'000
Balance at 1 April	1	-
Disolution of Reserve	(1)	-
Revised Balance at 1 April	-	-
Surplus or deficit on revaluation of financial assets not posted to the Surplus on the Provision of Services	-	-
Balance as at 31 March	-	-

Deferred Capital Receipts Reserve

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

	31/03/21 £'000	31/03/22 £'000
Balance as at 1 April	31,888	31,888
Restated Tfr to Capital Receipts Reserve	-	(1)
Balance as at 31 March	31,888	31,887

Accumulated Absences Account

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

	31/03/21 £'000	31/03/22 £'000
Balance as at 1 April	(4,447)	(5,563)
Settlement or cancellation of accrual made at the end of the preceding year	4,447	5,563
Amounts accrued at the end of the current year	(5,563)	(5,308)
Balance as at 31 March	(5,563)	(5,308)

Pensions Reserve

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

	31/03/21 £'000	31/03/22 £'000
Balance as at 1 April	(132,742)	(290,074)
Actuarial gains or losses on pensions assets and liabilities	(146,731)	130,012
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	(10,601)	(29,302)
Balance as at 31 March	(290,074)	(189,364)

Pooled Investments Mitigation Reserve

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

	31/03/21 £'000	31/03/22 £'000
Balance at 1 April	1,833	2,590
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	757	19,279
Balance at 31 March	2,590	21,869

Financial Investments Revaluation Reserve

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

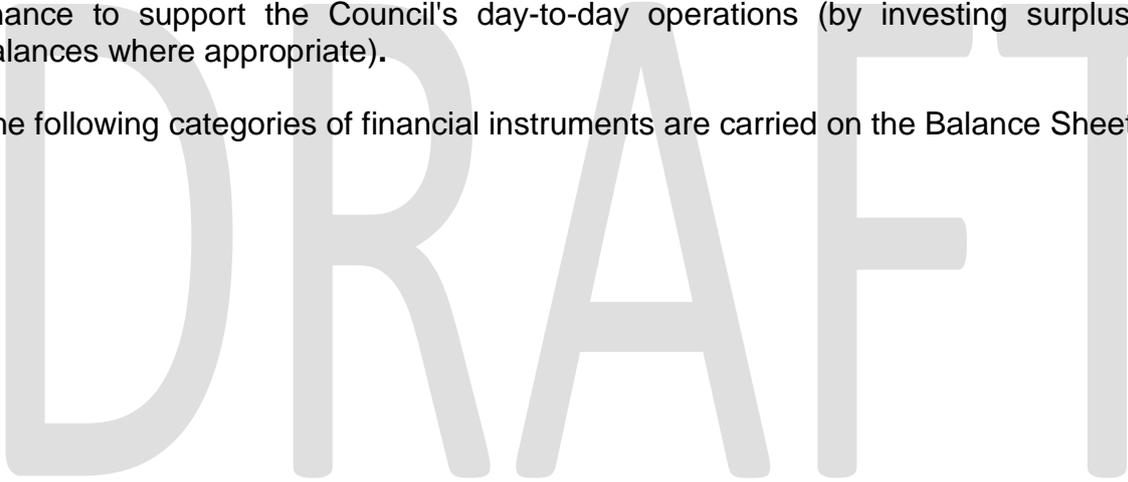
	31/03/21	31/03/22
	£'000	£'000
Balance at 1 April	3,506	3,506
Surplus or deficit on revaluation of financial assets not posted to the Surplus on the Provision of Services	-	-
Balance at 31 March	3,506	3,506

34 Financial Instruments, Risk and Collateral

Categories of Financial Instruments

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

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



Financial Assets	Long Term				Short Term				Total	Total
	Investments		Debtors		Investments		Debtors			
	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	Restated			
							31 March 2021	31 March 2022		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Restated 31 March 2021	31 March 2022	
Restated Amortised Cost	301	301	33,106	33,351	10,248	248	108,115	106,702	151,770	140,602
Fair Value through Profit or Loss	82,028	97,848	-	-	25,873	44,099	-	-	107,901	141,947
Fair Value through Other Comprehensive Income - Designated Equity Instruments	1,331	1,331	-	-	-	-	-	-	1,331	1,331
Restated Total Financial Assets	83,660	99,481	33,106	33,351	36,121	44,347	108,115	106,702	261,002	283,880
Equity in Group Entities	315,832	62,542	-	-	-	-	-	-	315,832	62,542
Commercial Properties	322,238	-	-	-	-	-	-	-	322,238	-
Restated Loans to Registered Providers	-	-	185,972	192,169	-	-	3,419	3,536	189,391	195,705
Restated Commercial Loans	-	-	214,838	219,614	-	-	11,875	21,133	226,713	240,747
Restated Total	721,730	162,023	433,916	445,134	36,121	44,347	123,410	131,371	1,315,177	782,874

Financial Liabilities	Long Term				Short Term				Total	Total
	Borrowings		Creditors		Borrowings		Creditors			
	31 March 2021	31 March 2022	31 March 2020	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Amortised Cost	1,363,980	1,419,944	208	208	243,533	228,985	104,239	108,420	1,711,960	1,757,557
Fair Value through Profit or Loss	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	1,363,980	1,419,944	208	208	243,533	228,985	104,239	108,420	1,711,960	1,757,557
PFI	3,638	3,493	2,729	2,556	135	145	-	-	6,502	6,194
Leases	-	-	691	691	-	-	-	-	691	691
Total	1,367,618	1,423,437	3,628	3,454	243,668	229,130	104,239	108,420	1,719,153	1,764,442

The Financial Instruments note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

Income, Expense, Gains and Losses

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

	2020/21		2021/22	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensiv e Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehens ive Income and Expenditure £'000
Net gains/losses on:				
• financial assets measured at amortised cost	(5,885)	-	(7,594)	-
• financial assets measured at fair value through profit or loss	756	-	22,279	-
• financial assets measured at fair value through other comprehensive income	-	-	-	-
• investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-
• financial liabilities measured at amortised cost	-	-	-	-
• financial liabilities measured at fair value through profit or loss	-	-	-	-
Total net gains/losses	(5,129)	-	14,686	-
Interest revenue:				
• financial assets measured at amortised cost	18,484	-	50,600	-
Total interest revenue	18,484	-	50,600	-
Interest expense				
Fee income:				
• financial assets or financial liabilities that are not at fair value through profit or loss	-	-	-	-
Total fee income	-	-	-	-
Interest Fee expense:				
• financial assets or financial liabilities that are not at fair value through profit or loss	(27,594)	-	(31,759)	-
Total fee expense	(27,594)	-	(31,759)	-

Equity Held in Group Entities

The Council has purchased either wholly or in part equity in Group Entities as listed below. Group Entities are outside the scope of the Financial Instruments standard (IFRS 9) and are held at cost.

	Restated As at 31/03/21 £'000	As at 31/03/22 £'000
Warrington Borough Transport (100% Holding)	888	888
Redwood Financial Partners Ltd (33% Holding)	33,507	14,860
Wire Regeneration (50% Holding)	3,790	3,790
Together Energy (50% Holding)	18,207	8,899
York Solar Farm (100% Holding)	14,265	14,718
Hull Solar Farm (100% Holding)	8,052	7,622
Incrementum Housing (100% Holding)	11,000	11,000
Cirencester Solar Farm (100% Holding)	217	764
Restated Total	89,926	62,542

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

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

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

	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2021 £'000	31 March 2022 £'000
Long Term Assets - Non-Listed Securities				
Warrington Sports Holdings Ltd	Level 2	% Equity held of net worth	1,331	1,331
Total			1,331	1,331

Fair Values of Financial Assets and Financial Liabilities

Fair Values of Financial Assets

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

Financial assets measured at fair value				
	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/03/21 £'000	As at 31/03/22 £'000
Recurring fair value measurements				
<i>Fair Value through Profit or Loss</i>				
Investment in CCLA Property Fund*	Level 1	Unadjusted quoted prices in active markets for identical shares	10,126	11,903
Altana Wealth Corporate Bond	Level 2	Observable inputs for the asset or liability	10,582	10,738
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	10,194	10,412
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	5,097	5,206
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	-	511
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	-	2,044
Abundance Investment LCH	Level 2	Observable inputs for the asset or liability	-	2,475
M7 Box+ ILP	Level 2	Observable inputs for the asset or liability	-	2,500
M7 Box+ ILP	Level 2	Observable inputs for the asset or liability	-	3,914
M7 Investment	Level 2	Observable inputs for the asset or liability	2,491	2,624
M7 Investment	Level 2	Observable inputs for the asset or liability	2,831	3,389
Abundance Investment for Liverpool Community Homes	Level 2	Observable inputs for the asset or liability	2,475	-
M7 Box+ I LP Coupon	Level 2	Observable inputs for the asset or liability	3,045	-
M7 Box+ I LP	Level 2	Observable inputs for the asset or liability	1,825	-
M7 Box+ II LP	Level 2	Observable inputs for the asset or liability	23,234	31,379
M7 Box+ Mailbox	Level 2	Observable inputs for the asset or liability	-	14,491
Valley Ridge Holding Ltd (MQI)	Level 3	Unobservable inputs for the asset or liability	6,300	-
Technology Enhanced Oil	Level 3	Unobservable inputs for the asset or liability	9,379	9,379
Redwood Bank	Level 3	Unobservable inputs for the asset or liability	-	4,200
Valley Ridge Holding Ltd	Level 3	Unobservable inputs for the asset or liability	-	6,300
Investment in Municipal Bond Agency	Level 3	% Equity held of net worth	200	200
Investment in Public Sector Social Impact Fund	Level 3	Unobservable inputs for the asset or liability	20,122	20,284
Total			107,901	141,947

Transfers between Levels of Fair Value Hierarchy

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

Changes in the Valuation Technique

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

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

	Restated	
	2020/21	2021/22
	£'000	£'000
Opening balance	200	36,001
Transfers into Level 3	20,000	-
Transfers out of Level 3	-	-
Restated Total gains or losses for the period:	122	162
• Included in the Surplus or Deficit on the Provision of Services	-	-
• Included in Other Comprehensive Income and Expenditure	-	-
Additions	15,679	4,200
Disposals	-	-
Restated Closing Balance	36,001	40,363

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

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

	31 March 2021		31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Liabilities				
<i>Financial liabilities held at amortised cost:</i>				
Borrowings	1,611,286	1,770,833	1,652,567	1,706,310
Creditors	107,867	107,867	111,875	111,875
Total	1,719,153	1,878,700	1,764,442	1,818,185

	31 March 2021		31 March 2022	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Assets				
<i>Financial assets held at amortised cost:</i>				
Investments	10,549	10,549	549	549
Debtor General	156,516	156,516	164,722	164,722
Long-term Debtor Housing Associations	185,972	168,914	192,169	210,304
Long-term Debtor Commercial Loans	214,838	6,980	219,614	228,513
Total	567,875	342,959	577,054	604,087

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

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

	31 March 2022			Total £'000
	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	
Financial liabilities held at amortised cost:				
Borrowings	-	1,704,894	1,416	1,706,310
Creditors	-	-	111,875	111,875
Total	-	1,704,894	113,291	1,818,185
Financial assets held at amortised cost:				
Investments	-	-	549	549
Debtors	-	-	603,538	603,538
Total	-	-	604,087	604,087

	31 March 2021			Total £'000
	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	
Financial liabilities held at amortised cost:				
Borrowings	-	1,765,713	5,120	1,770,833
Creditors	-	-	107,867	107,867
Total	-	1,765,713	112,987	1,878,700
Financial assets held at amortised cost:				
Investments	-	-	10,549	10,549
Debtors	-	-	332,410	332,410
Total	-	-	342,959	342,959

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

Nature and Extent of Risks Arising from Financial Instruments

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

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

Overall procedures for managing risk

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

Annually the Council approves a Treasury Management Strategy for the forthcoming year. A yearly outturn report is also reported to Full Council. The Council's Audit and Corporate Governance Committee is also charged with the Governance of treasury management and receive quarterly update reports on its activities. The Council also have a Treasury Management Board consisting of several members of the Audit and Corporate Governance Committee who meet on a regular basis to discuss key elements of the Council's Treasury Management Strategy.

The Council operated within its 2021/22 Treasury Management Strategy during 2021/22 and a full 2021/22 Treasury Management Outturn Report will be reported to full Council in July 2022.

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

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

Credit Risk

The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch, Moody's and Standard and Poor's Rating Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a

financial institution located within each category. The Annual Investment Strategy is contained within the Council's approved Treasury Management Strategy.

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

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

The full Investment Strategy for 2021/22 was approved by Full Council March 2021. The Audit and Corporate Governance Committee receives quarterly reports to monitor borrowing and investments.

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

The Council has £283.732m deposited with a number of banks and financial institutions as at 31 March 2022, the full amount is potentially exposed to credit risk, there is a specific risk attached to amounts deposited with the individual institutions based on their ability to make interest payments and repay the principal outstanding. It is however, more difficult to assess the risk in general terms. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all of the Council's deposits there was no evidence at the 31 March 2022 that this was likely to crystallise. With regard to Together Energy Limited there is some uncertainty regarding the finalisation of the accounts as detailed in the Assumption Note 4.

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

Counterparties	Link Asset Services Credit Rating	Counterparty Type Rating	Category of Instrument	Amount at 31 March 2021 £'000	Amount at 31 March 2022 £'000
Deposits with Banks and Financial Institutions					
Cash and Cash Equivalent					
Santander (Alliance & Leicester)	up to 6 months	A+	Amortised	15,565	-
Bank of Scotland	up to 12 months	A+	Amortised	-	-
Natwest Select Liquidity	100 days	A	Amortised	18,127	8,395
Handelsbanken	up to 12 months	AA	Amortised	-	-
Federated Prime Rate MMF	up to 5 years	AAA	Amortised	-	3,350
Legal and General MMF	up to 5 years	AAA	Amortised	-	15,600
Standard Life (Ignis) MMF	up to 5 years	AAA	Amortised	-	-
Deutsche MMF	up to 5 years	AAA	Amortised	-	-
CCLA MMF	up to 5 years	AAA	Amortised	13,200	39,350
Goldman Sachs	up to 5 years	AAA	Amortised	-	-
Amundi MMF	up to 5 years	AAA	Amortised	-	-
Invested Bank Account (Escrow Account)	no credit rating	-	Amortised	19	19
Investments					
Rockfire Capital Solar Bond	no credit rating	-	Amortised	-	-
LiveWire	no credit rating	-	Amortised	549	549
Just for Cash Bond	no credit rating	-	Amortised	-	-
CCLA Property Fund	no credit rating	-	FV P&L	10,126	11,903
Municipal Bond Agency	no credit rating	-	FV P&L	200	200
Public Sector Social Impact Fund	Due Diligence	-	FV P&L	20,122	20,284
Altana Wealth	no credit rating	-	FV P&L	25,873	28,911
Various Local Authorities	no credit rating	-	Amortised	10,000	-
M7 Real Investment Properties	Due Diligence	-	FV P&L	33,426	58,296
Abundance Investment for Liverpool	Comm Ho Due Diligence	-	FV P&L	2,475	2,475
Valley Ridge Holding Ltd (MQI)	Due Diligence	-	FV P&L	6,300	6,300
Technology Enhanced Oil	Due Diligence	-	FV P&L	9,379	9,379
Redwood Bank	no credit rating	-	FV P&L	-	4,200
Warr Sports Holding Ltd	no credit rating	-	FV OCI	1,331	1,331
Non-Treasury Investments					
Warrington Borough Transport	no credit rating	-	Group	888	888
Redwood Bank	no credit rating	-	Group	33,507	33,507
Joint Venture with Wire Regeneration	no credit rating	-	Group	3,790	3,790
Together Energy	Due Diligence	-	Group	18,207	18,207
York Solar Farm	Due Diligence	-	Group	14,265	14,718
Hull Solar Farm	Due Diligence	-	Group	8,052	7,622
Housing Co Mgt	Due Diligence	-	Group	11,000	11,000
Cirencester Solar Farm	Due Diligence	-	Group	217	764
Restated Total Deposits with Banks and Financial Institutions				256,618	301,040
Financial Instrument Long Term Debtors					
Adult Social Care	no credit rating	-	Amortised	1,219	1,464
PFI Finance Lease	no credit rating	-	Amortised	31,887	31,886
Registered Providers/Housing Associations		-	Amortised	185,972	192,169
Commercial Loans		-	Amortised	214,838	219,614
Total				690,534	746,173

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

Expected Credit Losses

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

Financial Assets Held at Amortised Cost

Investments

The Council has two investments classified at amortised cost and the total of those investments are £0.549m. The risk of impairment has been deemed to be low and the calculated loss allowance negligible.

Debtor General

The Council has a total of £131.371m of general debtors held at amortised cost, but of that amount £31.643m is with Central and Local Government, and excluded the impairment loss provision. For the remaining £112.449m of general debtors the Council has calculated the impairment loss to £7.594m.

Included within the general debtors are deferred care plans of £1.188m against which the Council has collateral of £0.659m.

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

Loans to Housing Associations

The Council has given loan facilities of £559.319m to Housing Associations to generate new housing, the total of the drawdowns is £211.819m. For the draw down loan debtors the Council has calculated an impairment loss between £2.613m and £3.121m. This is backed by collateral of £900.833m.

Commercial Loans

The Council has given loan facilities of £427.548m to seven commercial entities, Together Energy, Incrementum Housing Limited, The HUT Group, Warrington (Hull, York and Cirencester Solar Farms) and Salbo Central Ltd the balance of the drawdowns is £323.696m.

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

If the full facilities were drawn down the calculated potential impairment loss would be between £12.157m and £17.435m.

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

Financial Assets Designated as Fair Value through Other Comprehensive Income

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

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

Short Term Debtor Age Analysis	Amount at 31 March 2021 £'000	Amount at 31 March 2022 £'000
Less than three months	10,159	20,501
Three to six months	724	2,819
Six months to one year	720	1,160
More than one year	4,248	8,732
Total	15,851	33,212

During 2015/16 Warrington obtained a credit rating from Moody's, one of the worlds leading credit rating agencies. This credit rating is review by Moody's annually. For 2021/22 Warrington was awarded the A3 Stable, reflects the strong institutional framework for UK local authorities, its track record of budget delivery and stable reserves balance.

The A3 issuer and debt ratings assigned to Warrington Borough Council reflects:

- a) a track record of increasing own source revenues and reducing dependence on declining central government grants;
- b) a strong regulatory framework, which allows the central government to effectively monitor financial performance;
- c) expected increase in debt levels resulting from WBC's movement into two areas outside of the traditional local government service - economic development program and a programme of lending money to housing associations;
- d) a high exposure to changes in interest rates in the debt portfolio; and
- e) a diversified local economy.

The A3 rating also reflects Moody's assessment of support from the UK government and the high likelihood it would intervene in the event that WBC were to face acute liquidity stress.

Liquidity Risk

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

The Council has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual revenue expenditure, together with any commitments arising in respect of financial instruments.

31 March 2022

Financial Assets Age Analysis	Cash & Equivalent £'000	Investments £'000	Non-Treasury Investments £'000	Adult Social Care** £'000	PFI Finance Lease £'000	Housing	Total £'000	Total %
						Associations/ Commercial Loans £'000		
Less than 1 year	66,715	53,726	12,304		0	24,669	157,414	21%
Between 1 and 2 years	-	49,294	20,733		0	5,881	75,909	10%
Between 3 and 4 years	-	36,607	23,355		1	122,838	182,801	24%
Between 5 and 9 years	-	-	-	1,464	3	151,034	152,502	20%
Between 10 and 19 years	-	-	-		9	73,935	73,944	10%
Between 20 and 29 years	-	-	34,105		19	58,370	92,494	12%
Between 30 and 39 years	-	-	-		41	-	41	0%
Between 40 and 49 years	-	-	-		94	-	94	0%
More than 50 years	-	-	-		31,719	-	31,719	4%
	66,715	139,628	90,497	1,464	31,886	436,727	766,918	100%

31 March 2021

Financial Assets Age Analysis	Cash & Equivalent £'000	Investments £'000	Non-Treasury Investments £'000	Adult Social Care** £'000	PFI Finance Lease £'000	Housing	Total £'000	Total %
						Associations/ Commercial Loans £'000		
Less than 1 year	46,911	36,120	-		0	15,295	98,326	11%
Between 1 and 2 years	-	23,024	13,242		0	14,406	50,673	5%
Between 3 and 4 years	-	60,636	43,146		1	18,716	122,499	13%
Between 5 and 9 years	-	-	4	1,219	3	241,214	242,439	26%
Between 10 and 19 years	-	-	225,906		9	75,304	301,219	32%
Between 20 and 29 years	-	-	33,534		19	49,455	83,008	9%
Between 30 and 39 years	-	-	-		41	-	41	0%
Between 40 and 49 years	-	-	-		94	-	94	0%
More than 50 years	-	-	-		31,719	-	31,719	3%
	46,911	119,781	315,832	1,219	31,887	414,390	930,019	100%

**Estimate of Long Term Debtor

Refinancing and Maturity Risk

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

Monitoring the maturity profile of investment to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

Financial Liabilities Age Analysis	PWLB £'000	LOBO* £'000	Other £'000	Total £'000	31 March 2022	
					Total %	Approved Maximum %
Less than 1 year	13,647	-	215,338	228,985	14%	30%
Between 1 and 2 years	113,417	-	200	113,617	7%	30%
Between 3 and 4 years	55,556	-	5,407	60,963	4%	35%
Between 5 and 9 years	288,709	-	-	288,709	18%	30%
Between 10 and 19 years	272,745	5,000	-	277,745	17%	100%
Between 20 and 29 years	36,355	36,272	4	72,631	4%	100%
Between 30 and 39 years	221,778	-	150,000	371,778	23%	100%
Between 40 and 49 years	166,000	15,000	15,000	196,000	12%	100%
More than 50 years	-	13,500	25,000	38,500	2%	100%
	1,168,208	69,772	410,948	1,648,929	100%	

Financial Liabilities Age Analysis	31 March 2021					
	PWLB £'000	LOBO* £'000	Other £'000	Total £'000	Total %	Approved Maximum %
Less than 1 year	13,323	-	230,210	243,533	15%	30%
Between 1 and 2 years	13,647	-	-	13,647	1%	30%
Between 3 and 4 years	140,403	-	6,000	146,403	9%	35%
Between 5 and 9 years	238,418	-	-	238,418	15%	30%
Between 10 and 19 years	278,680	-	-	278,680	17%	100%
Between 20 and 29 years	39,282	41,269	4	80,555	5%	100%
Between 30 and 39 years	198,778	-	150,000	348,778	22%	100%
Between 40 and 49 years	189,000	15,000	15,000	219,000	14%	100%
More than 50 years	-	13,500	25,000	38,500	2%	100%
	1,111,531	69,769	426,214	1,607,513	100%	

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

Lender Option Borrower Option Loans (LOBO's)

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

- The Council has spread the risk by having eight LOBO's with four different lenders over a number of years.
- The Council's portfolio of LOBO's is structured so that the call dates (the date a lender can exercise their option to review rates) are staggered with the next-call date on each LOBO falling at different times and at different frequencies. Therefore, the Council is not exposed to all Lenders wanting to exercise their option at a similar time or to short term fluctuations in the financial markets.
- The Council has investments of which a significant element is very short term and could be called upon to provide significant funding very quickly if it did need to repay a LOBO.
- The Council also has access to the PWLB to take out new borrowing to refinance the repayment of any LOBO's if unacceptable rate increases were being requested.
- The Council has worked hard to obtain its Aa2 credit rating that will also allow it to have access to the best rates available in the wider money market if it did need to refinance any LOBO.

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

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

* The LOBO maturity profile assumes that the lender will not exercise their option until maturity. The LOBOs are of fixed rates, ranging between 4.23% and 5.8%. Of the total amount £23.5m have a break clause of every 5 years, whilst £45m have a break clause at every interest payment date twice a year. However, in the current low interest rate environment, it is unlikely that the lender will exercise their option to request their option for an early repayment of these LOBOs.

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

Market Risk

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

Interest Rate Risk

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

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

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

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

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

If interest rates had been 1% higher throughout the year, based on the transactions undertaken in year and all other variables constant, the Surplus or Deficit on the Provision of Service in the Comprehensive Income and Expenditure Statement would have cost £0.214m, comprising of £0.971m additional interest income on investments and £1.185m extra interest payments on borrowing costs.

The decrease in fair value of fixed rate borrowing liabilities (no impact on Comprehensive Income and Expenditure Statement) would have been £37.992m. A 1% fall in interest rates would result in movements being reversed.

Price Risk

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

- The investments detailed in the table below, DLUHC issued legislation concerning mitigation for this type of investments. This means that all movements in price will impact on gains and losses recognised in the Pooled Investments Mitigation Reserve (up to April 2022). A general shift of 1% in the general price of shares (positive or negative) would thus have resulted in £1.417m gain or loss being recognised in the Pooled Investments Mitigation Reserve.
- The investment in the Municipal Bond Agency was purchased using the Council's Capital powers. This means that all movements in price will impact on gains and losses recognised in the Capital Adjustment Account. A general shift of 1% in the general price of shares (positive or negative) would thus have resulted in £2k gain or loss being recognised in the Capital Adjustments Account.
- Equity held in Warrington Sports Holdings are designated as Fair Value through Other Comprehensive Income and Expenditure, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 1% in the general price of shares (positive or negative) would thus have resulted in £13.3k gain or loss being recognised in the Financial Instruments Revaluation Reserve.

	As at 31/03/21 £'000	As at 31/03/22 £'000
CCLA Property Fund	10,126	11,903
Municipal Bond Agency	200	200
Public Sector Social Impact Fund	20,122	20,284
M7 Investment	2,491	2,624
M7 Investment	2,831	3,389
Abundance Investment for Liverpool Community Homes	2,475	-
M7 Box+ I LP Coupon	3,045	-
M7 Box+ I LP	1,825	-
M7 Box+ II LP	23,234	31,379
Valley Ridge Holding Ltd (MQI)	6,300	6,300
M7 Box+ Mailbox	-	14,491
Redwood Bank	-	4,200
Technology Enhanced Oil	9,379	9,379
Altana Wealth Corporate Bond	10,582	10,738
Altana Wealth Managed Account	10,194	10,412
Altana Wealth Managed Account	5,097	5,206
Altana Wealth Managed Account	-	511
Altana Wealth Managed Account	-	2,044
Abundance Investment LCH	-	2,475
M7 Box+ ILP	-	2,500
M7 Box+ ILP	-	3,914
Warrington Sports Holding Limited	1,331	1,331
TOTAL	109,232	143,279

The Council's investments in the Group Entities and Commercial Properties are held at cost are open to price risk at the point of sale. Any gain or loss would be directly taken to the General Fund. A 1% reduction in the sale price would result in a loss of £0.905m.

	Restated As at 31/03/21 £'000	As at 31/03/22 £'000
Warrington Borough Transport	888	888
Redwood Bank	33,507	14,860
Joint Venture with Wire Regeneration	3,790	3,790
Together Energy	18,207	8,899
York Solar Farm	14,265	14,718
Hull Solar Farm	8,052	7,622
Incrementum Hsg	11,000	11,000
Cirencester Solar Farm	217	764
Restated Total	89,926	62,542

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

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Collateral

The Council has not pledged any financial assets as collateral for liabilities or contingent liabilities in 2021/22 as this is not permitted under Section 13 of the Local Government Act 2003.

Collateral Held

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

	£000
Deferred Care Charges These are charges against peoples properties for receiving adult social care packages. The Council meets the cost of the care package and the costs are met by the eventual sale of clients property.	659
Loans to Registered Social Landlords The Council has given loans to Registered Social Landlords to promote housing development in the region. Collateral is held against the organisations properties to the value of the loan plus 10%.	900,833
Total	901,492

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

35 Contingent Assets and Liabilities

Contingent Liabilities

A Contingent Liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events. The Council has identified the following contingent liabilities as at 31 March 2022.

- The Council has made a provision for NNDR Appeals based upon its best estimates of the actual liability as at the year-end in respect of known appeals. It is not possible to quantify appeals that have not yet been lodged with the Valuation Office, so there is a risk to the Council that national and local appeals may have a future impact on the accounts.
- The Council has legal proceedings (in licensing, in childcare, in adult social care and in criminal prosecution) where costs could be awarded against the Council.
- There is the potential for the Council to be vicariously liable for the acts of foster carers, or to pay damages for inappropriate accommodation of children under Section 20 Children Act 1989.
- A number of agreements in accordance with Section 106 of the Town and Country Planning Act 1990 exist between the Council and developers, associated with the planning conditions attached to new developments. In respect of contributions received to date, should the conditions in the agreement not be met by the Council, then amounts would become repayable to developers.
- The Municipal Insurance Scheme of Arrangement was enacted in 2012/13. The liability upon the Council, as a scheme creditor, cannot be fully estimated at this stage in respect of unknown claims incurred, but not reported, between 1974 and 1992. Whilst the council has considered the financial impact in producing its Statement of Final Accounts, there is a risk that the Council's financial liability could increase from this level.
- The Council submits grant claims on an on-going basis. From time to time the interpretation of legislation may be a matter of professional and technical judgment. In this context it may lead to possible grant qualifications by the external auditors. It is not possible to produce a reliable forecast for the cost of any grant qualifications.
- On 19 March 2014, the Supreme Court handed down its judgment in the case of "P v Cheshire West and Chester Council and another" and "P and Q v Surrey County Council". This judgment held that a deprivation of liberty can occur in domestic settings where the State is responsible for imposing such arrangements. Anything that the courts regard as a deprivation of liberty that has occurred, without authorisation pursuant to legal process, will attract common law damages. At this stage it is unclear how many such cases may be brought within Warrington.

- The Council has invested £200k in the Local Government Municipal Bonds Agency. If in the future the Council takes out borrowing via a bond from the agency it will need to sign a Joint and Several Guarantee. This will make the Council liable if another bond holder defaults on their repayment. The agreement ensures that the call on a council is proportional to its share of local authorities' borrowing via the Agency.
- The Council has entered into a number of long-term contracts for services that have been outsourced to service providers. These often involve the transfer of Council employees to the new service provider. Employee's rights are protected under the provision in Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However, pension rights are not fully covered within TUPE regulations. The Council have thus given pension guarantees to the following organisations: Livewire, Culture Warrington, Catalyst, Lafarge and Your Housing Group. This guarantee means that if an admitted body fails to pay its pension obligations then the Council will be responsible for taking on those obligations.
- In January 2022 Together Energy went into the administration. The impact on any future loss to the Council particularly in relation to the Council's £8.899m equity investment will not be known until the administrator reports on the finalised position.
- In July 2017 the Government suspended the minimum wage enforcement for sleep-in shifts in the social care sector, until it had made a decision on how the back pay would be met and minimise the impact on the social care sector. At this stage it is unclear as to how this back pay will be funded.
- Covid-19 may result in the potential for challenge of adjustments made to services as a result of the Coronavirus pandemic (both in adults and children social care).

Contingent Assets

A contingent asset is an asset that may be received but only if a certain future event occurs. The Council has identified the following contingent assets as at 31 March 2022:

- Following the transfer of its Housing Stock to Golden Gates Housing Trust the Council entered into an agreement to reclaim the VAT on Improvement Works to dwellings. The estimated value of these works is £276m over the next 25 years and so it is expected that £55m of VAT would be recoverable. The agreement put in place, means that WBC would expect to receive up to £28m. £0k was received in 2021/22 (£292k in 2020/21).
- The Council has entered into an agreement with Golden Gates Housing Trust relating to the future sales under the Prescribed Right to Buy (PRTB) regulations. This relates to any future sales of the transferred stock to existing tenants until November 2040. The Council will receive capital receipts at the end of each financial year for any dwellings sold within the year. The only exclusion to this

agreement is former Commission for New Town dwellings where the sale proceeds must be passed onto the Homes and Community Agency. The Council will receive 100% of the receipt generated net of administrative costs and the net income foregone that is detailed in Schedule 13 of the Transfer Agreement. The Council received £1.149m of right to buy receipts in 2021/22. TC TO SUPPLY

- The Council has contingent assets in relation to Section 106 Agreements.
- Contingent Rents (contingent rent is such amount that is paid as part of lease payments but is not fixed or agreed in advance at the inception of the lease rather the amount to be paid is dependent on some future event) for 2021/22 amounted to £12k (£63k in 2020/21).

36 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

31/03/21 £'000		Note(s)	31/03/22 £'000
(21,900)	Interest received		(51,795)
27,275	Interest paid		31,932
5,375			(19,863)

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

Restated 31/03/21 £'000		Note(s)	31/03/22 £'000
19,766	Depreciation	21	20,600
59,641	Restated Revaluation (loss)/gain		23,044
158	Amortisation		254
(3,976)	Increase/decrease in impairment for bad debts		(2,980)
36,874	Increase/decrease in creditors		22,276
(300,422)	Increase/decrease in debtors		(9,129)
54	Increase/decrease in inventories		(97)
10,601	Movement in pension liability		29,302
703,794	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised		10,000
37,096	Other non-cash items charged to the net surplus or deficit on the provision of services		(31,889)
563,586			61,381

The Cash Flow Statement – Operating Activities note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties

and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42.

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

31/03/21		31/03/22
£'000	Note(s)	£'000
(4,977)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(1,519)
(703,794)	Proceeds from sale of property, plant and equipment, investment property and intangible assets	(10,000)
(31,351)	Any other items for which the cash effects are investing or financing cashflows	(19,333)
(740,122)		(30,852)

37 Cash Flow Statement – Investing Activities

31/03/21		31/03/22
£'000	Note(s)	£'000
(48,259)	Purchases of property, plant & equipment, investment property and intangible assets	(100,017)
(602,829)	Purchase of short-term and long-term investments	(41,827)
4,977	Proceeds from the sale of property, plant & equipment, investment property and intangible assets	1,519
703,794	Proceeds of short-term and long-term investments	10,000
34,991	Other receipts for investing activities	64,880
92,674		(65,445)

38 Cash Flow Statement – Financing Activities

31/03/21		31/03/22
£'000	Note(s)	£'000
339,560	Cash receipts of short-term and long-term borrowing	71,607
(126)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(135)
(273,550)	Repayments of short-term and long-term borrowing	(30,097)
65,884		41,375

Reconciliation of Liabilities Arising from Financing Activities

	31 March 2021 £'000	Financing Cash Flows £'000	Non-Cash Changes £'000	31 March 2022 £'000
Long Term Borrowing				
• Long Term Borrowing	(1,363,980)	(26,580)	(29,384)	(1,419,944)
• PFI Liabilities	(3,638)	135	10	(3,493)
<i>Long Term Borrowing</i>	<i>(1,367,618)</i>	<i>(26,445)</i>	<i>(29,374)</i>	<i>(1,423,437)</i>
Short Term Borrowing				
• Short Term Borrowing	(243,533)	(14,930)	29,478	(228,985)
• PFI Liabilities	(135)	-	(10)	(145)
<i>Short Term Borrowing</i>	<i>(243,668)</i>	<i>(14,930)</i>	<i>29,468</i>	<i>(229,130)</i>
Long Term Leases*	31,888	-	-	31,888
Total Liabilities from Financing Activities	(1,579,398)	(41,375)	94	(1,620,679)

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

39 Related Parties

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

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

Materiality

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

Central Government

Central Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, currently provides some of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from Government departments are set out in the subjective analysis in Note 18 Expenditure and Income Analysed by Nature. Grant

receipts outstanding at 31 March 2022 are shown in Note 20. Any debtors and creditors relating to Central Government are shown in Notes 26 and 28, respectively.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2021/22 is shown in Note 14.

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

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

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

Business Activities

In 2021/22 thirty-five Members held material interests in the following organisations with whom the Council carried out business – this also includes any grants made to local voluntary bodies. Asterisks* indicate that the organisation was not a related party in the relevant year.

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Payments/Grants to Organisations where Members or their spouse hold a personal interest	Expenditure 2020/21 £	Expenditure 2021/22 £	Creditors 31 Mar 2022 £
Beaumont Primary	-	125,560	0
Bentleys Motor Group	-	26,335	0
Bewsey Lodge Primary	123,950	167,661	0
Birchwood Community Academy	-	22,160	0
Boteler Educational Trust	194,048	256,052	0
Bridgewater NHS Trust	3,393,735	-	-
Burtonwood Community Primary Academy	11,775	1,997	0
Catalyst Choices	7,631,490	-	-
Cheshire Day Nursery	306,054	-	-
Cinnamon Brow Primary School	159,837	146,667	-
Cultcheth Sports Club	-	12,550	0
Culture Warrington	1,433,418	1,573,459	4,160
David Lloyd Leisure	1,200	18,000	0
Disability Trading Company	-	2,810	0
Edge Hill University	-	24,617	15,911
Get Seen Media	10,000	0	0
Groundwork CLM	0	34,272	0
Langtree	57,849	154,644	51,676
Livewire	5,196,296	7,973,661	49,196
Lymm Heritage Centre	8,573	10,667	0
Lymm High Academy	122,949	166,562	15,054
Lymm Youth & Community Centre	2,096	10,667	0
Mersey Care NHS	-	57,897	0
Momentum	9,303	8,000	0
New World Trading (the Botanist)	0	25,920	0
Next plc	56,249	0	0
North West Boroughs Health care	2,453	-	-
North West Employers	22,268	22,328	0
Our Ladys Primary School	149,655	266,272	0
Penketh Primary School	-	14,573	321
Riverside College	-	78,257	41,807
Room at the Inn	209,317	200,207	0
St Phillips Primary	493,462	-	-
St Rocco's Hospice	-	36,669	0
Salford Royal Hospital	0	1,120	0
Sankey Valley St James Primary	144,443	-	-
Statham Primary	118,916	181,814	2,692
Torus	347,941	214,288	310
Transport for The North	0	1,949	0
University of Manchester	3,968	7,975	0
UTC Warrington	-	15,692	0
Warrington's Own Buses (previous Warrington Borough Transport)	483,155	636,475	1,380
Warrington Credit Union	3,240	0	0
Warrington Disability Partnership	12,500	-	-
Warrington District Citizens Advice Bureau	460,457	470,924	0
Warrington Labour Group	23,212	17,844	0
Warrington Youth Zone	-	2,347,888	0
Wire Regeneration Ltd	42,819	333,765	476

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

Torus (previously Helena Partnerships) have loan facilities with Warrington Borough Council, which are classed as long term debtors and shown in Note 34 Financial Instruments. Any interest related to the loan is not shown in these figures.

Receipts from Organisations where Members or their spouse hold a personal interest	Income 2020/21 £	Income 2021/22 £	Debtors 31 March 2022 £
Beaumont Primary School	*	196,249	53,204
Bridgewater NHS Trust	6,312	-	-
Burtonwood Community Primary Academy	59,879	67,788	27,960
Challenge Academy	-	182,220	63
Cheshire Day Nursery	1,271	-	-
Catalyst Choices	336,875	-	-
Cheshire & Warrington LEP	41,307	14,650	0
Culture Warrington	86,924	153,643	260,303
Edge Hill University	5,500	26,399	5,819
HMP Risley	1,000	0	0
Livewire	919,099	3,446,246	2,017,599
Lymm Community Energy	**	1,947	0
Lymm High Academy	94,116	80,882	3,479
Mersey Care NHS	-	46,500	0
Mersey Forest	0	9,900	19,800
NHS England	-	1,220,239	0
North West Boroughs Healthcare	6,000	-	-
Penketh Primary School	-	88,949	28,523
Riverside College	-	1,420	1,420
Room at the Inn	1,030	**	0
Sankey Canal Restoration	0	3,600	0
St Rocco's Hospice	-	2,001	0
Statham Primary	0	82,998	38,129
Torus	45,651	164,988	164,988
Urban Building	10,000	-	-
UTC Warrington	-	6,112	515
Warrington's Own Buses (previous Warrington Borough Transport)	99,681	128,052	37,060
Warrington Credit Union	1,476	0	0
Warrington Disability Partnerships	7,304	-	-
Warrington Scouts	-	1,600	0
Wire Regeneration	2,160	5,400	0

Officers

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

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

There were ten material declarations in 2021/22, but none were pecuniary interests.

Payments to Organisations where Officers or their spouse hold a personal interest	Expenditure 2020/21 £	Expenditure 2021/22 £	Creditors 31 Mar 2022 £
Alternative Futures	1,011,112	678,663	0
WBC Birchwood Park Nominee Companies (1 & 2)**	0	36,000	0
Bridgewater Canal Company	4,026	1,698	60
Marketing Cheshire	22,800	22,800	0
Rainhill High School	0	21,255	0
University of Birmingham	1,000	-	-
University of Chester	-	29,225	0
Warrington & Vale Royal College	243,826	701,877	51,136
Warrington Wolves Foundation	17,696	50,360	0
Warrington's Own Buses (previous Warrington Borough Transport)	483,155	636,475	1,380
Wire Regeneration Ltd	42,819	333,765	476

The Chief Executive is a Director of the Warrington Wolves Foundation but plays no part in the commissioning of services or awarding of grants. He is also a director of Wire Regeneration, a joint venture between Warrington BC and Langtree. Also in the receipts

table, he has involvement with Together Energy, Warrington & Vale Royal College, The University of Chester and Marketing Cheshire.

The Chief Financial Officer has a shareholder representative with Warrington's Own Buses.

The Deputy Director of Finance is a Trustee of the Alternative Futures Charity.

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

The Director of Environment & Transport is a member of the Bridgewater Canal Company and a governor at Rainhill High School.

Three officers of the Council (two from Finance and one from the Property team) are also directors of Incrementum Housing Development Company Ltd and Incrementum Housing Management Ltd which are wholly owned by the Council. At the end of March 2022 some drawdown of the loan had taken place and this will be shown in the Long Term Debtors note 25. Other income received is shown in the table.

Two officers of the Council are Directors of Warrington Renewables (York) & Warrington Renewables (Hull), both subsidiaries of the Council. Warrington Borough Council has made loans to both these companies and these are shown in Long Term Debtors note 25.

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

Receipts from Organisations where Officers or their spouse hold a personal interest	Income 2020/21 £	Income 2021/22 £	Debtors 31 March 2022 £
WBC Birchwood Park Trustee Ltd	0	5,240	0
Incrementum Housing Development Company	38,833	548,887	377,675
Mersey Travel	7,937	0	0
Rainhill High School	0	1,261	356
Together Energy	451,371	928,378	200,734
University of Chester	2,249	1,402	204
Warrington Chamber of Commerce	0	38,800	0
Warrington's Own Buses (previous Warrington Borough Transport)	99,681	128,052	37,060
Warrington Renewable Hull Ltd	64,874	225,123	180,368
Warrington Renewable York Ltd	0	471,919	197,306
Warrington Wolves Foundation	3,360	18,990	7,670
Wire Regeneration	2,160	5,400	0

Officers' remunerations are detailed in Note 15.

Other Public Bodies

The following table shows the precepts and levies during the year 2021/22.

Precepting & Levying Bodies	Precepts/Levies	Other Expenditure	Precepts/Levies	Other Expenditure
	2020/21	2020/21	2021/22	2021/22
	£	£	£	£
Police & Crime Commissioner for Cheshire	13,097,790	1,734,209	15,424,191	35,420
Cheshire Fire Authority	5,428,511	1,084,035	5,530,497	650,696
Town and Parish Councils	2,152,722	93	2,426,239	30,902
Cheshire West and Chester Council	606,417	4,952,470	570,047	26,267,361
Manchester Port Health Authority	20,078	0	21,082	0
Environment Agency	128,825	310,667	1,333,508	353,012

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

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

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

Two Council Members sit on the Board for Cheshire Fire Authority.

Entities Controlled or Significantly Influenced by the Council

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

- Subsidiaries
 - Warrington Borough Transport
 - Incrementum Housing Development Co
 - Together Energy
 - Warrington Renewables (York)
 - Warrington Renewables (Hull)
- Associate
 - Redwood Financial Partners
- Joint Venture
 - Wire Regeneration

The wholly owned subsidiaries have consolidated into the Group Accounts in line with the 2021/22 Code.

The Council owns a 33% share in Redwood Financial Partners Limited and has been consolidated into the Group Accounts as an Associate in line with the 2021/22 Code.

The joint venture has been consolidated into the Group Accounts in line with 2021/22 Code.

Pension fund

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

One Member sits on the Board of Cheshire Pension Fund.

Details of the Fund can be found in Note 32.

Pooled Budget

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

40 Capitalisation of Borrowing Costs

In accordance with the Council's accounting policy, the Council did not capitalise any borrowing costs in year (£3,530,601 was capitalised in 2020/21 for qualifying assets, with an average borrowing rate of 2.54%).

41 Pooled Budgets

In 2021/22 Warrington Borough Council entered into a s75 agreement with NHS Warrington Clinical Commissioning Group, with the Council acting as the host. The breakdown of revenue expenditure by relevant scheme and the contributions by the pool members are as follows:

	2020/21	2021/22
	£'000	£'000
Pooled Schemes		
Intermediate Care	8,573	8,676
Protecting Social Care Carers	7,065	7,181
Mental Health and Joint Funded Packages	166	168
Joint Commissioning / Other Support	21,001	23,173
Disability Partnership/ WHIA Funding	665	658
Out of Hospital Functions/ Enabling	271	271
Total Better Care Fund Revenue Expenditure	39,512	41,898
Funding Provided to the Pooled Budget		
Warrington Borough Council	14,444	15,746
NHS Warrington Clinical Commissioning Group	19,863	20,949
Improved Better Care Fund Contribution	5,204	5,204
Total Funding Provided to the Pooled Budget	39,511	41,898
Net Surplus Arising on the Pooled Budget During the Year	(1)	0

42 Prior Period Adjustments

The audit of the 2017/18 Statement of Accounts is nearing conclusion, but not yet concluded due to a national audit issue concerning infrastructure assets.

As part of the ongoing audit, the auditors challenged the accounting treatment of Birchwood Park. They determined and the Council agreed that using substance over form the Birchwood Park was in fact the purchase of investment properties and should be treated as such, rather than an investment in a group entity.

During the preparation of the 2019/20 accounts the Council reclassified a number of commercial properties from investment properties to long term investments. This interpretation was challenged by the auditors as part of the audit of the 2017/18 accounts and the Council has agreed to revert the reclassification.

The combined reclassification of Birchwood Park and the commercial properties from long term investments to investment properties is of such a material nature that a third Balance Sheet was required.

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

The Council's Group Accounts have also been restated for both changes as well as the removal of Birchwood Park as a group entity.

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Restatement of 2020/21 Movement in Reserves Statement

Movement in Reserves Statement for the Year Ended 31 March 2021	Note(s)	Restated General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Restated Total Usable Reserves £'000	Restated Total Unusable Reserves £'000	Total Reserves of the Authority £'000
Balance as at 31 March 2020 (Per Draft SOA)		65,617	25	18,889	84,531	221,926	306,457
Recategorisation of Birchwood Park & Commercial Properties					-	(6,031)	(6,031)
Restated Balance as at 1 April 2020		65,617	25	18,889	84,531	215,895	300,426
Movement in Reserves during the year							
Total Comprehensive Income and Expenditure (per 2020/21 Draft SOA)		(35,057)	-	-	(35,057)	(143,576)	(178,633)
Recategorisation of Birchwood Park & Commercial Properties		(12,197)			(12,197)		(12,197)
Restated Total Comprehensive Income and Expenditure		(47,254)	-	-	(47,254)	(143,576)	(190,830)
Adjustments between accounting basis & funding basis under regulations (per 2020/21 Draft SOA)	7	82,463	2,023	666	85,152	(85,152)	-
Recategorisation of Birchwood Park & Commercial Properties		12,197			12,197	(12,197)	-
Restated Adjustments between accounting basis & funding basis under regulations	7	94,660	2,023	666	97,349	(97,349)	-
Restated Increase or (Decrease) in Year		47,406	2,023	666	50,095	(240,925)	(190,830)
Balance as at 31 March 2021 (per Draft 2020/21 SOA)		113,023	2,048	19,555	134,626	(6,802)	127,824
Recategorisation of Birchwood Park & Commercial Properties		-	-	-	-	(12,197)	(12,197)
Restated Balance as at 31 March 2021		113,023	2,048	19,555	134,626	(25,030)	109,596

Restatement of 2020/21 Comprehensive Income and Expenditure Statement

	2020/21 (Per Draft SOA)			Recategorisation of Birchwood Park & Commercial Properties			2020/21		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Restated Gross Expenditure	Gross Income	Restated Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services	12,440	(5,690)	6,750			-	12,440	(5,690)	6,750
Families & Wellbeing	287,664	(184,873)	102,791			-	287,664	(184,873)	102,791
Environment & Transport	36,368	(11,658)	24,710			-	36,368	(11,658)	24,710
Growth	11,357	(1,917)	9,440			-	11,357	(1,917)	9,440
Corporate Finance	59,957	(80,394)	(20,438)			-	59,957	(80,394)	(20,438)
Restated Central Charges	82,074	-	82,074	12,197		12,197	94,271	-	94,271
Restated Cost of Services	489,858	(284,532)	205,326	12,197	-	12,197	502,055	(284,532)	217,523
Other Operating Expenditure			3,526						3,526
Financing & Investment Income & Expenditure			12,141						12,141
Taxation and Non-Specific Grant Income			(185,936)						(185,936)
Restated (Surplus) or Deficit on Provision of Services			35,057			12,197			47,254
(Surplus) or Deficit on revaluation of non-current assets			(3,155)						(3,155)
(Surplus) or Deficit on revaluation of available for sale financial assets			-						-
Remeasurement of the net defined benefit liability			146,731						146,731
Other Comprehensive Income and Expenditure			143,576			-			143,576
Restated Total Comprehensive Income and Expenditure			178,633			12,197			190,830

Restatement of 2020/21 Balance Sheet

	Notes	31st March 2020 (per Draft SOA) £000	Recategorisation of Birchwood Park & Commercial Properties £000	Restated 1st April 2020 £000	31st March 2021 (per Draft SOA) £000	Recategorisation of Birchwood Park & Commercial Properties 2019/20 £000	Recategorisation of Birchwood Park & Commercial Properties 2020/21 £000	Restated 31st March 2021 £000
Property, Plant & Equipment	21	772,725		772,725	757,802			757,802
Heritage Assets	22	16,973		16,973	17,157			17,157
Restated Investment Property	23	42,320	522,792	565,112	35,305	522,792	7,124	565,221
Intangible Assets		574		574	778			778
Restated Long Term Investments	34	659,895	(528,823)	131,072	721,730	(528,823)	(19,321)	173,586
Long Term Debtors	25	164,399		164,399	433,916			433,916
Restated Long Term Assets		1,656,886	(6,031)	1,650,855	1,966,688	(6,031)	(12,197)	1,948,460
Short Term Investments	34	278,635		278,635	36,120			36,120
Inventories		883		883	829			829
Short Term Debtors	26	72,696		72,696	123,410			123,410
Cash and Cash Equivalents	27	111,957		111,957	46,725			46,725
Assets Held for Sale		-		-	-			-
Current Assets		464,171	-	464,171	207,084	-	-	207,084
Cash and Cash Equivalents	27	-		-	-			-
Short Term Borrowing	34	(153,614)		(153,614)	(243,668)			(243,668)
Short Term Creditors	28	(66,963)		(66,963)	(104,239)			(104,239)
Provisions	29	(8,367)		(8,367)	(8,758)			(8,758)
Current Liabilities		(228,944)	-	(228,944)	(356,665)	-	-	(356,665)
Long Term Creditors	28	(3,800)		(3,800)	(3,627)			(3,627)
Grants Receipts in Advance - Capital	20	(5,067)		(5,067)	(5,990)			(5,990)
Grants Receipts in Advance - Revenue	20	(21,390)		(21,390)	(22,390)			(22,390)
Provisions	29	(2,590)		(2,590)	(2,590)			(2,590)
Long Term Borrowing	34	(1,420,067)		(1,420,067)	(1,367,618)			(1,367,618)
Long Term Pension Liabilities	32	(132,742)		(132,742)	(287,068)			(287,068)
Long Term Liabilities		(1,585,656)	-	(1,585,656)	(1,689,283)	-	-	(1,689,283)
Restated Net Assets		306,457	(6,031)	300,426	127,824	(6,031)	(12,197)	109,596
Usable Reserves	9	84,531		84,531	134,626			134,626
Restated Unusable Reserves	33	221,926	(6,031)	215,895	(6,802)	(6,031)	(12,197)	(25,030)
Restated Total Reserves		306,457	(6,031)	300,426	127,824	(6,031)	(12,197)	109,596

Restatement of Cash Flow Statement

	2020/21 (per Draft 2020/21 SOA) £'000	Recategorisation of Birchwood Park & Commercial Properties £'000	Restated 2020/21 £'000
Restated Net (surplus) or deficit on the provision of services	(35,057)	(12,197)	(47,254)
Restated Adjustments to net surplus or deficit on the provision of services for non-cash movements	551,389	12,197	563,586
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	(740,122)		(740,122)
Net Cash Flows from Operating Activities	(223,790)	-	(223,790)
Investing Activities	92,674		92,674
Financing Activities	65,884		65,884
Net (increase) or decrease in cash and cash equivalents	(65,232)	-	(65,232)
Cash and cash equivalents at the beginning of the reporting period	111,957		111,957
Cash and cash equivalents at the end of the reporting period	46,725	-	46,725

Notes to the Collection Fund Statement

1 Council Tax

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

Band	Value Range	Number of Dwellings after Discounts and Exemptions	Ratio	Band D Equivalents
Disabled A	Up to £40,000	36	5/9	20
A	Up to £40,000	23,303	6/9	15,535
B	£40,000 - £52,000	18,518	7/9	14,403
C	£52,000 - £68,000	17,638	8/9	15,677
D	£68,000 - £88,000	11,111	9/9	11,111
E	£88,000 - £120,000	7,027	11/9	8,589
F	£120,000 - £160,000	4,324	13/9	6,246
G	£160,000 - £320,000	2,527	15/9	4,213
H	£320,000 and over	183	18/9	364
		84,667		76,158

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

Calculation of Tax Base

Total properties converted to Band D equivalent	75,622
Less: Tax Base relating to Council Tax Support Allowance	(6,595)
Council Tax Base for Tax Setting	69,027

2 National Non-Domestic Rates (NNDR)

The Council collects National Non-Domestic Rates (NNDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government. The Government specifies a rate in the pound (51.2p for 2021/22 and 49.9p for small businesses) which is then multiplied by the rateable value to produce a charge to each business. The aggregate rateable value or total value of properties for Warrington is £242,274,557.

The business rates shares payable for 2021/22 were estimated before the start of the financial year as £54.775m to Central Government, £1.096m to Cheshire Fire Council and £53.680m to Warrington Council. These sums have been paid in 2021/22 and charged to the collection fund in year.

When the scheme was introduced, Central Government set a baseline level for each Council identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In this respect Warrington Borough Council paid a tariff to Central Government in 2021/22 to the value of £17.039m.

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

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Group Accounts

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

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

Please note that the prior year comparators for the group accounts have been restated in line with the single entity accounts for the reclassification of commercial properties and Birchwood Park, as described in note 42 of the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts. This has been reflected in all main statements and associated notes to the group accounts.

Movement in Reserves Statement for the Year Ended 31 March 2022	Note(s)	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves of the Authority £'000	Restated Total Group Entities £'000	Group Reserves £'000
Restated Balance as at 1 April 2020		65,617	25	18,889	84,531	215,895	300,426	(17,282)	283,144
<i>Movement in Reserves during the year</i>									
Restated Total Comprehensive Income and Expenditure		(47,254)	-	-	(47,254)	(143,576)	(190,830)	3,740	(187,090)
Adjustments between accounting basis & funding basis under regulations	7	94,660	2,023	666	97,349	(97,349)	-	-	-
Restated Increase or (Decrease) in Year		47,406	2,023	666	50,095	(240,925)	(190,830)	3,740	(187,090)
Restated Balance as at 31 March 2021		113,023	2,048	19,555	134,626	(25,030)	109,596	(13,542)	96,054
<i>Movement in Reserves during the year</i>									
Total Comprehensive Income and Expenditure		4,359	-	-	4,359	164,742	169,101	10,923	180,024
Adjustments between accounting basis & funding basis under regulations	7	6,204	(698)	(1,916)	3,590	(3,590)	-	-	-
Increase or (Decrease) in Year		10,563	(698)	(1,916)	7,949	161,152	169,101	10,923	180,024
Balance as at 31 March 2022		123,586	1,350	17,639	142,575	136,122	278,697	(2,619)	276,078

The Movement in Reserves Statement prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts.

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Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2021

Gross Expenditure £'000	2020/21		Note(s)	2021/22		
	Gross Income £'000	Restated Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
12,440	(5,690)	6,750		13,077	(6,555)	6,522
287,663	(184,873)	102,790		302,713	(190,418)	112,295
36,368	(11,658)	24,710		39,391	(16,496)	22,895
11,357	(1,917)	9,440		11,259	(3,112)	8,147
59,956	(80,394)	(20,438)		66,981	(88,759)	(21,778)
82,074	-	82,074		71,725	-	71,725
9,671	(9,736)	(65)		12,022	(11,737)	285
341	(64)	277		774	(132)	642
17,109	(15,821)	1,288		-	-	-
-	-	-		1,794	(3,254)	(1,460)
5,150	(2,525)	2,625		3,187	(5,847)	(2,660)
522,129	(312,678)	209,451		522,923	(326,310)	196,613
		3,526	10			16,779
		24,382	11			(43,905)
		(185,936)	12			(174,412)
		51,423				(4,925)
		-				(9,374)
		(267)				(983)
		51,156				(15,282)
		(3,155)	33			(34,730)
		-	33			-
		(2,608)				-
		(5,034)				-
		146,731	32			(130,012)
		135,934				(164,742)
		187,090				(180,024)

The Comprehensive Income and Expenditure Statement prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts.

Analysis of Group Comprehensive Income and Expenditure Statement by Group Entities

Restated 2020/21 £'000		2021/22 £'000
Group (Surplus)/Deficit attributable to:		
47,254	- Restated Warrington Borough Council	(4,359)
(21)	- Warrington Borough Transport	331
79	- Redwood Financial Partners Limited	(524)
(346)	- Wire Regeneration	(459)
277	- Incrementum Housing Development Co	629
-	- Incrementum Housing Management Co	13
1,288	- Together Energy	(9,374)
1,339	- Warrington Renewables (York)	(1,516)
1,286	- Warrington Renewables (Hull)	(23)
51,156	Total Group (Surplus)/Deficit	(15,282)
Other Comprehensive Income and Expenditure attributable to:		
143,576	- Restated Warrington Borough Council	(164,742)
-	- Warrington Borough Transport	-
(5,034)	- Redwood Financial Partners Limited	-
-	- Wire Regeneration	-
-	- Incrementum Housing Development Co	-
4,227	- Restated Together Energy	-
(6,835)	- Warrington Renewables (York)	-
-	- Warrington Renewables (Hull)	-
135,934	Restated Total Other Comprehensive Income and Expenditure	(164,742)
187,090	Restated Total Comprehensive Income and Expend	(180,024)

Group Balance Sheet as at 31 March 2021

		Restated		
		Restated 1st	31st March	31st March
	Notes	April 2020	2021	2022
		£'000	£'000	£'000
Property, Plant & Equipment	GR 8	818,939	828,402	830,277
Heritage Assets	22	16,973	17,157	18,960
Investment Property	GR 9	565,926	575,629	707,423
Intangible Assets		574	778	654
Restated Investments in Associates & Joint Ventures	GR 13	6,759	12,060	26,473
Long Term Investments	GR 13	67,658	121,174	118,896
Long Term Debtors	25	162,483	370,374	390,784
Long Term Assets		1,639,312	1,925,574	2,093,467
Short Term Investments	GR 13	278,635	36,120	44,347
Inventories		1,071	4,178	10,200
Short Term Debtors	GR 10	96,211	164,720	114,578
Cash and Cash Equivalents	GR 11	117,518	74,119	72,377
Assets Held for Sale		-	-	-
Current Assets		493,435	279,137	241,502
Short Term Borrowing	GR 13	(153,614)	(243,668)	(229,130)
Short Term Creditors	GR 12	(97,122)	(159,540)	(135,541)
Provisions	29	(8,367)	(8,758)	(10,264)
Current Liabilities		(259,103)	(411,966)	(374,935)
Restated Long Term Creditors	GR 12	(8,540)	(10,888)	(14,910)
Deferred Tax		(104)	(147)	(147)
Grants Receipts in Advance - Capital	20	(5,067)	(5,990)	(29,799)
Grants Receipts in Advance - Revenue	20	(21,390)	(22,390)	(26,715)
Provisions	29	(2,590)	(2,590)	(2,590)
Long Term Borrowing	GR 13	(1,420,067)	(1,367,618)	(1,423,437)
Long Term Pension Liabilities	32	(132,742)	(287,068)	(186,358)
Restated Long Term Liabilities		(1,590,500)	(1,696,691)	(1,683,956)
Restated Net Assets		283,144	96,054	276,078
Restated Usable Reserves	9	67,249	121,084	139,956
Unusable Reserves	33	215,895	(25,030)	136,122
Restated Total Reserves		283,144	96,054	276,078

The Balance Sheet prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts.

Group Cash Flow Statement for the year ended 31 March 2021

	Note(s)	Restated 2020/21 £'000	2021/22 £'000
Restated Net (surplus) or deficit on the provision of services		(51,423)	4,925
Restated Adjustments to net surplus or deficit on the provision of services for non-cash movements	GR 14	593,509	60,030
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	GR 14	(740,123)	(30,852)
Restated Net Cash Flows from Operating Activities		(198,037)	34,103
Investing Activities	GR 15	50,562	(76,800)
Restated Financing Activities	GR 15	104,076	40,955
Net (increase) or decrease in cash and cash equivalents		(43,399)	(1,742)
Cash and cash equivalents at the beginning of the reporting period		117,518	74,119
Cash and cash equivalents at the end of the reporting period	GR 11	74,119	72,377

The Cash Flow Statement prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts.

Notes to the Group Accounts

1 Significant Judgements on Consolidated and Non-consolidated Entities

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

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

Classification of Group Entities

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

Subsidiary

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

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

Associates

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

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

Joint Venture

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

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

Group Entities

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

Warrington Borough Transport Limited is a company set up in accordance with the provision of the Transport Act 1985 to take over the Council's passenger transport

undertaking. Warrington Borough Council wholly owns WBT but is not liable for any losses that it may make.

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

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

Warrington Borough Transport Limited
Wilderspool Causeway
Warrington
WA4 6PT

Redwood Financial Partners Limited (Redwood Bank)

The Council has invested £30m in Redwood Financial Partners Limited (RFPL), which wholly owns Redwood Bank; an investment bank providing loans to SME's nationally and through a local branch in Warrington. This investment gives the council a 33% share of RFPL.

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

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

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

Wire Regeneration Limited

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

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

Incrementum Housing Development Co & Incrementum Housing Management Co

In February 2019 the Council created two wholly-owned housing companies whose aim is to provide high quality homes and to generate rental income. At present the Management Company is dormant, while the Development Company is developing its first two housing projects.

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

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

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

Together Energy (TE)

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

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

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

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

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

Warrington Renewables (York)

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

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

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

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

Warrington Renewables (Hull)

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

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

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

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

Warrington Sports Holdings

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

Other Minority Interests

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

2 Accounting Periods

The financial year-end for Warrington Borough Transport and Wire Regeneration is 31 March. Management accounts as at 31 March 2021 have been used to consolidate them into the Council's Group Accounts.

The financial year-end for Redwood Bank is 31 December.

- Final accounts for 31 December 2020 and management accounts for the first quarter of 2021 have been used to consolidate Redwood Bank into the Group Accounts.

The financial year-end for Incrementum Housing Development Co, Warrington Renewables (Hull), and Warrington Renewables (York) is 31 March. Draft accounts as at 31 March 2021 have been used to consolidate them into the Council's Group Accounts.

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

3 Accounting Policies

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

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

4 Intra-group Transactions

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

5 Significant Restrictions in Relation to Group Entities

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

6 Risk Associated with Group Entities

A full risk analysis is carried on investments in Group Entities. The Council's Capital Strategy fully explains the risk profile of the Council (<https://www.warrington.gov.uk/sites/default/files/2021-03/Capital%20strategy%202021-22.pdf>).

7 Expenditure and Income Analysed by Nature

Expenditure/Income	2020/21 £'000	2021/22 £'000
Expenditure		
Employee benefits expenses	176,174	193,995
Other service expenses	313,185	324,835
Depreciation, amortisation, impairment	82,560	58,119
Interest payments	26,877	34,387
Expenditure relating to investment properties	566	(33,080)
Precepts and levies	2,333	2,333
Total expenditure	601,694	580,589
Income		
Fees, charges and other service income	(191,506)	(298,974)
Interest and investment income	(20,981)	(58,481)
Income relating to investment properties	(637)	(570)
Income from council tax, non-domestic rates	(102,099)	(109,926)
Government grants and contributions	(235,048)	(117,563)
Total Income	(550,271)	(585,514)
Surplus or Deficit on the Provision of Services	51,423	(4,925)

The Expenditure and Income Analysed by Nature note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts.

8 Property, Plant and Equipment

Movements in 2021/22

	Land & Buildings £'000	Infrastructure Assets £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total PPE £'000	Group Entities £'000	Total Group PPE £'000
<u>Cost or Valuation</u>									
Balance as at 1 April 2021	437,439	322,607	57,664	17,719	17,859	5,246	858,534	94,785	953,319
Additions	3,434	16,805	1,549	315	8,492	-	30,595	-	30,595
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(7,036)	-	-	-	-	-	(7,036)	-	(7,036)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	32,788	-	-	-	-	140	32,928	-	32,928
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(12,396)	-	-	-	-	-	(12,396)	-	(12,396)
Derecognition - disposals	(15,792)	-	(916)	-	(47)	(140)	(16,895)	(22,939)	(39,834)
Reclassifications & transfers	(4,110)	10,250	-	1,095	(7,235)	-	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	1,750	-	-	-	-	-	1,750	-	1,750
Balance as at 31 March 2022	436,077	349,662	58,297	19,129	19,069	5,246	887,480	71,846	959,326
<u>Depreciation and Impairment</u>									
Balance as at 1 April 2021	18,104	50,707	31,915	6	-	-	100,732	24,185	124,917
Depreciation charge	8,744	8,295	3,561	-	-	-	20,600	2,648	23,248
Accumulated depreciation written out to GCA	(7,036)	-	-	-	-	-	(7,036)	-	(7,036)
Depreciation - disposals	(567)	-	(619)	-	-	-	(1,186)	(10,894)	(12,080)
Reclassifications & transfers	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	19,245	59,002	34,857	6	-	-	113,110	15,939	129,049
<u>Net Book Value</u>									
Balance as at 31 March 2022	416,832	290,660	23,440	19,123	19,069	5,246	774,370	55,907	830,277
Balance as at 31 March 2022	419,335	271,900	25,749	17,713	17,859	5,246	757,802	70,600	828,402

Movements in 2020/21

	Land & Buildings £'000	Infrastructure Assets £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total PPE £'000	Group Entities £'000	Total Group PPE £'000
Cost or Valuation									
Balance as at 1 April 2020	383,493	286,528	56,479	16,986	107,213	4,742	855,441	62,244	917,685
Additions	10,403	26,262	1,185	344	9,644	-	47,838	32,561	80,399
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(1,552)	-	-	-	-	(197)	(1,749)	-	(1,749)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,282	-	-	-	-	693	2,975	-	2,975
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(47,364)	-	-	-	-	(80)	(47,444)	-	(47,444)
Derecognition - disposals	(4)	-	-	-	(3,368)	(2,822)	(6,194)	(20)	(6,214)
Reclassifications & transfers	82,729	9,817	-	389	(95,630)	2,695	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	7,452	-	-	-	-	215	7,667	-	7,667
Balance as at 31 March 2021	437,439	322,607	57,664	17,719	17,859	5,246	858,534	94,785	953,319
Depreciation and Impairment									
Balance as at 1 April 2020	11,377	43,561	27,772	6	-	-	82,716	16,030	98,746
Depreciation charge	8,477	7,146	4,143	-	-	-	19,766	8,156	27,922
Accumulated depreciation written out to GCA	(1,552)	-	-	-	-	(197)	(1,749)	-	(1,749)
Depreciation - disposals	(1)	-	-	-	-	-	(1)	(1)	(2)
Reclassifications & transfers	(197)	-	-	-	-	197	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	18,104	50,707	31,915	6	-	-	100,732	24,185	124,917
Net Book Value									
Balance as at 31 March 2021	419,335	271,900	25,749	17,713	17,859	5,246	757,802	70,600	828,402
Balance as at 31 March 2020	372,116	242,967	28,707	16,980	107,213	4,742	772,725	46,214	818,939

9 Investment Properties

	2020/21 £'000	2021/22 £'000
Balance as at the start of the year	571,957	575,629
Disposals	-	(170)
Net gains/(losses) from fair value adjustments	(17,860)	51,894
Additions	29,199	81,820
Transfers (to)/ from Assets Held for Sale	-	-
Transfers (to)/ from Property, Plant and Equipment	(7,667)	(1,750)
Balance as at end of the year	575,629	707,423

The Expenditure and Income Analysed by Nature note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Fair Value Hierarchy

Details of Group investment properties and information about the fair value hierarchy as at 31 March 2022 and 2021 are as follows:

2020/21	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March 2018 £000
Industrial Ground Rents	-	23,985	-	23,985
Retail Units	-	156,824	-	156,824
Industrial Units	-	200,136	-	200,136
Offices	-	298,682	-	298,682
Other	-	27,796	-	27,796
Total	-	707,423	-	707,423

2020/21	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March 2017 £000
Industrial Ground Rents	-	19,082	-	19,082
Retail Units	-	9,161	-	9,161
Industrial Units	-	532,474	-	532,474
Other	-	14,912	-	14,912
Total	-	575,629	-	575,629

Transfers between Levels of the Fair Value Hierarchy

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

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

Significant Observable Inputs – Level 2

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

Significant Unobservable Inputs – Level 3

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

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

Highest and Best Use of Investment Properties

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

Valuation Techniques

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

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised within Level 3 of the Fair Value Hierarchy

	31 March 2020 £000	31 March 2021 £000
Opening Balance	17,010	334
Correction to Opening Balance	-	-
Transfers into Level 3	2,185	-
Transfers out of Level 3	(19,128)	(334)
Total gains (or losses) for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value	217	-
Additions	50	-
Disposals	-	-
Closing Balance	334	-

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

Valuation Process for Investment Properties

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

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

10 Short Term Debtors

	Reatated 31/03/21 £'000	31/03/22 £'000
Short-term Debtors		
Central Government Bodies	15,739	31,643
Other Local Authorities	4,676	4,500
NHS Bodies	12,475	4,059
Public Corporations and Trading Funds	(2)	(2)
Restated Other Entities and Individuals	131,832	74,378
Restated Total Short-term Debtors	164,720	114,578

The Short Term Debtors note prior year comparators have been restated in accordance with IAS 8 due to the removal of Birchwood Park as a subsidiary of the group accounts as per note 18 to the group accounts.

11 Cash and Cash Equivalents

	Restated	
	31/03/21	31/03/22
	£'000	£'000
Restated Cash on hand and balances with banks	27,208	5,663
Short-term Deposits	46,911	66,714
Restated Total Cash and Cash Equivalents	74,119	72,377

The Cash and Cash Equivalents note prior year comparators have been restated in accordance with IAS 8 due to the removal of Birchwood Park as a subsidiary of the group accounts as per note 18 to the group accounts.

12 Creditors

	Restated	
	31/03/21	31/03/22
	£'000	£'000
Short-term Creditors		
Central Government Bodies	45,800	58,235
Other Local Authorities	5,782	7,305
NHS Bodies	5,291	7,304
Public Corporations and Trading Funds	-	-
Restated Other Entities and Individuals	102,667	62,697
Restated Total Short-term Creditors	159,540	135,541
Long-term Creditors		
Restated Other Entities and Individuals	10,888	14,910
Restated Total Creditors	170,428	150,451

The Creditors note prior year comparators have been restated in accordance with IAS 8 due to the removal of Birchwood Park as a subsidiary of the group accounts as per note 18 to the group accounts.

13 Financial Instruments

Categories of Financial Instruments

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

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

	Long Term				Short Term				Total	
	Investments		Debtors		Investments		Debtors		Restated	
	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000	Restated 31 March 2021 £'000	Restated 31 March 2022 £'000	Restated 31 March 2021 £'000	Restated 31 March 2022 £'000
Financial Assets										
Amortised Cost										
• Restated Warrington Borough Council	301	301	33,106	33,351	10,248	248	108,115	106,702	151,770	140,602
• Warrington Borough Transport	-	-	-	-	-	-	1,407	1,101	1,407	1,101
• Incrementum Housing Development	-	-	-	-	-	-	1,336	271	1,336	271
• Incrementum Housing Management	-	-	-	-	-	-	-	39	-	39
• Together Energy	-	-	-	-	-	-	37,908	-	37,908	-
• Warrington Renewables (York)	-	-	-	-	-	-	1,239	1,807	1,239	1,807
• Warrington Renewables (Hull)	-	-	-	-	-	-	768	1,569	768	1,569
Fair Value through Profit or Loss	82,028	97,848	-	-	25,873	44,099	-	-	107,901	141,947
Fair Value through Other Comprehensive Income - Designated Equity Instruments	1,331	1,331	-	-	-	-	-	-	1,331	1,331
Restated Total Financial Assets	83,660	99,480	33,106	33,351	36,121	44,347	150,773	111,489	303,660	288,667
Restated Loans to Housing Associations	-	-	185,972	192,169	-	-	3,419	3,536	189,391	195,705
Restated Commercial Loans	-	-	214,838	219,614	-	-	11,875	21,133	226,713	240,747
Equity in Group Entities Not Consolidated	315,832	73,190	-	-	-	-	-	-	315,832	73,190
Restated Total	399,492	172,670	433,916	445,134	36,121	44,347	166,067	136,158	1,035,596	798,309

	Long Term				Short Term				Total	
	Borrowings		Creditors		Borrowings		Creditors		Restated	
	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000	Restated 31 March 2021 £'000	31 March 2022 £'000	Restated 31 March 2021 £'000	31 March 2022 £'000
Financial Liabilities										
Amortised Cost										
• Warrington Borough Council	1,363,980	1,419,944	208	208	243,533	228,985	104,239	104,239	1,711,960	1,753,376
• Warrington Borough Transport	-	-	2,309	1,889	-	-	2,930	2,602	5,239	4,491
• Incrementum Housing Development	-	-	1,932	13,453	-	-	1,439	1,195	3,371	14,648
• Incrementum Housing Management	-	-	-	-	-	-	-	52	-	52
• Together Energy	-	-	8,075	-	-	-	48,991	-	57,066	-
• Warrington Renewables (York)	-	-	(3,647)	(2,257)	-	-	1,218	2,131	(2,429)	(126)
• Warrington Renewables (Hull)	-	-	-	(1,482)	-	-	723	2,143	723	661
Restated Total Financial Liabilities	1,363,980	1,419,944	8,877	11,811	243,533	228,985	159,540	112,362	1,775,930	1,773,102
PFI	3,638	3,493	2,729	2,556	135	145	-	-	6,502	6,194
Leases	-	-	691	691	-	-	-	-	691	691
Restated Total	1,367,618	1,423,437	12,297	15,058	243,668	229,130	159,540	112,362	1,783,123	1,779,987

The Financial Instruments note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts.

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

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

	31 March 2021		31 March 2022	
	Restated Carrying Amount £'000	Restated Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Liabilities				
<i>Financial liabilities held at amortised cost:</i>				
Borrowings	1,611,286	1,770,833	1,652,567	1,706,310
Creditors:				
• Warrington Borough Council	107,867	107,867	107,694	107,694
• Warrington Borough Transport	5,239	5,239	4,491	4,491
• Incrementum Housing Development	1,439	1,439	1,195	1,195
• Together Energy	48,991	48,991	-	-
• Warrington Renewables (York)	1,218	1,218	2,131	2,131
Restated Total	1,776,040	1,935,587	1,768,078	1,821,821
Financial Assets				
<i>Financial assets held at amortised cost:</i>				
Investments	10,549	10,549	549	549
Debtor General:				
• Warrington Borough Council	557,325	557,325	585,255	585,255
• Warrington Borough Transport	1,407	1,407	1,101	1,101
• Incrementum Housing Development	1,336	1,336	271	271
• Together Energy	37,908	37,908	-	-
• Warrington Renewables (York)	1,239	1,239	1,807	1,807
• Warrington Renewables (Hull)	768	768	1,569	1,569
Restated Total	610,532	610,532	590,552	590,552

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

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

31 March 2022

	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobserva ble inputs (Level 3) £'000	Total £'000
Financial liabilities held at amortised cost:				
Borrowings	-	1,704,894	1,416	1,706,310
Creditors:				
• Warrington Borough Council	-	-	111,875	111,875
• Warrington Borough Transport	-	-	4,491	4,491
• Incrementum Housing Development	-	-	1,195	1,195
• Together Energy	-	-	-	-
• Warrington Renewables (York)	-	-	2,131	2,131
Total	-	1,704,894	121,108	1,826,002
Financial assets held at amortised cost:				
Investments	-	-	549	549
Debtors:				
• Warrington Borough Council	-	-	585,255	585,255
• Warrington Borough Transport	-	-	1,101	1,101
• Incrementum Housing Development	-	-	271	271
• Together Energy	-	-	-	-
• Warrington Renewables (York)	-	-	1,807	1,807
• Warrington Renewables (Hull)	-	-	1,569	1,569
Total	-	-	590,552	590,552

	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Restated Significant unobserva ble inputs (Level 3) £'000	Restated Total £'000
Financial liabilities held at amortised cost:				
Borrowings	-	1,765,713	5,120	1,770,833
Creditors:				
• Warrington Borough Council	-	-	107,867	107,867
• Warrington Borough Transport	-	-	5,239	5,239
• Incrementum Housing Development	-	-	1,439	1,439
• Together Energy	-	-	48,991	48,991
• Warrington Renewables (York)	-	-	1,218	1,218
Restated Total	-	1,765,713	169,874	1,935,587
Financial assets held at amortised cost:				
Investments	-	-	10,549	10,549
Debtors:				
• Warrington Borough Council	-	-	557,325	557,325
• Warrington Borough Transport	-	-	1,407	1,407
• Incrementum Housing Development	-	-	1,336	1,336
• Together Energy	-	-	37,908	37,908
• Warrington Renewables (York)	-	-	1,239	1,239
• Warrington Renewables (Hull)	-	-	768	768
Restated Total	-	-	610,532	610,532

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

14 Cash Flow Statement – Operating Activities

		Restated	
		31/03/21	31/03/22
	Note(s)	£'000	£'000
Depreciation	21	27,920	23,247
Revaluation (loss)/gain		59,641	11,395
Amortisation		158	254
Increase/decrease in impairment for bad debts		(3,976)	(2,980)
Increase/decrease in creditors		80,865	(22,802)
Increase/decrease in debtors		(319,526)	28,742
Increase/decrease in inventories		(3,107)	(6,022)
Movement in pension liability		10,601	29,302
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised		703,794	10,000
Other non-cash items charged to the net surplus or deficit on the provision of services		37,139	(11,106)
		593,509	60,030
		Restated	
		31/03/21	31/03/22
	Note(s)	£'000	£'000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		(4,977)	(1,519)
Proceeds from sale of property, plant and equipment, investment property and intangible assets		(703,795)	(10,000)
Any other items for which the cash effects are investing or financing cashflows		(31,351)	(19,333)
		(740,123)	(30,852)

The Cash Flow Statement – Operating Activities note prior year comparators have been restated in accordance with IAS 8 due to the reclassification of commercial properties and Birchwood Park as agreed with the auditors as part of the ongoing 2017/18 audit. For more details please see note 42 to the single entity accounts.

Also, Birchwood Park has been removed as a subsidiary of the group accounts as per note 18 to the group accounts.

15 Cash Flow Statement – Investing Activities

	Note(s)	31/03/21 £'000	31/03/22 £'000
Purchases of property, plant & equipment, investment properties and intangible assets		(90,372)	(111,372)
Purchase of short-term and long-term investments		(602,829)	(41,827)
Proceeds from the sale of property, plant & equipment, investment property and intangible assets		4,978	1,519
Proceeds of short-term and long-term investments		703,794	10,000
Other receipts for investing activities		34,991	64,880
		50,562	(76,800)

16 Cash Flow Statement – Financing Activities

	Note(s)	31/03/21 £'000	31/03/22 £'000
Cash receipts of short-term and long-term borrowing		382,938	71,187
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		(126)	(135)
Repayments of short-term and long-term borrowing		(278,736)	(30,097)
		104,076	40,955

17 Summarised Information of Associate and Joint Venture

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

2020/21 £'000	<i>Statement of Consolidated Income</i>	2021/22 £'000
(16,429)	Interest Income	(21,645)
5,003	Interest Expense	4,665
13,480	Administrative Expenditure	12,564
	2,054 Operating Loss for the Financial Period	(4,416)
12,808	Other Comprehensive Income for the Period	(1,552)
14,862	Total Comprehensive Income for the Period	(5,968)

31/03/21 £'000	<i>Consolidated Statement of Financial Position</i>	31/03/22 £'000
	<u>Assets</u>	
462,554	Cash and Cash Equivalents	525,906
2,688	Fixed Assets and Other Assets	2,314
465,242	Total Assets	528,220
	<u>Liabilities</u>	
(400,119)	Deposits	(438,041)
(20,377)	Other Liabilities	(39,465)
(420,496)	Total Liabilities	(477,506)
44,746	Net Assets	50,714
(44,746)	Equity	(50,714)

Presented below is a summarised Statement of Consolidated Income and Consolidated Statement of Financial Position for Wire Regeneration Limited.

2020/21 £'000	2021/22 £'000
1,116	1,226
(828)	(859)
288	367
(308)	(268)
(20)	99
- Interest Receivable and Similar Income Gain Arising on Fair Value of Investment	
693	943
673	1,042
(127)	(20)
546	1,022

	Restated	
	2020/21	2021/22
	£'000	£'000
Fixed Assets		
Tangible assets	39	18
Investment property	8,995	10,110
	9,034	10,128
Current Assets		
Stocks	865	869
Debtors	355	180
Cash at Bank and in Hand	330	482
	1,550	1,531
Restated Creditors	(416)	(470)
Net Current Assets	1,134	1,061
Provisions	-	-
Total Assets less Current Liabilities	10,168	11,189
Restated Deferred Tax	(243)	(243)
Restated Net Assets	9,925	10,946
Capital and Reserves		
Share Capital	7,408	7,408
Restated Profit and loss account	2,517	3,539
	9,925	10,947

Note 18: Prior Period Adjustments

In addition to the recategorisations of Birchwood Park and some commercial properties as described in Note 42 to the single entity accounts, Birchwood Park was removed from the Group Accounts as a group entity.

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

Restatement of 2020/21 Movement in Reserves Statement

Restatement of Movement in Reserves Statement for the Year Ended 31 March 2021	Note(s)	Restated General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Restated Total Usable Reserves £'000	Restated Total Unusable Reserves £'000	Total Reserves of the Authority £'000	Restated Total Group Entities £'000	Group Reserves £'000
Balance as at 31 March 2020 (Per Draft SOA)		65,617	25	18,889	84,531	221,926	306,457	(11,033)	295,424
Recategorisation of Birchwood Park & Commercial Properties					-	(6,031)	(6,031)		(6,031)
Removal of Birchwood Park as Group Entity					-	-	-	(6,249)	(6,249)
Restated Balance as at 1 April 2020		65,617	25	18,889	84,531	215,895	300,426	(17,282)	283,144
Movement in Reserves during the year									
Total Comprehensive Income and Expenditure (per 2020/21 Draft SOA)		(35,057)	-	-	(35,057)	(143,576)	(178,633)	(6,391)	(185,024)
Recategorisation of Birchwood Park & Commercial Properties		(12,197)			(12,197)		(12,197)		(12,197)
Removal of Birchwood Park as Group Entity					-	-	-	10,131	10,131
Restated Total Comprehensive Income and Expenditure		(47,254)	-	-	(47,254)	(143,576)	(190,830)	3,740	(187,090)
Adjustments between accounting basis & funding basis under regulations (per 2020/21 Draft SOA)	7	82,463	2,023	666	85,152	(85,152)	-	-	-
Recategorisation of Birchwood Park & Commercial Properties		12,197			12,197	(12,197)	-	-	-
Restated Adjustments between accounting basis & funding basis under regulations	7	94,660	2,023	666	97,349	(97,349)	-	-	-
Restated Increase or (Decrease) in Year		47,406	2,023	666	50,095	(240,925)	(190,830)	3,740	(187,090)
Balance as at 31 March 2021 (per Draft 2020/21 SOA)		113,023	2,048	19,555	134,626	(6,802)	127,824	(17,424)	110,400
Recategorisation of Birchwood Park & Commercial Properties		-	-	-	-	(18,228)	(18,228)	-	(18,228)
Removal of Birchwood Park as Group Entity		-	-	-	-	-	-	3,882	3,882
Restated Balance as at 31 March 2021		113,023	2,048	19,555	134,626	(25,030)	109,596	(13,542)	96,054

Restatement of 2020/21 Comprehensive Income and Expenditure Statement

	2020/21 (Per Draft SOA)			Recategorisation of Birchwood Park & Commercial Properties			Removal of Birchwood Park as Group Entity			Restated 2020/21		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services	12,440	(5,690)	6,750							12,440	(5,690)	6,750
Families & Wellbeing	287,663	(184,873)	102,790							287,663	(184,873)	102,790
Environment & Transport	36,368	(11,658)	24,710							36,368	(11,658)	24,710
Growth	11,357	(1,917)	9,440							11,357	(1,917)	9,440
Corporate Finance	59,956	(80,394)	(20,438)							59,956	(80,394)	(20,438)
Central Charges	82,074	-	82,074	12,197		12,197				94,271	-	94,271
Warrington Borough Transport	9,671	(9,736)	(65)							9,671	(9,736)	(65)
Birchwood Park	12,046	(21,407)	(9,361)				(12,046)	21,407	9,361			
Incrementum Housing Development Co	341	(64)	277							341	(64)	277
Together Energy	17,109	(15,821)	1,288							17,109	(15,821)	1,288
Warrington Renewables (York)	5,150	(2,525)	2,625							5,150	(2,525)	2,625
Cost of Services	534,175	(334,085)	200,090	12,197	-	12,197	(12,046)	21,407	9,361	534,326	(312,678)	221,648
Other Operating Expenditure			3,526									3,526
Financing & Investment Income & Expenditure			12,185									12,185
Taxation and Non-Specific Grant Income			(185,936)									(185,936)
(Surplus) or Deficit on Provision of Services			29,865			12,197			9,361			51,423
Restated (Surplus) or Deficit on Provision of Services by Associates & Joint Ventures			(267)									(267)
Restated Group (Surplus)/Deficit			29,598			12,197			9,361			51,156
(Surplus) or Deficit on revaluation of non-current assets			2,082						(5,237)			(3,155)
(Surplus) or Deficit on revaluation of available for sale financial assets			-									-
Issue of New Units in Birchwood Park			6,460						(6,460)			-
Acquisition of Share Capital			5,187						(7,795)			(2,608)
Restated Share of Other Comprehensive Income and Expenditure of Associates			(5,034)									(5,034)
Remeasurement of the net defined benefit liability			146,731									146,731
Restated Other Comprehensive Income and Expenditure			155,426			-			(19,492)			135,934
Restated Total Comprehensive Income and Expenditure			185,024			12,197			(10,131)			187,090

Restatement of 2020/21 Balance Sheet

	Notes	31st March 2020 (per Draft SOA) £000	Recategorisation of Birchwood Park & Commercial Properties £000	Removal of Birchwood Park as Subsidiary £000	Restated 1st April 2020 £000	31st March 2021 (per Draft SOA) £000	Recategorisation of Birchwood Park & Commercial Properties 2019/20 £000	Recategorisation of Birchwood Park & Commercial Properties 2020/21 £000	Removal of Birchwood Park as Subsidiary 2019/20 £000	Removal of Birchwood Park as Subsidiary 2020/21 £000	Restated 31st March 2021 £000
Property, Plant & Equipment	21	818,939			818,939	828,402					828,402
Heritage Assets	22	16,973			16,973	17,157					17,157
Restated Investment Property	23	264,056	296,887	4,983	565,926	265,263	296,887	7,124	4,983	1,372	575,629
Intangible Assets		574			574	778					778
Restated Investments in Associates & Joint Ventures		6,759			6,759	12,060					12,060
Restated Long Term Investments	34	370,576	(302,918)		67,658	443,412	(302,918)	(19,321)		1	121,174
Long Term Debtors	25	162,483			162,483	370,374					370,374
Restated Long Term Assets		1,640,360	(6,031)	4,983	1,639,312	1,937,446	(6,031)	(12,197)	4,983	1,373	1,925,574
Short Term Investments	34	278,635			278,635	36,120					36,120
Inventories		1,071			1,071	4,178					4,178
Short Term Debtors	26	101,318		(5,107)	96,211	175,796		(5,107)	(5,969)		164,720
Cash and Cash Equivalents	27	126,770		(9,252)	117,518	77,411		(9,252)	5,960		74,119
Assets Held for Sale		-			-	-					-
Current Assets		507,794	-	(14,359)	493,435	293,505	-	-	(14,359)	(9)	279,137
Cash and Cash Equivalents	27	-			-	-					-
Short Term Borrowing	34	(153,614)			(153,614)	(243,668)					(243,668)
Short Term Creditors	28	(108,044)		10,922	(97,122)	(171,434)		10,922		972	(159,540)
Provisions	29	(8,367)			(8,367)	(8,758)					(8,758)
Current Liabilities		(270,025)	-	10,922	(259,103)	(423,860)	-	-	10,922	972	(411,966)
Long Term Creditors	28	(745)		(7,795)	(8,540)	(10,888)		(7,795)	7,795		(10,888)
Deferred Tax		(104)			(104)	(147)					(147)
Grants Receipts in Advance - Capital	20	(5,067)			(5,067)	(5,990)					(5,990)
Grants Receipts in Advance - Revenue	20	(21,390)			(21,390)	(22,390)					(22,390)
Provisions	29	(2,590)			(2,590)	(2,590)					(2,590)
Long Term Borrowing	34	(1,420,067)			(1,420,067)	(1,367,618)					(1,367,618)
Long Term Pension Liabilities	32	(132,742)			(132,742)	(287,068)					(287,068)
Long Term Liabilities		(1,582,705)	-	(7,795)	(1,590,500)	(1,696,691)	-	-	(7,795)	7,795	(1,696,691)
Restated Net Assets		295,424	(6,031)	(6,249)	283,144	110,400	(6,031)	(12,197)	(6,249)	10,131	96,054
Usable Reserves	9	73,498		(6,249)	67,249	117,202			(6,249)	10,131	121,084
Restated Unusable Reserves	33	221,926	(6,031)		215,895	(6,802)	(6,031)	(12,197)			(25,030)
Resated Total Reserves		295,424	(6,031)	(6,249)	283,144	110,400	(6,031)	(12,197)	(6,249)	10,131	96,054

Restatement of Cash Flow Statement

	GROUP 2020/21 (per Draft 2020/21 SOA) £'000	Recategorisation of Birchwood Park & Commercial Properties £000	Removal of Birchwood Park as Subsidiary £000	Restated GROUP 2020/21 £'000
Restated Net (surplus) or deficit on the provision of services	(39,226)	(12,197)		(51,423)
Restated Adjustments to net surplus or deficit on the provision of services for non-cash movements	566,327	12,197	14,985	593,509
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	(731,098)		(9,025)	(740,123)
Net Cash Flows from Operating Activities	(203,997)	-	5,960	(198,037)
Investing Activities	50,562			50,562
Restated Financing Activities	104,076			104,076
Net (increase) or decrease in cash and cash equivalents	(49,359)	-	5,960	(43,399)
Cash and cash equivalents at the beginning of the reporting period	126,770		(9,252)	117,518
Cash and cash equivalents at the end of the reporting period	77,411	-	(3,292)	74,119

Glossary of Terms

AAA FITCH RATING

Highest credit quality - 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA FITCH RATING

Very high credit quality - 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A FITCH RATING

High credit quality - 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

ACCOUNTING PERIOD

The period of time covered by the accounts; normally a period of twelve months commencing on 1st April. The end of the accounting period is the Balance Sheet date.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES

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

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

ASSET

An item having value to the Council in monetary terms. Assets are categorised as either current or fixed:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A non-current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BALANCE SHEET

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

BOND

A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate.

BORROWING

Government support for capital investment is described as either Supported Capital Expenditure (Revenue) known as SCE(R) or Supported Capital Expenditure (Capital Grant) known as SCE(C). SCE can be further classified as either Single Capital Pot (SCP) or ring-fenced.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current accounting period, or expenditure, which adds to and not merely maintains the value of an existing non-current asset.

CAPITAL FINANCING

Funds raised to finance for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.

CAPITAL RECEIPT

The proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government but they cannot be used to finance revenue expenditure.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMMUNITY ASSETS

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

CONSISTENCY

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

CONTINGENT ASSET

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

CONTINGENT LIABILITY

A contingent liability is either:

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

CORPORATE AND DEMOCRATIC CORE

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

CREDIT RATING

An assessment of the creditworthiness of a borrower in general terms or with respect to a particular debt or financial obligation. A credit rating can be assigned to any entity that seeks to borrow money. Credit assessment and evaluation for companies and governments is generally done by a credit rating agency such as Standard & Poor's, Moody's or Fitch.

CREDITOR

Amount owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

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

DEBTOR

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

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

EQUITY

The Council's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

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

EXPECTED RETURN ON PENSION ASSETS

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

EXTRAORDINARY ITEMS

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

FAIR VALUE

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

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by Authorities and subsidised by central Government.

IMPAIRMENT

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

INCOME AND EXPENDITURE ACCOUNT

The revenue account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

INFRASTRUCTURE ASSETS

Non-current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

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

INVENTORIES

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, Authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

INVESTMENT PROPERTIES

Investment Properties represent capital expenditure acquisitions made in reliance upon the GPOC or other service, or expenditure facilitating power.

JERSEY PROPERTY UNIT TRUST (JPUT)

A Jersey Property Unit Trust (JPUT) is a specific type of Jersey trust which is commonly used to acquire and hold interests in UK real estate. Unlike a company, a JPUT is not a separate legal entity.

The assets of the JPUT are held by its trustee on trust for the unitholders of the JPUT. The unitholders hold units in the JPUT, similar to shareholders holding shares in a company.

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

MINIMUM REVENUE PROVISION (MRP)

An annual prudent provision for charges to revenue in respect of outstanding capital debt liability.

NEGATIVE SUBSIDY

If the Subsidy Housing Revenue Account produces a result, which assumes that the Council's income is higher than its expenditure, a "negative subsidy" situation arises. In this case the Council must pay an amount equivalent to the deficit, from its Housing Revenue Account to the Government.

NET BOOK VALUE

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical costs or fair value less the cumulative amounts provided for depreciation.

NET DEBT

The Council's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and as such are not apportioned to services

NATIONAL NON-DOMESTIC RATES (NNDR)

The National Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the Government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central Government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS

Non-current assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE

A lease where the ownership of the non-current asset remains with the lessor.

OPERATIONAL ASSETS

Non-current assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

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

PENSION SCHEME LIABILITIES

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

PRECEPT

The levy made by precepting Authorities by billing Authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency which provides loans for one year and above to Authorities at interest rates only slightly higher than those at which the Government can borrow itself.

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NNDR purposes.

RELATED PARTIES

There is a detailed definition of related parties in IAS 24. For the Council's purposes related parties are deemed to include the Council's members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves are reported in two categories – usable and unusable. Usable reserves are those the Council may use to provide services subject to the need to maintain a prudent level of reserves and any statutory limitation on their use. Unusable reserves are those the Council may not use to provide services and are technical adjustments or specific capital reserves.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Items of revenue expenditure, which statute provides shall be treated as capital expenditure.

REVENUE SUPPORT GRANT

A grant paid by Central Government to Authorities contributing towards the general cost of their services.

S106 AGREEMENTS

A Section 106 agreement is a legal agreement between the Council and a developer, concerning specific planning obligations. A contribution by the developer is sometimes made to the Council for the Council to perform the obligation on the developer's behalf. If the obligation is not met, then the contribution is then repaid to the developer.

SOFT LOAN

A soft loan is a loan with a below market rate of interest.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

USEFUL ECONOMIC LIFE (UEL)

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

WORK IN PROGRESS (WIP)

The cost of work performed on an uncompleted project at the year end.

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