WARRINGTON
Borough Council

2022/23
DRAFT STATEMENT OF ACCOUNTS

Contents

Contents	**Page No**

<u>**NARRATIVE REPORT**</u>

Message from the Deputy Chief Executive & Director of Corporate Services (Section 151 Officer) - 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 2023 and is structured as below:

1. An Introduction to Warrington
2. Performance Commentary for 2022/23
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 203,795 in the 2012 to 211,227 in 2021 an increase of 3.6% in the ten-year period. Warrington's increase is lower than the North West (4.8%) and England and Wales (5.4%). Warrington has more females (106,805) than males (104,422). Warrington's female population represents 50.6% 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 (23.0%). Warrington's 65 and over population (19.1%) is higher than both the North West (18.8%) and England and Wales (18.7%). The number of households in Warrington is 90,538 – an increase from 85,140 in 2011. This is an increase of 6.3%.

There are circa 8,680 business enterprises in the borough employing 143,000 people. The unemployment rate in Warrington is low at 3.0%, compared to that of the North West (4.1%) and all of Great Britain (3.6%) (2022). There is a broad and diverse range of employment options available, with Professional occupations at 24.0% and Associate Professional & Technical at 15.2%. 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 £33,540 (which is higher than the North West at £31,427 and England at £33,499).

The 2022/23 financial year provided several challenges unlike any year before it with the cost of living crisis defining the year. The UK has been experiencing its highest rates of inflation for nearly 40 years, with Consumer Price Inflation (CPI) at 10.1% during 2023. A major factor was the massive increase in electricity and gas bills faced by the nation and the Council. To combat inflation, the Bank of England has raised interest rates to 4.25%, the highest rate in 14 years. This period of unusually high inflation and interest rates had major implications for the economy and the Council. It resulted in a massive increase in demand for Council services; large increases in borrowing costs as interest rates increased; falls in the value of our assets and investments reflecting the trend nationally; and large increases in the Council's utility costs.

The Council's operating revenues amounted to £594.685m in 2022/23 (note 18). However, a sizeable chunk of this is related to services that are essentially pass-through. For instance, Central Government funds £199.748m (note 19) that the Council spends on children and education services and nearly half of adult social care costs are borne by Central Government. As a result the Council had direct responsibility for a budget of £165.211m in 2022/23.

Council tax of £114.622m (note 12) in 2022/23 funds over half of the direct budget requirement. Council tax increased by 2.98% in 2022/23, including a 1% Adult Social Care precept. Band D Council Tax (excluding precepts) was £1,614.39 in 2022/23.

Revenue Support Grant (Government funding) was £1.372m in 2021/22. The 2022/23 year saw a small inflationary increase to £1.419m; 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 £67.9m (22/23 £20.0m; 21/22 £11.6m; 20/21 £14.1m; 19/20 £22.2m) of savings over the previous four years and plan to make a further £64.1m of savings over the four year period from 2023/24.

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 £41.4m in 2021/22. In 2022/23, this decreased to £27.558m (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 5,260 people (2,863 WBC, 2,397 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 2023/24 to 2026/27. The MTFP sets the financial context for the Council's resource allocation process and budget setting.

Over the next four-year period there is an estimated funding gap of £64m. 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 COVID 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 will be challenging over the coming years and will be managed via the Council's risk management framework.

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 COVID-19 pandemic has delayed some key Government decisions about the future direction of Local Government funding. The 2023/24 Local Government Finance Settlement was again a one year funding settlement, providing no certainty about funding beyond 2023/24. 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
10 Conservative Councillors
8 Liberal Democrat Councillors
3 Independent Group
1 Independent (Unaligned)
58 Councillors

During 2022/23, one Councillor left the Labour Group and become an Independent (Unaligned) member.

During 2022/23, there have been four by-elections but all returned the incumbent party so there was no change in terms of proportionality.

The Council has adopted the Leader and Cabinet 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.

<u>PERFORMANCE COMMENTARY FOR 2021/22</u>

The Council's corporate strategy 2021-2024 was developed during 2021 and approved by Cabinet in September 2021. It is refreshed annually and the 2022-2024 updated strategy was published in October 2022. Progress against the delivery of the strategy is reported to Cabinet quarterly.

There are four pledges:

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

Supporting these pledges are cross cutting themes: sustainability, reducing inequalities and cost of living. 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 and independent lives

'Talking Point', the Council's Community Led Support initiative, which first started in Birchwood. As a result of its success, the concept has been rolled out to other sites across the town. The model provides good conversations at the front door of adult social care in a timelier manner.

The Home First model has seen an increase in performance during quarter 4 with 62% of people returning home following hospital discharge (quarter 3 was 58%). This is despite the continued significant increase in hospital demand and is now in-line with the performance with quarters 1 and 2 of the 2022/23 financial year. Intermediate Care at home capacity has not increased but has been maintained and supported by an increase in the capacity of care at home provided by the Council's commissioned providers.

Following the Government announcement to delay any further social care reforms in relation to the charging plans for two years, officers are continuing to look at options that will independently enable more online options for self-assessment and management. Several portals and products are being reviewed.

The Council is preparing for the first adult social care CQC inspection, and a Peer Review took place in March 2023 to investigate preparedness and areas for improvement in relation to the standards and assurance requirements. For the fair cost of care developments, the Council has published all relevant reports online and briefed the markets as per the national requirements. The reports are available at https://www.warrington.gov.uk/fair-cost-care.

Public Health undertook targeted work to improve vaccine uptake across several sectors including Adult Social Care, complex settings and education. Uptake for the flu vaccine for most cohorts for 2022/23 was down on the previous year (2021/22). There are concerns around the 2- to 3-year-olds programme, pregnant women and the data quality around Adult Social Care. Further work is required ahead of the next flu season to support increased uptake and improve data quality to allow providers to respond more effectively to areas of low uptake.

The 0-19 (25 with SEND) contract has been awarded to Bridgewater NHS Foundation Trust on a 5-year basis with the potential to extend for up to 2 years. The 0-19 (25) public health service delivery is based on the Modernised National Healthy Child Programme up to the age of 19, extending to age 25 for children with SEND and additional health needs. It brings together the evidence on delivering good health, wellbeing and resilience for every child. It sets out the schedule for services covering care from 28 weeks of pregnancy through to 19 years. This is delivered as a universal service with additional services for families needing extra support, whether short-term intervention or ongoing help for complex longer-term problems. The programme can ensure families receive early help and support upstream before problems develop further, which in turn reduces demand on downstream, higher cost specialist services.

The 0-19 (25) service includes the following services: Health Visiting, Family Nurse Partnership Programme, Breastfeeding Volunteer Service, School Nursing and Oral Health.

As Bridgewater are the existing provider, mobilisation of the new contract should be seamless. The new service will be fully operational by 1 October 2023. Public Health will work with the provider during quarter 2 of 2023/24 to finalise the new performance framework and definition of the quality measures.

At Half-Term 3 2022/23, the overall absence (6.4%) and persistent absence (17.9%) rates have improved across all phases, however they are still higher than the pre-COVID rates for Warrington. They remain highest for pupils in Special Schools, while Warrington's Primary and Secondary schools have experienced reducing rates and are now lower than that reported both in the North West and nationally.

Quarter 3 saw the Education Strategy published following consultation with stakeholders. School performance for 2022 indicates that the overall performance for Warrington schools is above national and North West averages. OFSTED judgements for Warrington schools are positive with 97% of our Primary schools, 92.3% of our High Schools and 100% of Special schools rated good or better.

During quarter 3 a cost-of-living directory was produced and published on the Council website https://www.warrington.gov.uk/cost-living-support. The webpages and directory provide advice and support for residents. Other partners also signpost to the directory on their websites. Initial analytics show high use of the website, especially key areas such as access to food, fuel and housing. The website received a lot of activity over the festive period.

In the run up to December 2022 a leaflet was devised containing key sources of information for Warrington's residents. This was distributed to many households. The borough now has six Bread and Butter Thing sites and the Community Shop, in Bewsey, opened in April 2023. The Community Shop sells products which are safe to eat that have been donated by major retailers, brands and manufacturers. Revenues raised are reinvested back into the local area. The store will house a community kitchen, offering low cost wholesome hot meals.

The Joint Combatting Drugs Unit and Office for Health Improvement and Disparities (OHID) group have approved the submission for the extra funding of £362,437 for 2023/24. This will help to continue the work already happening in Warrington, focussing on criminal justice interventions, extra detox and rehab placements and more service user involvement.

The Council, in partnership with St Helens Council, has successfully applied for funding from Department for Environment, Food & Rural Affairs (DEFRA) for a project to support households containing Children with Asthma around making improvements to indoor air quality, with the project likely to start late Spring 2023. The Public Health Team is also supporting the development of a toolkit which will support organisations in assessing indoor air quality and would initially be aimed at Adult Social Care and Education but with the intention that the toolkit can be used in other areas in the future.

Everyone benefits from our thriving economy

Regeneration

Town centre regeneration continues to be residential development led, which is line with the Town Centre Masterplan for Warrington. Financial pressure on development has reduced investor and developer appetite, but this is expected to recover towards the end of the year.

The Council continues to engage with developers around planning and potential student occupation within the Town Centre as the University gains a better foothold within the Town Centre.

Time Square is continuing to attract interest, but deals are more difficult and taking longer to complete as energy and staff costs hit the hospitality market.

The development of Phase 2 of Time Square is now underway with a focus on the development of employment and office space as well as residential occupation. Work is also underway to bring forward the vacant and demolished properties on Ryland Street and the Cabinet works, again this is with a focus on residential development. The new Steelworks residential scheme on John Street is due to complete its first phase during the summer of 2023 and the residential scheme at New Town House and Cockhedge is gradually moving through its development phases and is starting to attract market interest. The 509 unit residential development on Centre Park is proving very successful and some of the later phases are now being accelerated to accommodate demand for family housing near to the Town Centre.

In April 2023 over 200 private sector investors and property developers met at the Park Royal Hotel to join the 25th Warrington Annual Property Review. This is an important annual event in the Warrington inward investment calendar, and showcases the economic growth, regeneration and investment activity in the previous year. This year highlighted the high levels of investment, over £2 billion over the last 10 years, and some of the impact this has had on community space across the borough.

Expressions of interest have been received from the private sector regarding the sale of Bank House and 86 Sankey St. Offers are being explored further and due diligence undertaken with prospective buyers with a view to bringing these buildings back into active use. The

Neighbourhood Centre (phase 1) at Omega is heading for completion with a new Lidl supermarket, Costa coffee and McDonald's. Work is now underway with Miller Developments to deliver a GP surgery, and older persons living accommodation and a pub/restaurant, along with a children's play area.

The new Bus Depot on Dallam Lane has now been handed over to Warrington's Own Buses. The old depot is due to transfer to the Council and plans are being made to demolish the structure.

A Time Square summer programme is planned with a variety of events taking places for all ages, in addition support is being provided for the annual Mela that will take place on August 13 in Queens Gardens, Palmyra Square.

The High Street Task Force have provided support in undertaking a workshop aimed at creating a vision of a revitalised Orford Lane. Further work is taking place with ward members and cabinet members.

The Institute of Government Public Policy (IGPP) moved into to Chadwick House, Birchwood Park. Tenet, Toshiba and Go Car Credit have all agreed lease renewals. Three other potential lettings are in also in negotiation on the park.

The Health and Well-being Hub, part of the Warrington Town Deal, will open on Horsemarket Street. This facility will occupy what would otherwise be a vacant unit in the heart of the town centre.

Local Plan

The consultation on the Planning Inspector’s proposed major modifications ended on Wednesday, 26 April. The Council has received approximately 95 consultation responses, all of which will now be uploaded to the Council's website and sent to the Planning Inspector. They will then produce a final report indicating whether they believe the plan, following the adoption of the proposed modifications, is considered sound. Should this be the case, it is expected that the Local Plan will be presented to the Council's Cabinet to seek approval to send to the meeting of the Full Council in September for formal adoption.

Inward Investment

Warrington continues to feature prominently in the search results for potential inward investors. One recent visit welcomed a US manufacturer to view two 100,000 sq. ft. properties in Risley and Birchwood. Another US company was presented with office options in south Warrington, whilst a local security company looked for 2,000 sq. ft. in the north of the borough to diversify into plastic moulding. Property agents are reporting plenty of deals being done, with medium offices of 6,000 – 12,000 sq. ft. especially popular because of larger companies downsizing through flexible working. Lack of available industrial stock remains an issue and will restrict investment in the next few years until Six56 and Fiddlers Ferry come on-line. Whilst this will affect larger company expansion, at the lower end there is still plenty of movement into and between small offices. The Base is now over 90% occupied and two closing business centres are presenting opportunities for other local providers. If approved, a

UK Shared Prosperity Fund supported Start and Scale Up Club will provide more intensive support for this size of occupier and encourage the next generation of Warrington employers.

Economy

Many businesses in Warrington continue to report positive sentiments, despite ongoing economic challenges. A recent Bank of England dinner for local business leaders highlighted increasing consumer demand in sectors such as automotive, housing and digital. Economic conditions have improved in some areas, including global container prices (back to $2,000 from $20,000), HGV driver recruitment and Irish Sea trade. However, significant barriers remain, with production cost inflation pushing food inflation to over 30% and Cheshire & Warrington continuing to advertise more job vacancies than there are job seekers. Elsewhere in the local economy, commodity product or service providers are struggling to recruit, reward their staff and make a sufficient profit.

UK Shared Prosperity Funding (UKSPF)

The first batch of UKSPF projects have been approved and are being set up by delivery teams. Projects include activities to help make our town centre safer and more attractive to visitors; to provide more cultural events and activities across the town; support volunteers to deliver wellbeing activities; deliver life skills to older children in care and those with special education needs; and continue to ensure vulnerable residents seeking employment receive support. Next steps will include partnership workshop activity to help shape the next batch of projects, ensuring we're clearly delivering against our Investment Plan and agreed outcomes.

Town Deal

The Town Deal Board has been rebranded to become the 'Town Board' as it takes on partnership oversight responsibility for the UK Shared Prosperity Fund – supporting the Council in its role as accountable body by providing constructive challenge and scrutiny as well as partnership support.

Warrington Business Improvement District (BID)

Warrington BID are undertaking a ballot with eligible town centre businesses for development of a BID 2 – to run from August 2023 for 5 years. If successful the BID will result in around £1m of additional investment directly into the town centre, supporting increased visitor numbers through events, safety initiatives, public realm improvements and more. The BID is business sector led, coordinated by a town centre BID Board and managed by Groundwork.

Multiply (adult numeracy programme)

Multiply is the adult numeracy programme for adults aged 19+ who have not previously attained a GCSE Grade 4/C or higher maths qualification. Warrington's total programme allocation is £916,581. The Council has confirmed its Investment Plan with Government and will oversee a three-year programme (up to March 2025) targeting 423 learners and featuring a range of interventions, including:

- Courses designed to increase confidence with numbers for those needing the first steps towards formal numeracy qualifications
- Courses designed to help people use numeracy to manage their money

- Innovative numeracy programmes delivered together with employers – including courses designed to cover specific numeracy skills required in the workplace
- Courses aimed at people who can't apply for certain jobs because of lack of numeracy skills and/or to encourage people to upskill in numeracy in order to access a certain job/career
- Courses for parents wanting to increase their numeracy skills in order to help their children, and help with their own progression
- Numeracy courses aimed at those 19 or over that are leaving, or have just left, the care system
- Numeracy activities, courses or provision developed in partnership with community organisations and other partners aimed at engaging the hardest to reach learners
- Additional relevant maths modules embedded into other vocational courses

A procurement exercise to commission delivery of the above programme, with an expectation of partnership working between learning providers and voluntary and community groups, has been undertaken, and the first learners signed-up.

Two projects are now complete under the Town Deal programme: the Health and Social Care Academy (HSCA), and the Bus Depot. The 3G pitch, delivered as part of the Sustainable Travel Programme, is now complete and in use. Works contracts have been agreed for the Living Well Hub (formerly known as the Health and Wellbeing Hub) and for the roof works relating to the European Regional Development Fund (ERDF) element of the Digital Hub. Tenders are being assessed for the construction of the Advanced Construction and Civil Engineering (ACCE) Centre.

The Department for Levelling Up, Housing and Communities (DLUHC) have approved the project adjustment request, confirming transfer of £250k from the HSCA to the ACCE project. The underspend was due to the Warrington and Vale Royal College using their internal resource for some of the work on the HSCA. Design and planning works have continued on the remaining elements of the overall programme.

Key Restart Programme targets, supporting participants into work, remain on track. Prior challenges with achieving the targets have been associated with contacting / meeting participants by the deadline, these are now much improved and the service is seeing sustained positive outputs. The team has successfully moved to Time Square, providing a town centre location for participants.

Over the past 12 months, the number of children in independent and out of borough schools (pre-16) has reduced from 107 in March 2022 to 104 in March 2023. However, post 16 the number of placements in this sector has increased from 37 in March 2022 to 43 in March 2023. This is a result of the increase in the number of young people with Education, Health and Care (EHC) Plans remaining in further education which has increased 3.6% for 16-19 year olds and 18.8% for 20-25 year olds. To address this, Woolston Sixth Form College has been asked to increase the number of young people supported locally. Discussions are underway with the leadership of Warrington Vale Royal around the development of their offer for young people with Special Educational Needs and Disability (SEND). The Peace Centre will support Warrington's longer term sufficiency plans.

The Warrington Skills Commission 2023 has been initiated, with early meetings and workshops having been undertaken. A public survey has been completed, with results currently being analysed. Consultant support has been procured and expert witnesses identified.

Communities are safe, strong and our most vulnerable are protected

All emergency plans are revised and tested in line with statutory requirements, a full training and exercise programme, both internally and externally, has been re-introduced following a pause due to the COVID response and is being updated to reflect the 2023/24 offer. A first round of First Responder / Senior Manager training has taken place.

The Community Safety Partnership (CSP) has been refreshed. Reporting to the CSP is maintained on a quarterly basis and addresses any emerging issues. Problem solving partnership groups continue to look at the anti-social behaviour issues that arise across the town to identify appropriate diversionary tactics and specific, targeted, operations where required.

The Organised Crime Group (OCG) Partnership continues to meet bi-monthly and report its findings on a quarterly basis to the Community Safety Partnership (CSP). Several other groups also report to the CSP including the Partnership Tasking & Co-ordination Group (PTAC) responsible for addressing Anti-Social Behaviour (ASB) and any emerging issues within the town. The Hate Crime Alliance is currently being refreshed and is under review. There is good partnership attendance and joint working across the CSP arena between the partner organisations and groups.

During quarter 4, Children in Need (CiN), has seen a very significant positive decrease in staff turnover rate. The majority of the work force in the CiN Service are still Assessed and Supported Year in Employment (ASYE), and therefore this remains a target area to address. The decrease in turnover is encouraging and if the service continues to see a lower turnover rate over the next 12 months the percentage of permanent work force with two plus years qualification will increase. However, the CiN service still has several agency social workers.

From April 2023, Pure Insights extended its offer to care leavers to include a Mentoring, Parent & Child and Employment, Education and Training (EET) service. This is a joint funded service from the Integrated Care Board (ICB, Warrington Borough Council) and Cheshire Community Partnership. Work continues in relation to Care Leavers and those identified as EET, with the percentage of those engaged in employment or training continuing to increase from 57% in quarter 3 to 60% in quarter 4.

In relation to children in care placements, work has started on the capital project for a Short Breaks Home in Warrington, also work continues in relation to our Complex Needs Hub and four bed Children's Home.

Children in Care numbers have decreased from 345 in quarter 3 to 327 in quarter 4, with 15 children having been adopted in the last 12 months, while 13 children are 'waiting to be adopted'.

The number of children exiting care via Special Guardianship Orders (SGO) is 19%. The 'Placement with Parent' Care Order at home figure is now 18 children, a reduction from quarter 3 which was 20.

The Homelessness Lead is completing a desktop review of the existing Homelessness and Rough Sleeper Strategy to inform a Homelessness Strategic Group who will develop the new strategy. The new strategy will define a revised action plan to reflect the changes that have happened within the homeless agenda in recent years. The homeless agenda continues to highlight the complex lives that people present with, and, on occasion, some chaotic behaviour and complexities will bring additional pressures to the service.

Quarter 4 saw the number of Bed and Breakfast (B&B) nights increase but the spend decrease. This was due to the rooms being occupied by individuals and couples, with fewer families needing this accommodation. These smaller rooms are cheaper overall and account for the difference in the spend coming down but the number of nights going up.

The Council have secured the building known as the Peace Centre with the intention of providing post 16/19 education and day opportunities.

There has been a continuing improvement in the availability of Care at Home and the number of people waiting and the length of wait time for services to start has also improved. The new model of care and providers went live in early February and this with the impact of some overseas recruitment by one provider has seen the number of people receiving care (990) and hours (11,250) at their highest points in the last 3 years. Care hours waiting have fallen by almost 1,000 hours since the start of quarter 3 to the end of quarter 4.

LiveWire and Culture Warrington performance continues to improve although, in line with national trends, attracting and retaining leisure members is challenging as cost-of-living impacts household finances. A Re-structuring Plan has been drafted by LiveWire, in line with Subsidy Control regulations, and is due to be submitted to the Competition and Markets Authority (CMA) imminently. The review of future delivery options for leisure and library services continue, as part of our risk monitoring and mitigation processes.

Our town is clean, green and vibrant

A new Playing Pitch Strategy and Open Space Sport and Recreation Assessment have completed and approved.

As part of the highway's maintenance programme, initial surveys and assessments have been undertaken. Lists of the possible road and footway projects have been identified and are being refined, and prioritised, with cost estimates being produced for each Ward as appropriate based on existing conditions. The delivery programme is due to commence on site from September 2023, while Member engagement is progressing and presentations to Full Council planned.

The Environment Agency is leading on a project to reduce the risk to potentially 580 properties that are currently at risk from the Sankey Brook flooding. The Sankey Strategy is underway and at appraisal stage. The project is due to be completed August 2028. Under

Partnership Funding rules, some partner contribution will be required to make the scheme viable.

There is continued good progress in the delivery of both the Council's Bus Service Improvement Plan (BSIP) and ZEBRA projects. £16m of funding for the Bus Service Improvement Plan (BSIP) has been secured which comprises around £10m for bus priority improvements on the A49 N corridor and £6m for revenue support to extend bus services and reduce prices for passengers across Warrington. Much of the detail of the BSIP bid was informed by the initial work carried out for the Mass Transit/Bus Priority study which was an early commitment from the local Transport Plan 4 (LTP4).

The delivery of the Zero Emission Bus Regional Area (ZEBRA) project continues to progress well, with the tender processes for electric charging equipment and the electric buses completed and notice to award issued, with final approvals gained at Cabinet in February 2023. The placing of final orders is now dependent on Competition and Markets Authority referral on subsidy control grounds.

Quarter 2 saw the annual Air Quality Progress report accepted in full by Defra with no technical issues raised. The Air Quality Programme Board has revised its Terms of Reference.

During quarter 2 the Fly Tipping Intervention Scheme was completed with the purchase and deployment of CCTV and the promotion of the waste disposal and recycling policies in the Central 6 area. Positive feedback has been received and evidence obtained is under investigation. There is strong joint working between public protection and waste services resulting in improvements reported.

Work is progressing on the upgrade of access routes through the town’s extensive parklands, with the latest schemes currently in the planning and consultation phases.

The Council’s parkland is managed with a focus on enhancing the environment and partnership working between the Park Ranger Service and Natural England is delivering tangible improvements in habitats at our nationally important Nature Reserves.

Delivering our Strategy
Digital

The Council continues to upgrade its technology systems and software. Office 2013 has been retired on target by and before it reaches end of life. The next step in the road map is to migrate users from Office 2016 by October 2023. Strategy work has started on a new Learning Management System and a future HR systems strategy.

A new Cyber Security Response Plan has been developed describing the IT response and action plan to a potential or actual cyber security attack.

Maintain an appropriate level of staffing across all services in the Council

A draft Adult Social Care Workforce Strategy and action plan has been developed, with final revisions in progress. The expectation is that implementation is to be taken forward by the Adult Care Workforce Operational Group and overseen by the Workforce Board.

Several employee engagement sessions called 'Staff Space' have taken place during the year. After successful attendance the concept has been reviewed by Senior Leadership Team (SLT) and support has been given for the format to continue and the discontinuation of the Employee Engagement forum. The 'Have your say' all staff survey was launched in May 2023 with results to be reported in the usual way to all staff and members.

Work continues to address specific recruitment and retention difficulties across services. Development on a new recruitment and retention strategy for the Council is to be informed by work currently underway in all Directorates.

Managing our finances

Budget planning has commenced for 2024, and beyond, aligning the Council's finances to the Council's corporate strategy and continues to enable the best possible outcomes for our residents. High inflation, energy costs and the impact of cost of living on service demand are all significant moving parts within the financial planning process. The funding level from Central Government remains a key unknown in the planning process for future years.

The Procurement Strategy was approved by Cabinet in October 2021 and continues to be the guiding strategy for current procurement activity. Significant work has taken place across quarter 3 of 2022/23 to enhance operational processes improving our ability to strengthen key performance indicators and enable further progress in achieving the Procurement Strategy objectives.

Adopting new ways of working to meet our legal requirements

Proposals have been agreed and implementation to reduce the use of Legal locums.

A new company lawyer is in place and undergoing training and development. Adverts are due for appointment of new directors, external to the Council, who will be appointed to the appropriate boards.

Establishing future ICT arrangements and adopting new ways of working to meet our legal requirements

Committee meetings have commenced at Times Square in 2023 and a new microphone system is now in place and operational.

Reducing the impacts of climate change

A Council's operational emissions baseline (2019/20) and provisional Warrington Borough Council carbon budget was included in the 2023/24 Medium Term Financial Plan, Draft Revenue Budget and Capital Programme report to Full Council in February. Updated figures have been included in the new climate emergency action plan drafted during quarter 4.

In October 2022, Cabinet welcomed the new climate emergency strategy developed by the Warrington Climate Emergency Commission, adopted a Council climate and sustainability policy, and approved the formation of a task and finish group to draw together a Council action plan in support of the new strategy. During quarter 4, a new draft climate emergency action plan has been developed via the corporate task group. The task group met four times during quarter 4 to complete the task. The draft will now progress through the normal internal processes on route to consideration by Cabinet during quarter 1 2023/24.

At the end of quarter 4, 112 individuals had undertaken carbon literacy training (78 officers and 34 elected members) up from 78 in quarter 3. During this period 144 had completed all three of the online learning modules. There were four workshop sessions held for those who had completed all the online modules and these were attended by 35 people. The course has been promoted via the Council's intranet homepage, the internal staff 'Your Voice' newsletter, digital screens in Time Square and through managers top line bulletins. The number who have submitted their post-course 'homework' task has increased dramatically since moving the course in-house.

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 28 February 2022 was £157.264m. Revisions made during 2022/23 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 2022/23 revenue outturn position for each Directorate when compared to the revised budget after allowing for:

- The use of the 2021/22 unspent budget carry forward £14.945m,
- The approved net movement from earmarked reserves £8.041m,
- The approved unspent budget carry forward to 2023/24 £15.462m.

The outturn for the Council is an overspend of £1.204m.

Directorate	**Budget £000**	**Actual £000**	**Total Variance £000**
Corporate Services	7,779	8,842	(1,063)
Families & Wellbeing	120,110	126,871	(6,761)
Environment & Transport	24,725	27,805	(3,080)
Growth	8,764	9,941	(1,177)
Corporate Financing	3,833	(7,044)	10,877
Outturn (Overspend)	**165,211**	**166,415**	**(1,204)**

Corporate Services Directorate main areas of overspend were within the Customer and Business Transformation and the Law and Governance divisions.

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

Environment and Transport Directorate main areas of overspend were within the Operation and Commercial and the Asset Maintenance and Street Works divisions.

For the Growth Directorate the main areas of overspend were within the Development Control and the Property and Estates Management divisions.

Corporate Financing, which manages the corporate budgets for the Council, experienced overspends in the Contingencies and Corporate Property divisions significantly mitigated by better than budgeted performance in the Capital Financing (Treasury) and the Energy Schemes divisions.

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 28 February 2022, Council approved a three year capital programme of £728.973m incorporating a 2022/23 capital programme of £415.399m. 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 £122.153m took place in 2022/23.

The table below shows that the Council spent £231.157m on its capital programme in 2022/23, representing a delivery rate of 79% 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.

2022/23 Capital Programme

Capital Programme	**2022/23 Budget**	**2022/23 Outturn**	**2022/23 Variance**	**% Spent**
Families & Wellbeing	9.198	8.135	- 1.063	88%
Corporate Services	4.060	2.144	- 1.916	53%
Environment & Transport	25.701	17.234	- 8.467	67%
Growth	12.795	15.791	2.996	123%
2022/23 Capital Programme (excluding Invest to Save)	**51.753**	**43.303**	**- 8.450**	**84%**
Invest to Save Programme	241.493	187.854	- 53.639	78%
2022/23 Invest to Save Programme	**241.493**	**187.854**	**- 53.639**	**78%**
Total 2022/23 Capital Programme	**293.246**	**231.157**	**- 62.089**	**79%**

2022/23 Capital Financing

Capital Programme Funding	2022/23 Budget	2022/23 Outturn	2022/23 Variance
Unsupported Borrowing - Corporate	21.792	4.658	- 17.134
Unsupported Borrowing - Invest to Save	241.493	187.854	- 53.639
Capital Grants and Reserves	25.064	35.574	10.510
Capital Receipts	1.806	1.366	- 0.440
Revenue Funding	0.249	0.291	0.042
External Funding	2.842	1.414	- 1.428
Total 2022/23 Capital Programme Funding	**293.246**	**231.157**	**- 62.089**

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 2023/24 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 £62.089m 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 Corporate Services (£1.916m), Environment & Transport (8.467m) and the Invest to Save Programme (£53.639m). The major scheme underspent for Corporate Services is Corporate Redundancy Costs (£0.791m) and for Environment & Transport is Western Link Projects (£3.204m). The major scheme underspent on the Invest to Save Programme is Loans to Housing Associations (£30.789m).

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 principle 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.

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

- **Primary Schools – Total Spend £3.149m**
  Grappenhall Heyes Expansion - £2.196m

- **Secondary Schools – Total Spend £3.024m**
  Bridgewater High Extension - £3.024m

- **Customer & Business Transformation – Total Spend £1.894m**
  Change Delivery - £0.932m
  ICT - £0.963m

- **Environment & Transportation – Total Spend £17.233m**
  Highways Maintenance Investment - £0.820m
  LTP Integrated Transport & Incentive Block - £1.785m
  LTP Maintenance & Incentive Block - £2.188m
  LTP Potholes Fund - £1.783m
  Parks & Open Space Projects - £0.334m
  Vehicle & Plant Replacement Projects - £0.833m
  Zero Emission Bus Regional Area (ZEBRA) - £1.079m

- **Growth – Total Spend £15.784m**
  Bus Depot Relocation - £7.352m
  Green Homes Grant - £4.693m

- **Warrington Town Deal Projects – Total Spend £3.184m**

- **Invest to Save – Total Spend £187.854m**
  Loans to Housing Associations - £69.211m
  Commercial Loans - £57.397m
  Birchwood Park - £18.351m
  Solar Farm Projects - £3.768m
  Capital Investment - £28.237m
  Housing Companies Loan - £9.698m

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 energy, cost of living crisis and the aftershock of the pandemic has tested the Council's financial resilience. 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 2022/23 evidenced by the Council's ability to mitigate the financial impact and set a balanced budget in 2022/23. 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 are 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;

- **Internal and External Audit** – independent audits of the Council's financial management throughout the year.

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 2022/23 Balance Sheet (page 37) were:

- The Council's net worth increased by £421.707m, this was largely due to a decrease in the Council's pension liability of £220.572m.

- Long term assets increased by £34.414m. Plant, property and equipment has decreased by £30.312m and Investment Property has decreased by £37.260m. Long term investments has decreased by £24.112m. Long term debtors has increased by £126.002m.

- Short term assets also increased by £8.048m, with increases in cash and cash equivalents of £19.101m, and short term investments of £1.258m, as well as a decrease in short term debtors of £12.240m.

- Short term liabilities decreased by £60.055m, of which the biggest contributors were borrowing, a decrease of £52.780m. Provisions decreased by £5.193m and creditors decreased by £2.082m.

- Long term liabilities decreased by £1.484m. This was mainly due to an increase in long term borrowing of £222.548m, offset with a decrease in the Council's pension liability of £220.572m.

Reserves

The table below shows the position of the Council's reserves (pages 67 & 100). The Council's cash backed reserves decreased by £14.083m to £128.491m (2022/23) from £142.574m in 2021/22.

The Council's non-cash backed reserves (unusable) increased in year. The increase of £118.084m was largely due to an increase in the pension reserve of £221.678m, as well as a decrease in the Capital Adjustment Account of £117.316m.

	Restated 2021/22 £'000	**2022/23 £'000**	**Movement £'000**
Usable Reserves (Cash Backed Reserves)			
Revenue			
General Fund	4,604	10,918	6,314
Earmarked Reserves (WBC)	109,054	83,978	(25,076)
Earmarked Reserves (Schools)	9,927	9,036	(891)
Total Revenue Reserves	**123,585**	**103,932**	**(19,653)**
Capital			
Capital Receipts	1,350	2,290	940
Capital Grants	17,639	22,269	4,630
Total Capital Reserves	**18,989**	**24,559**	**5,570**
Total Usable Reserves	**142,574**	**128,491**	**(14,083)**
Restated Unusable Reserves (Non-cash Backed Reserves)	175,132	293,216	118,084
RESTATED TOTAL RESERVES	**317,706**	**421,707**	**104,001**

Pensions

The table below shows the in-year movement on the Council's pension liability (page 93); the liability has decreased by £200.572m. 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 '22	(147,348)
Current Service Cost	(40,009)
Past Service Cost	(330)
Interest Cost	(4,278)
Settlements	-
Employer Contributions	17,595
Contributions in respect of Unfunded	172
Remeasurements	247,422
Closing Balance as at 31 March '23	**73,224**

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	£8.078m at 31 March 2022	£5.888m at 31 March 2023
Business Rates write-off	£0.435m in 2021/22	£0.000m in 2022/23

Treasury Management

At the 31st March 2023 the Council had borrowings of £1.822bn and treasury investments of £183.516m.

The Council complied with its 2022/23 Treasury Management Strategy agreed by Full Council In February 2022 during 2022/23.

To fund the Council’s Capital Programme the Council prudently borrowed long to medium term when interest rates were low. The average duration of the Council’s loans is 22.5 years. During the year with the rapid rise in interest rates PWLB premiums of between £170m - £250m were generated on the Council’s loan portfolio.

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 2022/23 Warrington remained rated as A3 Stable, which reflects the strong institutional framework for UK local authorities, The Council’s 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 Audit & Corporate Governance Committee is the body charged with the Governance of Treasury Management and they receive quarterly monitoring reports.

Cash Flow

	31/03/21 £'000	31/03/22 £'000	31/03/23 £'000
Cash and cash equivalents	(186)	(9,171)	(1,181)
Short-term Deposits	46,911	66,715	77,825
TOTAL	**46,725**	**57,543**	**76,644**

Total cash and cash equivalents at 31 March 2023 is £76.644m. 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) Ltd
- Warrington Renewables (Hull) Ltd
- Warrington Renewables (Cirencester) Ltd

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). In financial year 2022/23, this was augmented by a Schools Supplementary Grant, after additional national

funding was announced in December 2021. This amount has subsequently been subsumed into the 2023/24 DSG allocations. Pupil Premium continues to be paid separately, for free school meal entitled children, service children and Looked After Children.

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 2022/23 by £0.727m, representing 0.65% of Warrington's total DSG receipt of £111.476m (after recoupment for Academy budgets). Further details can be found in Note 18.

This closing figure is an available resource for spending on educational activities in future years, as taking account of the 2021/22 underspend of £935,364, the DSG unusable reserve (essentially, the aggregate of previous years' DSG overspends) of £937,849 can already be almost entirely covered, when regulations direct its write-off in 2024.

At the end of 2021/22, school balances for Warrington maintained schools totalled £9.046m, and overall in value have remained static, reporting £9.036m at end 2022/23. Proportionately there has been a reduction, though, at 9.5% of funding, compared with 10.4% last year.

There were no Academy conversions during 2022/23, so the balances positions are directly comparable. This also means that there was no required transfer of assets from the Council's Balance Sheet. The revenue recoupment from DSG in respect of the budgets of all current mainstream Academies was £84.869m (last year £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, Thurrock 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 reviewed 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 2022/23, 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 diversified investment portfolio, have performed less well. As at the 31 March 2023 the Council has borrowings of £1.822 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 2022/23 the Council's commercial programme generated a net return to the Council of £22.4m.

This return is largely from two areas, firstly the Council's secured loans programme which generated a net return of £12.6m and secondly the Council's property investments which generated a net return of £7.5m.

As at 31 March 2023 the Council had £920.6m of secured loan facilities in place with £592.9m of drawdowns. These facilities are with fifteen Housing Associations and eight 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 investment portfolio decreased in value by 11.38% during 2022/23, falling in value by 0.03% since original purchase. Although this reflects the current economic climate it is the first time that the portfolio value has fallen in capital value. The fall in values is reflective of the national position on property caused by the economic challenges the country faces. The Warrington portfolio fall in value is well below what some of the large property investment funds have recorded over the same period.

In total at 31 March 2023 the value of the Council's property investment portfolio stood at £536.833m. The Council has paid a total of £537m for the portfolio across the period from 2017, which is now showing a decrease in value of £168,000.

During the year 2022/23, rental income from the portfolio increased by £994,000, up by just over 3% on 2021/22. This again reflects the current economic position and that although investor confidence has fallen since September 2022 and yields have moved out, rental growth and income remains strong. Outside of Birchwood Park, the portfolio remains 100% let and occupied. Birchwood Park occupancy as at May 2023 is 92%.

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, Council-owned land within the borough. Although principally commercial in purpose, Incrementum also seeks through its housing schemes to advance a broad range of Corporate priorities, including social inclusion, the fighting of fuel poverty (the electricity generated from roof-mounted solar panels is provided to tenants for free), good neighbourliness, sustainable communities and the provision of high quality housing at a fair and affordable price.

The first two housing schemes were completed in 2022/23 and fully occupied, with 161 new homes constructed on the former school sites of Foxwood (Birchwood) and Sycamore Lane (Great Sankey). Each house is built to exceed the Future Homes Standard on thermal efficiency, and energy is generated using communal ground source heat pump systems. Both schemes were finalists in the 2021 APSE Service Awards for 'Best Regeneration or New Build Initiative' and the Insider 'Best Residential Scheme' awards.

The homes were constructed using an initial £11m of equity along with a £21m commercial loan. A further £6m of equity was recently granted, and the Company is now progressing the business plans for two further schemes in the borough.

The Council's £102m investment in Solar Farms since 2019 has continued to be a success. Both the Hull and York hybrid solar farms benefited from the energy price volatility in the past year. For the financial year 2022-23 the York solar farm generated a surplus after debt costs and before corporation tax of £4.9m, the Hull solar farm generated a surplus after debt costs and before corporation tax of £0.9m.

The York solar farm will be paying a dividend of £2.3m to the Council. In September 2022 the Council took ownership of its third hybrid solar farm near Cirencester in Gloucestershire. The solar farm in the first 6 months is operating in line with expectations. The solar farms generated a net return to the Council of £4.5m in 2022/23.

Between them, since the Council took ownership of the three solar farms, the sites to date have saved a combined 31,184 tonnes of carbon – (York 18,076 tonnes - Hull 12,135 tonnes – Cirencester 973 tonnes).

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 support Small Medium Sized Enterprises (SMEs) within the town and a consultation with the business community.

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, with a £21.763m invested since. Due to the current national economic situation like other banks the Council's equity investment in the Bank fell in value to £6.7m at the 31st March 2023. The Council's tier 2 investment of £4.2 million did not decline in value.

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. The Council has commissioned an independent valuation of Redwood Financial Partners Limited (RFPL).

The Bank recorded a profit of £2m for the financial year ending December 2021, in its fourth full year of trading, and is finalising their audit for the December 2022, which will again record a profit. 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 30 staff in the Warrington Office at The Base. The original business plan, written over six years ago (before COVID-19 and the more recent 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 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.

Over 2022-23, the administration of Together Energy has been progressed by FRP Advisory, the court-appointed administrators. Following discussions with Orsted, the administrator has now confirmed to the Council that its guarantee to Orsted (the wholesale energy supplier to TE) is no longer required and therefore can be released. Accordingly, the Council’s potential liability has now declined to £36.85m, consisting of £18.85m of loans and £8.899m of preference share capital (once the original £18m has been adjusted for the prudent impairment to the equity that the Council made last year).

The hedge position of TE continues to be liquidated and is still forecast to make a positive net return to the company once all liabilities to Orsted are paid. In addition, the parent company Together Energy Limited (TEL), where the Council has its debt and equity holdings, has significant cash balances based on collection of outstanding amounts from customers. Based on this, the administrators have advised the Council that they still anticipate that the Council loans (£18.85m) will be repaid in full.

However, there remains significant uncertainty around the potential level of recovery, against the equity investment and the administrators remain unable to provide a clear assessment or guidance. This is primarily because of a recent court judgment on the status of Ofgem claims and customer credit balances in the insolvency of a failed energy supplier.

This has created uncertainty around the assets available to equity holders once creditors have been repaid and the administrators are currently evaluating the impact of the judgment alongside their wider exercise to determine recoveries for all creditors. The Council are thus forecasting the same position it did in 2021/22 of retaining the equity at the same value as last year, pending further clarification from the administrators. 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 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

2022/23 the Council contributed an additional £0.8m to the Commercial Risk Reserve. As at 31 March 2023 the reserve stood at £20.005m.

During 2022/23 the Council was one of several Councils subject to a Capital Review by the Chartered Institute of Public Finance & Accountancy (CIPFA) commissioned by the Department of Levelling Up Housing & Communities (DLUHC). This review was intended to help DLUHC better understand the Council's financial position and if there are actions that could be taken locally to reduce our overall level of risk. The Council welcomed the review and worked closely with CIPFA on it. The results of the review have not yet been published by DLUHC.

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

- SRR 3, stability of the market for children's social care.
- 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 19, potential failure of one or more of the Council owned companies.
- SRR 22, new and additional statutory duties for waste collection.
- SRR 23, new and additional statutory requirements for a data warehouse and case management system for the Supporting Families programme.
- SRR 29, climatic disruption and environmental damage with consequential impacts on operations and services, with potential to result in wider system collapse and large scale extinction events in the absence of an appropriate response.

AUDIT OF THE STATEMENT OF ACCOUNTS

The Council like many other Councils has several years accounts not yet signed off by the auditor. This is reflective of the current state of national public sector audit and has been recognised by the Government who are looking for solutions to the current situation. This was also identified by the Redmond Review (independent review carried out by the Government into Local Authority External Audit). The Council's 2018/19 accounts and subsequent years accounts are still to be signed off by the auditor and the Council are working closely with the External Auditor to resolve the situation. The backlog of accounts however makes it unlikely that the external auditor will be able to sign the Council's 2022/23 Accounts off by the statutory deadline of 30 September 2023. 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.

The Council is committed to playing its part to address the climate and ecological emergencies. Work is progressing on this response. This is based on a twin track approach looking at both the Council's operations and wider influence. The following are highlights for 2022/23 activity:

- A new borough-wide climate emergency strategy, developed via the Warrington Climate Emergency Commission, was launched in September 2022. This confirms a borough-wide 'Paris Agreement'-aligned carbon budget to achieve near zero emissions by 2041.
- A new Council climate and sustainability policy was adopted in October 2022. This confirms support for the new strategy and a Council target of net zero for operational emissions by 2030.
- A draft Council climate emergency action plan was prepared for consideration by Cabinet in the first quarter of 2023/24.
- Council has achieved Carbon Literate Organisation bronze standard with work progressing towards the silver standard. A new in-house carbon literacy course was accredited and launched in 2022. By the end of March 2023, 112 individuals had undertaken carbon literacy training.
- Funding was secured towards the replacement of gas heating systems at Walton Hall, Warrington Town Hall and West Annexe with lower carbon ground source heat pump-based systems.
- The heat mapping work to create a prospective heat network master plan for Warrington Borough was completed.
- The heat network techno-economic feasibility for Warrington Town Centre was completed. This identifies two potential schemes worthy of progressing to the Detailed Project Development (DPD) stage.
- A new electric vehicle strategy was adopted.
- 30 new electric vehicle charging points were added in central Warrington funded with support from the On Street Residential Charging Scheme (ORCS).
- 6 new charging points were installed at the Forge Car Park.
- A successful bid was made to the Local Electric Vehicle Infrastructure (LEVI) pilot with the aim to progress around 200 on street residential charge points.
- A new council-owned solar farm near Cirencester went live.

EXPLANATION OF THE FINANCIAL STATEMENTS

The 2022/23 Statement of Accounts shows the core financial statements together with detailed disclosure notes followed by the supplementary statements. The core financial statements are:

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 2022 to 31 March 2023.

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 (Section 151 Officer)

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 Deputy Chief Executive & Director of Corporate Services
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

The Deputy Chief Executive & Director of Corporate Services' Responsibilities

The Deputy Chief Executive & Director of Corporate Services 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 Deputy Chief Executive & Director of Corporate Services 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 Deputy Chief Executive & Director of Corporate Services 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 2023 and its income and expenditure for the year ended 31 March 2023.

Signed:

Dated 31st May 2023

Lynton Green CPFA
Deputy Chief Executive & Director of Corporate Services

Movement in Reserves Statement for the Year Ended 31 March 2023	Note(s)	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Restated Total Unusable Reserves £000	Restated Total Reserves of the Authority £000
Balance as at 1 April 2021		**113,023**	**2,048**	**19,555**	**134,626**	**(25,030)**	**109,596**
Movement in Reserves during the year							
Restated Total Comprehensive Income and Expenditure		4,359	-	-	**4,359**	203,751	**208,110**
Adjustments between accounting basis & funding basis under regulations	**7**	6,204	(698)	(1,916)	**3,590**	(3,590)	**-**
Restated Increase or (Decrease) in Year		**10,563**	**(698)**	**(1,916)**	**7,949**	**200,161**	**208,110**
Restated Balance as at 31 March 2022		**123,586**	**1,350**	**17,639**	**142,575**	**175,131**	**317,706**
Movement in Reserves during the year							
Total Comprehensive Income and Expenditure		(182,850)			**(182,850)**	286,851	**104,001**
Adjustments between accounting basis & funding basis under regulations	**7**	163,196	940	4,630	**168,766**	(168,766)	**-**
Increase or (Decrease) in Year		**(19,654)**	**940**	**4,630**	**(14,084)**	**118,085**	**104,001**
Balance as at 31 March 2023		**103,932**	**2,290**	**22,269**	**128,491**	**293,216**	**421,707**

The Movement in Reserves Statement prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability as part of its triennial review. For more details please see note 42.

Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

2021/22 Restated Gross Expenditure £000	2021/22 Restated Gross Income £000	2021/22 Restated Net Expenditure £000		Note(s)	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000
13,077	(6,555)	6,522	Corporate Services		15,413	(6,570)	8,843
302,713	(190,418)	112,295	Families & Wellbeing		331,566	(204,703)	126,863
39,391	(16,496)	22,895	Environment & Transport		43,916	(16,102)	27,814
11,259	(3,112)	8,147	Growth		12,397	(2,460)	9,937
47,033	(61,277)	(14,244)	Restated Corporate Finance		60,715	(66,878)	(6,163)
71,725	-	71,725	Central Charges		46,155	-	46,155
485,198	**(277,858)**	**207,340**	**Restated Cost of Services**		**510,162**	**(296,713)**	**213,449**
		16,779	Other Operating Expenditure	**10**			88,060
		(54,066)	Restated Financing & Investment Income & Expenditure	**11**			83,831
		(174,412)	Taxation and Non-Specific Grant Income	**12**			(202,490)
		(4,359)	**(Surplus) or Deficit on Provision of Services**				**182,850**
		(34,730)	(Surplus) or Deficit on revaluation of non-current assets	**33**			(39,257)
		-	(Surplus) or Deficit on revaluation of available for sale financial assets	**33**			-
		(169,021)	Restated remeasurement of the net defined benefit liability	**32**			(247,594)
		(203,751)	**Restated Other Comprehensive Income and Expenditure**				**(286,851)**
		(208,110)	**Restated Total Comprehensive Income and Expenditure**				**(104,001)**

The Comprehensive Income and Expenditure Statement prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability as part of its triennial review. For more details please see note 42.

Balance Sheet as at 31 March 2023

	Notes	Restated 31st March 2022 £000	31st March 2023 £000
Property, Plant & Equipment	**21**	774,370	744,058
Heritage Assets	**22**	18,960	19,159
Investment Property	**23**	685,264	648,004
Intangible Assets		654	551
Long Term Investments	**34**	162,023	137,911
Long Term Debtors	**25**	445,134	571,136
Long Term Assets		**2,086,405**	**2,120,819**
Short Term Investments	**34**	44,347	45,605
Inventories		926	855
Short Term Debtors	**26**	128,641	116,401
Cash and Cash Equivalents	**27**	57,543	76,644
Assets Held for Sale		-	-
Current Assets		**231,457**	**239,505**
Cash and Cash Equivalents	**27**	-	-
Short Term Borrowing	**34**	(229,131)	(176,351)
Short Term Creditors	**28**	(127,418)	(125,336)
Provisions	**29**	(10,264)	(5,071)
Current Liabilities		**(366,813)**	**(306,758)**
Long Term Creditors	**28**	(3,454)	(3,281)
Grants Receipts in Advance - Capital	**20**	(29,799)	(27,201)
Grants Receipts in Advance - Revenue	**20**	(26,715)	(26,026)
Provisions	**29**	(2,590)	(2,590)
Long Term Borrowing	**34**	(1,423,437)	(1,645,985)
Restated Long Term Pension Liabilities	**32**	(147,348)	73,224
Restated Long Term Liabilities		**(1,633,343)**	**(1,631,859)**
Restated Net Assets		**317,706**	**421,707**
Usable Reserves	**9**	142,574	128,491
Restated Unusable Reserves	**33**	175,132	293,216
Restated Total Reserves		**317,706**	**421,707**

The Balance Sheet prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability as part of its triennial review. For more details please see note 42.

Signed: Dated: 31st May 2023

Lynton Green CPFA
Deputy Chief Executive & Director of Corporate Services

Cash Flow Statement for the year ended 31 March 2023

2021/22 £000		Note(s)	2022/23 £000
4,359	Net (surplus) or deficit on the provision of services		(182,850)
61,381	Adjustments to net surplus or deficit on the provision of services for non-cash movements	**36**	105,030
(30,852)	Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	**36**	(65,226)
34,888	**Net Cash Flows from Operating Activities**		**(143,046)**
(65,445)	Investing Activities	**37**	(7,643)
41,375	Financing Activities	**38**	169,790
10,818	**Net (increase) or decrease in cash and cash equivalents**		**19,101**
46,725	Cash and cash equivalents at the beginning of the reporting period		57,543
57,543	**Cash and cash equivalents at the end of the reporting period**	**27**	**76,644**

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 2022/23 financial year and its position at 31 March 2023. 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 2022/23 (“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 2023. For non-PWLB loans the fair value is calculated using the standard new loan rate, also published by the PWLB on 31 March 2023.

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.

Highways Network Infrastructure Assets
From 2017/18 in accordance with the temporary relief by the update to the code on infrastructure assets, the accounts do not show the gross cost and accumulated depreciation for infrastructure assets, and shows the net position in a separate table to other Property, Plant and Equipment.

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 t 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.

In preparation for the introduction of IFRS16 – Leases and in accordance with CIPFA Bulletin 11 (2022) the Council has disposed of all assets relating to Voluntary Aided Schools owned by the Diocese or Charitable Trust.

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 His 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 2022/23 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.

Paragraph 3.3.4.3 and Appendix C of the Code adapts IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2023/24 Code). This means that only the standards listed in the paragraph below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards introduced by the 2023/24 Code where disclosures are required in the 2022/23 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).

b) Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.

c) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.

d) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.

e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.

f) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

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 Verve Place (formerly 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.

- 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 £100.873m in 2022/23, 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 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 £0.058m. 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 2023 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	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. During 2022/23 the Council's actuaries advised that the net pension liability had decreased by £247.422m as a result of updating of the assumptions.	• A decrease of 0.1% in Real Discount Rate could increase the Council's liability by £13.429m. • A 1 year increase in member life expectancy could increase the Council's liability by £30.154m. • An increase of 0.1% in Salary Increase Rate could increase the Council's liability by £1.440m. • An increase of 0.1% in Pension Increase Rate

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
		could increase the Council's liability by £12.188m.
Property, Plant and Equipment/ Investment Properties	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 falls. It is estimated that the annual charge for buildings would increase in these circumstances. 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.	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. If the value of the Council's investment properties were to reduce by say 10%, this would result in a circa £64.8m charge to the Comprehensive Income and Expenditure Statement. 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. 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 £247.186m
Fair Value Measurements	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	Changes in the assumptions used could affect the fair value (either upwards or downwards) of the Council's assets and liabilities.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	approaches and valuation techniques: 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. Where the inputs to these valuation techniques are based on observable data they are categorised as Level 2. 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.	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.
Arrears	At 31 March 2023 the Council had a balance of debtors of £135.317m. A review of significant balances suggested that an impairment of doubtful debts of £18.916m 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	2022/23 is the seventh year of the Business Rates Retention Scheme whereby the Council retains 31.1% of the business rates income it collects (£31.330m out of £100.873m), but is subject to a £17.039m tariff. 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 2023 of £5.888m. A safety net system protects the Council from	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).

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	losses below baseline funding levels of £28.980m.	
Provisions	During 2022/23 there was a decrease in Short-term provisions of £5.193m from £10.264m in 2021/22 to £5.071m. Long-term Provisions stayed the same £2.590m as at 31 March 2023.	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 (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. Forecasting based on current information that the loans owed to WBC (£18.8m) would be repaid in full plus accrued interest. However, uncertainty still exists on the repayment of the initial equity injection of £18m.	The equity investment was purchased using the Capital Financing Regime, which if not repaid would be a charge to the Capital Adjustment Account. MRP is charged and therefore there would be no further impact to the Council Tax payer. Money has been set aside in reserves to cover any potential loss.

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 heighted 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

2022/23	Net Expenditure chargeable to the General Fund Balance £000	Transfers (to)/from Earmarked Reserves £000	Adjustments for Reporting Purposes £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Corporate Services	8,842	-	1	-	8,843
Families & Wellbeing	126,872	-	(9)	-	126,863
Environment & Transport	27,805	-	9	-	27,814
Growth	9,941	-	(4)	-	9,937
Corporate Finance	(7,045)	-	882	-	(6,163)
Central Charges	-	18,450	(91,208)	118,913	46,155
Net Cost of Services	**166,415**	**18,450**	**(90,329)**	**118,913**	**213,449**
Other Income and Expenditure	(165,211)	-	90,329	44,283	(30,599)
(Surplus) or Deficit	**1,204**	**18,450**	**-**	**163,196**	**182,850**

Opening General Fund at 31 March 2022	**(4,604)**	**(118,983)**
Less/Plus (Surplus) or Deficit on General Fund in Year	1,204	18,450
Consolidation of Reserves	(7,518)	7,518
Closing General Fund at 31 March 2023	**(10,918)**	**(93,015)**

2021/22	Net Expenditure chargeable to the General Fund Balance £000	Transfers (to)/from Earmarked Reserves £000	Adjustments for Reporting Purposes £000	Adjustments between Funding and Accounting Basis £000	Restated Net Expenditure in the Comprehensive Income and Expenditure Statement £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
Restated Corporate Finance	(2,755)	-	(11,489)	-	(14,244)
Central Charges	(1)	(6,119)	24,488	53,356	71,725
Restated Net Cost of Services	**147,114**	**(6,119)**	**12,988**	**53,356**	**207,340**
Restated Other Income and Expenditure	(151,560)	-	(12,988)	(47,151)	(211,699)
(Surplus) or Deficit	**(4,445)**	**(6,119)**	**-**	**6,204**	**(4,359)**

Opening General Fund at 31 March 2021	**(159)**	**(112,864)**
Less/Plus (Surplus) or Deficit on General Fund in Year	(4,445)	(6,119)
Closing General Fund at 31 March 2022	**(4,604)**	**(118,983)**

2022/23				
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	93,091	25,916	(95)	118,912
Net Cost of Services	**93,091**	**25,916**	**(95)**	**118,912**
Other Income and Expenditure	54,564	-	(10,280)	44,284
Difference between the General Fund Surplus or Deficit and the Comprehensive Income and Expenditure Statement Surplus or Deficit	**147,655**	**25,916**	**(10,375)**	**163,196**

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	-	-	-	-
Restated Central Charges	24,308	29,302	(255)	53,355
Net Cost of Services	**24,308**	**29,302**	**(255)**	**53,355**
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**

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 i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
  - **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

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 NNDR 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

	2021/22 £000	2022/23 £000
Corporate Services	(5,418)	(5,649)
Families & Wellbeing	(76,390)	(85,612)
Environment & Transport	(16,163)	(15,947)
Growth	(3,112)	(2,568)
Corporate Finance	(50,243)	(50,784)
Central Charges	-	-
Total Revenue from External Customers	**(151,327)**	**(160,560)**

Interest Revenue

	2021/22 £000	2022/23 £000
Corporate Services	-	(8)
Families & Wellbeing	-	(48)
Environment & Transport	-	-
Growth	-	-
Corporate Finance	(26,523)	(36,770)
Central Charges	(24,077)	(1,798)
Total Revenue from External Customers	**(50,600)**	**(38,624)**

<u>Segmental Expenditure</u>
Expenditure received on a segmental basis is analysed below:

Interest Expense

	2021/22 £000	**2022/23 £000**
Corporate Services	-	-
Families & Wellbeing	-	-
Environment & Transport	-	-
Growth	-	-
Corporate Finance	31,759	22,733
Central Charges	-	-
Total Revenue from External Customers	**31,759**	**22,733**

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		
2022/23	**Note(s)**	**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	(25,916)	-	-
- Financial instruments (transferred to the Financial Instruments Adjustment Account)		21	-	-
-Pooled Investment (transferred from the Pooled Investments Mitigation Reserve)		(9,026)	-	-
- Council Tax and NDR (transfers to or from Collection Fund Adjustment Account)		27,465	-	-
- Holiday pay (transferred to Accumulated Abensences Reserve)		95	-	-
- 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)		(194,900)	-	(20,117)
Total Adjustments to Revenue Resources		**(202,261)**	**-**	**(20,117)**
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	9	2,306	(2,306)	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	24	5,959	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)		30,800	-	-
Total Adjustments between Revenue and Capital Resources		**39,065**	**(2,306)**	**-**
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	24	-	1,366	-
Application of capital grants to finance capital expenditure	9	-	-	15,487
Cash payments in relation to deferred capital receipts	9	-		-
Total Adjustments to Capital Resources		**-**	**1,366**	**15,487**
Total Adjustments		**(163,196)**	**(940)**	**(4,630)**

		Usable Reserves		
2021/22	**Note(s)**	**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	(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 Abensences 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)
Restated 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**
Restated Total Adjustments		**(6,204)**	**698**	**1,916**

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 2022/23.

	Balance at 31 March 2021 £000	Transfers out 2021/22 £000	Transfers in 2021/22 £000	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Purpose of Reserve
Schools								
School Balances	8,039	-	1,007	9,046	(219)	209	9,036	
Schools Re-organisation Contingency	881	-	-	881	(881)	-	-	To contribute to the school deficit upon closure
Total Schools Reserves	**8,920**	**-**	**1,007**	**9,927**	**(1,100)**	**209**	**9,036**	
Council								
Armed Forces Covenant Grant	9	-	-	9	-	-	9	To fund support for MoD activities
ASC Charging Reforms	-	-	-	-	-	228	228	To fund planning and preparations for ASC charging reforms
ASC CQC Inspection	-	-	-	-	-	95	95	To fund costs associated with ASC CQC inspection
ASC Liberty Protection Safeguards	-	-	-	-	-	200	200	To fund programme of change related to ASC liberty protection safeguards
ASC Transformation	-	-	-	-	-	300	300	To fund transformational projects for delivery of ASC care services
ASC Workforce Development	-	-	-	-	(95)	365	270	To fund development of the ASC workforce development strategy
BCF Pooled	21	-	-	21	-	-	21	To fund better care pooled arrangements.

	Balance at 31 March 2021 £000	Transfers out 2021/22 £000	Transfers in 2021/22 £000	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Purpose of Reserve
Commercial Risk Reserve (formerly Birchwood Park)	20,282	(13,579)	12,500	19,203	-	802	20,005	To act as a contingency for Commercial activity
Backdated MRP Reserve	-	-	10,849	10,849	(2,452)	-	8,397	To fund backdated payments of MRP
Business Rates Smoothing	42,855	(40,167)	33,027	35,715	(26,666)	12,398	21,447	To fund fluctuations in business rates deficit estimates.
Children's Comfort Funds	7	-	-	7	-	-	7	Held on behalf of children in care
Climate Change	500	-	91	591	(25)	71	637	To fund Climate Change schemes
Community Investment Fund	91	-	-	91	-	-	91	To fund Community Investment Schemes
Community Safety Enabling	111	-	-	111	-	-	111	To fund Community Safety schemes
Coroners Judicial Review	143	-	-	143	-	25	168	To fund any one off costs of future judicial reviews
Corporate Services Enabling	525	(433)	1,463	1,555	(1,409)	1,879	2,025	To fund future expenditure in Corporate Services
COVID-19 Grant	134	(134)	-	-	-	-	-	To fund COVID-19 costs
DSG Deficit	(938)	219	716	(3)	-	3	-	To fund DSG deficit
Early Release	610	-	-	610	-	-	610	To fund movements in the redundancy calculation
Economic Regeneration, Growth & Environment Services (ERGE)	798	(782)	2,770	2,786	(2,096)	1,178	1,868	To fund future expenditure in ERGE
Families and Wellbeing Service Adults	2,058	(2,058)	3,076	3,076	(3,076)	3,010	3,010	To fund future expenditure in FWB Adults
Families and Wellbeing Service Childrens	2,943	(2,943)	5,002	5,002	(5,002)	3,873	3,873	To fund future expenditure in FWB Children's
Financial Protection Team	20	-	-	20	-	-	20	To fund expenditure for Adults with specific criteria
Homelessness	91	-	-	91	-	-	91	To fund bond/deposits to secure accomodfation for the homeless
Insurance Fund	2,054	-	-	2,054	-	-	2,054	Third party claim excesses and self insure areas of risk
Local Authority Mortgage Scheme	725	-	-	725	(725)	-	-	Potential future LAMS defaults
Loans & Investment	8,500	(8,500)	3,000	3,000	-	3,177	6,177	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	-	2	14	-	3	17	To fund market tenants advertising
Mayor's Charity	9	-	1	10	-	7	17	Money's collected for mayoral supported charities
Members Voluntary Initiative	8	-	-	8	-	-	8	To fund International Partnerships initiative
Municipal Mutual Insurance (MMI)	459	-	-	459	-	-	459	To fund future potential MMI clawback

	Balance at 31 March 2021 £000	Transfers out 2021/22 £000	Transfers in 2021/22 £000	Balance at 31 March 2022 £000	Transfers out 2022/23 £000	Transfers in 2022/23 £000	Balance at 31 March 2023 £000	Purpose of Reserve
Medium Term Financial Plan	10,173	(4,085)	7,996	14,084	(14,084)	-	-	Now merged with the General Fund Reserve.
Museum Arts	13	-	-	13	-	-	13	To fund future museum exhibitions or art acquisitions
Parish Council Elections	11	-	-	11	-	13	24	To fund fluctuations in parish council elections income and expenditure
Penketh Court	-	-	293	293	(56)	-	237	To contribute to any refurbishment or enhancements of Penketh Court.
Public Health Grant	2,320	(2,320)	3,439	3,439	(3,439)	5,575	5,575	To fund public health expenditure
Salary Sacrifice Car Lease	93	-	-	93	-	-	93	Potential future liability on salary sacrifice car lease
SALIX Revolving Fund	129	-	-	129	-	-	129	Energy efficiency schemes
Schools Forum Service Development	59	-	-	59	-	-	59	Financial and advisory support to Schools Forum
Sinking Fund	1,001	(183)	128	946	(298)	135	783	Alder Lodge Homeless Unit refurbishment/enhancement
Solar Panels Lifecycle Fund	280	-	-	280	-	-	280	Future replacement cost on solar panels
Strategic Reserve	4,760	(4,760)	-	-	-	-	-	For emergency events such as unforeseen financial liabilities or natural disasters
Taxi Account	218	-	-	218	-	-	218	Ring-fenced account of Taxi Service surplus/deficit
Time Square	-	-	-	-	-	-	-	Regeneration of Time Square
Town Centre Sinking Fund	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	2,192	-	402	2,594	-	515	3,109	Future variations on unitary charge on PFI schemes
Walton Hall	5	-	-	5	-	-	5	Walton Hall refurbishment
Winwick Road	111	(111)	-	-	-	-	-	Alder Lodge Homeless Unit refurbishment/enhancement
Warrington YOT	113	(7)	50	156	(9)	118	265	Warrington Council YOT
Halton YOT	9	-	50	59	(3)	103	159	Halton Council YOT
Cheshire West YOT	67	-	50	117	(4)	149	262	Cheshire West Council YOT
Cheshire East YOT	-	-	50	50	(4)	144	190	Cheshire East Council YOT
Total Council Reserves	**103,944**	**(79,843)**	**84,955**	**109,056**	**(59,443)**	**34,366**	**83,979**	
Total Earmarked Reserves	**112,864**	**(79,843)**	**85,962**	**118,983**	**(60,543)**	**34,575**	**93,015**	
Net Transfer to/(from) Reserves			**6,119**			**(25,968)**		

9 Usable Reserves

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

	Note(s)	31/03/22 £000	31/03/23 £000
Held for Revenue Purposes			
General Fund		4,604	10,918
Earmarked Reserves	8	118,983	93,015
General Fund Balance	MiRS	**123,587**	**103,933**
Held for Capital Purposes			
Capital Receipts Reserve	MiRS	1,350	2,290
Capital Grants Unapplied Reserve	MiRS	17,639	22,269
Total Usable Reserves		**142,576**	**128,492**

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)	31/03/22 £000	31/03/23 £000
Balance as at 1 April		**2,048**	**1,350**
Tfr from Deferred Capital Receipts	7	1	-
Capital receipts from year	7	1,519	2,306
		3,568	**3,656**
Less:			
Capital receipts used for financing	7	(2,218)	(1,366)
Balance as at 31 March		**1,350**	**2,290**

Capital Grants Unapplied

	Note(s)	31/03/22 £000	31/03/23 £000
Balance as at 1 April		**19,555**	**17,639**
Grants received in year		7,283	20,117
Tfr to Capital Adjustment Account in year		(9,199)	(15,487)
Balance as at 31 March		**17,639**	**22,269**

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

2021/22 £000		2022/23 £000
2,333	Parish council precepts	2,560
14,312	Losses on the disposal of non-current assets	85,364
134	Levies	136
16,779		**88,060**

11 Financing and Investment Income and Expenditure

Restated 2021/22 £000		2022/23 £000
31,759	Interest payable and similar charges	22,417
5,958	Pensions interest cost and expected return on pension assets	4,278
(50,599)	Interest receivable and similar income	(18,687)
(41,184)	Restated income and expenditure in relation to investment properties and changes in their fair value	75,823
(54,066)		**83,831**

12 Taxation and Non-Specific Grant Income

2021/22 £000		2022/23 £000
(109,926)	Council Tax Income	(114,622)
(41,366)	NDR Redistribution	(27,558)
(3,417)	Non-ringfenced government grants	(29,510)
(370)	COVID-19 grant	-
(19,333)	Capital grants	(30,800)
(174,412)		**(202,490)**

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.

In preparation for the introduction of IFRS16 – Leases and in accordance with CIPFA Bulletin 11 (2022) the Council has disposed of 39 assets relating to Voluntary Aided Schools owned by the Diocese or Charitable Trust with a net book value of £76.907m.

14 Members' Allowances

During the year allowances paid to Members were £0.740m (£0.722m in 2021/22) and expenses paid were £0.075m (£0.071m in 2021/22).

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 (note 3) £	Expenses Allowances £	Taxable Benefits £	Other Non-Cash Benefits £	Compensation for Loss of Office £	Pension Contribution £	Total £
Steven Broomhead	**2022/23**	**154,847**	**-**	**-**	**420**	**-**	**-**	**155,267**
Chief Executive (Note 1)	2021/22	153,115	-	-	420	-	-	153,535
Lynton Green	**2022/23**	**108,459**	**385**	**-**	**18,569**	**-**	**22,776**	**150,189**
Deputy Chief Executive/Director of Corporate Services	2021/22	107,180	271	-	17,923	-	23,580	148,954
Matthew Cumberbatch	**2022/23**	**103,504**	**846**	**-**	**-**	**-**	**21,736**	**126,086**
Director of Law & Governance	2021/22	101,579	846	-	-	-	22,347	124,772
Dave Boyer	**2022/23**	**108,759**	**-**	**-**	**420**	**-**	**22,928**	**132,107**
Director of Environment & Transport	2021/22	106,834	-	-	420	-	23,596	130,850
Assistant Director	**2022/23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Asst. Director Integrated Commissioning (Note 2) (Left 31/03/22)	2021/22	98,604	-	-	-	-	21,693	120,297
Gareth Hopkins	**2022/23**	**92,781**	**746**	**-**	**7,748**	**-**	**19,484**	**120,759**
Director of Workforce and Organisational Change	2021/22	91,880	1,310	-	6,724	-	-	99,914
Steve Park	**2022/23**	**100,484**	**226**	**o**	**8,695**	**-**	**21,182**	**130,587**
Director of Growth	2021/22	98,171	74	-	9,083	-	21,690	129,018
Paula Worthington	**2022/23**	**112,939**	**-**	**-**	**-**	**-**	**23,278**	**136,217**
Director of Education, Early Help & SEND	2021/22	104,432	-	-	-	-	22,975	127,407
Amanda Perraton	**2022/23**	**98,606**	**243**	**-**	**10,573**	**-**	**20,795**	**130,217**
Director of Children's Social Care (DCS)	2021/22	98,723	99	-	8,531	-	21,734	129,087
Catherine Jones	**2022/23**	**109,179**	**-**	**-**	**-**	**-**	**22,928**	**132,107**
Director of Adult Social Care (DASS)	2021/22	107,254	-	-	-	-	23,596	130,850
Thara Raj	**2022/23**	**108,759**	**-**	**-**	**420**	**-**	**22,928**	**132,107**
Director of Public Health	2021/22	106,834	-	-	420	-	23,596	130,850

- **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.

2021/22					2022/23			
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**
41	41	2	84	£50,000 to £54,999	46	63	3	112
14	12	1	27	£55,000 to £59,999	26	13	6	45
12	22	2	36	£60,000 to £64,999	13	18	2	33
14	19	-	33	£65,000 to £69,999	10	14	3	27
6	12	2	20	£70,000 to £74,999	16	20	2	38
1	5	-	6	£75,000 to £79,999	1	7	2	10
3	1	1	5	£80,000 to £84,999	3	3	2	8
4	1	-	5	£85,001 to £89,999	4	-	-	4
1	2	1	4	£90,000 to £94,999	-	2	1	3
5	-	-	5	£95,000 to £99,999	2	2	-	4
2	-	-	2	£100,000 to £104,999	3	-	1	4
5	1	1	7	£105,000 to £109,999	5	-	-	5
-	-	-	-	£110,000 to £114,999	1	1	-	2
-	-	-	-	£115,000 to £119,999	-	-	-	-
-	-	-	-	£120,000 to £124,999	-	-	-	-
1	-	-	1	£125,000 to £129,999	2	-	-	2
-	-	-	-	£130,000 to £134,999	-	-	-	-
-	-	-	-	£135,000 to £139,999	-	-	-	-
1	-	-	1	£140,000 to £144,999	-	-	-	-
-	-	-	-	£145,000 to £149,999	-	-	-	-
1	-	-	1	£150,000 to £154,999	-	-	-	-
-	-	-	-	£155,000 to £159,999	1	-	-	1
111	**116**	**10**	**237**		**133**	**143**	**22**	**298**

Exit Packages 2022/23

2022/23	No. of Compulsory Redundancies			No. of Other Departures Agreed			Total No. of Exit Packages			Total Cost of Exit Packages		
Exit Package Cost Band (including special payments)	Schools	Non-Schools	Total	Schools	Non-Schools	Total	Schools	Non-Schools	Total	Schools £	Non-Schools £	Total £
£0 - £20,000	-	6	**6**	16	3	**19**	16	9	**25**	128,736	63,131	**191,867**
£20,001 - £40,000	-	-	**-**	-	1	**1**	-	1	**1**	-	39,715	**39,715**
£40,001 - £60,000	-	3	**3**	-	1	**1**	-	4	**4**	-	204,981	**204,981**
£60,001 - £80,000	-	-	**-**	-	1	**1**	-	1	**1**	-	75,268	**75,268**
£80,001 - £100,000	-	-	**-**	-	1	**1**	-	1	**1**	-	102,383	**102,383**
£100,001 - £150,000	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**
£150,001 - £200,000	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**
£200,001 - £250,000	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**
Total	**-**	**9**	**9**	**16**	**7**	**23**	**16**	**16**	**32**	**128,736**	**485,478**	**614,214**

Exit Packages 2021/22

2021/22	No. of Compulsory Redundancies			No. of Other Departures Agreed			Total No. of Exit Packages			Total Cost of Exit Packages		
Exit Package Cost Band (including special payments)	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**

16 Termination Benefits

The Council terminated the contracts of 32 employees in 2022/23, incurring redundancy liabilities of £342,111 (2021/22 £750,408) and pension fund liabilities of £231,164 (2021/22 £647,427) 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 £97,916 (2021/22 £80,508). The fee payable for the certification of grant claims and returns for the year was £22,800 (£0 in 2021/22). The fee payable for the resolution of the elector challenge was £0 (£60,190 in 2021/22).The fee payable with regard to other services for the year was £0 (2021/22 £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	**2021/22 £000**	**2022/23 £000**
Expenditure		
Employee benefits expenses	192,809	206,530
Other service expenses	309,075	331,848
Depreciation, amortisation, impairment	57,289	122,082
Interest payments	31,759	22,417
Expenditure relating to investment properties	(33,080)	92,098
Precepts and levies	2,333	2,560
Total expenditure	**560,185**	**777,535**
Income		
Fees, charges and other service income	(278,004)	(305,722)
Interest and investment income	(58,481)	(12,124)
Income relating to investment properties	(570)	(27,478)
Income from council tax, non-domestic rates	(109,926)	(114,622)
Government grants and contributions	(117,563)	(134,739)
Total Income	**(564,544)**	**(594,685)**
Surplus or Deficit on the Provision of Services	**(4,359)**	**182,850**

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 2022/23 are as follows:

	Central Expenditure £000	Individual Schools Budget £000	Funding Total £000
Final DSG for 2022/23 before academy recoupment			199,748
Academies figure recouped for 2022/23			87,438
Total DSG after academy recoupment for 2022/23			112,310
Plus: Brought forward from 2021/22			935
Less: Carry forward to 2023/24			0
Agreed initial budgeted distribution in 2022/23	42,831	70,414	113,245
In-year adjustments	-	(834)	(834)
Final budget distribution for 2022/23	42,831	69,580	112,411
Less: Actual Central Expenditure	(41,166)	-	(41,166)
Less: Actual Individual Schools Budget deployed to schools		(69,580)	(69,580)
Plus: Local Authority contribution for 2022/23			-
Carry forward to 2023/24	**1,665**	**-**	**1,665**
DSG Unusable Reserve at the end of 2021/22			(938)
Addition to DSG Unusable Reserve at the end of 2022/23			-
Total DSG Unusable Reserve at the end of 2022/23			**(938)**
Net DSG position at the end of 2022/23			**727**

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.

Credited to Taxation and Non-specific Grant Income	2021/22 £000	2022/23 £000
Revenue		
Business Rates Retention Scheme Income	19,057	29,509
Revenue Support Grant	1,372	1,291
New Homes Bonus	381	702
Business Rates Section 31 Grants	4,635	12,402
Other Grants credited to Taxation & Non Specific Grant Income	19,708	13,164
Total Revenue Grants	**45,153**	**57,068**
Capital Grants and Contributions	19,333	30,800
Total	**64,486**	**87,868**

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

Credited to Services	2021/22 £000	2022/23 £000
Grants		
Contain the Outbreak Management fund / Test and Trace	3,729	2,597
Council Tax Energy Rebate Scheme	-	11,788
Covid 19 Additional Restrictions Grant	2,892	-
Covid 19 Local Restrictions Grant	1,151	-
COVID Restart Grant	10,207	-
Dedicated Schools Grant	106,264	111,160
Homelessness Prevention Grant	-	1,688
Household Support Grant	-	2,856
Improved Better Care Fund	5,467	6,790
Infection Control Grant	4,074	-
Omicron Hospitality & Leisure Grant	1,217	-
Public Health Grant	11,431	10,766
Pupil Premium	5,140	5,411
Rent Allowance Subsidy	32,144	32,304
Schools Supplementary Grant	-	2,025
Supporting Families Protecting Children	-	1,316
Teachers Pension Grant	97	-
UK Resettlement Programme	-	1,932
Universal Schools Meals Grant	1,501	1,470
Workforce Development Grant	1,587	-
Youth Justice Grant	1,111	1,195
Capital Grant Income to fund Revenue Expenditure	5,799	11,110
Other Grants	18,352	12,866
Total Grants	**212,164**	**217,274**
Contributions		
High Costs Care Packages Contributions	1,348	1,678
Change Grow Live Substance Misuse	1,170	1,155
Coroner Service Contributions	21,164	27,694
Other Contributions	5,910	7,272
Total Contributions	**29,592**	**37,799**
Total	**241,756**	**255,073**

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)	2021/22 £000	2022/23 £000
Capital Grants	**29,799**	**27,201**
Revenue Grants		
Commuted Sums	6,236	6,002
Restated S106 Agreements	11,610	9,192
Other Capital RIA	8,869	10,832
Miscellaneous Revenue Grants	29,145	19,169
Total Revenue Grants	**55,860**	**45,195**
Total	**85,659**	**72,396**

21 Property, Plant and Equipment (PPE)

Movements in 2022/23:

Movements in the property, plant and equipment valuations are detailed in the following tables, however, in accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets the tables do not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. The movement in the net book value of infrastructure assets is detailed in a separate table.

As a result of previous accounting requirements for infrastructure assets, there are significant information deficits which mean that the gross cost and accumulated depreciation figures held for infrastructure assets may not be materially correct, due to being unable to identify and therefore derecognise components of these assets as they have been replaced. In line with the amendments to the 2003 Regulations, where a component of an infrastructure asset has been replaced, the Council has assumed that the carrying amount of the component to be derecognised is zero (new regulation 30M(3)).

	Land & Buildings £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 2022	**436,077**	**58,297**	**19,129**	**19,069**	**5,246**	**537,818**	**3,670**	**86,602**
Additions	4,129	1,918	146	12,770	-	18,963	-	-
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(7,338)	-	-	-	(80)	(7,418)	(260)	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	41,308	-	-	-	(2,249)	39,059	355	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	6,276	-	-	-	-	6,276	-	-
Derecognition - disposals	(86,793)	(11,208)	-	(10,428)	-	(108,429)	-	(86,602)
Reclassifications & transfers	148	-	-	(883)	735	-	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	**393,807**	**49,007**	**19,275**	**20,528**	**3,652**	**486,269**	**3,765**	**-**
Depreciation and Impairment								
Balance as at 1 April 2022	**19,245**	**34,857**	**6**	**-**	**-**	**54,108**	**148**	**9,696**
Depreciation charge	5,914	3,431	-	-	-	9,345	148	-
Accumulated depreciation written out to GCA	(7,338)	-	-	-	-	(7,338)	(260)	-
Depreciation - disposals	(9,696)	(11,208)	-	-	-	(20,904)	-	(9,696)
Reclassifications & transfers	(80)	-	-	-	-	(80)	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	**8,045**	**27,080**	**6**	**-**	**-**	**35,131**	**36**	**-**
Net Book Value								
Balance as at 31 March 2023	**385,762**	**21,927**	**19,269**	**20,528**	**3,652**	**451,138**	**3,729**	**-**
Balance as at 31 March 2022	**416,832**	**23,440**	**19,123**	**19,069**	**5,246**	**483,710**	**3,522**	**76,906**

Comparable Movement in 2021/22:

	Land & Buildings £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**	**57,664**	**17,719**	**17,859**	**5,246**	**535,927**	**3,670**	**80,597**
Additions	3,434	1,549	315	8,492	-	13,790	-	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)	-	1,095	(7,235)	-	(10,250)	-	-
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified (to)/from Investment Properties	1,750	-	-	-	-	1,750	-	-
Balance as at 31 March 2022	**436,077**	**58,297**	**19,129**	**19,069**	**5,246**	**537,818**	**3,670**	**86,602**
Depreciation and Impairment								
Balance as at 1 April 2021	**18,104**	**31,915**	**6**	**-**	**-**	**50,025**	**-**	**8,261**
Depreciation charge	8,744	3,561	-	-	-	12,305	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**	**34,857**	**6**	**-**	**-**	**54,108**	**148**	**9,696**
Net Book Value								
Balance as at 31 March 2022	**416,832**	**23,440**	**19,123**	**19,069**	**5,246**	**483,710**	**3,522**	**76,906**
Balance as at 31 March 2021	**419,335**	**25,749**	**17,713**	**17,859**	**5,246**	**485,902**	**3,670**	**72,336**

PFI Assets are those relating to Private Finance Initiatives.

Infrastructure Assets – movements on balances

2021/22 £000		2022/23 £000
271,900	**Net book value as at 1 April**	**290,660**
16,805	Additions	10,961
-	Derecognition/Disposals	-
10,250	Assets reclassified	-
(8,295)	Depreciation charge	(8,701)
290,660	**Net book value as at 31 March**	**292,920**

Property, plant and equipment assets as presented on the Council's Balance Sheet are made up of the following balances:

2021/22 £000		2022/23 £000
290,660	Infrastructure Assets	292,920
483,710	Other Property, Plant & Equipment	451,138
774,370	**Total Property, Plant & Equipment**	**744,058**

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. 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 2023 were £13.855m. This includes the following major projects:

- Western Link Pre Construction - £5.267m
- Bus Depot Relocation – £2.171m
- Birchwood Leisure & Library Hub - £1.123m

Similar commitments at 31 March 2022 were £24.816m relating to previous year commitment totals including all of the projects listed above as well as Bridgewater High Extension and Grappenhall Heyes Expansion.

Revaluations

The Council carries out a rolling programme of revaluations in accordance with Accounting Policy 1.15, 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	Vehicles, Plant & Equipment £000	Community Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PPE £000
Carried at historic cost	7,209	49,007	19,275	20,528	-	**96,019**
Valued at fair value as at:						
31 March 2023	239,083					**239,083**
31 March 2022	46,506	-	-	-	3,652	**50,158**
31 March 2021	31,485	-	-	-	-	**31,485**
31 March 2020	31,077	-	-	-	-	**31,077**
31 March 2019	38,447	-	-	-	-	**38,447**
Total Cost or Valuation	**393,807**	**49,007**	**19,275**	**20,528**	**3,652**	**486,269**

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 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**
Transfer from PPE	-	-	-	-	**-**
Additions	-	-	-	199	**199**
Revaluations	-	-	-	-	**-**
Balance as at 31 March 2023	**11,597**	**373**	**3,004**	**4,185**	**19,159**

Additions, Disposals and Donations of Heritage Assets

The Birchwood Statue at Junction 11 of the M62 motorway was added to the register in year.

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

	Restated 2021/22 £000	**2022/23 £000**
Restated rental income from investment property	(28,052)	(31,057)
Net (gains)/losses from fair value adjustments	(33,666)	83,722
Restated direct operating expenses arising from investment property	20,534	23,158
Restated net (gain)/loss	**(41,184)**	**75,823**

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:

	2021/22 £000	**2022/23 £000**
Balance as at the start of the year	**565,221**	**685,264**
Disposals	(170)	(145)
Net gains/(losses) from fair value adjustments	51,894	(83,722)
Transfers (to)/ from Assets Held for Sale	-	-
Additions:		
Acquisitions	48,781	-
Enhancements	502	18,370
Assets Under Construction	20,786	28,237
Transfers (to)/ from Property, Plant and Equipment	(1,750)	-
Balance as at end of the year	**685,264**	**648,004**

Fair Value Hierarchy

Details of Warrington Borough Council investment properties and information about the fair value hierarchy as at 31 March 2023 and 2022 are as follows:

2022/23	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 2023 £000
Industrial Ground Rents	-	24,979	-	-	24,979
Retail Units	-	140,636	-	-	140,636
Industrial Units	-	178,112	-	-	178,112
Offices	-	299,578	-	-	299,578
Other	-	4,699	-	-	4,699
Total	**-**	**648,004**	**-**	**-**	**648,004**

2021/22	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 2022 £000
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
Restated Total	**-**	**645,772**	**-**	**39,492**	**685,264**

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.

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.

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.

	Note(s)	2021/22 £000	2022/23 £000
Opening Capital Financing Requirement		**1,579,626**	**1,677,514**
Capital Investment			
Property, Plant and Equipment	21	30,549	29,924
Investment Properties	23	70,069	46,607
Intangible Assets		129	168
Revenue Expenditure Funded by Capital Under Statute		12,393	14,399
Non Treasury Investments			
Solar Farms - York		11	-
Solar Farms - Hull		18	-
Solar Farms - Cirencester		31,384	3,754
Long Term Debtors			
Loans to Registered Providers		9,750	69,210
Loan to Salboy Central		1,408	36,206
Together Energy RCF		7,050	-
Together Energy Loan Note		4,000	1,408
Loan to Housing Company		10,000	9,698
Solar Farms - Hull Batteries		833	-
Foster Carers Loans		257	-
Loan to Cheshire & Warrington LEP		-	1,783
Loan to Hut Group		46,760	18,000
		224,611	**231,157**
Sources of Finance			
Capital Receipts	9	(2,300)	(1,366)
Government Grants & Other Contributions		(26,067)	(34,300)
Payments Received for:			
Long Term Debtor - Warrington Housing Association		(133)	(139)
Long Term Debtor - Golden Gates Housing		(58)	(62)
Long Term Debtor - Your Housing		(239)	(249)
Long Term Debtor - Equity		(295)	(307)
Long Term Debtor - Muir		(367)	(382)
Long Term Debtor - Helena		(430)	(452)
Long Term Debtor - Wirral Methodist		(210)	(260)
Long Term Debtor - Arawak Walton		(69)	(83)
Long Term Debtor - One Housing Group Ltd		(1,633)	(3,342)
Long Term Debtor - Together Energy		(1,064)	-
Long Term Debtor - Together Energy RCF		(8,200)	-
Long Term Debtor - Hut Group		(71,570)	(1,450)
Long Term Debtor - York		-	(567)
Long Term Debtor - Cirencester		(5,152)	(174)
Long Term Debtor - Peaks & Plains		-	(4,000)
Long Term Debtor - Foster Carers Loans		-	(157)
Long Term Debtor - Auxesia		-	(6,307)
Sums set aside from Revenue:			
Developers Contribution (S106)		(981)	(2,979)
Minimum Revenue Provision		(7,955)	(5,959)
		(126,723)	**(62,535)**
Closing Capital Financing Requirement		**1,677,514**	**1,846,136**
Explanations of movements in year			
Increase in underlying need for borrowing		97,888	168,622

25 Long Term Debtors

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

	31/03/22 £000	31/03/23 £000
<u>Long-term Debtors</u>		
Other entities and individuals:		
Deferred Care Charges	1,190	1,286
Finance Leases (Where Council is Lessor)	31,886	31,886
Warrington Housing Association	2,757	2,611
Golden Gates Housing	1,283	1,218
Muir Housing Group	10,056	9,658
Arena Housing Group	7,933	7,714
Equity Housing Group	8,134	7,816
Helena Housing Association	11,783	11,309
Wulvern Housing Limited	10,000	10,000
Wirral Methodist Housing	5,005	5,705
Peaks & Plains Housing	4,000	-
Arawak Walton Housing	1,728	3,101
One Housing Group	41,990	86,479
Together Energy	-	1,408
Johnnie Johnson	11,000	12,000
Citystyle Living	76,500	76,500
Salboy Central Ltd	1,408	39,000
Incrementum Housing	11,302	21,000
Hut Group Icon 3 Holding	125,606	142,155
Hull Solar Farm	26,261	26,262
York Solar Farm	28,089	28,379
Cirencester Solar Farm	26,947	32,693
Auxesia Ltd	-	10,984
Cheshire & Warrington LEP	-	1,854
Adoptions Lone Care	276	118
Total Long-term Debtors	**445,134**	**571,136**

26 Debtors

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

	31/03/22 £000	31/03/23 £000
<u>Short-term Debtors</u>		
Central Government Bodies	31,643	7,622
Other Local Authorities	4,500	4,931
NHS Bodies	4,059	988
Public Corporations and Trading Funds	(2)	-
Other Entities and Individuals	88,441	102,860
Total Short-term Debtors	**128,641**	**116,401**

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:

	31/03/22 £000	31/03/23 £000
Cash on hand and balances with banks	(9,171)	(1,181)
Short-term Deposits	66,714	77,825
Total Cash and Cash Equivalents	**57,543**	**76,644**

28 Creditors

The Council’s creditors are as follows:

	31/03/22 £000	31/03/23 £000
Short-term Creditors		
Central Government Bodies	58,235	51,709
Other Local Authorities	7,305	5,381
NHS Bodies	7,304	3,106
Other Entities and Individuals	54,574	65,140
Total Short-term Creditors	**127,418**	**125,336**
Long-term Creditors		
Other Entities and Individuals	3,454	3,281
Total Creditors	**130,872**	**128,617**

29 Provisions

	Injury and Damage Compensation Claims £000	Other Provisions £000	Total £000
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**
Additional provisions made in year	-	8,407	8,407
Amounts used in year	-	(13,600)	(13,600)
Unused amounts reversed in year	-	-	-
Provisions unwound in year	-	-	-
Balance at 31 March 2023	**2,551**	**5,110**	**7,661**

	31/03/22 £000	31/03/23 £000
Short-term Provisions	10,264	5,071
Long-term Provisions	2,590	2,590
Total Provisions	**12,854**	**7,661**

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 16th year of a 30 year contract in 2022/23. The Anson Close and Blenheim Close scheme is for the construction, maintenance and tenancy management of 105 social houses and the Verve Place (formerly 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 (Verve Place)

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:

<u>Anson & Blenheim Close</u>

Total at 31/03/2022 £000		Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total at 31/03/2023 £000
304	Payable in 2023/24	42	86	177	305
1,218	Payable within 2 to 5 years	169	426	624	1,219
1,522	Payable within 6 to 10 years	218	779	525	1,522
1,294	Payable within 11 to 15 years	128	732	128	988
4,338		**557**	**2,023**	**1,454**	**4,034**

Verve Place

Total at 31/03/2022 £000		Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total at 31/03/2023 £000
187	Payable in 2023/24	36	69	82	187
749	Payable within 2 to 5 years	147	316	286	749
937	Payable within 6 to 10 years	189	503	245	937
938	Payable within 11 to 15 years	189	569	85	843
137	Payable within 16 to 20 years	28	13	-	41
2,948		**589**	**1,470**	**698**	**2,757**

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

	2021/22 £000	2022/23 £000
Balance outstanding at start of year	(2,175)	(2,102)
Payments during the year	73	79
Balance outstanding at end of year	**(2,102)**	**(2,023)**

Verve Place

	2021/22 £000	2022/23 £000
Balance outstanding at start of year	(1,598)	(1,536)
Payments during the year	62	66
Balance outstanding at end of year	**(1,536)**	**(1,470)**

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 2022 £000	31 March 2023 £000
Finance lease liabilities (net present value of minimum lease payments):		
Current	-	-
Non-current	690	690
Finance costs payable in future years	7,066	6,969
Minimum lease payments	**7,756**	**7,659**

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

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Not later than one year	96	96	-	-
Later than one year and not later than five years	386	386	-	-
Later than five years	7,274	7,177	690	690
	7,756	**7,659**	**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 2022/23 £74,662 contingent rents were payable by the Council (2021/22 £102,550).

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 £171k and receives rental income of £99k in relation to these properties.

The Council also sub-let other property resulting in total sub-lease rental income of £392k (2021/22 £357k).

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:

	2021/22 £000	2022/23 £000
Leases rolling over regularly	314	386
Not later than one year	414	316
Later than one year and not later than five years	1,075	1,108
Later than five years	17,059	17,825
	18,861	**19,635**

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

2022/23	Corporate Services £000	Families and Wellbeing: Children £000	Environment & Transport £000	Families and Wellbeing: Adults £000	Total £000
Minimum lease payments	3	278	386	17	**684**
Sublease payments receivable	-	-	(81)	-	**(81)**
	3	**278**	**305**	**17**	**603**

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

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 2023, the total outstanding receivable amount remaining on this lease was £30.614m repayable over a 182 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 2022 £000	31 March 2023 £000
Finance lease debtors (net present value of minimum lease payments):		
Current	-	-
Non-current	31,887	31,886
Unearned finance income	284,485	282,688
Gross investment in the lease	**316,372**	**314,574**

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 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £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	307,382	305,584	307,382	305,584
	316,372	**314,574**	**316,372**	**314,574**

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 2022/23 £115,375 contingent rents were receivable by the Council (2021/22 £115,375).

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:

	2021/22 £000	2022/23 £000
Leases rolling over regularly	908	2,321
Not later than one year	16,665	10,056
Later than one year and not later than five years	58,399	38,417
Later than five years	435,835	393,852
	511,808	**444,646**

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:

	31/03/22 NBV £000	31/03/23 NBV £000
Land & Buildings	101,221	70,410
Investment Property	68,803	92,395
	170,024	**162,805**

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 2022/23, the Council paid £7,777,257 to Teachers' Pensions in respect of teachers' retirement benefits, representing an average of 23.08% of pensionable pay. The equivalent figures for 2021/22 were £7,623,585 and 23.20%, respectively. The national employer pension contribution rate has remained unchanged since September 2019, at 23.68%. The very modest increase in total contributions from Warrington Borough Council is largely because the four primary schools which converted to Academies on 1st May 2021 had a contribution to costs in 2021/22, but none in 2022/23. There were no contributions remaining payable at the year end. St Gregory's High School uses an external payroll bureau, and we are reliant on receipt of appropriate breakdowns of the amounts paid, which are replicated in the LA accounts.

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 2022/23, the Council paid £42,985 to NHS Pensions in respect of Public Health professionals' retirement benefits, representing 16.0% of pensionable pay (£59,343 and 17.2% in 2021/22). 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.

	Restated 2021/22 £000	2022/23 £000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising		
Current service cost	41,172	40,009
Past service costs (including curtailments)	355	330
(Gains) and losses on settlements	(1,382)	-
Financing and Investment Income and Expenditure		
Restated net interest expense	5,959	4,278
Restated total post-employment benefit charged to the Surplus or Deficit on the Provision of Services	**46,104**	**44,617**
Other Post-employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Restated return on plan assets (excluding the amount included in the net interest expense)	44,063	(105,936)
Actuarial gains and losses arising on the changes in demographic assumptions	(3,477)	7,180
Aactuarial gains and losses arising on the changes in other experience	56,859	(61,472)
Actuarial gains and losses arising on changes in financial assumptions	71,578	407,650
Restated remeasurement of the net defined benefit liability	***169,023***	***247,422***
Restated total post-employment benefit charged to the Comprehensive Income and Expenditure Statement	**215,127**	**292,039**
Movement in Reserves Statement		
Restated reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(29,466)	(27,022)
Actual amount charged against the General Fund balance for pensions in the year		
Restated employers' contribution payable to the scheme	(16,638)	(17,595)

Pension Assets and Liabilities Recognised in the Balance Sheet

	Restated 2021/22 £000	2022/23 £000
Restated present value of the defined benefit obligation	(1,057,731)	(753,847)
Restated fair value of plan assets	910,383	827,071
Restated sub-total	**(147,348)**	**73,224**

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 2024 is £18.308m.

Assets and Liabilities in Relation to Post-Employment Benefits

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

	Restated 2021/22 £000	2022/23 £000
Opening balance as at 1 April	**1,135,275**	**1,057,731**
Current service cost	41,172	40,009
Restated interest cost	22,816	28,816
Contributions by scheme participants	5,206	5,654
Contributions in respect of unfunded benefits paid	-	(172)
Remeasurement gains and (losses):		
Restated actuarial gains and losses arising on the changes in demographic assumptions	3,477	(7,180)
Restated actuarial gains and losses arising on changes in financial assumptions	(71,578)	(407,650)
Restated Other	(48,930)	61,472
Past service costs (including curtailments)	355	330
Benefits paid	(25,242)	(25,163)
Liabilities extinguished on settlements	(4,820)	-
Restated closing balance as at 31 March	**1,057,731**	**753,847**

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

	Restated 2021/22 £000	2022/23 £000
Opening fair value of scheme assets	**848,207**	**910,383**
Interest income	16,857	24,538
Remeasurement gain/(loss):		
Restated return on plan assets, excluding the amount included in the net interest expense	44,063	(105,936)
Restated other	7,929	-
Contributions from employers	16,638	17,595
Contributions from employees into the scheme	5,206	5,654
Benefits paid	(25,079)	(25,163)
Other	(3,438)	-
Restated closing fair value of scheme assets	**910,383**	**827,071**

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:

	2021/22	2022/23
Long-term expected rate of return on assets in the scheme:		
Restated Equity investments	2.7%	4.8%
Restated Bonds	2.7%	4.8%
Restated Property	2.7%	4.8%
Restated Cash	2.7%	4.8%
Mortality assumptions		
Longevity at 65 for current pensioners:		
Restated Men	21.3 years	21.2 years
Restated Women	24.0 years	23.9 years
Longevity at 65 for future pensioners:		
Restated Men	22.2 years	22.5 years
Restated Women	25.5 years	25.7 years
Inflation/pension increase rate	3.2%	3.0%
Salary increase rate	3.9%	3.7%
Rate of increase in pensions	2.7%	4.8%
Rate for discounting scheme liabilities	2.7%	4.8%
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	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage of Total Assets
		Period Ended 31 March 2023		
Equity Securities:				
Consumer	3,744	-	3,744	0%
Manufacturing	3,823	-	3,823	0%
Energy and Utilities	-	-	-	0%
Financial Institutions	-	-	-	0%
Health and Care	1,297	-	1,297	0%
Information Technology	21,272	-	21,272	3%
Other	2,693	-	2,693	0%
Private Equity:				
All	-	57,645	57,645	7%
Real Estate:				
UK Property	-	68,907	68,907	8%
Overseas Property	-	1,095	1,095	0%
Investment Funds and Unit Trusts:				
Equities	244,437	-	244,437	30%
Bonds	197,282	93,429	290,711	35%
Hedge Funds	-	54,926	54,926	7%
Infrastructure	-	5,464	5,464	1%
Other	-	34,614	34,614	4%
Cash and Cash Equivalents:				
All	-	36,443	36,443	4%
Totals	**474,548**	**352,523**	**827,071**	**100%**

Asset Category	Restated quoted prices in active markets £000	Restated quoted prices not in active markets £000	Restated Total £000	Percentage of Total Assets
		Period Ended 31 March 2022		
Equity Securities:				
Restated Consumer	13,618	-	13,618	1%
Restated Manufacturing	11,375	-	11,375	1%
Restated Energy and Utilities	658	-	658	0%
Restated Financial Institutions	6,078	-	6,078	1%
Restated Health and Care	5,382	-	5,382	1%
Restated Information Technology	49,102	-	49,102	5%
Restated Other	7,234	-	7,234	1%
Private Equity:				
Restated All	-	45,233	45,233	5%
Real Estate:				
Restated UK Property	-	63,288	63,288	7%
Restated Overseas Property	-	1,052	1,052	0%
Investment Funds and Unit Trusts:				
Restated Equities	187,689	-	187,689	21%
Restated Bonds	280,232	97,640	377,872	42%
Restated Hedge Funds	-	53,262	53,262	6%
Restated Infrastructure		110	110	0%
Restated Other	-	34,424	34,424	4%
Cash and Cash Equivalents:				
Restated All	-	54,006	54,006	6%
Totals	**561,368**	**349,016**	**910,383**	**100%**

Unfunded Pensions

	Number at 31 March 2023	Annual Unfunded Pension £000
Male	22	88
Female	51	101
Dependants	-	-
TOTAL	**73**	**189**

33 Unusable Reserves

	Restated 31/03/2022 £000	31/03/2023 £000
Capital Adjustment Account	125,423	8,107
Revaluation Reserve	170,214	165,381
Financial Instruments Adjustment Account	(1,273)	(1,252)
Available-for-Sale Reserve	-	-
Pooled Investment Mitigation Reserve	21,869	12,843
Financial Instruments Revaluation Reserve	3,506	3,506
Restated Pensions Reserve	(150,354)	71,324
Deferred Capital Receipts Reserve (England and Wales)	31,887	31,887
Collection Fund Adjustment Account	(20,832)	6,633
Accumulating Compensated Absences Adjustment Account	(5,308)	(5,213)
Restated Total Unusable Reserves	**175,132**	**293,216**

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)	31/03/22 £000	31/03/23 £000
Balance as at 1 April		**113,044**	**125,423**
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	(60,951)	(26,225)
Revaluation loss on PPE	21	-	6,276
Amortisation of intangible assets		(254)	(271)
Revenue expenditure funded from capital under statute	24	(6,594)	(3,289)
Carrying amount of non-current assets sold		(6,185)	(45,533)
		(73,984)	**(69,042)**
Adjusting amounts written out of the Revaluation Reserve		3,046	1,953
Net written out of the cost of non-current assets consumed in year		**(70,938)**	**(67,089)**
Capital financing applied in year:			
Use of the Capital Receipts Reserve	9	2,218	1,366
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing		12,050	10,683
Application of grants from the Capital Grants Unapplied Account	7	9,199	15,487
Statutory provision for the financing of capital investment		7,955	5,959
		31,422	**33,495**
Movements in the market value of Investment Properties	23	51,895	(83,722)
Balance as at 31 March		**125,423**	**8,107**

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.

	31/03/22 £000	31/03/23 £000
Balance as at 1 April	**148,176**	**170,214**
Upward revaluation of assets	34,730	39,257
Surplus or deficit on revaluation of non-current assets not posted to the Surplus on the Provision of Services	**34,730**	**39,257**
Disposal of non-current assets	(9,646)	(42,137)
Difference between fair value depreciation and historical cost depreciation	(3,046)	(1,953)
Balance as at 31 March	**170,214**	**165,381**

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.

	31/03/22 £000	31/03/23 £000
Balance as at 1 April	**31,888**	**31,887**
Restated Tfr to Capital Receipts Reserve	(1)	-
Balance as at 31 March	**31,887**	**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.

	31/03/22 £000	31/03/23 £000
Balance as at 1 April	**(5,563)**	**(5,308)**
Settlement or cancellation of accrual made at the end of the preceding year	5,563	5,308
Amounts accrued at the end of the current year	(5,308)	(5,213)
Balance as at 31 March	**(5,308)**	**(5,213)**

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.

	Restated 31/03/22 £000	31/03/23 £000
Balance as at 1 April	**(290,074)**	**(150,354)**
Restated actuarial gains or losses on pensions assets and liabilities	169,022	247,594
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	(29,302)	(25,916)
Restated balance as at 31 March	**(150,354)**	**71,324**

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.

	31/03/22 £000	31/03/23 £000
Balance at 1 April	**2,590**	**21,869**
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	19,279	(9,026)
Balance at 31 March	**21,869**	**12,843**

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 £000	31/03/23 £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					
	Investments		Debtors		Investments		Debtors		Total	Total
	31 March 2022 £000	31 March 2023 £000	Restated 31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	Restated 31 March 2022 £000	31 March 2023 £000	Restated 31 March 2022 £000	31 March 2023 £000
Restated Amortised Cost	301	301	34,759	33,290	248	192	120,782	89,741	156,090	123,524
Fair Value through Profit or Loss	97,848	73,415	-	-	44,099	45,413	-	-	141,947	118,828
Fair Value through Other Comprehensive Income - Designated Equity Instruments	1,331	1,331	-	-	-	-	-	-	1,331	1,331
Restated Total Financial Assets	**99,481**	**75,047**	**34,759**	**33,290**	**44,347**	**45,605**	**120,782**	**89,741**	**299,369**	**243,683**
Equity in Group Entities	62,542	62,863	-	-	-	-	-	-	62,542	62,863
Restated Loans to Registered Providers	-	-	192,169	234,111	-	-	5,153	5,819	197,322	239,930
Restated Commercial Loans	-	-	218,206	303,735	-	-	2,706	20,843	220,912	324,578
Restated Total	**162,023**	**137,910**	**445,134**	**571,136**	**44,347**	**45,605**	**128,641**	**116,403**	**780,145**	**871,054**

Financial Liabilities	Long Term				Short Term					
	Borrowings		Creditors		Borrowings		Creditors		Total	Total
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Amortised Cost	1,419,944	1,642,647	208	208	228,985	176,196	108,420	125,335	1,757,557	1,944,386
Total Financial Liabilities	**1,419,944**	**1,642,647**	**208**	**208**	**228,985**	**176,196**	**108,420**	**125,335**	**1,757,557**	**1,944,386**
PFI	3,493	3,338	2,556	2,382	145	155	-	-	6,194	5,875
Leases	-		691	691	-	-	-	-	691	691
Total	**1,423,437**	**1,645,985**	**3,454**	**3,281**	**229,130**	**176,351**	**108,420**	**125,335**	**1,764,442**	**1,950,952**

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.

	2021/22	2022/23
	Surplus or Deficit on the Provision of Services £000	**Surplus or Deficit on the Provision of Services £000**
Net gains/losses on:		
• financial assets measured at amortised cost	(7,594)	(6,858)
• financial assets measured at fair value through profit or loss	22,279	(9,026)
Total net gains/losses	**14,686**	**(15,884)**
Interest revenue:		
• financial assets measured at amortised cost	50,600	18,687
Total interest revenue	**50,600**	**18,687**
Interest Fee expense:		
• financial assets or financial liabilities that are not at fair value through profit or loss	(31,759)	(22,417)
Total fee expense	**(31,759)**	**(22,417)**

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. Except Redwood Bank that has been revalued as at 31/03/2023.

	As at 31/03/22 £000	As at 31/03/23 £000
Warrington Borough Transport (100% Holding)	888	3,388
Redwood Financial Partners Ltd (30.8% Holding)	14,860	6,681
Wire Regeneration (50% Holding)	3,790	3,790
Together Energy (50% Holding)	8,899	8,899
York Solar Farm (100% Holding)	14,718	14,718
Hull Solar Farm (100% Holding)	7,622	7,622
Incrementum Housing (100% Holding)	11,000	17,000
Cirencester Solar Farm (100% Holding)	764	764
Restated Total	**62,542**	**62,862**

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 Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/03/22 £000	As at 31/03/23 £000
Fair Value through Profit or Loss				
Investment in CCLA Property Fund*	Level 1	Unadjusted quoted prices in active markets for identical shares	11,903	9,941
Altana Wealth Corporate Bond	Level 2	Observable inputs for the asset or liability	10,738	10,332
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	10,412	10,224
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	5,206	5,112
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	511	501
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	2,044	2,006
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	-	1,961
Altana Wealth Managed Account	Level 2	Observable inputs for the asset or liability	-	3,101
M7 Investment	Level 2	Observable inputs for the asset or liability	2,624	1,167
M7 Investment	Level 2	Observable inputs for the asset or liability	3,389	1,114
Abundance Investment LCH	Level 2	Observable inputs for the asset or liability	2,475	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 Box+ II LP	Level 2	Observable inputs for the asset or liability	31,379	27,510
M7 Box+ Mailbox	Level 2	Observable inputs for the asset or liability	14,491	9,000
Technology Enhanced Operations	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	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	20,284	20,606
Total			**141,947**	**118,829**

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

	2021/22 £000	2022/23 £000
Opening balance	**36,001**	**40,363**
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Total gains or losses for the period:	-	-
• Included in the Surplus or Deficit on the Provision of Services	162	323
• Included in Other Comprehensive Income and Expenditure	-	-
Additions	4,200	-
Disposals	-	(6,300)
Restated Closing Balance	**40,363**	**34,386**

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 2022		**31 March 2023**	
Financial Liabilities	**Restated Carrying Amount £000**	**Restated Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
Financial liabilities held at amortised cost:				
Restated Borrowings	1,652,567	1,700,081	1,822,337	1,233,037
Restated Creditors	130,873	130,873	128,616	128,616
Restated Total	**1,783,440**	**1,830,954**	**1,950,953**	**1,361,653**

Financial Assets	31 March 2022 Restated Carrying Amount £000	 Restated Fair Value £000	31 March 2023 Carrying Amount £000	 Fair Value £000
Financial assets held at amortised cost:				
Investments	549	549	493	493
Restated Debtor General	161,992	161,992	149,693	149,693
Long-term Debtor Housing Associations	192,169	168,914	234,111	210,304
Restated Long-term Debtor Commercial Loans	218,206	6,980	303,735	247,096
Restated Total	**572,916**	**338,435**	**688,032**	**607,586**

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

The Council's PFI liability has been assessed to have a Fair Value of £5.876m.

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

31 March 2023	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial liabilities held at amortised cost:				
Borrowings	-	1,228,303	4,733	1,233,036
Creditors	-	-	128,616	128,616
Total	**-**	**1,228,303**	**133,349**	**1,361,652**
Financial assets held at amortised cost:				
Investments	-	-	493	493
Debtors	-	-	607,092	607,092
Total	**-**	**-**	**607,585**	**607,585**

				31 March 2022
	Quoted prices in active markets for identical assets (Level 1) £000	Restated other significant observable inputs (Level 2) £000	Restated significant unobservable inputs (Level 3) £000	Restated Total £000
Financial liabilities held at amortised cost:				
Restated Borrowings	-	1,695,172	4,909	1,700,081
Creditors	-	-	130,873	130,873
Restated Total	**-**	**1,695,172**	**135,782**	**1,830,954**
Financial assets held at amortised cost:				
Investments	-	-	549	549
Restated Debtors	-	-	337,886	337,886
Restated Total	**-**	**-**	**338,435**	**338,435**

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 Treasury Management Board is consultative body and not constituted from the councils constitution. The councils Treasury Management Practices statement is reported to the Audit & Corporate Governance Committee.

The Council operated within its 2022/23 Treasury Management Strategy during 2022/23 and a full 2022/23 Treasury Management Outturn Report will be reported to full Council in July 2023.

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. 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 2022/23 was approved by Full Council March 2022. 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 £260.858m deposited with a number of banks and financial institutions as at 31 March 2023, 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. A risk of non-recovery ability applies to all the council deposits on 28 February

2023 the £2.4m Abundance LCH Bond defaulted and restructuring options will be worked on during 2023-2024.

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	Credit Rating	Counterparty Type Rating	Category of Instrument	Restated amount at 31 March 2022 £000	Amount at 31 March 2023 £000
Deposits with Banks and Financial Institutions					
Cash and Cash Equivalent					
Natwest Select Liquidity	100 days	A	Amortised	8,395	7,912
Federated Prime Rate MMF	up to 5 years	AAA	Amortised	3,350	11,835
Legal and General MMF	up to 5 years	AAA	Amortised	15,600	-
Aberdeen (Standard Life/Ignis) MMF	up to 5 years	AAA	Amortised	-	17,490
CCLA MMF	up to 5 years	AAA	Amortised	39,350	40,105
Invested Bank Account (Escrow Account)	no credit rating	-	Amortised	19	-
Investments					-
Rockfire Capital Solar Bond	no credit rating	-	Amortised	-	-
LiveWire	no credit rating	-	Amortised	549	493
CCLA Property Fund	no credit rating	-	FV P&L	11,903	9,941
Municipal Bond Agency	no credit rating	-	FV P&L	200	200
Public Sector Social Impact Fund	Due Diligence	-	FV P&L	20,284	20,606
Altana Wealth	no credit rating	-	FV P&L	28,911	33,236
M7 Real Investment Properties	Due Diligence	-	FV P&L	58,296	38,790
Abundance Investment for Liverpool Comm Housing	Due Diligence	-	FV P&L	2,475	2,475
Valley Ridge Holding Ltd (MQI)	Due Diligence	-	FV P&L	6,300	-
Technology Enhanced Operations	Due Diligence	-	FV P&L	9,379	9,379
Redwood Bank	no credit rating	-	FV P&L	4,200	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	3,388
Restated Redwood Bank	no credit rating	-	Group	14,860	6,681
Joint Venture with Wire Regeneration	no credit rating	-	Group	3,790	3,790
Restated Together Energy	Due Diligence	-	Group	8,899	8,899
York Solar Farm	Due Diligence	-	Group	14,718	14,718
Hull Solar Farm	Due Diligence	-	Group	7,622	7,622
Housing Co Mgt	Due Diligence	-	Group	11,000	17,000
Cirencester Solar Farm	Due Diligence	-	Group	764	764
Restated Total Deposits with Banks and Financial Institutions				**273,085**	**260,855**
Financial Instrument Long Term Debtors					
Adult Social Care	no credit rating		Amortised	1,464	1,404
PFI Finance Lease	no credit rating	-	Amortised	31,886	31,886
Registered Providers/Housing Associations		-	Amortised	192,169	234,111
Restated Commercial Loans		-	Amortised	218,206	303,735
Restated Total				**716,811**	**831,991**

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 £0.493m. The risk of impairment has been deemed to be low and the calculated loss allowance negligible.

Debtor General
The Council has a total of £116.402m of general debtors held at amortised cost, but of that amount £12.553m is with Central and Local Government, and excluded the impairment loss provision. For the remaining £137.140m of general debtors the Council has calculated the impairment loss to £6.858m.

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 £545.819m to Housing Associations to generate new housing, the total of the drawdowns is £277.029m. For the draw down loan debtors the Council has calculated an impairment loss between £1.371m and £4.688m. This is backed by collateral of £975.270m.

Commercial Loans
The Council has given loan facilities of £372.089m to nine commercial entities, Together Energy, Incrementum Housing Limited, The HUT Group, Warrington Renewable Energy (Hull, York and Cirencester Solar Farms), Salboy Central Ltd, and Local Enterprise Partnership the balance of the drawdowns is £385.919m.

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 £2.437m and £16.072m.

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 2022 £000	Amount at 31 March 2023 £000
Less than three months	20,501	17,180
Three to six months	2,819	1,373
Six months to one year	1,160	3,884
More than one year	8,732	8,352
Total	**33,212**	**30,789**

During 2015/16 Warrington obtained a credit rating from Moody's, one of the world's leading credit rating agencies. This credit rating is review by Moody's annually. For 2022/23 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.

Financial Assets Age Analysis	Cash & Equivalent £000	Investments £000	Non-Treasury Investments £000	Adult Social Care** £000	PFI Finance Lease £000	Housing Associations/ Commercial Loans £000	Total £000	Total %
								31 March 2023
Less than 1 year	77,342	44,985	19,795	-	-	26,662	168,784	16%
Between 1 and 2 years	-	41,147	8,116	-	-	64,194	113,457	11%
Between 3 and 4 years	-	301	8,902	-	1	291,085	300,289	28%
Between 5 and 9 years	-	-	209,853	1,404	3	77,612	288,872	27%
Between 10 and 19 years	-	-	16,053	-	6	72,035	88,094	8%
Between 20 and 29 years	-	-	40,105	-	19	23,818	63,942	6%
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%
	77,342	**86,433**	**302,824**	**1,404**	**31,883**	**555,406**	**1,055,292**	**100%**

Financial Assets Age Analysis	Cash & Equivalent £000	Restated Investments £000	Restated Non-Treasury Investments £000	Restated Adult Social Care** £000	PFI Finance Lease £000	Restated Housing Associations/ Commercial Loans £000	Restated Total £000	Restated Total %
								31 March 2022
Restated Less than 1 year	66,715	36,120	-		0	15,295	118,130	12%
Restated Between 1 and 2 years	-	23,024	13,242		0	14,406	50,672	5%
Restated Between 3 and 4 years	-	60,636	43,146		1	18,716	122,499	13%
Resated Between 5 and 9 years	-	-	4	1,219	3	241,214	242,440	26%
Restated Between 10 and 19 years	-	-	225,906		9	75,304	301,219	32%
Restated 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%
	66,715	**119,780**	**315,832**	**1,219**	**31,886**	**414,390**	**949,822**	**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.

						31 March 2023
Financial Liabilities Age Analysis	**PWLB £000**	**LOBO* £000**	**Other £000**	**Total £000**	**Total %**	**Approved Maximum %**
Less than 1 year	115,857	-	60,340	176,196	10%	30%
Between 1 and 2 years	79,337	-	5,407	84,744	5%	30%
Between 3 and 4 years	214,441	-	10,000	224,441	12%	35%
Between 5 and 9 years	406,697	-	-	406,697	22%	30%
Between 10 and 19 years	269,233	5,000	-	274,233	15%	100%
Between 20 and 29 years	30,000	16,252	4	46,256	3%	100%
Between 30 and 39 years	244,778	-	150,000	394,778	22%	100%
Between 40 and 49 years	143,000	15,000	15,000	173,000	10%	100%
More than 50 years	-	13,500	25,000	38,500	2%	100%
	1,503,341	**49,752**	**265,751**	**1,818,844**	**100%**	

Financial Liabilities Age Analysis	Restated PWLB £000	Restated LOBO* £000	Restated Other £000	Restated Total £000	Restated Total %	31 March 2022 Approved Maximum %
Restated Less than 1 year	13,323	-	230,210	243,533	15%	30%
Restated Between 1 and 2 years	13,647	-	-	13,647	1%	30%
Restated Between 3 and 4 years	140,403	-	6,000	146,403	9%	35%
Restated Between 5 and 9 years	238,418	-	-	238,418	15%	30%
Restated Between 10 and 19 years	278,680	-	-	278,680	17%	100%
Restated Between 20 and 29 years	39,282	41,269	4	80,555	5%	100%
Restated Between 30 and 39 years	198,778	-	150,000	348,778	22%	100%
Restated Between 40 and 49 years	189,000	15,000	15,000	219,000	14%	100%
Restated 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 A3 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 £25m have a break clause at every interest payment date twice a year.

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 £1.996m, comprising of £0.447m additional interest income on investments and £2.443m 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 £346.127m. 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 £1.186m 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 31/03/22 £000	As at 31/03/23 £000
CCLA Property Fund	11,903	9,941
Municipal Bond Agency	200	200
Public Sector Social Impact Fund	20,284	20,606
M7 Investment	2,624	1,167
M7 Investment	3,389	1,114
M7 Box+ II LP	31,379	27,510
Valley Ridge Holding Ltd (MQI)	6,300	-
M7 Box+ Mailbox	14,491	9,000
Redwood Bank	4,200	4,200
Technology Enhanced Operations	9,379	9,379
Altana Wealth Corporate Bond	10,738	10,332
Altana Wealth Managed Account	10,412	10,224
Altana Wealth Managed Account	5,206	5,112
Altana Wealth Managed Account	511	501
Altana Wealth Managed Account	2,044	2,006
Altana Wealth Managed Account	-	1,961
Altana Wealth Managed Account	-	3,101
Abundance Investment LCH	2,475	2,475
M7 Box+ ILP	2,500	-
M7 Box+ ILP	3,914	-
Warrington Sports Holding Limited	1,331	1,331
TOTAL	**143,279**	**120,160**

The Council's investments in the Group Entities are held at cost (except Redwood Bank) 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 £0.629m.

	As at 31/03/22 £000	As at 31/03/23 £000
Warrington Borough Transport	888	3,388
Redwood Bank	14,860	6,681
Joint Venture with Wire Regeneration	3,790	3,790
Together Energy	8,899	8,899
York Solar Farm	14,718	14,718
Hull Solar Farm	7,622	7,622
Incrementum Hsg	11,000	17,000
Cirencester Solar Farm	764	764
Total	**62,542**	**62,863**

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 one financial asset and no liabilities denominated in foreign currencies and thus has 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 2022/23 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.	699
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%.	975,270
Total	**975,969**

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 2023.

- 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 Council has entered into contracts for the provision of utilities to council premises and to schools and buildings operated by Livewire and Culture Warrington, the council has a liability to meet the bills for these premises should the occupier be unable to do so.

- 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 also maintains reserves and provisions of around £0.5 million to meet the cost of claims lodged against the Council’s former insurer, Municipal Mutual Insurance (MMI), which is now insolvent. The MMI Scheme of Arrangement was enacted in 2012/13 and claims are currently being paid by MMI at a rate of 75%, with the Council required to contribute the remaining 25%. However, the total liability upon the Council, as a scheme creditor, cannot be fully estimated in respect of unknown claims incurred, but not yet reported, between 1974 and 1992, or any further changes to the levy arrangement which could increase the contribution required from the Council and other scheme creditors.

- 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.

- A bond investment in Liverpool Community Homes defaulted on 28 February 2023. The bond is going to be restructured and it is not possible to forecast when any accuracy the future return to the Council but a loss will be recorded if the full value of the investment is not realised.

- 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).

- The Council maintains provisions and reserves, known collectively as the Insurance Fund, to meet the future excess costs of civil claims for negligence or breach of statutory duties. Funds of £4.6 million, including an actuarial estimate of £2.1 million for claims which have been incurred but not yet reported to us, have been set aside. However new statutory duties, or developments in case law, may increase the volume of claims being presented, resulting in additional financial liabilities for which our reserves and provisions may not be adequate. For example, case law has established the potential for the Council to be judged vicariously liable for malfeasance on the part of foster carers, and there are various cases proceeding through the courts which are concerned with the assumption of a legal duty of care on the part of local authorities when discharging children’s social care functions.

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. £1.589m was received in 2022/23 (£0k in 2021/22).

- 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 £1.6m of right to buy receipts in 2022/223.

- 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 2022/23 amounted to £40k (£12k in 2021/22).

36 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

31/03/22 £000		**Note(s)**	**31/03/23 £000**
(51,795)	Interest received		(16,835)
31,932	Interest paid		24,728
(19,863)			**7,893**

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

31/03/22 £000		Note(s)	31/03/23 £000
20,600	Depreciation	21	18,045
23,044	Restated Revaluation (loss)/gain		(6,276)
254	Amortisation		271
(2,980)	Increase/decrease in impairment for bad debts		(428)
22,276	Increase/decrease in creditors		(3,191)
(9,129)	Increase/decrease in debtors		(115,189)
(97)	Increase/decrease in inventories		71
29,302	Movement in pension liability		25,917
10,000	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised		32,120
(31,889)	Other non-cash items charged to the net surplus or deficit on the provision of services		153,690
61,381			**105,030**

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

31/03/22 £000		Note(s)	31/03/23 £000
(1,519)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		(2,306)
(10,000)	Proceeds from sale of property, plant and equipment, investment property and intangible assets		(32,120)
(19,333)	Any other items for which the cash effects are investing or financing cashflows		(30,800)
(30,852)			**(65,226)**

37 Cash Flow Statement – Investing Activities

31/03/22 £000		Note(s)	31/03/23 £000
(100,017)	Purchases of property, plant & equipment, investment propert and intangible assets		(75,763)
(41,827)	Purchase of short-term and long-term investments		(17,858)
1,519	Proceeds from the sale of property, plant & equipment, investment property and intangible assets		2,306
10,000	Proceeds of short-term and long-term investments		32,120
64,880	Other receipts for investing activities		51,552
(65,445)			**(7,643)**

38 Cash Flow Statement – Financing Activities

31/03/22 £000		Note(s)	31/03/23 £000
71,607	Cash receipts of short-term and long-term borrowing		574,983
(135)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		(145)
(30,097)	Repayments of short-term and long-term borrowing		(405,048)
41,375			**169,790**

Reconciliation of Liabilities Arising from Financing Activities

	31 March 2022 £000	Financing Cash Flows £000	Non-Cash Changes £000	31 March 2023 £000
Long Term Borrowing				
• Long Term Borrowing	(1,419,944)	(319,935)	97,232	(1,642,647)
• PFI Liabilities	(3,493)	145	10	(3,338)
Long Term Borrowing	*(1,423,437)*	*(319,790)*	*97,242*	*(1,645,985)*
Short Term Borrowing				
• Short Term Borrowing	(228,985)	150,000	(97,211)	(176,196)
• PFI Liabilities	(145)	-	(10)	(155)
Short Term Borrowing	*(229,130)*	*150,000*	*(97,221)*	*(176,351)*
Long Term Leases*	31,888	-	-	31,888
Total Liabilities from Financing Activities	**(1,620,679)**	**(169,790)**	**21**	**(1,790,448)**

* 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, provides the majority 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 2021 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 2022/23 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 2022/23 twenty-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.

Payments/Grants to Organisations where Members or their spouse hold a personal interest	Expenditure 2021/22 £	Expenditure 2022/23 £	Creditors 31 March 2023 £
Beamont Primary	125,560	144,663	0
Bentleys Motor Group	26,335	22,377	0
Bewsey Lodge Primary	167,661	108,475	3,940
Birchwood Community Academy	22,160	*	0
Boteler Eductional Trust	256,052	261,950	5,898
Burtonwood Community Primary Academy	1,997	7,813	0
Challenge Academy Trust	*	1,164	0
Cheshire & Warrington Local Enterprise Partnership	*	88,067	0
Cinnamon Brow Primary School	146,667	72,116	55,534
Cobs Infant School	0	12,566	
Cultcheth Sports Club	12,550	200	0
Culture Warrington	1,573,459	1,456,039	4,160
David Lloyd Leisure	18,000	0	0
Disability Trading Company	2,810	1,054	0
East Latchford Friends	*	1,450	0
Langtree	154,644	*	*
Livewire	7,973,661	6,130,762	41,374
Lymm Heritage Centre	10,667	0	0
Lymm High Academy	166,582	290,943	84,394
Lymm Youth & Community Centre	10,667	15,000	0
Mersey Care NHS	57,897	58,607	0
Momentum	8,000	0	0
New World Trading (the Botanist)	25,920	*	0
North West Employers	22,328	23,048	0
Our Ladys Primary School	266,272	172,702	1,194
Penketh Primary School	14,573	20,772	0
Riverside College	78,257	239,294	17,088
Room at the Inn	200,207	245,117	0
St Rocco's Hospice	36,669	7,984	0
Salford Royal Hospital	1,120	0	0
Sandy Lane Nursery	*	140,774	
Statham Primary	181,814	30,181	11,315
Stockton Heath Primary School	*	183,272	1,380
Striker Academy Sports	*	7,000	0
Torus	214,288	261,767	4,959
Transport for The North	1,949	1,015	1,015
University of Manchester	7,975	38,150	0
UTC Warrington	15,692	16,331	8,518
Warrington's Own Buses (previous Warrington Borough Transport)	636,475	754,989	71,746
Warrington District Citiziens Advice Bureau	470,924	607,906	0
Warrington Labour Group	17,844	21,294	0
Warrington Visually impaired	*	36,471	0
Warrington Youth Zone	2,347,888	189,537	0
Wire Regeneration Ltd	333,765	172,301	0

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.

Receipts from Organisations where Members or their spouse hold a personal interest	Income 2021/22 £	Income 2022/23 £	Debtors 31 March 2023 £
Beamont Primary School	196,249	209,283	0
Burtonwood Community Primary Academy	67,788	101,994	10,756
Challenge Academy	182,220	94,515	0
Cheshire & Warrington LEP	14,650	336,239	863
Culture Warrington	153,643	163,217	0
Edge Hill University	26,399	*	0
Livewire	3,446,246	1,778,224	7,149
Lymm Community Energy	1,947	0	0
Lymm High Academy	80,862	95,913	0
Mersey Care NHS	46,500	545	0
Mersey Forest	9,900	*	0
NHS England	1,220,239	1,180,132	0
Penketh Primary School	88,949	98,430	12,929
Riverside College	1,420	1,454	0
Room at the Inn	**	1,251	0
Sankey Canal Restoration	3,600	0	0
St Rocco's Hospice	2,001	10,019	0
Statham Primary	82,998	94,884	19,074
Torus	164,988	142,574	81,894
UTC Warrington	6,112	12,777	308
Warrington's Own Buses (previous Warrington Borough Transport)	128,052	134,466	0
Warrington Scouts	1,600	*	0
Warrington Visually impaired	*	1,520	0
Wire Regeneration	5,400	0	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 2022/23, but none were pecuniary interests.

Payments to Organisations where Officers or their spouse hold a personal interest	Expenditure 2021/22 £	Expenditure 2022/23 £	Creditors 31 March 2023 £
Alternative Futures	678,563	*	0
WBC Birchwood Park Nominee Companies (1 & 2)***	36,000	0	0
Bridgewater Canal Company	1,698	330	60
Marketing Cheshire	22,800	28,640	2,000
Rainhill High School	21,255	1,420	0
Transport For The North	*	1,015	1,015
University of Chester	29,225	428,388	0
Warrington & Vale Royal College	701,877	1,164,381	27,308
Warrington Chamber of Commerce	0	56,580	0
Warrington Wolves Foundation	50,360	56,249	0
Warrington's Own Buses (previous Warrington Borough Transport)	636,475	754,989	71,746
Wire Regeneration Ltd	333,765	172,301	0

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 Warrington's Own Buses, Warrington & Vale Royal College, The University of Chester and Marketing Cheshire.

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 part 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.

An offices of the Council Property team is also a director of Incrementum Housing Development Company Ltd and Incrementum Housing Management Ltd which are wholly owned by the Council. At the end of March 2023 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) and Warrington Renewables (Cirencester) – (Cirencester Solar Farm at the time), all subsidiaries of the Council. Warrington Borough Council has made loans to these companies and these are shown in Long Term Debtors note 25.

The Transport for Warrington Service Manger is a member of the Transport for The North Panel.

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 2021/22 £	Income 2022/23 £	Debtors 31 March 2023 £
WBC Birchwood Park Trustee Ltd	5,240	0	0
Cirencester Solar Farm	*	196,268	196,268
Incrementum Housing Development Company	548,867	1,160,509	747,320
Mersey Travel	0	9,900	0
Rainhill High School	1,261	1,120	0
Together Energy	926,376	0	0
University of Chester	1,402	420	0
Warrington Chamber of Commerce	36,500	99,174	0
Warrington's Own Buses (previous Warrington Borough Transport)	636,475	754,989	71,746
Warrington Renewable Hull Ltd	225,123	173,601	173,601
Warrington Renewable York Ltd	471,919	227,878	227,878
Warrington Wolves RLFC	18,990	17,433	17,433
Wire Regeneration	5,400	0	0

Officers' remunerations are detailed in Note 15.

Other Public Bodies
The following table shows the precepts and levies during the year 2022/23.

Precepting & Levying Bodies	Precepts/Levies 2021/22 £	Other Expenditure 2021/22 £	Precepts/Levies 2022/23 £	Other Expenditure 2022/23 £
Police & Crime Commissioner for Cheshire	15,424,191	35,420	14,914,268	20,145
Cheshire Fire Authority	5,530,497	650,696	5,761,047	1,704
Town and Parish Councils	2,426,239	30,902	2,559,959	180
Cheshire West and Chester Council	570,047	26,267,361	525,379	5,583,151
Manchester Port Health Authority	21,082	0	0	0
Environment Agency	1,333,508	353,012	134,883	246,307

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 for 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.

One Council Member sits on the Board for Cheshire Fire Authority and one for the Police & Crime Commissioner Panel for Cheshire.

Entities Controlled or Significantly Influenced by the Council

The Council has three material interest 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's Own Buses
  - Incrementum Housing Development Co
  - Incrementum Management Co
  - Warrington Renewables (York)
  - Warrington Renewables (Hull)
  - Warrington Renewables (Cirencester)
- Associate
  - Redwood Financial Partners
- Joint Venture
  - Wire Regeneration
  - Together Energy

The wholly owned subsidiaries have consolidated into the Group Accounts in line with the 2022/23 Code.

The Council owns a 30.8% share in Redwood Financial Partners Limited and has been consolidated into the Group Accounts as an Associate in line with the 2022/23 Code.

The joint venture has been consolidated into the Group Accounts in line with 2022/23 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, nor in the 2021/22 financial year.

41 Pooled Budgets

In 2022/23 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:

	2021/22 £000	2022/23 £000
Pooled Schemes		
Intermediate Care	8,676	9,700
Protecting Social Care	7,181	8,310
Carers	168	184
Mental Health and Joint Funded Packages	23,173	23,658
Joint Commissioning / Other Support	658	452
Disability Partnership/ WHIA Funding	271	271
Out of Hospital Functions/ Enabling	1,771	2,070
Total Better Care Fund Revenue Expenditure	**41,898**	**44,645**
Funding Provided to the Pooled Budget		
Warrington Borough Council	15,745	16,684
NHS Warrington Clinical Commissioning Group	20,949	21,751
Improved Better Care Fund Contribution	5,204	6,210
Total Funding Provided to the Pooled Budget	**41,898**	**44,645**
Net Surplus Arising on the Pooled Budget During the Year	**-**	**-**

42 Prior Period Adjustments

The actuaries have concluded the latest triennial review and the Council’s pension liability as at 31st March 2022 went down by £39.009m from £186.358m to £147.349m.

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.

Restatement of 2021/22 Movement in Reserves Statement

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	Restated Total Unusable Reserves £'000	Restated Total Reserves of the Authority £'000
Balance as at 1 April 2021 (Per Draft SOA)		**113,023**	**2,048**	**19,555**	**134,626**	**(25,030)**	**109,596**
Total Comprehensive Income and Expenditure (per Draft SOA)		4,359	-	-	**4,359**	164,742	**169,101**
Revaluation of Pensions Assets/Liabilities					**-**	39,009	**39,009**
Restated Total Comprehensive Income and Expenditure (per Draft SOA)		4,359	-	-	**4,359**	203,751	**208,110**
Adjustments between accounting basis & funding basis under regulations (per Draft SOA)	**7**	6,204	(698)	(1,916)	**3,590**	(3,590)	**-**
Restated Increase or (Decrease) in Year		**10,563**	**(698)**	**(1,916)**	**7,949**	**200,161**	**208,110**
Balance as at 31 March 2022 (per Draft SOA)		**123,586**	**1,350**	**17,639**	**142,575**	**136,122**	**278,697**
Revaluation of Pensions Assets/Liabilities		**-**	**-**	**-**	**-**	**39,009**	**39,009**
Restated Balance as at 31 March 2022		***123,586***	***1,350***	***17,639***	***142,575***	***175,131***	***317,706***

Restatement of 2021/22 Comprehensive Income and Expenditure Statement

	2021/22 (Per Draft SOA)			Revaluation of Pensions Assets/Liabilities			Restated 2021/22		
	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Restated Net Expenditure £'000
Corporate Services	13,077	(6,555)	6,522			-	13,077	(6,555)	6,522
Families & Wellbeing	302,713	(190,418)	112,295			-	302,713	(190,418)	112,295
Environment & Transport	39,391	(16,496)	22,895			-	39,391	(16,496)	22,895
Growth	11,259	(3,112)	8,147			-	11,259	(3,112)	8,147
Restated Corporate Finance	66,981	(88,759)	(21,778)	(19,948)	27,482	7,534	47,033	(61,277)	(14,244)
Central Charges	71,725	-	71,725			-	71,725	-	71,725
Restated Cost of Services	**505,146**	**(305,340)**	**199,806**	**(19,948)**	**27,482**	**7,534**	**485,198**	**(277,858)**	**207,340**
Other Operating Expenditure			16,779						16,779
Restated Financing & Investment Income & Expenditure			(46,532)			(7,534)			(54,066)
Taxation and Non-Specific Grant Income			(174,412)						(174,412)
(Surplus) or Deficit on Provision of Services			**(4,359)**			**-**			**(4,359)**
(Surplus) or Deficit on revaluation of non-current assets			(34,730)						(34,730)
(Surplus) or Deficit on revaluation of available for sale financial assets			-						-
Restated Remeasurement of the net defined benefit liability			(130,012)			(39,009)			(169,021)
Restated Other Comprehensive Income and Expenditure			**(164,742)**			**(39,009)**			**(203,751)**
Restated Total Comprehensive Income and Expenditure			**(169,101)**			**(39,009)**			**(208,110)**

Restatement of 2021/22 Balance Sheet

	Notes	31st March 2022 (per Draft SOA) £000	Revaluation of Pensions Assets/Liabilities £000	Restated 31st March 2022 £000
Property, Plant & Equipment	**21**	774,370		774,370
Heritage Assets	**22**	18,960		18,960
Investment Property	**23**	685,264		685,264
Intangible Assets		654		654
Long Term Investments	**34**	162,023		162,023
Long Term Debtors	**25**	445,134		445,134
Long Term Assets		**2,086,405**	**-**	**2,086,405**
Short Term Investments	**34**	44,347		44,347
Inventories		926		926
Short Term Debtors	**26**	128,641		128,641
Cash and Cash Equivalents	**27**	57,543		57,543
Assets Held for Sale		-		-
Current Assets		**231,457**	**-**	**231,457**
Cash and Cash Equivalents	**27**	-		-
Short Term Borrowing	**34**	(229,130)		(229,130)
Short Term Creditors	**28**	(127,418)		(127,418)
Provisions	**29**	(10,264)		(10,264)
Current Liabilities		**(366,812)**	**-**	**(366,812)**
Long Term Creditors	**28**	(3,454)		(3,454)
Grants Receipts in Advance - Capital	**20**	(29,799)		(29,799)
Grants Receipts in Advance - Revenue	**20**	(26,715)		(26,715)
Provisions	**29**	(2,590)		(2,590)
Long Term Borrowing	**34**	(1,423,437)		(1,423,437)
Restated Long Term Pension Liabilities	**32**	(186,358)	39,009	(147,349)
Restated Long Term Liabilities		**(1,672,353)**	**39,009**	**(1,633,344)**
Restated Net Assets		**278,697**	**39,009**	**317,706**
Usable Reserves	**9**	142,575		142,575
Restated Unusable Reserves	**33**	136,122	39,009	175,131
Restated Total Reserves		**278,697**	**39,009**	**317,706**

Collection Fund

2021/22				2022/23		
Business Rates £000	**Council Tax £000**	**Total £000**		**Business Rates £000**	**Council Tax £000**	**Total £000**
51,317	**2,639**	**53,956**	**Opening fund Balance**	**38,118**	**2,576**	**40,694**
			Amounts required by statute to be credited to the Collection Fund:			
-	(132,009)	(132,009)	Council Tax (net receivable)	-	(138,661)	(138,661)
(82,366)	-	(82,366)	Non-domestic rates (net receivable)	(90,170)	-	(90,170)
-	(61)	(61)	Contribution from GF for Hardship Fund	-	(13)	(13)
746	-	746	Transitional protection payments non-domestic rates	154	-	154
(44,482)	-	(44,482)	Contributions towards previous year's Collection Fund deficit - non-domestic rates	(39,588)	-	(39,588)
			Amounts required by statute to be debited to the Collection Fund:			
			Precepts and demands from major preceptors and the authority - council tax			
-	15,561	15,561	- *Cheshire Police Authority*	-	16,372	16,372
-	5,582	5,582	- *Cheshire Fire Service*	-	5,735	5,735
-	110,638	110,638	- *Warrington Borough Council and Parishes*	-	111,573	111,573
			Shares of non-domestic rating income to major preceptors and the authority - non-domestic rates			
1,096	-	1,096	- *Cheshire Fire Service*	943	-	943
53,680	-	53,680	- *Warrington Borough Council and Parishes*	46,199	-	46,199
54,476	-	54,476	Payment with respect to central share of the non-domestic rating income to be paid to central government by billing authorities	46,626	-	46,626
			Impairment of debts/appeals for council tax:			
-	327	327	- *write-offs of uncollectable amounts*	-	11	11
-	1,084	1,084	- *allowance for impairment*	-	1,302	1,302
			Impairment of debts/appeals for non-domestic rates:			
435	-	435	- *write-offs of uncollectable amounts*	-	-	-
678	-	678	- *allowance for impairment*	299	-	299
290	-	290	Charge to General Fund for allowable collection costs for non-domestic rates	291	-	291
2,248	-	2,248	Other transfers to General Fund in accordance with non-domestic rates regulations	(10,596)	-	(10,596)
-	(1,185)	(1,185)	Contributions towards previous year's Collection Fund surplus - council tax	-	(2,332)	(2,332)
(13,199)	**(63)**	**(13,262)**	**Movement on fund balance**	**(45,842)**	**(6,013)**	**(51,855)**
38,118	**2,576**	**40,694**	**Closing fund Balance**	**(7,724)**	**(3,437)**	**(11,161)**

			Attributed to:			
18,677	2,154	20,831	Warrington Borough Council	(3,785)	(2,847)	(6,632)
-	311	311	Cheshire Police Authority	-	(440)	(440)
381	111	492	Cheshire Fire Authority	(77)	(150)	(227)
19,060	-	19,060	Government	(3,862)	-	(3,862)
38,118	**2,576**	**40,694**	**Total**	**(7,724)**	**(3,437)**	**(11,161)**

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	23,397	6/9	15,598
B	£40,000 - £52,000	18,564	7/9	14,439
C	£52,000 - £68,000	17,648	8/9	15,687
D	£68,000 - £88,000	11,183	9/9	11,183
E	£88,000 - £120,000	7,165	11/9	8,757
F	£120,000 - £160,000	4,389	13/9	6,340
G	£160,000 - £320,000	2,557	15/9	4,261
H	£320,000 and over	187	18/9	374
		85,126		**76,659**

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		76,561
Less: Tax Base relating to Council Tax Support Allowance		(7,023)
Council Tax Base for Tax Setting		**69,538**

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 2022/23 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 £243,228,523.

The business rates shares payable for 2022/23 were estimated before the start of the financial year as £46.626m to Central Government, £0.943m to Cheshire Fire Council and £46.199m to

Warrington Council. These sums have been paid in 2022/23 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 2022/23 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.

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), Warrington Renewables (York), and Warrington Renewables (Cirencester).

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.

Movement in Reserves Statement for the Year Ended 31 March 2023	**Note(s)**	**General Fund Balance £000**	**Capital Receipts Reserve £000**	**Capital Grants Unapplied £000**	**Total Usable Reserves £000**	**Restated Total Unusable Reserves £000**	**Restated Total Reserves of the Authority £000**	**Total Group Entities £000**	**Restated Group Reserves £000**
Balance as at 1 April 2021		**113,023**	**2,048**	**19,555**	**134,626**	**(25,030)**	**109,596**	**(13,542)**	**96,054**
Movement in Reserves during the year									
Restated Total Comprehensive Income and Expenditure		4,359	-	-	**4,359**	203,752	**208,111**	10,923	**219,034**
Adjustments between accounting basis & funding basis under regulations	**7**	6,204	(698)	(1,916)	**3,590**	(3,590)	**-**	-	**-**
Restated Increase or (Decrease) in Year		**10,563**	**(698)**	**(1,916)**	**7,949**	**200,162**	**208,111**	**10,923**	**219,034**
Restated Balance as at 31 March 2022		**123,586**	**1,350**	**17,639**	**142,575**	**175,132**	**317,707**	**(2,619)**	**315,088**
Movement in Reserves during the year									
Total Comprehensive Income and Expenditure		(182,850)	-	-	**(182,850)**	286,851	**104,001**	(8,730)	**95,271**
Adjustments between accounting basis & funding basis under regulations	**7**	163,196	940	4,630	**168,766**	(168,766)	**-**	-	**-**
Increase or (Decrease) in Year		**(19,654)**	**940**	**4,630**	**(14,084)**	**118,085**	**104,001**	**(8,730)**	**95,271**
Balance as at 31 March 2023		**103,932**	**2,290**	**22,269**	**128,491**	**293,217**	**421,708**	**(11,349)**	**410,359**

The Movement in Reserves Statement prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability in the single entity accounts. For more details please see note 42 to the single entity accounts.

Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

2021/22					2022/23		
Restated Gross Expenditure £000	**Restated Gross Income £000**	**Restated Net Expenditure £000**		**Note(s)**	**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure £000**
13,077	(6,555)	6,522	Corporate Services		15,413	(6,570)	8,843
302,713	(190,418)	112,295	Families & Wellbeing		331,566	(204,703)	126,863
39,391	(16,496)	22,895	Environment & Transport		43,916	(16,102)	27,814
11,259	(3,112)	8,147	Growth		12,397	(2,460)	9,937
47,033	(61,277)	(14,244)	Restated Corporate Finance		60,715	(66,878)	(6,163)
71,725	-	71,725	Central Charges		46,155	-	46,155
12,022	(11,737)	285	Warrington Borough Transport		12,421	(12,797)	(376)
774	(132)	642	Incrementum Housing Development Co		9,285	(965)	8,320
-	-	-	Incrementum Housing Management Co		716	(725)	(9)
-	-	-	Together Energy		-	-	-
1,794	(3,254)	(1,460)	Warrington Renewables (Hull)		2,156	(4,386)	(2,230)
3,187	(5,847)	(2,660)	Warrington Renewables (York)		4,138	(9,013)	(4,875)
-	-	-	Warrington Renewables (Cirencester)		881	(1,565)	(684)
502,975	**(298,828)**	**204,147**	**Restated Cost of Services**		**539,759**	**(326,164)**	**213,595**
		16,779	Other Operating Expenditure	10			88,077
		(51,439)	Restated Financing & Investment Income & Expenditure	11			86,927
		(174,412)	Taxation and Non-Specific Grant Income	12			(202,490)
		(4,925)	**(Surplus) or Deficit on Provision of Services**				**186,110**
		(9,374)	Discontinued Operations of Together Energy				7,309
		(983)	(Surplus) or Deficit on Provision of Services by Associates & Joint Ventures				661
		(15,282)	**Group (Surplus)/Deficit**				**194,080**
		(34,730)	(Surplus) or Deficit on revaluation of non-current assets	33			(39,257)
		-	(Surplus) or Deficit on revaluation of available for sale financial assets	33			-
		-	Acquisition of Share Capital				(2,500)
		-	Share of Other Comprehensive Income and Expenditure of Associates				-
		(169,022)	Restated Remeasurement of the net defined benefit liability	32			(247,594)
		(203,752)	**Restated Other Comprehensive Income and Expenditure**				**(289,351)**
		(219,034)	**Restated Total Comprehensive Income and Expenditure**				**(95,271)**

The Comprehensive Income & Expenditure Statement prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability in the single entity accounts. For more details please see note 42 to the single entity accounts.

Analysis of Group Comprehensive Income and Expenditure Statement by Group Entities

Restated 2021/22 £000			2022/23 £000
	Group (Surplus)/Deficit attributable to:		
(4,359)	- Warrington Borough Council		182,850
331	- Warrington Borought Transport		(340)
(524)	- Redwood Financial Partners Limited		607
(459)	- Wire Regeneration		54
629	- Incrementum Housing Development Co		8,320
13	- Incrementum Housing Management Co		(9)
(9,374)	- Together Energy		7,309
(1,516)	- Warrington Renewables (York)		(3,839)
(23)	- Warrington Renewables (Hull)		(780)
-	- Warrington Renewables (Cirencester)		(92)
(15,282)	**Total Group (Surplus)/Deficit**		**194,080**
	Other Comprehensive Income and Expenditure attributable to:		
(203,752)	- Restated Warrington Borough Council		(286,851)
-	- Warrington Borought Transport		(2,500)
-	- Redwood Financial Partners Limited		-
-	- Wire Regeneration		-
-	- Incrementum Housing Development Co		-
-	- Restated Together Energy		-
-	- Warrington Renewables (York)		-
-	- Warrington Renewables (Hull)		-
(203,752)	**Restated Total Other Comprehensive Income and Expenditure**		**(289,351)**
(219,034)	**Restated Total Comprehensive Income and Expenditure**		**(95,271)**

Group Balance Sheet as at 31 March 2023

	Notes	Restated 31st March 2022 £000	31st March 2023 £000
Property, Plant & Equipment	**GR 8**	830,277	837,065
Heritage Assets	**22**	18,960	19,159
Investment Property	**GR 9**	707,423	671,854
Intangible Assets		654	551
Investments in Associates & Joint Ventures	**GR 13**	26,473	19,911
Long Term Investments	**GR 13**	118,896	88,020
Long Term Debtors	**25**	390,784	482,394
Long Term Assets		**2,093,467**	**2,118,954**
Short Term Investments	**GR 13**	44,347	45,605
Inventories		10,200	1,234
Short Term Debtors	**GR 10**	114,578	105,706
Cash and Cash Equivalents	**GR 11**	72,377	108,387
Assets Held for Sale		-	-
Current Assets		**241,502**	**260,932**
Short Term Borrowing	**GR 13**	(229,130)	(176,351)
Short Term Creditors	**GR 12**	(135,541)	(135,823)
Provisions	**29**	(10,264)	(5,071)
Current Liabilities		**(374,935)**	**(317,245)**
Long Term Creditors	**GR 12**	(14,910)	(22,738)
Deferred Tax		(147)	(147)
Grants Receipts in Advance - Capital	**20**	(29,799)	(27,201)
Grants Receipts in Advance - Revenue	**20**	(26,715)	(26,026)
Provisions	**29**	(2,590)	(3,409)
Long Term Borrowing	**GR 13**	(1,423,437)	(1,645,985)
Restated Long Term Pension Liabilities	**32**	(147,348)	73,224
Restated Long Term Liabilities		**(1,644,946)**	**(1,652,282)**
Restated Net Assets		**315,088**	**410,359**
Usable Reserves	**9**	139,956	117,143
Restated Unusable Reserves	**33**	175,132	293,216
Restated Total Reserves		**315,088**	**410,359**

The Balance Sheet prior year comparators have been restated in accordance with IAS 8 due to the revaluation of the pension liability in the single entity accounts. For more details please see note 42 to the single entity accounts.

Group Cash Flow Statement for the year ended 31 March 2023

	Note(s)	2021/22 £000	2022/23 £000
Restated Net (surplus) or deficit on the provision of services		4,925	(186,110)
Restated Adjustments to net surplus or deficit on the provision of services for non-cash movements	**GR 14**	60,030	125,395
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	**GR 14**	(30,852)	(65,209)
Restated Net Cash Flows from Operating Activities		**34,103**	**(125,923)**
Investing Activities	**GR 15**	(76,800)	(47,609)
Restated Financing Activities	**GR 15**	40,955	209,543
Net (increase) or decrease in cash and cash equivalents		**(1,742)**	**36,010**
Cash and cash equivalents at the beginning of the reporting period		74,119	72,377
Cash and cash equivalents at the end of the reporting period	**GR 11**	**72,377**	**108,387**

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.

<u>Group Entities</u>

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 30.8% 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 litle 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 Renewables (Cirencester)
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 (Cirencester) 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 2023 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 2022 and management accounts for the first quarter of 2023 have been used to consolidate Redwood Bank into the Group Accounts.

The financial year-end for Incrementum Housing Development Co, Warrington Renewables (Hull), Warrington Renewables (York), and Warrington Renewables (Cirencester) is 31 March. Draft accounts as at 31 March 2023 have been used to consolidate them into the Council's Group Accounts. Management accounts as at 31 March 2023 have been used to consolidate Warrington Renewables (Cirencester) 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/2022-05/Capital Strategy 2022-23.pdf).

7 Expenditure and Income Analysed by Nature

Expenditure/Income	2021/22 £000	2022/23 £000
Expenditure		
Employee benefits expenses	193,995	207,938
Other service expenses	324,835	358,967
Depreciation, amortisation, impairment	58,119	123,169
Interest payments	34,387	25,513
Expenditure relating to investment properties	(33,080)	92,098
Precepts and levies	2,333	2,560
Total expenditure	**580,589**	**810,245**
Income		
Fees, charges and other service income	(298,974)	(335,173)
Interest and investment income	(58,481)	(12,124)
Income relating to investment properties	(570)	(27,478)
Income from council tax, non-domestic rates	(109,926)	(114,622)
Government grants and contributions	(117,563)	(134,739)
Total Income	**(585,514)**	**(624,136)**
Surplus or Deficit on the Provision of Services	**(4,925)**	**186,110**

8 Property, Plant and Equipment

Movements in 2022/23

	Land & Buildings £'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 2022	**436,077**	**58,297**	**19,129**	**19,069**	**5,246**	**537,818**	**71,846**	**609,664**
Additions	4,129	1,918	146	12,770	-	**18,963**	39,736	**58,699**
Accumulated depreciation & impairment written out to Gross Carrying Amount (GCA)	(7,338)	-	-	-	(80)	**(7,418)**	-	**(7,418)**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	41,308	-	-	-	(2,249)	**39,059**	-	**39,059**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	6,276	-	-	-	-	**6,276**	-	**6,276**
Derecognition - disposals	(86,793)	(11,208)	-	(10,428)	-	**(108,429)**	(1,477)	**(109,906)**
Reclassifications & transfers	148	-	-	(883)	735	**-**	-	**-**
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	**-**	-	**-**
Reclassified (to)/from Investment Properties	-	-	-	-	-	**-**	-	**-**
Balance as at 31 March 2023	**393,807**	**49,007**	**19,275**	**20,528**	**3,652**	**486,269**	**110,105**	**596,374**
Depreciation and Impairment								
Balance as at 1 April 2022	**19,245**	**34,857**	**6**	**-**	**-**	**54,108**	**15,939**	**70,047**
Depreciation charge	5,914	3,431	-	-	-	**9,345**	1,858	**11,203**
Accumulated depreciation written out to GCA	(7,338)	-	-	-	-	**(7,338)**	-	**(7,338)**
Depreciation - disposals	(9,696)	(11,208)	-	-	-	**(20,904)**	(699)	**(21,603)**
Reclassifications & transfers	(80)	-	-	-	-	**(80)**	-	**(80)**
Reclassified (to)/from Assets Held for Sale	-	-	-	-	-	**-**	-	**-**
Reclassified (to)/from Investment Properties	-	-	-	-	-	**-**	-	**-**
Balance as at 31 March 2023	**8,045**	**27,080**	**6**	**-**	**-**	**35,131**	**17,098**	**52,229**
Net Book Value								
Balance as at 31 March 2023	**385,762**	**21,927**	**19,269**	**20,528**	**3,652**	**451,138**	**93,007**	**544,145**
Balance as at 31 March 2022	**416,832**	**23,440**	**19,123**	**19,069**	**5,246**	**483,710**	**55,907**	**539,617**

Movements in 2021/22

	Land & Buildings £'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 2021	**437,439**	**57,664**	**17,719**	**17,859**	**5,246**	**535,927**	**94,785**	**630,712**
Additions	3,434	1,549	315	8,492	-	**13,790**	-	**13,790**
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)	-	1,095	(7,235)	-	**(10,250)**	-	**(10,250)**
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**	**58,297**	**19,129**	**19,069**	**5,246**	**537,818**	**71,846**	**609,664**
Depreciation and Impairment								
Balance as at 1 April 2021	**18,104**	**31,915**	**6**	**-**	**-**	**50,025**	**24,185**	**74,210**
Depreciation charge	8,744	3,561	-	-	-	**12,305**	2,648	**14,953**
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**	**34,857**	**6**	**-**	**-**	**54,108**	**15,939**	**70,047**
Net Book Value								
Balance as at 31 March 2022	**416,832**	**23,440**	**19,123**	**19,069**	**5,246**	**483,710**	**55,907**	**539,617**
Balance as at 31 March 2021	**419,335**	**25,749**	**17,713**	**17,859**	**5,246**	**485,902**	**70,600**	**556,502**

Infrastructure Assets – movements on balances

2021/22 £000		2022/23 £000
271,900	**Net book value as at 1 April**	**290,660**
16,805	Additions	10,961
-	Derecognition/Disposals	-
10,250	Assets reclassified	-
(8,295)	Depreciation charge	(8,701)
290,660	**Net book value as at 31 March**	**292,920**

Property, plant and equipment assets as presented on the Council's Balance Sheet are made up of the following balances:

2021/22 £000		2022/23 £000
290,660	Infrastructure Assets	292,920
539,617	Other Property, Plant & Equipment	544,145
830,277	**Total Property, Plant & Equipment**	**837,065**

9 Investment Properties

	2021/22 £'000	2021/22 £'000
Balance as at the start of the year	**575,629**	**707,423**
Disposals	(170)	(145)
Net gains/(losses) from fair value adjustments	51,894	(83,722)
Additions	81,820	48,298
Transfers (to)/ from Assets Held for Sale	-	-
Transfers (to)/ from Property, Plant and Equipment	(1,750)	-
Balance as at end of the year	**707,423**	**671,854**

<u>Fair Value Hierarchy</u>

Details of Group investment properties and information about the fair value hierarchy as at 31 March 2023 and 2022 are as follows:

2022/23	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 2023 £000
Industrial Ground Rents	-	24,979	-	24,979
Retail Units	-	140,636	-	140,636
Industrial Units	-	178,112	-	178,112
Offices	-	299,578	-	299,578
Other	-	28,549	-	28,549
Total	**-**	**671,854**	**-**	**671,854**

2021/22	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 2022 £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**

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.

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

	31/03/22 £000	**31/03/23 £000**
<u>Short-term Debtors</u>		
Central Government Bodies	31,643	7,622
Other Local Authorities	4,500	4,931
NHS Bodies	4,059	988
Public Corporations and Trading Funds	(2)	-
Other Entities and Individuals	74,378	92,165
Total Short-term Debtors	**114,578**	**105,706**

11 Cash and Cash Equivalents

	31/03/22 £000	31/03/23 £000
Cash on hand and balances with banks	5,663	30,562
Short-term Deposits	66,714	77,825
Total Cash and Cash Equivalents	**72,377**	**108,387**

12 Creditors

	31/03/22 £000	31/03/23 £000
Short-term Creditors		
Central Government Bodies	58,235	51,709
Other Local Authorities	7,305	5,381
NHS Bodies	7,304	3,106
Other Entities and Individuals	62,697	75,627
Total Short-term Creditors	**135,541**	**135,823**
Long-term Creditors		
Other Entities and Individuals	14,910	22,738
Total Creditors	**150,451**	**158,561**

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.

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

	Long Term				Short Term				Total	
	Investments		Debtors		Investments		Debtors			
Financial Assets	**Restated 31 March 2022 £000**	**31 March 2023 £000**	**Restated 31 March 2022 £000**	**31 March 2023 £000**	**31 March 2022 £000**	**31 March 2023 £000**	**Restated 31 March 2022 £000**	**31 March 2023 £000**	**Restated 31 March 2022 £000**	**31 March 2023 £000**
Amortised Cost										
• Restated Warrington Borough Council	301	301	34,759	33,290	248	192	115,995	70,889	151,303	104,672
• Warrington Borough Transport	-	-	-	-	-	-	1,101	3,746	1,101	3,746
• Incrementum Housing Development	-	-	-	-	-	-	271	1,647	271	1,647
• Incrementum Housing Management	-	-	-	-	-	-	39	145	39	145
• Together Energy	-	-	-	-	-	-	-	-	-	-
• Warrington Renewables (York)	-	-	-	-	-	-	1,807	1,160	1,807	1,160
• Warrington Renewables (Hull)	-	-	-	-	-	-	1,569	710	1,569	710
• Warrington Renewables (Cirencester)							-	747	-	747
Fair Value through Profit or Loss	97,848	73,415	-	-	44,099	45,413	-	-	141,947	118,828
Fair Value through Other Comprehensive Income - Designated Equity Instruments	1,331	1,331	-	-	-	-	-	-	1,331	1,331
Restated Total Financial Assets	**99,480**	**75,047**	**34,759**	**33,290**	**44,347**	**45,605**	**120,782**	**79,044**	**299,368**	**232,986**
Restated Equity in Group Entities	62,542	62,863	-	-	-	-	-	-	62,542	62,863
Loans to Housing Associations	-	-	192,169	234,111	-	-	5,153	5,819	197,322	239,930
Restated Commercial Loans	-	-	218,206	303,735	-	-	2,706	20,843	220,912	324,578
Restated Total	**162,022**	**137,910**	**445,134**	**571,136**	**44,347**	**45,605**	**128,641**	**105,706**	**780,144**	**860,357**

	Long Term				Short Term					
	Borrowings		**Creditors**		**Borrowings**		**Creditors**		**Total**	
Financial Liabilities	**31 March 2022 £000**	**31 March 2023 £000**	**31 March 2022 £000**	**31 March 2023 £000**	**31 March 2022 £000**	**31 March 2023 £000**	**31 March 2022 £000**	**31 March 2023 £000**	**31 March 2022 £000**	**31 March 2023 £'000**
Amortised Cost										
• Warrington Borough Council	1,419,944	1,642,647	208	208	228,985	176,196	104,239	125,336	1,753,376	1,944,387
• Warrington Borough Transport	-	-	1,889	1,289	-	-	2,602	2,237	4,491	3,526
• Incrementum Housing Development	-	-	13,453	23,115	-	-	1,195	1,337	14,648	24,452
• Incrementum Housing Management	-	-	-	-			52	592	52	592
• Together Energy	-	-	-	-	-	-	-	-	-	-
• Warrington Renewables (York)	-	-	(2,257)	(2,547)	-	-	2,131	2,835	(126)	288
• Warrington Renewables (Hull)	-	-	(1,482)	(649)	-	-	2,143	3,208	661	2,559
• Warrington Renewables (Cirencester)	-	-	-	(1,751)	-	-	-	278	-	(1,473)
Total Financial Liabilities	**1,419,944**	**1,642,647**	**11,811**	**21,416**	**228,985**	**176,196**	**112,362**	**135,545**	**1,773,102**	**1,975,804**
PFI	3,493	3,338	2,556	2,382	145	155	-	-	6,194	5,875
Leases	-	-	691	691	-	-	-	-	691	691
Total	**1,423,437**	**1,645,985**	**15,058**	**24,489**	**229,130**	**176,351**	**112,362**	**135,545**	**1,779,987**	**1,982,370**

The Financial Instruments note prior year comparators have been restated in accordance with IAS 8 due errors found within the note only and do not affect the main statements or other notes.

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 2022		31 March 2023	
Financial Liabilities	**Restated Carrying Amount £000**	**Restated Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
Financial liabilities held at amortised cost:				
Restated Borrowings	1,652,567	1,700,081	1,822,337	1,233,037
Creditors:				
• Warrington Borough Council	107,694	107,694	128,617	128,617
• Warrington Borough Transport	4,491	4,491	3,526	3,526
• Incrementum Housing Development	1,195	1,195	1,337	1,337
• Together Energy	-	-	-	-
• Warrington Renewables (York)	2,131	2,131	2,835	2,835
• Restated Warrington Renewables (Hull)	2,143	2,143	3,208	3,208
• Warrington Renewables (Cirencester)	-	-	278	278
Restated Total	**1,770,221**	**1,817,735**	**1,962,138**	**1,372,838**

	31 March 2022		31 March 2023	
Financial Assets	**Restated Carrying Amount £000**	**Restated Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
Financial assets held at amortised cost:				
Investments	549	549	493	493
Debtor General:				
• Restated Warrington Borough Council	572,367	337,886	687,539	607,093
• Warrington Borough Transport	3,746	3,746	3,746	3,746
• Incrementum Housing Development	1,647	1,647	1,647	1,647
• Together Energy	-	-	-	-
• Warrington Renewables (York)	1,160	1,160	1,160	1,160
• Warrington Renewables (Hull)	710	710	710	710
• Warrington Renewables (Cirencester)	-	-	747	747
Restated Total	**580,179**	**345,698**	**695,295**	**615,596**

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 2023
	Quoted prices in active markets for identical assets (Level 1) £000	**Other significant observable inputs (Level 2) £000**	**Significant unobservable inputs (Level 3) £000**	**Total £000**
Financial liabilities held at amortised cost:				
Borrowings	-	1,228,303	4,734	1,233,037
Creditors:				
• Warrington Borough Council	-	-	128,617	128,617
• Warrington Borough Transport	-	-	3,526	3,526
• Incrementum Housing Development	-	-	1,337	1,337
• Together Energy	-	-	-	-
• Warrington Renewables (York)	-	-	2,835	2,835
• Warrington Renewables (Hull)	-	-	3,208	3,208
• Warrington Renewables (Cirencester)	-	-	278	278
Total	**-**	**1,228,303**	**144,535**	**1,372,838**
Financial assets held at amortised cost:				
Investments	-	-	493	493
Debtors:				
• Warrington Borough Council	-	-	607,093	607,093
• Warrington Borough Transport	-	-	3,746	3,746
• Incrementum Housing Development	-	-	1,647	1,647
• Together Energy	-	-	-	-
• Warrington Renewables (York)	-	-	1,160	1,160
• Warrington Renewables (Hull)	-	-	710	710
• Warrington Renewables (Cirencester)	-	-	747	747
Total	**-**	**-**	**615,596**	**615,596**

				31 March 2022
	Quoted prices in active markets for identical assets (Level 1) £000	**Other significant observable inputs (Level 2) £000**	**Significant unobservable inputs (Level 3) £000**	**Total £000**
Financial liabilities held at amortised cost:				
Restated Borrowings	-	1,698,665	1,416	1,700,081
Creditors:				
• Warrington Borough Council	-	-	107,694	107,694
• Warrington Borough Transport	-	-	4,491	4,491
• Incrementum Housing Development	-	-	1,195	1,195
• Together Energy	-	-	-	-
• Warrington Renewables (York)	-	-	2,131	2,131
• Warrington Renewables (Hull)	-	-	2,143	2,143
Restated Total	**-**	**1,698,665**	**119,070**	**1,817,735**
Financial assets held at amortised cost:				
Investments	-	-	549	549
Debtors:				
• Restated Warrington Borough Council	-	-	337,886	337,886
• Warrington Borough Transport	-	-	3,746	3,746
• Incrementum Housing Development	-	-	1,647	1,647
• Together Energy	-	-	-	-
• Warrington Renewables (York)	-	-	1,160	1,160
• Warrington Renewables (Hull)	-	-	710	710
Restated Total	**-**	**-**	**345,698**	**345,698**

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

14 Cash Flow Statement – Operating Activities

	Note(s)	31/03/22 £000	31/03/23 £000
Depreciation	21	23,247	19,204
Revaluation (loss)/gain		11,395	(6,276)
Amortisation		254	271
Increase/decrease in impairment for bad debts		(2,980)	(428)
Increase/decrease in creditors		(22,802)	9,664
Increase/decrease in debtors		28,742	(118,555)
Increase/decrease in inventories		(6,022)	8,968
Movement in pension liability		29,302	25,917
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised		10,000	32,120
Other non-cash items charged to the net surplus or deficit on the provision of services		(11,106)	154,510
		60,030	**125,395**

	Note(s)	31/03/22 £000	31/03/23 £000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		(1,519)	(2,306)
Proceeds from sale of property, plant and equipment, investment property and intangible assets		(10,000)	(32,103)
Any other items for which the cash effects are investing or financing cashflows		(19,333)	(30,800)
		(30,852)	**(65,209)**

15 Cash Flow Statement – Investing Activities

	Note(s)	31/03/22 £000	31/03/23 £000
Purchases of property, plant & equipment, investment properties and intangible assets		(111,372)	(115,712)
Purchase of short-term and long-term investments		(41,827)	(17,858)
Proceeds from the sale of property, plant & equipment, investment property and intangible assets		1,519	2,289
Proceeds of short-term and long-term investments		10,000	32,120
Other receipts for investing activities		64,880	51,552
		(76,800)	**(47,609)**

16 Cash Flow Statement – Financing Activities

	Note(s)	31/03/22 £000	31/03/23 £000
Cash receipts of short-term and long-term borrowing		71,187	614,736
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		(135)	(145)
Repayments of short-term and long-term borrowing		(30,097)	(405,048)
		40,955	**209,543**

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.

2021/22 £000	*Statement of Consolidated Income*	2022/23 £000
(21,645)	Interest Income	(21,835)
4,665	Interest Expense	5,765
12,564	Administrative Expenditure	13,164
(4,416)	**Operating Loss for the Financial Period**	**(2,906)**
(1,552)	Other Comprehensive Income for the Period	69
(5,968)	**Total Comprehensive Income for the Period**	**(2,837)**

31/03/22 £000	*Consolidated Statement of Financial Position*	31/03/23 £000
	Assets	
525,906	Cash and Cash Equivalents	574,497
2,314	Fixed Assets and Other Assets	2,492
528,220	**Total Assets**	**576,989**
	Liabilities	
(438,041)	Deposits	(481,483)
(39,465)	Other Liabilities	(41,955)
(477,506)	**Total Liabilities**	**(523,438)**
50,714	**Net Assets**	**53,551**
(50,714)	**Equity**	**(53,551)**

Presented below is a summarised Statement of Consolidated Income and Consolidated Statement of Financial Position for Wire Regeneration Limited.

Restated 2021/22 £000		2022/23 £000
1,226	Turnover	1,565
(859)	Cost of Sales	(964)
367	**Gross Profit**	**601**
(268)	Administrative Expenses	(514)
99	**Operating profit**	**87**
-	Interest Receivable and Similar Income	-
943	Gain Arising on Fair Value of Investment Property	-
1,042	**Profit Before Tax**	**87**
(198)	Restated Tax on Profit	(17)
844	**Restated Profit for the Financial Year**	**70**

	Restated 2021/22 £000	2022/23 £000
Fixed Assets		
Tangible assets	18	18
Investment property	10,110	10,262
	10,128	**10,280**
Current Assets		
Stocks	869	881
Restated Debtors	55	61
Cash at Bank and in Hand	482	618
	1,406	**1,560**
Restated Creditors	(327)	(564)
Net Current Assets	**1,079**	**996**
Provisions	(438)	(438)
Total Assets less Current Liabilities	**10,769**	**10,838**
Deferred Tax	-	-
Net Assets	**10,769**	**10,838**
Capital and Reserves		
Share Capital	7,408	7,408
Profit and loss account	3,361	3,431
	10,769	**10,839**

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 form the use of a non-current asset.

WORK IN PROGRESS (WIP)
The cost of work performed on an uncompleted project at the year end.