AGENDA FOR

AUDIT COMMITTEE

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To: All Members of Audit Committee

Councillors : A Arif, S Arif, D Berry, I Gartside, S Haroon, M Hayes, J Hook, E Moss (Chair) and M Rubinstein

Dear Member/Colleague

Audit Committee

You are invited to attend a meeting of the Audit Committee which will be held as follows:-

Date:	Monday, 23 September 2024
Place:	Meeting Rooms A & B - Town Hall
Time:	7.00 pm
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

Members of the Audit Committee are asked to consider whether they have an interest in any of the matters on the agenda and, if so, to formally declare that interest.

3 MINUTES OF THE LAST MEETING *(Pages 3 - 12)*

The Minutes of the last meeting of the Audit Committee held on 25th July 2024 are attached for approval.

4 PROCUREMENT STRATEGY *(Pages 13 - 32)*

5 EXTERNAL AUDITORS PROGRESS REPORT *(Pages 33 - 46)*

6 UPDATE ON 2021-22 STATEMENT OF ACCOUNTS *(Pages 47 - 266)*

This item will include a training session.

7 UPDATE ON 2023-2024 STATEMENT OF ACCOUNTS

8 BACKSTOP UPDATE - 2022-23 AND 2023-24 ACCOUNTS

Verbal update on Government's schedule for backstops in auditing and the impact that this will have on the 2022-23 and 2023-24 Accounts. The backstop dates for each year's Accounts will also be advised.

9 EXCLUSION OF PRESS AND PUBLIC

To consider passing the appropriate resolution under Section 100(A)(4) of the Local Government Act 1972 that the press and public be excluded from the meeting during consideration of the following items of business since they involve the likely disclosure of the exempt information stated.

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 25 July 2024

Present: Councillor E Moss (in the Chair)
Councillors A Arif, S Arif, D Berry, S Haroon, M Hayes, J Hook, L McBriar (Substitute) and M Rubinstein

Also in attendance: Adrian Blackshaw, Internal Audit
Jacqui Dennis, Director of Law & Governance
Emma Hamer, Fraud
Louise Kirkman, Risk Manager
Neil Kissock Director of Finance, S151 Officer
Stefan Mann, Fraud
Sam McVaigh,
Judith Small, Internal Audit
Janet Spelzini, Head of Fraud, Audit, Insurance and Risk.

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: Councillor I Gartside and D Ball

AU.1 **APOLOGIES FOR ABSENCE**

Apologies were received as above.

AU.2 **DECLARATIONS OF INTEREST**

There were no declarations received at the Meeting.

AU.3 **MINUTES OF THE LAST MEETING**

It was agreed:

That the Minutes of the last meeting held on 6 March 2024 be approved a a correct record and signed by the Chair.

AU.4 **CORPORATE PARENTING CHAMPION**

Councillor Moss reported that all members had received an email regarding the appointment of a nominated Corporate Parenting Champion from each committee. It was explained that the person would receive training and would be responsible for advocating for Corporate Parenting matters at each committee.

Councillor Moss asked for nominations.

It was agreed:

That Councillor J Hook would be the Corporate Parenting Champion for the Audit Committee

AU.5 **RISK MANAGEMENT STRATEGY**

Louise Kirkman, Risk Manager presented the Risk Management Strategy.

The Strategy had been updated and included the aim and scope of the strategy, risk management definition and objectives, the roles and responsibilities of all employees and elected members and the Risk Management toolkit.

Members of the Committee were given the opportunity to ask questions, the following points were raised:

- Councillor Hayes referred to 2.3 of the report and the reference to insurance. Councillor Hayes asked if there were specialist municipal insurance companies that provide cover.

Louise explained that as well as insurance there would also be mitigating factors in place to make sure that the issues didn't happen in the first place.

It was agreed:

That the updated Risk Strategy be approved

AU.6 RISK REGISTER

Louise Kirkman, Risk Manager presented the Committee with the updated Risk Register.

The report provided an updated position with regards to the risks identified and assessed on the Council's Corporate Risk Register as at the end of Quarter 1.

The risks have been considered by the Executive Team as those with the potential to disrupt the Council's strategic objectives and service delivery. Furthermore, the report provided the Audit Committee with an analysis of the 2023/2024 Corporate Risk Register to support their annual review of strategic risks and the approach taken to their management.

It was explained that a total of 23 risks are present on the Corporate Risk Register and have been identified as those of a genuine corporate nature and are summarised as follows:

- 14 risks are currently rated as Significant (risk score 15-25)
- 8 risks are currently rated as High (risk score 8-12)
- 1 risk is currently rated as Moderate (risk score 4-6)
- 0 have increased in score
- 3 have decreased in score
- 19 have remained static
- 1 has been newly introduced
- 2 of the static risks have not been reviewed in the last reporting period
- 1 of the decreased risks is proposed for closure

Members of the Committee were given the opportunity make comments and ask questions and the following points were raised:

- Councillor Berry referred to CR.3 security and mentioned the recent worldwide outage to IT systems and asked what was in place in relation to this at the Council.

Kate Waterhouse reported that this was kept under regular review in relation to both digital risk and human risk. It was also explained that the Council had a managed IT security contract with an external provider.

- Councillor Berry referred to CR.5 and asked if the demand on pressure at A & E was due to a lack of GP appointments across the borough.

Louise reported that she would take this question away and request an update.

- Councillor McBriar referred to CR.1 and CR.3 and the current status being on target but asked how this was if the risks were currently static.

Louise reported that this issue was currently being looked at.

- Councillor Hook refereed to CR.16 and asked about the realisation of the risk.

Louise explained that the service risk registers and departmental risk registers contained more information.

- Councillor Moss referred to CR.28, Asylum and Immigration and stated that the work of the department should be note.

It was agreed:

1. That the contents of the report be noted
2. That the Corporate Risk Register is received.
3. That the Audit Committee approve the closure of CR25 – housing conditions
4. That the Audit Committee select CR.19, Financial Capacity and CR.3, Security and Resilience as the as the 2 ‘Deep Dive’ risks to be considered at the next meeting of the Audit Committee.

AU.7 INTERNAL AUDIT PROGRESS REPORT

Janet Spelzini, Head of FAIR (Fraud, Audit, Insurance and Risk) presented the Internal Audit Report

It was explained that this is the regular report which gives an update of the work of the Internal Audit Team since the last update report submitted to Audit Committee at its meeting in March 2024.

The report covers the period 1st February to 31st May 2024.

It was explained that the majority of work from 2023/24 plan has now been completed and work on 2024/25 plan is now progressing.

Since Audit Committee last met in March 2024, 14 audit reports have been issued and these are listed in the table at paragraph 2.2.2.

10 first follow ups and 9 second follow ups have been completed and issued – and are listed in the table at paragraph 2.3 of the report.

Those present were given the opportunity to make comments and ask questions and the following points were raised:

- Councillor Moss referred to 2.12 of the report and the 93 days that it had taken to complete audits for which 47 days had been allocated. Councillor Moss asked whether the extra days taken would be absorbed or whether this would impact on the Audit plan.

Janet reported that the work had followed over from 2023/2024 and had taken more days than were initially allocated to complete but the days would be absorbed and there was no requirement to alter the plan.

- Councillor Moss referred to work on school audits and those that had been completed for the school to transfer to an academy. Councillor Moss asked why this work was being done when schools could move over to a trust.

Judith explained that before school audits are undertaken checks will be carried out to ensure that hey are remaining under Council control.

- Councillor Moss referred to the planned work on debtors and creditors and stated that this work had been done in 2023/24.

Judith explained that the planned work was to undertake deep dives on controls and processes within debtors and creditors.

It was agreed:

That the contents of the report be noted.

AU.8 EXTERNAL AUDITORS PROGRESS REPORT

Karen Murray, external auditor presented a report giving an update on the progress made by the external auditors since the last meeting of the Audit Committee.

It was reported that the 2021/2022 financial statements audit work was substantially complete, Mazars were waiting for updates on a couple of queries in relation to RAAC in council buildings, responses to queries in respect of related party disclosures and the final audit file review and closure.

Karen explained that for the work to commence on the 2022/2023 and the 2023/2024 financial statements there needed to be a closing balance for one before starting on the other.

Prior to the announcement of the General Election it was explained that the government were working on a proposal to implement a backstop which would mean that all work on the 2022/23 accounts would stop and that would allow work to commence on the 2023/2024 accounts to put affected councils' back on track.

- Councillor McBriar stated that this would be a sensible option.

- Councillor Rubinstein asked if the accounts weren't reliable what position would that put the council in in relation to debt and fees etc.

Karen explained that the National Audit Office would issue guidance to all Councils that were affected.

Neil explained that this wouldn't affect the position of the Council as credit would not be an issue.

Karen directed Members to section 2 of the report, national publications. Karen explained that the National Audit Office had published a guide for senior leaders and Audit and Risk Committees on Digital Transformation in Government and recommended that Members may want to review the document.

It was agreed:

That the content of the report be noted.

AU.9 INTERNAL AUDIT ANNUAL REPORT 2023/24

Janet Spelzini presented a report summarising the results of Internal Audit work during the financial year 2023/24 and, as required by the Accounts and Audit Regulations 2015, gives an overall opinion of the Authority's control environment.

The report highlights that for a variety of reasons changes had to be made to the original plan for the year. However, an annual opinion could be formed, and this was based on the opinions and findings from 22 internal audit reports. 21 first follow ups and 15 second follow up exercises which had been undertaken.

The overall opinion provided is that the Council's control environment provides moderate assurance that significant risks facing the Authority are being addressed.

Members of the Committee were given the opportunity to ask questions and make comments and the following points were raised:

- Councillor Hayes referred to the reference made in relation to the fundamental and significant recommendations that had not been fully implemented and what the implications of this were.

Janet reported that some of the follow ups may have been at stage 1 and therefore had not been addressed.

Janet also reported that the Corporate Governance Group had been established to take oversight of the recommendations to make sure that they were addressed.

- Councillor Moss referred to the outstanding follow ups of audits during 2023/2024 which were set out in Appendix B and appendix C and hadn't been implemented and asked what the next step was for these.

Janet explained that the outstanding follow ups were sat with the Corporate Governance Group.

- It was asked who the members of the Corporate Governance Group were.

Jacqui Dennis explained the group was made up of officers including herself as Chair and Neil Kissock S.151 Officer and team members from Risk and Audit. Directors and Assistant Directors attend to update and answer questions.

Jacqui stated that thanks should be noted to Risk and Audit colleagues for the support that they have given to the Corporate Governance Group.

It was explained that the group had met 3 times to date and was scheduled to meet every 6 to 8 week going forward.

- Councillor Berry asked whether staff capacity was part of the issue in relation to the outstanding follow ups.

Neil stated that capacity might be one issue but there will also be other reasons which were not so straightforward.

It was agreed:

That the contents of the report be noted.

AU.10 INFORMATION GOVERNANCE UPDATE

Jacqui Dennis presented a report updating the Audit Committee on the Council's Information Governance activity up to the end of June 2024, these reports now focus on the Council's 'business as usual' performance in the delivery of Information Governance.

Following the transfer of Six Town Housing into the Council, this report now includes information in relation to Housing Services levels of compliance.

As referenced in the last update report, following the restructure of the Business Support Unit, a Policy and Compliance Team has been established, under the direction of the Data Protection Officer. The department will streamline oversight, of all Complaints, Subject Access Requests, Environmental Information Regulations and Freedom of Information Requests. In addition, the newly appointed Policy and Compliance Manager will lead this team; and will have operational responsibility for Information Governance matters, supported by the wider team.

The team "went live" on the 18th March 2024, and have already undertaken a review of the Councils retention schedule; established a repository for data sharing agreements; joint controller agreements and privacy statements and commenced a review of the Councils Record of Processing Activity (ROPA). In addition, the team have developed a caseviewer system for recording, activity against all our FOIs and EIRs, training has commenced across all departments and a go live date is scheduled for the summer.

Pressure points still exist with regards to the redaction of a number of complex Childrens Service SARS, in many cases there may be thousands of documents that require oversight and redaction, this can be a very onerous process. In response to this, the DPO, working with Childrens Services has developed a new process in assessing the need to have additional checks on completion of the first sift of the redaction process and this has helped to address the backlog.

The report gave an update on the number of Subject Access Requests and Sar Reviews received, the number of FOI requests, Environmental Information Reviews and DPO reviews received, the number of data breaches reported across the different departments, Police Disclosures, information on complaints and assurances from the ICO and training non-compliance. It was reported that 'core training for Councillors had increased to 54.9%.

Members were given the opportunity to ask questions and make comments and the following points were raised:

- Councillor McBriar refereed to data breaches and emails sent to wrong addresses and asked about members sending emails to wrong addresses and whether this was reported.

Jacqui explained that Members were there own data controllers so it was up to them to decide whether to report a breach. All staff were required to report breaches and it was seen as positive to do so.

- Councillor Berry referred to the numbers of SARs that were received and how much this cost the council in money and in time.

Jacqui stated that this would change between departments. Jacqui stated that she would see if numbers could be brought together in relation to this.

It was agreed:

That the Audit Committee notes the performance set out from January to June 2024.

AU.11 EXCLUSION OF PRESS AND PUBLIC

It was agreed:

That the press and public be excluded from the meeting under Section 100 (A)(4), Schedule 12(A) of the Local Government Act 1972, for the reason that the following business involves the disclosure of exempt information as detailed against the item.

AU.12 INTERNAL AUDIT - SPECIAL INVESTIGATIONS

The Audit Committee was presented with a report from the Section 151 Officer. The report was to inform Members about the current status of investigations as at 31st May 2024.

Five cases are presented to Audit Committee for information.

Members were given the opportunity to ask questions on the information provided.

It was agreed:

That the report be noted

AU.13 DEEP DIVE - RISK

Sam McVaigh, Director of People and Inclusion attended the meeting to report on the Deep Dive relating to risk CR.31 Staff Wellbeing and Absence.

Sam introduced the report and answered questions of the Committee.

It was agreed:

1. That Sam be thanked for his attendance at the meeting

2. That the update be noted

AU.14 LIMITED ASSURANCES REPORT

It was explained that Internal Audit Committee had issued five limited assurance reports during the period 1 Feb 24 to 31 May 24.

Full copies of the reports which include the recommendations and the management responses received have been circulated to Audit Committee Members.

The reports have also been circulated during the Audit Committee meeting of 25th July 2024.

All the recommendations made were accepted by Management and positive responses were received indicating that the recommendations would be implemented.

Kate Waterhouse, Executive Director, Strategy and Transformation and Claire Rogan, Business Development Co-ordinator, Housing Management attended the meeting to update Members on the Six Town Housing Limited Assurance Report.

Members were given the opportunity to make comments and ask questions in relation to the report and the recommendations within it.

It was explained that it is currently a requirement that Directors of Services attend Audit Committee as and when a limited assurance report is issued. This report proposes a change to this requirement where Executive Directors will be asked to attend if fundamental/significant recommendations have not been completed.

It was agreed:

1. That Members thank Kate Waterhouse and Claire Rogan for their attendance at the meeting.

2. That the contents of the report be noted.

3. It is agreed that Executive Directors are asked to attend Committee to if fundamental/significant recommendations have not been completed following a second follow up exercise by Audit.

AU.15 INTERNAL AUDIT - AUDIT REPORTS

Janet Spelzini presented a report setting out the reports that had been issued by Internal Audit since the last opinion report in 2022/23 and up to May 2024.

Members were given the opportunity to ask questions and make comments.

It was agreed:

That the contents of the report be noted.

AU.16 PART B EXEMPT REPORT - COUNTER FRAUD TEAM ANNUAL REPORT 2023.24

Janet Spelzini presented a report summarising the work of the Counter Fraud Team throughout 2023/24.

The Counter Fraud Plan was appended to the report.

Members were given the opportunity to ask questions and make comments.

It was agreed:

That the contents of the report be noted.

AU.17 PART B EXEMPT REPORT - COUNTER FRAUD TEAM Q1 PROGRESS REPORT 2024.25

Janet Spelzini presented a report providing an update on the work of the Counter Fraud Team for Q1 2024/25.

Appended to the report was the Counter Fraud Plan 2024/2025.

Members were given the opportunity to ask questions and make comments.

It was agreed:

That the content of the report be noted.

AU.18 DATE OF NEXT MEETING

It was explained that the next scheduled meeting of the Audit Committee was 23 September 2024 at 7pm. The meeting had been scheduled to received an update on the outstanding Statement of Accounts 2021/2022 and 2022/2023.

The Chair asked for the meeting to remain in the schedule to allow an update on both sets he accounts to be received.

It was agreed:

That the Committee would receive an update on the progress made in relation to the Statement of Accounts 2021/2022 and the Statement of Accounts 2022/2023.

COUNCILLOR E MOSS
Chair

(Note: The meeting started at 7.00 pm and ended at 10.00 pm)

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Agenda Item 4

Bury Council

Classification: Open	Item No.

Meeting:	Audit Committee
Meeting date:	23rd September 2024
Title of report:	Revised Contract Procedure Rules 2024
Report by:	Cabinet Member for Finance
Decision Type:	Key
Ward(s) to which report relates	All

Summary

1. This report seeks approval of revised Contract Procedure Rules.

Recommendation(s)

2. **That the Committee recommends to Full Council, at its meeting on 13th November 2024, approval of the revised Contract Procedure Rules 2024.**

Reasons for recommendation(s)

3. Amendment of the current rules is necessary to ensure that the Council will be able to comply with the Procurement Act 2023 and its associated Regulations when they come into force on 24th February 2025.

Alternative options considered and rejected

4. No other option is available in the light of the statutory requirement.

Report Author and Contact Details:

Name: Malcolm Edis
Position: Head of Corporate Procurement
Department: Finance
E-mail: m.edis@bury.gov.uk

Background

1.New Legislation

1.1Amended CPR's are required to take account of the new Procurement legislation and coming into force on 24th February 2025.

1.2The legislation comprises the Procurement Act 2023 together with a set of Regulations. These replace the current Public Contracts Regulations formulated under EU law. These have been in force since 2015 with only minor amendment to date despite the Brexit decision in 2016 and will now be repealed.

2. Substantive Changes

2.1Price and Quality Criteria

The new Procurement Act test of MAT - Most Advantageous Tender - is a mix of price, quality and social value.

The rules and new CPR's stress that price only procurement cannot be permitted in any circumstances as it is both unlawful and contrary to Government guidance. The identification of explicit quality criteria and thresholds is critical in being able to judge whether we are getting best value from Council expenditure from the purchase of works, services, goods or equipment.

Best value remains a major issue for local authorities as it is a statutory obligation under the Local Government Act 1999. It is not a purely financial test, it is a measure of economy, efficiency and effectiveness.

2.2 Social Value Criteria

Social value is the third element in the statutory procurement criteria in accordance with the Public Services (Social Value) Act 2012. The CPR's therefore cross reference our revised Social Value Strategy.

In every procurement document there must be appropriate percentage weightings depending on the subject matter. The price/quality balance for example will be significantly different for development projects compared to soft services such as adult social care.

2.3 Direct Awards and Variations

Making direct awards and variation of contracts is now only permissible in certain narrowly defined cases. These include Act of God situations like Covid, RAAC concrete, fire or flood and where there is only a single supplier in the market. The CPR's therefore set out the full list of exemptions in summary form.

The Procurement Act 2023 has in addition tightened the controls for direct awards over £5M and for any substantial variations of contracts as to scope or value. Notices must be published informing the market in all such cases.

This gives contractors the opportunity to object and commence legal proceedings or complain to the Procurement Review Unit in the Cabinet Office if they feel disadvantaged as to the procedure adopted.

The CPR's require legal, procurement and financial approvals to be obtained for any proposed exemption. For high value matters over £500K Cabinet approval is required in the normal way.

3.Clarifications

The opportunity has been taken to introduce a number of improvements to the CPR's to simplify them and provide greater clarity for Council staff.

3.1 Format

The CPR's are written in Plain English and are reduced from 21 pages of complex legalistic wording to 9 pages plus a Table.

3.2 Uniform Expenditure Approvals Table

The CPR's include unform expenditure approvals rules. Table 1 sets out approval levels to apply across all Council departments.

This replaces the current arrangement with differently arranged tables of approval levels attached to the separate departmental schemes of delegation in the Constitution.

The levels in Table 1 reflect the table currently in the Business Growth and Infrastructure department scheme of delegations which is a clear, reasonable and easily understandable model. The Table will provide improved clarity to staff where expenditure is concerned. A written record of all expenditure approvals is retained in each department for audit purposes.

3.3 Procurement Thresholds

The information as to the operation of the thresholds is set out in the body of the rules and also in Table 1. This is designed to make them more easily accessible to staff.

There are only three thresholds and they need to be clearly understood as they are key to ensuring that there is compliant procurement.

3.4. Guidance and Training

The rules will be supplemented with a two-page guide issued on the Council's intranet to further assist staff. A comprehensive training programme will also be undertaken across all Council departments in advance of the go-live date of the new legislation.

Links with the Corporate Priorities:

5. **Enterprise -** the new CPR's will enable Council to better achieve its statutory best value obligations. Competitive procurement in accordance with the CPR's will help ensure that the Local Government Act 1999 objectives of economy, efficiency and effectiveness are met to the benefit of the people of Bury.

Equality Impact and Considerations:

6. Not applicable

Environmental Impact and Considerations:

7. Not applicable

Assessment and Mitigation of Risk:

Risk / opportunity	**Mitigation**
The Council is required to have Contract Procedure Rules under section 135 of the Local Government Act 1972.	Failure to update them in the light of forthcoming new legislation could result in staff following non-compliant procurement procedures. This would expose the Council to the risk of legal action by contractors and suppliers and review and investigation by the Cabinet Office in the event of any complaint to its Procurement Review Unit.

Legal Implications:

8. This is a statutory obligation that must be complied with by all local authorities and it is incumbent on the Council to revise its rules in the light of new legislation and regulations.

Financial Implications:

9. There are no direct financial implications from the adoption of the revised rules, but the Council must remain compliant at all times with procurement legislation and acting in accordance with the revised rules provides a clear framework for ensuring value for money is achieved.

Background papers:

Bury MBC Contract Procedure Rules 2024 document.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
CPR's	Contract Procedure Rules

BURY MBC CONTRACT PROCEDURE RULES 2024

A. WHY WE HAVE PROCUREMENT RULES

1.Section 135 of the Local Government Act 1972 requires all local authorities to have them.

2.They are part of our Constitution and must be followed by all employees of the Council, its suppliers, contractors and consultants

3.They ensure that there is fair competition and value for money when we buy goods and equipment or commission services or works. They set out the procedure to be followed.

4.They apply to a wide range of contracts we award as a local authority, including our schools. They don't apply to staff contracts, purchases of land or financial investments by the Council.

B. LEGISLATION AND REGULATION

1.The Procurement Act 2023 and Regulations made under it, the Local Government Act 1999 and the Public Services (Social Value) Act 2012 govern how the award of our contracts must be conducted.

2.The Local Government Transparency Code 2015 requires us to make available to the public details of our contracts and expenditure on them. We are required to maintain a publicly accessible Contracts Register with details of all contracts over £5K and publish monthly details of all payments made over £500.

C. WHAT WE GAIN THROUGH HAVING THESE RULES

1.They make sure that we get the benefits of competition and act in a proper manner.

2.They help us get best value. That is a statutory obligation under the Local Government Act 1999. We must ensure economy, efficiency and effectiveness in all our transactions,

3.They require us to show fairness, transparency, equality and integrity in all our dealings. These are not nice to haves - they are enforceable legal obligations. If bidders are not happy with how they are treated they can take legal action against us.

D.SOCIAL VALUE

1.We must follow the Public Services (Social Value) Act 2012.

2.That means that when we embark on a procurement exercise the procurement lead must consider how it might improve the economic, social and environmental well-being of the inhabitants of Bury.

3.We have a Social Value Strategy which those undertaking procurement and managing contracts must adhere to.

E. WHAT WE MUST AVOID

1.Whilst it is desirable to have productive relationships with suppliers, contractors or consultants, it is important to be fair and objective. We can't appoint them just because they are recommended to us or because we have used them before.

2.We can't re-appoint them simply because we think they have "done a good job." We must test the market. The incumbent provider will obviously have a major advantage. If they don't win a re-appointment, there must be a quality or cost concern.

F.THE INITIAL STAGES OF PROCUREMENT

1.Pipeline programme

-Under the Procurement Act 2023, but also as best practice, we must have an ongoing programme of identified contract activity.

-We must publish an 18-month forward plan of all contracts over £2M on our website at the start of each financial year. It is good practice to publish those over £10K.

2.Authority to Procure

-The lead officer's first step for all procurements is to obtain authority under our Scheme of Delegations. This will be at officer level unless the estimated value is over £500K. In that case Cabinet approval is needed.

-The expenditure approvals thresholds are set out in Table 1.

3.Estimating Value

-The lead officer must make an informed estimate of the value of the contract and be aware of the threshold values under the Procurement Act. These dictate which rules apply.

-This must be genuine and not a way to get round the prescribed thresholds. For example we cannot divide up contracts or orders without a valid reason.

- They must calculate the value that the person winning the contract will get over the expected life of the contract, including any extensions provided for. This must also include any sums we get from third parties such as Central Government.

4.Getting Best Value

-Everything we do has to be designed to ensure best value for the Council. The definition we use is the combination of whole life costs and benefits to meet the Council's needs.

-Before starting any procurement or awarding any contract the lead officer must understand those needs and check whether they could be met instead from an existing contract.

-The lead officer also must check that there is finance available from a Council revenue or capital budget.

5.Proper Briefs and Specifications

-Every procurement must have a brief or specification setting out clearly and precisely what the Council needs.

-Without one there is no legal comeback if things go wrong and we don't get what we expected and have paid for.

- We do not allow the tender to be advertised until the brief or specification is ready.

-The brief or specification cannot include material that is discriminatory, distorts competition or is non-commercial. This applies to any quality standards we specify.

-We only name specific products, sources or process if these are essential for our needs. When we do so we also allow equivalent items to be used.

-All our briefs and specifications must include conditions requiring compliance with our statutory obligations and Council policies. We also require minimum levels of insurance cover.

G. UNDERTAKINGA COMPETITIVE PROCESS

1.We Use Public Sector Portals

-All procurements over £30K must be advertised on the Government Central Digital Platform.

-Lead officers must use the Chest, the North West's Local Authority Procurement Portal for all competitive procurements over £10K.

2. We Use Frameworks

- We support the use of national, regional and local frameworks as they produce significant savings in time, effort and cost for the Council.

- Frameworks can only last 4 years.

-Call-off contracts are awarded in most cases through a mini-competition between pre-qualified suppliers on the framework agreement.

-In certain limited circumstances direct awards can be made under frameworks. For example where suppliers are ranked. Advice from Corporate Procurement must always be obtained in such cases.

3. Market Engagement

-Lead officers must seek to obtain an understanding of the supply market to increase the likelihood of a successful procurement.

-Seeking expressions of interest and running market engagement events are appropriate steps to take in this connection.

H. THRESHOLDS FOR COMPETITION

1. Adherence to the Thresholds

-The thresholds are critically important and must be adhered to.

- They are summarised in Table 1.

2. UNDER £10K

-Competition is not required. The lead officer should obtain one quotation. Although for more technical requirements it is considered good practice to obtain more than one to ensure that the Council is achieving best value.

-There must be a written brief and a written proposal received from the supplier, contractor or consultant in all cases.

3.£10K TO £50K

- A Request for Quotation (RFQ) must be issued through the Chest portal.

-There must be a minimum of three quotations, five or six if possible. In certain circumstances there may not be that number in the market. If so, advice must be sought from Corporate Procurement before proceeding.

-If the lead officer knows of suitable local suppliers or contractors, it is permissible to invite them to quote.

-There must be a written specification in all cases with a minimum of three appropriate key performance indicators.

4.ABOVE £50K

-A detailed Invitation to Tender (ITT) must be issued through the Chest portal.

-This must follow the standardised format prescribed by Corporate Procurement with clear criteria and weightings set out.

-There must be a written specification in all cases with a minimum of three appropriate key performance indicators.

-Advice should always be sought from Corporate Procurement. They will arrange for the Invitation to Tender to be issued on the Chest when the documentation is finalised.

I. CHOOSING THE RIGHT PROCUREMENT PROCEDURE

1.The Procurement Act 2023 Procedures

-The procedures have been reduced to two. These are:

= Open Procedure

= Competitive Flexible Procedure

2.The Open Procedure

-As its name implies, there can be no restriction on the number of bidders who can apply. It is a single stage process.

-The tender documentation must set out the criteria and weightings that will used in decision making.

-All compliant bids must be considered at the selection stage

3.The Competitive Flexible Procedure

- This new procedure provides the Council with considerable flexibility.

-It allows the procurement exercise to be carried out in the manner we consider most appropriate. For example with a multi-stage process.

- We must make clear in the procurement documents how the process will work and how selection will operate, particularly if it is to be multi-stage.

-We must also set out the criteria and weightings that will used in decision making.

4.Core Principles of Public Procurement

-These must be followed in all cases:

= Transparency: absolute clarity on what is required and what will happen.

= Equal Treatment: all interested parties and bidders must be treated the same.

= Proportionality: we must act fairly and proportionately throughout the process

J. BID RECEIPT

1. Use of the Chest portal

-Competitive bids can only be submitted through the Chest portal. Bids submitted by any other means such as by post or email cannot be accepted in any circumstances.

2. Late Bids

-Bid deadlines must be adhered to by bidders. Late bids cannot be accepted save in wholly exceptional circumstances.

-Wholly exceptional circumstances are restricted to situations entirely outside the control of the bidder where the bidder attempted to submit the bid in good time but was prevented by problems relating to the Chest portal itself. In such a case the Council has a discretion as to whether to accept a late bid. Advice should always be taken from Corporate Procurement before accepting a late bid.

K. EVALUATION OF BIDS

1.The Panel

-Lead officers should use a panel made up of staff from their department (ideally three but no more than five).

-Where necessary a moderator can be supplied by Corporate Procurement.

2.The Test

-The test applied is called MAT - Most Advantageous Tender. That means an assessment of price and quality to ensure we ger proper value. The ratio of price to quality will depend on the subject matter of the contract.

3.Price-Only

-We don't ever use a price-only test, as there is always a quality need even if it's for something basic like pencils.

4 Quality Criteria

-These must be set out in the tender documentation in all cases.

-They should cover technical merit, functionality, competence and organisation of staffing, key milestones and social value

-They must be accompanied with appropriate percentage weightings.

5. Alterations

- Bids cannot be altered during the evaluation, except where there are obvious arithmetical errors that would affect the value of the bid. If that happens the lead officer can make an appropriate correction. A record must be kept of any corrections.

-Substantive amendments or submission of additional documents of any kind cannot be accepted in any circumstances.

6.Clarifications

-In extremely restricted circumstances requests for clarification can made to resolve any obvious ambiguity. However the opportunity cannot be used by the bidder to amend the wording of the bid or re-negotiate any aspect of it.

L. MAKING THE CONTRACT AWARD

1.Evauation Report

-Once the preferred bidder has been identified an evaluation report must be prepared and sent to Corporate Procurement.

2. Expenditure Approval

-The lead officer must obtain a written expenditure approval for the proposed award. This will be at officer level in accordance with the thresholds in Table 1, provided the contract sum is under £500K. A written record must be retained.

-Any proposed award above £100K must be published on the internet by Democratic Services in accordance with the Local Government Transparency Code 2015.

-If the contract sum is above £500K a report must be submitted to Cabinet for approval as an executive decision in accordance with our Constitution.

- If there is exceptional need for an early decision in the best interests of the Council the Urgent Decision route can be employed.

3.Standstill Letters

-Where required for certain high value transactions, these will be issued by Corporate Procurement.

-Contract award cannot take place until the prescribed time-period for objections has elapsed.

4.Issue of Contracts

- If the value is over £75K the contract will be drafted by Legal Services.

- If below £75K, it can be drafted in the lead officer’s department with help from Corporate Procurement as required.

5. Contracts Register

-All contracts of value over £5K must be published on the publicly accessible Council Contracts Register.

-The Contracts Register to be regularly updated and is a mandatory requirement under the Local Government Transparency Code 2015.

M. EXEMPTIONS TO PERMIT DIRECT AWARDS

1.Approvals

-The written approval of the Head of Corporate Procurement and the Director of Law and Democratic Services is required to establish the availability of a permitted exemption.

-Financial approval must then be obtained by the lead officer from the appropriate officer in accordance with the thresholds set out in Table 1.

-If the sum involved exceeds £500K Cabinet approval must be obtained.

2.Publication

-Direct awards over £5M must be published by the Council in accordance with the Procurement Act 2023. This affords suppliers or contractors the opportunity to object.

3.Permitted Grounds

(a) Direct award to protect life -to protect human, animal or plant life or health, or protect public order or safety.

(b) Prototypes and Development - to research the suitability of novel goods or services

(c) Single Supplier - in the absence of competition and no reasonable alternative

(d) Additional goods, works or services - where change in supplier would result in disproportionate technical difficulties in operation or maintenance

(e) Commodities - purchase of goods on a commodity market

(f) Insolvency – where advantageous terms for the Council for a contractor to take over the obligations of the insolvent provider

(g) Extreme and Unavoidable Urgency - if unforeseeable and not the fault of the Council. Act of God situations such as Covid, RAAC, fire or flood.

(h) User Choice Contracts -social care field where the view of the individual or their carer is paramount

N. PERMITTED VARIATIONS

1.Approvals

-The written approval of the Head of Corporate Procurement and the Director of Law and Democratic Services is required to establish the availability of a permitted variation.

-Financial approval must then be obtained by the lead officer from the appropriate officer in accordance with the thresholds as set out in Table 1.

-If the sum involved exceeds £500K Cabinet approval must be obtained.

2.Publication

-Substantial variations must be published by the Council in accordance with the Procurement Act 2023. This affords suppliers or contractors the opportunity to object.

3. Permitted Grounds

(a) The variation is provided for in the original contract.

(b) A minor variation:

-not increasing or/decreasing the contract value by more than 10% for goods and services or 15% for works:

-not increasing or decreasing the duration of the contract by more than 10%

(c) Protection of life - to protect human, animal or plant life or health or protect public order or safety

(d) Extreme and Unavoidable urgency - if unforeseeable and not the fault of the Council, provided doesn't increase the costs of the contract by more than 50%

(e) Materialisation of Known Risk - provided doesn't increase the costs of the contract by more than 50%

(f) Additional goods, works or services - change in supplier would result in disproportionate technical difficulties in operation or maintenance and substantial duplication of costs for the authority, provided doesn't increase the costs of the contract by more than 50%

(g) Transfer on Corporate re-structuring - to novate the contract to a new provider who takes on the obligations of the original contractor.

TABLE 1

EXPENDITURE APPROVALS AND PROCUREMENT REQUIREMENTS

Maximum Approval Limit	**Expenditure Approval**	**Procurement Requirements**
Exceeds £500,000 or key decision	Cabinet.	ITT Competitive tender or mini competition on the Chest
£250,001 to £500,000	Chief Executive	
£100,001 to £250,000	Executive Director	
£50,001 to £100,000	Assistant Director	ITT Competitive tender or mini competition on the Chest
£10,001 to £50,000	Head of Service	RFQ Minimum of 3 quotations on the Chest
Up to £10,000	Service Lead	Minimum of 1 quotation

<u>11.09.24 v6</u>

‘Transforming Public Procurement’

PROCUREMENT ACT 2023

Go live date – 24th February 2025

(put back from 28th October 2024)

Bury COUNCIL

New Procurement Legislation

HM Government

Previous Government's agenda: *'Transforming Public Procurement (TPP)'*

'The reforms will shake up our outdated system and improve the way procurement is done, so that every pound goes further for our public service'

Reality: *'Brexit was in 2016 so we shouldn't still be under EU procurement law'*

New Procurement Act 2023 to show UK in charge of its own destiny

- repeals the Public Contracts Regulations 2015

Largely re-enacts EU law: small number of substantive changes

Cabinet Office Agenda

Cabinet Office statement

The new legislation is designed to:

'Streamline processes, enhance transparency, stimulate innovation, enhance accountability and create a more inclusive and competitive environment for suppliers of all sizes'

The Reality.

- small number of substantive improvements
- increased central control
- increased administrative burden

Bury COUNCIL

Changes For Contracting Authorities

Pre-market engagement now a requirement

Planned Procurement Notice

- Informing the market a tender is to be published

Publish procurement 18-month pipeline at start of each year

- Best practice for all procurements over £10K

Procurements can be restricted to:

- Public Service Mutuals: ex-public sector organisations still delivering public services
- Suppliers in a Council's county area
  = Greater Manchester: can't restrict to just Bury MBC

Bury COUNCIL

Changes For Contracting Authorities

Simplified procedures - 8 reduced to 2

- Open Procedure
- Competitive Flexible Procedure
  = must be proportionate to supply base, transparent, fair and non-discriminatory

New selection test MAT: Most Advantageous Tender

- This is a Best Value test
- Mix of Price, Quality and Social Value
- Price Only not permitted

Minimum 3 KPI's - performance against them to be published annually

- Serious incidents of poor performance to be reported

Changes For Contracting Authorities

Notices up from 4 to 14 served during 6 stages of procurement process

- Planning, Tender, Award, Contract Management, Implementation and Contract End

Contracts above £5M to be published within 90 days

Substantial modifications to be published

Direct Awards above £5M to be published

- Alerts the market, increases risk of challenge

Payment compliance statistics notices to be served

Enhanced Procurement Review Unit in Cabinet Office

Audit Progress Report

Bury Metropolitan Borough Council

September 2024

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02 National publications

forvis mazars

01

Audit progress

Audit progress

Purpose of this report

This report provides the Audit Committee with information about progress in delivering our responsibilities as your external auditors for the years ending three financial years ending 31 March 2022, 2023 and 2024.

Audit for the year ending 31 March 2022

Financial statements audit

The Council has recently provided us with working papers to support the impairment required to the property, plant and equipment balance following the discovery of Reinforced Autoclaved Aerated Concrete (RAAC) in the market building. Whilst this does not have a material impact, we understand Management intends to reflect the adjustment in the financial statements. We have yet to review the amendments. In addition, we have asked Management to confirm that no other impairments are required in respect of RAAC elsewhere in the Council's estate. We have yet to receive this confirmation.

In addition, a small number of issues previously reported as outstanding remain to be addressed including:

- resolution of queries arising from our technical review of the financial statements;
- responses to our queries in respect of related party disclosures; and
- final file review and closure.

Value for Money audit

Our work on the Councils value for money arrangements is in progress following receipt of some outstanding supporting documents from the council.

We plan to complete and report our Value for Money arrangements work alongside the remaining aspects of work on the financial statements to the October Audit Committee

Audit progress

Audit for the years ending 31 March 2023 and 31 March 2024

Members of the Committee will be aware of the current position across the local audit regime where there a significant number of local authority audits for the years up to 31 March 2024 that have not been completed in line with the expected timetable. The “backlog” of audits has been increasing each year.

In August 2024, following consultation in April, Government published its proposals to address this backlog. These measures include both legislative changes to the Accounts and Audit Regulations 2015 (‘the Regulations’) and the introduction of several statutory deadlines (‘backstop dates’) aimed at helping to “reset” the system by clearing the backlog of local government annual accounts audits. As a result of the new Regulations, local government bodies will be required to publish their audited annual accounts by each backstop date, which are:

- Financial years up-to-and-including 31 March 2023: 13 December 2024
- Financial year ending 31 March 2024: 28 February 2025
- Financial year ending 31 March 2025 : 27 February 2026
- Financial year ending 31 March 2026: 31 January 2027.
- Financial year ending 31 March 2027: 30 November 2027.
- Financial year ending 31 March 2028: 30 November 2028.

Where the backstop dates mean the auditor cannot complete all necessary audit procedures to obtain sufficient appropriate audit evidence to support the audit opinion a modified opinion may be necessary – usually referred to as a disclaimed opinion or a qualified opinion.

Auditors will still be required to discharge their value for money (VFM) responsibilities, which requires VFM work to be completed by the date of the audit opinion.

On 9 September, the Government laid before Parliament the Accounts and Audit (Amendment) Regulations 2024 as required to enact the proposals previously announced. At the same time, the Comptroller and Auditor General (C&AG) of the National Audit Office (NAO) laid before Parliament a draft revised Code of Audit Practice (the Code) On 10 September, the NAO, on behalf of the C&AG, also published Local Audit Reset and Recovery Implementation Guidance notes (LARRIGs) 1-5 to support auditors in meeting the requirements of the Local Audit and Accountability Act 2014 (the Act). The LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

forvis mazars

Audit progress

Audits for the years ending 31 March 2023 and 31 March 2024 (cont)

The initial focus of this guidance is on supporting the reset for incomplete audits up to and including the 2022/23 financial year and the implementation of the backstop dates for the publication of audited accounts. The NAO will issue further guidance to support the recovery phase in due course.

Whilst the guidance is primarily aimed at supporting auditors, it makes clear the requirements on local authorities to prepare good quality accounts, clear and comprehensive working papers and supported by knowledgeable finance teams.

Implications for Bury Council

We have engaged regularly with the Council's Director of Finance (Section 151 officer) over the potential impact of the backstop measures since they were announced in the early summer. Following publication of the final backstop dates we have considered the impact on our ability to deliver a complete audit of the Council's statement of accounts for the years ending 31 March 2023 and 31 March 2024 to enable the Council to published audited accounts by the new statutory deadlines.

Although we have already made a start on our audit planning procedures for the year ending 31 March 2023, we have determined that there is insufficient time to deliver the remaining audit work before the 13 December backstop date. We have also determined that there is insufficient time to complete the audit for 31 March 2024 before the backstop date in February 2025. We have communicated this decision to the Director of Finance who has acknowledged the position.

We will continue to engage with the Director of Finance and his team and will provide more details on the practicalities of meeting the backstop requirements in due course. We will also work with the Council to explain how and when we can commence rebuilding assurance.

02

National publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	CIPFA Bulletins	CIPFA has recently issued two Bulletins to provide further guidance on the financial reporting requirements.
National Audit Office ('NAO')		
2	NAO insight: Making public money work harder	The NAO has published an insights report focused on the elements of public spending where they see most scope for improvement in efficiency and effectiveness.
Ministry of Housing, Communities & Local Government		
3	Significant measures to tackle worsening backlog in local audit	Reforms announced to clear the significant backlog in the auditing of local bodies' accounts in England.
Other		
4	Forvis Mazars – Beyond efficiency: what's left for Local Government?	Based on survey data, the 'Beyond efficiency report' looks to understand Councils' approaches to financial sustainability and risk.

National publications

CIPFA

1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments. CIPFA has issued the following Bulletin's in recent months:

CIPFA Bulletin 17 Closure of the 2023/24 Financial Statements

This bulletin covers the closure of accounts for the 2023/24 year and provides further guidance and clarification to complement the 2023/24 Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners (Code Guidance Notes). It addresses, where relevant, frequently asked questions and other issues that have arisen since the publication of the 2023/24 Code Guidance Notes.

Link: CIPFA Bulletin 17 Closure of the 2023/24 Financial Statements

CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement

CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement is intended to provided clarity to those authorities with at least one set of unaudited financial statements for prior years, and their external auditors, on the update of the annual governance statement ('AGS').

Link: CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement

NAO

2. NAO insight: Making public money work harder

In this short report, the NAO have summarised some of the key value for money issues that members in scrutiny roles may find useful to explore.

The first section looks at five of the biggest opportunities for spending public money more efficiently and effectively. These are:

- Major infrastructure projects
- Asset management
- Procurement
- Digital transformation
- Reducing fraud and error.

The second section sets out their view of the key enablers of better productivity and how to harness them. The enablers are:

- Timely, robust data
- Innovation and evaluation
- A sustainable approach to planning and spending, and
- The leadership, skills and culture to succeed.

Link: Making public money work harder - NAO insight

Ministry of Housing, Communities & Local Government

3. Addressing the local audit backlog in England: Consultation

in a statement to the House of Commons, Minister of State Jim McMahon announced measures to tackle the significant inherited backlog in the auditing of councils and other local bodies' accounts. Minister McMahon emphasised the government's determined to take the tough choices to begin rebuilding the foundations of local government.

It comes after only 1% of local bodies published audited accounts on time last year, with the backlog likely to increase to around 1,000 by the end of September. Without action, the backlog will continue to grow and continue to undermine local accountability and governance.

Secondary legislation will be laid when parliamentary time allows to set a statutory backstop of 13 December 2024 for the publication of audited accounts for all financial years up-to-and-including 2022/23. This will clear the backlog and enable a focus on recent accounts to provide the most up-to-date information.

Link: Significant measures to tackle worsening backlog in local audit - GOV.UK (www.gov.uk)

National publications

Other

4. Forvis Mazars – Beyond efficiency: what’s left for Local Government?

Based on survey data (from 82 local authorities), our 'Beyond efficiency report' looks to understand how local authorities are approaching financial sustainability and risk, including what measures they are implementing, and what else they could consider

Link: Beyond efficiency for the public sector - Forvis Mazars - United Kingdom

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Agenda Item 6

Classification: Open	Decision Type: Key

Report to:	Audit Committee	Date: 23 September 2024
Subject:	Statement of Accounts 2021-22	
Report of	Director of Finance	

Summary

1.1 In accordance with the Accounts and Audit Regulations 2015 (as amended by the Accounts and Audit (Amendment) Regulations 2021) the Draft 2021/22 Statement of Accounts were signed by the Executive Director for Finance, S151 Officer on 29 July 2022 ahead of the 31 July 2022 deadline.

1.2 The year-end audit has been undertaken by the external auditors Mazars, the Draft 2021/22 Statement of Accounts were issued to Mazars on the 29 July 2022, at the time of this report the audit of the accounts has been substantially concluded.

1.3 At the Audit Committee meeting on the 12 October 2023, the Committee approved the updated 2021/22 Statement of Accounts and delegated authority to the Chair of the Audit Committee and the then Executive Director of Finance to sign-off the accounts, subject to any further material changes.

1.4 This report provides an update of two material changes that arose and have subsequently been made to the 2021/22 Statement of Accounts in relation to the Capital Financing Requirement (CFR) figure and Bury Market impairment due to Reinforced Autoclaved Concrete RAAC being found in the roof and subsequent closure.

1.5 The Committee are asked to consider the updated 2021/22 Statement of Accounts (Appendix 2) and subject to any further material changes, delegate authority to the Chair of the Audit Committee and the Director of Finance, to sign-off the audited 2021/22 Statement of Accounts once the external auditors have confirmed completion of the 2021/22 audit.

Recommendation(s)

2.1 Note the two material changes to the 2021/22 Statement of Accounts since the accounts were last presented to Audit Committee on the 12 October 2023, as detailed in paragraphs 3.9 and 2021/22 Statement of Accounts (Appendix 2).

2.2 The Committee are asked to consider the updated 2021/22 Statement of Accounts (Appendix 2) and subject to any further material changes, delegate authority to the Chair of the Audit Committee and the Director of Finance, to sign-off the audited 2021/22 Statement of Accounts once the external auditors have confirmed completion of the 2021/22 audit.

2.3 Delegate authority to the Chair of the Audit Committee and the Director of Finance, S151 Officer, to sign the Letter of Representations upon completion of the 2021/22 audit.

Report Author and Contact Details:

Name: Neil Kissock
Position: Director of Finance
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Background

Reasons for Recommendation(s)

3.1 Under the Local Government and Housing Act 1989 preparation of the Council's accounts must follow proper practices, which includes compliance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting (The Code).

3.2 It is a legal requirement that the Statement of Accounts 2021/22 are considered and approved by this committee, following the audit, and signed by the person presiding at this meeting. The legislation, Accounts and Audit Regulations 2015, as amended, set a target date for publication of the Audited accounts of 30 November 2022. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Report to Those Charged with Governance (ISA260) 2021/22

3.3 The draft Audit Completion Report for 2021/22 (ISA260) was presented at the March 2023 Audit Committee (Appendix 1).

3.4 At the time of writing this report, Mazars propose to issue:

- An unqualified audit opinion without modification, on the 2021/22 financial statements. The proposed audit opinion is included in Appendix B of the draft auditor's report.
- Value for Money arrangements work is not yet complete and Mazars will report their findings in our Auditor's Annual Report later in the year. On the basis of the work completed to date Mazars expect to report significant weaknesses in arrangements in relation to the Council's arrangements for financial reporting and in respect of the outcome of the Ofsted inspection of children's services. Further detail on our value for money arrangements work is provided in section 7 of the draft auditor's report.

3.5 A summary of the key headlines is set out within of the draft Audit Completion Report and in the various appendices.

Summary of the Audit Findings and Amendments Recap

3.6 There are a number of adjustments to the Statement of Accounts arising from the findings of the audit. The updated Statement of Accounts are available at Appendix 2.

3.7 The main adjustments to the statements identified by both officers and the external audit team are outlined below:

- The external valuation of Manchester Airport was revised downwards by £14.8m. This impacted on Bury's accounts and a prior period adjustment was required. There was a significant change to the value of long-term investments shown on

Bury's Balance Sheet and on other changes on the Financial Instrument notes. The revision of the external valuation of Manchester Airport impacted on all Greater Manchester Councils, who also owned shares in Manchester Airport.

- There were a number of amendments relating to the asset register, which have been adjusted for. These amendments were mainly caused by historical issues on the Council's asset register. The amendments were:
  - A £4.6m adjustment between two unusable reserves – the Revaluation Reserve and the Capital Adjustment Account – was required. The amendment was required due to historical errors relating to the processing of technical revaluation transactions on Investment property. The amendment did not impact on cash reserves.
  - Investment property revaluations of £0.5m were incorrectly posted to the revaluation reserve and should have been posited to the CIES.
  - A school was incorrectly included on the Council's Balance Sheet at 31 March 2022, overstating Property, Plant and Equipment by £2.2m. Since the school had converted to an academy, it should have been shown as a disposal in accordance with the Council's accounting policy.
  - There were a number of technical revaluation adjustments increasing the value of Housing Revenue Account stock by £6.8m. These were generally caused by the sequencing of revaluation and depreciation transactions in the context of the way the Fixed Asset register was set up.
- An historical debtor balance of £1.4m was also identified and needed to be written off by external audit.
- A debtor raised to correct an error within creditors was identified, that overstated both creditors and debtors by £3.8m within the balance sheet.
- Several errors were found in the calculation of the insurance provision, these errors meant provisions and expenditure had both been overstated by £0.7m.
- An amendment of £1.2m was required to correctly reflect timings of payment of insurance provisions between those due to be paid in the next year and those over a longer period.
- There was an amendment to the Capital Financing Requirement note that was updated by Management after the submission of the draft accounts and prior to the start of the external audit.
- There were adjustments to disclosure notes, including the Dedicated Schools Grant note, Remuneration disclosure notes and the Expenditure and Funding Analysis by Nature. These included some offsetting amendments between short- and long-term provisions and debtors and creditors.
- There was also a number of miscellaneous changes relating to disclosure notes.

3.8 Following the issue of the draft Audit Completion Report for 2021/22 (ISA260) presented at the March 2023 Audit Committee (Appendix 1). Further adjustments have been made to the statements identified by both officers and the external audit team as outlined below:

- The incorrect index had been used by the valuers, for the revaluation of two schools, the revised downward revaluation required an amendment of £1m.

- The debtor/creditor of collection fund preceptor balances had been overstated by £3m.

- The actuaries on behalf of the Greater Manchester Pension Fund issued revised IAS19 actuarial valuation reports that increased the overall pensions liability by £11m.

Two Material Amendments to the 2021/22 Statement of Accounts

3.9 Since the accounts were last presented to Audit Committee on the 12 October 2023, two material changes have arisen and subsequently changes have been made to the 2021/22 Statement of Accounts in relation to the Capital Financing Requirement figure and Bury Market impairment due to RAAC being found in the roof and subsequent closure as detailed:

- Capital Financing Requirement: a reconciliation of the Balance Sheet to the Capital Financing Requirement (CFR) was undertaken that discovered a discrepancy on the 1 April 2020 opening CFR balance of £42.673m, requiring a restatement from £259.305m to £301.978m, as detailed in Note 40(b) Prior Period Adjustments.

    - The understatement of the CFR by £42.673m was due to items including: Manchester Airport equity investment & loans, subsidiary loans and finance leases, prior to 2019/20 not being included within the CFR calculation and the accounting for loan principal repayments.

    - Whilst none of these items had any financial impact and are merely a representation & restatement, an adjustment from Unusable to Usable Reserves of £5.701m was required on the 1 April 2020 balance, increasing the available resources for the Council.

- Bury Market Impairment: following the discovery of Reinforced Autoclaved Concrete (RAAC) in the roof on the Bury Indoor Market Hall and the subsequent closure of the Market Hall from 26 October 2023. Due to the receipt of this information after the Balance Sheet date (31 March 2022), indicating these conditions existed at the end of the reporting period (31 March 2022), The Code requires the asset to be impaired, as detailed in Note 38 Events After the Balance Sheet Date.

    - The valuers have provided an impairment valuation and an adjustment of £5.084m (£2.090m revaluation reversal & £2.994m impairment) has been made to the accounts, in both the Property, Plant & Equipment heading of the Balance Sheet and Other Land & Buildings heading within Note 9 Property, Plant & Equipment, 31 March 2022 balances.

Unadjusted Misstatements

3.10 There are several misstatements identified during the audit that management has assessed as not being material either individually or in aggregate to the financial statements and have not been adjusted, of:

- Cut off income testing identified 2 invoices that had been posted to 2022-23 in error, these errors totalled £39k.

- Cut off testing identified one error which related to expenditure having been posted to the incorrect accounting period, this error was £5k.

- Testing of Debtors identified a number of historic balances that were no longer collectable, these totalled £1.8m of which £1.4m has been written off as part of the amendments to the financial statements listed above, leaving the balance to be investigated and therefore has not been amended.

Other Issues: Local Audit Backstop

4.1 The Government has begun the necessary statutory steps required to enforce the local audit backstop dates. On behalf of the Comptroller and Audit General and the National Audit Office, the Government has laid the updated Audit Code of Practice in parliament on 9 September.

4.2 This statutory instrument gives effect to the Government proposals to reduce the backlog of externally audited accounts and set out the requirements for local auditors to fulfil their responsibilities under the Local Audit and Accountability Act 2014.

4.3 On the 9 September the Government also published their findings from the consultation into their audit recovery plan, with the revised dates and more detailed advice over potential exceptions.

4.4 In its response to the consultation, the Government has confirmed that legislation, in parallel with The Code, will outline how some public bodies will be exempt from the backstop date. The exemptions include if auditors are considering a "material objection", if an objection is being appealed or still have an opportunity to, if a court application is required to verify the legality of certain lines of an account or if from 2023-24 the auditors "not yet satisfied with the body’s value for money arrangements". If there is an exemption, the auditor must explain why and will be required to publish their opinion "as soon as practicable".

4.5 Following strong support for setting a statutory backstop from Local Authorities, with 83% of respondents backing the move, the Government has set the deadline of 13 December for outstanding accounts up to and including 2022-23. The Government response to the consultation stated that this date has been tested with audit firms, representatives from Local Government and key system partner organisations.

4.6 Future deadlines are:

Financial Year Accounts	**Deadline**
Up to & Including 2022-23	13 December 2023
2023-24	28 February 2025
2024-25	27 February 2026
2025-26	31 January 2027
2026-27	30 November 2027
2027-28	30 November 2028

4.7 The Government response has also stated there will be "unfortunate consequences" in the short-term as hundreds of 'qualified' and 'disclaimed' opinions will be published "for a number of years". Despite this, the Government has advised that "other statutory duties", such as the value for money arrangements and public interest reports "remain a high priority".

4.8 In June, the MHCLG confirmed further funding of £15 million per annum for eligible local audit bodies up until 2024/25 to support with local audit financial reporting and to implement audit requirements related to Sir Tony Redmond's recommendations. The allocation for Bury Council for 2023/24 was £44,822.

Links with the Corporate Priorities:

The production and publication of the Statement of Accounts provides valuable information to the residents of the Council and to its suppliers.

A strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.

Equality Impact and Considerations:

The statement of Accounts is a record of past financial expenditure. It does not determine future resource allocation.

Environmental Impact and Considerations:

There are no implications to an increased carbon impact of this decision.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
There is a risk of misstatement	Accounts are reviewed by Mazars and their opinion of these accounts is independent to the council.

Legal Implications:

The localised accounts process was established pursuant to the Local Audit and Accountability Act 2014, the system ensures that the Councils accounts are independently verified by the Council's external auditors Mazars ensuring good governance and financial transparency.

This report is submitted to Audit committee in accordance with the financial regulations as set out in the Council constitution.

Financial Implications:

The statement of accounts are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that tax payers money is being expended in an economic and efficient way. These accounts not only report the in year position but also the future stability of the organisation through the strength of its balance sheet and cash flow.

Background papers:

Appendix 1: draft Audit Completion Report (ISA260)

Appendix 2: 2021/22 Statement of Accounts

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

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Audit Completion Report

Bury Metropolitan Borough Council – Year ended 31 March 2022

March 2023

mazars

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Appendix D: Other communications

mazars

Members of the Audit Committee

Bury Metropolitan Borough Council
Knowsley Place
Knowsley Street
Bury
BL9 0SW

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

30 March 2023

Dear Committee Members

Audit Completion Report – Year ended 31 March 2022

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions based on the work we have completed to date.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 15 March 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07721 234 043.

Yours faithfully

Karen Murray

Karen Murray

Mazars LLP

01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report, we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include the:

- Management override of controls;
- Net defined benefit liability valuation;
- Valuation of property, plant and equipment and investment properties; and
- Valuation of shareholding in the Manchester Airport Group PLC

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £68k. Section 7 outlines our work on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022.

At the time of preparing this report, matters remaining outstanding as outlined in section 2. We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:

Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.

Value for Money

We have not yet completed our value for money arrangements work and will report our findings in our Auditor's Annual Report later in the year. On the basis of the work completed to date we expect to report significant weaknesses in arrangements in relation to the Council's arrangements for financial reporting and in respect of the outcome of the Ofsted inspection of children's services. Further detail on our value for money arrangements work is provided in section 7 of this report.

Whole of Government Accounts (WGA)

For 2021/22, the threshold for completing detailed audit work on the Council's WGA return has increased. The Council is below the revised threshold, however we expect the National Audit Office to select a sample of Councils where auditors will undertake detailed procedures. We are unable to commence our work in this area until we receive the list of sampled Councils.

Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts.

02

Section 02:

Status of the audit

2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Property, Plant and Equipment	🟡	Our detailed audit testing is complete. We are currently working with management to ensure all of the required amendments have been posted through the Council's Financial Statements. We will provide a verbal update at the meeting
Pensions	🔴	We are awaiting the conclusion on an error identified by the pension fund auditor at the Greater Manchester Local Government Pension Scheme fund.
Debtors	🟢	We are awaiting supporting evidence in relation to Collection Fund Debtors
Consolidated Accounts	🟡	We are currently awaiting responses to queries raised and agreement of amendments following receipt of audited subsidiary accounts. The group consolidation will also be impacted from the resolution of the GMPF error.
Value for Money	🟢	Our value for money work remains in progress.
Manager and Engagement Lead review	🟢	The work above will be subject to Manager and Engagement Lead review prior to final sign off.
Technical Review of Financial Statements	🟢	We are in the process of resolving queries arising from our technical review.
Financial statements, Annual Governance Statement and letter of representation	🟢	We will complete our final review of the financial statements upon receipt of the signed version of the accounts and letter of representation.

🔴 Likely to result in material adjustment or significant change to disclosures within the financial statements.

🟡 Potential to result in material adjustment or significant change to disclosures within the financial statements.

🟢 Not considered likely to result in material adjustment or change to disclosures within the financial statements.

03

Section 03:

Audit approach

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum presented to Audit Committee in March 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our materiality level, set at the planning stage of the audit, was £10.9m using a benchmark of 2% of gross operating expenditure. No changes to the materiality level set at the planning stage have been made.

Use of experts

We set out in our Audit Strategy Memorandum our planned use of experts to assist in our audit procedures. There were no changes to our planned approach.

Item of account	Management's expert	Our expert
Defined benefit pension assets and liabilities	Hyman Robertson actuaries	PwC – Consulting actuary appointed by the National Audit Office.
Property, Plant and Equipment and Investment Property valuation	Align Property Services Carter Jonas (Council Dwellings)	We used available third party information to challenge the key valuation.
Financial instrument disclosures.	Link Asset Services	We reviewed Link's methodology to gain assurance that the fair value disclosures of the Council's financial assets and liabilities are materially correct. We engaged our valuation experts to consider the methodology for the fair value valuation of loans to the airport.
Valuation of Manchester Airport land	Jacobs Ltd	Mazars' In House Property Valuations Team
Valuation of shareholding in Manchester Airport Holding Limited	BDO LLP	Mazars' Internal Valuations Team

3. Audit approach

Group audit approach

The Council prepares Group accounts and consolidates the following bodies

- Six Town Housing Ltd,
- Bury MBC Townside Fields Ltd and
- The Persona Group of Companies.

Within our audit strategy memorandum, we set out our approach to the group audit. There has been no change to our planned procedures to the group accounts.

We have received the subsidiaries financial information and the Council's consolidation working papers. As highlighted in section 2 our work on the group consolidation remains in progress. We will report any matters arising from our remaining work in our follow up letter.

Section 04:
Significant findings

4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 17 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

Significant risks

Management override of controls	**Description of the risk** Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.
	How we addressed this risk We addressed this risk by performing audit work over: • accounting estimates; • journal entries; and • significant transactions outside the normal course of business or that are otherwise unusual.
	Audit conclusion We completed our procedures as planned. There are no matters to bring to the Committee's attention in respect of our work on management override of controls.

4. Significant findings

Net defined benefit liability valuation

Description of the risk

The net pension liability represents a material element of the Council's balance sheet. The Council is an admitted body of Greater Manchester Pension Fund, which had its last triennial valuation completed as at 31 March 2019.

The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation. There are financial assumptions and demographic assumptions used in the calculation of the Council's valuation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.

There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2021/22.

How we addressed this risk

To address this risk we

- reviewed the controls the Council has in place over the information sent to the scheme Actuary, including the Council's processes and controls with respect to the assumptions used in the valuation;
- evaluated the competency, objectivity and independence of the scheme Actuary, Hymans Robertson;
- reviewed the appropriateness of the methodology applied, and the key assumptions included within the valuation, comparing them to the expected ranges, utilising the information provided by PwC, the consulting actuary engaged by the National Audit Office.
- reviewed the methodology applied in the valuation of the liability by Hymans Robertson.
- agree the data in the IAS 19 valuation report provided by the Pension Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's and Group's financial statements

Audit conclusion

As highlighted in Section 2, our work on the valuation of the net defined benefit liability remains in progress. Work completed to date identified a misstatement relating to errors from the audit of GMPF. These are detailed in section 6. We will report any matters arising from our remaining work in our follow up letter.

4. Significant findings

Valuation of property, plant and equipment and investment properties

Description of the risk

The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued in a five year cycle.

The valuation of property, plant & equipment and investment property involves the use of management experts, and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process which reflect the significant impact of the valuation judgements and assumptions and the degree of estimation uncertainty.

As a result of the rolling programme of revaluations, there is a risk that individual assets which have not been revalued for up to four years are not valued at their materially correct fair value. In addition, as the valuations are undertaken at the start of the year there is a risk that the fair value as the assets is materially different at the year end.

How we addressed this risk

We addressed this risk by:

• assessing the Council's valuers' qualifications, objectivity and independence to carry out such valuations
• reviewing the valuation methodology used for assets subject to revaluation in 2021/22, including testing the underlying data and assumptions;
• engaging our internal valuations team as our auditors expert to review the valuations of the land at Manchester Airport
• reviewing the approach the Council has adopted to address the risk that those assets not subject to valuation in the 2021/22 are materially misstated and consider the robustness of that approach in light of the valuation information reported by the Council's valuers; and
• considering movements in market indices between valuation dates and the year end in order to determine whether these indicate fair valuers have moved materially over that time.

Audit conclusion

As set out in section 2, we have completed our detailed audit testing and other procedures as planned.

Following the resolution of the sector-wide issue of accounting for infrastructure assets the Council carried out further work. As a result the Council has updated its accounting policy for infrastructure assets and updated the disclosure of these assets. The Council calculated the difference in depreciation in 2021/22 would be only £288k, and has not amended the balance of infrastructure assets as a result.

We are currently working with management to ensure the required amendments are correctly reflected in the financial statements. We will provide a verbal update to the meeting.

4. Significant findings

Key areas of management judgement

Valuation of shareholding in Manchester Airport	**Description of the management judgement** The Council's shareholding in the Manchester Airport Group PLC has been valued by a firm of financial experts based on assumptions about financial performance, stability and key business projections. The figure disclosed in your accounts in relation to Manchester Airport Holdings Limited is at fair value. There is a risk that the assumptions and methodology used by your experts are not appropriate and we will need to obtain assurance that accounting entries are not materially misstated.
	How our audit addressed this area of management judgement We addressed this risk by: • Assessing the scope of work performed/terms of engagement, qualifications, objectivity and independence of the expert engaged to carry out the valuation assessment of the airport shares. • Utilising the services of our internal valuation experts to review the work completed by BDO as the Management expert and evaluate the appropriateness of the assumptions applied to arrive at the figure in the financial statements.
	Audit conclusion We completed our procedures as planned. Our work identified an adjustment affecting both the prior period and current year. This has been detailed within section 6 of this report.

4. Significant findings

Qualitative aspects of the Council's accounting practices

We have reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

The draft accounts were received from the Council on 29 July 2022 in line with agreed timescales. However, the draft accounts were not prepared to the required quality standards. Although there has been some improvement since the previous year, the accounts presented for audit contained several internal inconsistencies and material errors have been identified during the course of the audit.

Of particular concern, the draft statements published on the Council's website were subject to almost immediate change, before our audit began. This indicates the published draft statements had not been subject to an appropriate quality control review and challenge by management before they were made available for public inspection.

Furthermore, the working papers and other information required to support the accounts were not always available at the start of our work. In some cases, the working papers provided did not agree to the figures disclosed within the accounts once they were made available to us. The level of errors identified in the draft accounts and volume of amendments required has resulted in the need for additional work and has delayed completion.

We have had the full co-operation of management throughout the process.

We have reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

Significant matters discussed with management

During the audit we maintained a regular dialogue with management. Among the matters discussed through these conversations were:

Covid-19

We continue to discuss the impact of the Covid-19 pandemic on the Council's operations and financial statements. In particular we focussed on the accounting treatment of grant income, and whether the Council accounts for these grants as a principal or agency relationship. We are satisfied there are no issues arising from the Council's treatment of Covid related grants.

Impact of the War in Ukraine

The ongoing situation in Ukraine has far-reaching consequences for public sector organisations. As part of our audit we have discussed with management the impact of the war on the Trust's operations, and whether any disclosures are required in the Trust's financial statements. We are satisfied there are no issues arising which would require specific disclosures in the Trust's financial statements.

Accounting for infrastructure assets

The Council holds a material value of Infrastructure Assets within its Property, Plant and Equipment balance on the balance sheet. During 2021/22 a national technical issue arose in respect of accounting for infrastructure assets. Normal custom and practice for (highways) infrastructure assets is that derecognition does not affect asset balances because the assets are expected to have been fully used up before the replacement expenditure takes place; this does require that assets are properly depreciated in line with the requirements of the Accounting Code. This issue arises in part because of limitations on historical information relating to when the assets were first recorded on balance sheets in the early 1990s, and where there have been transfers of assets because of local authority reorganisations. It is also extremely difficult to clearly identify the parts of the assets which are being replaced.

A Statutory override was approved by DLUHC in December 2022 with supporting guidance issued by CIPFA in January 2023. Our work in response is now complete and there are no matters to report.

Manchester Airport Holdings Limited Valuation

The Council uses an external valuation expert to determine the value of its investment in Manchester Airport Holdings Limited at 31 March 2022. The valuation is determined according to a methodology and applying assumptions. Our approach to auditing this investment includes the involvement of Mazars in house valuation team. As a result of audit questions, the Council's external valuation expert revised their methodology and provided the Council with a revised valuation report for 2021/22. This reduced the Council's shareholding by £14.8m to £23.3m. The error in methodology applied to previous years as well as 2021/22 and the reduction in the valuation at 31 March 2021 was £14.3m. The Council has revised its draft financial statements and included a disclosure of a prior period adjustment reflecting the material value of the adjustment.

4. Significant findings

Significant difficulties during the audit

During the course of the audit we did encounter some difficulties in:

- agreeing the accounting treatment for valuation movements for the Council's Property Plant and Equipment assets to ensure compliance with CIPFA code.
- obtaining confirmation of gross book values disclosed within the accounts
- the provision of transaction lists which reconcile to the draft statements from which to select an audit sample
- obtaining a year end analysis of debtors and creditor balances at a transaction level which show year end balances only.

However, we had the full co-operation of management in resolving the above.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2021/22 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised. No such questions were asked.

05

Section 05:

Internal control recommendations

5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	1
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	3
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	2

5. Internal control recommendations

Significant deficiencies in internal control – Level 1

Description of deficiency

The draft accounts were not prepared to the required quality standards. Although there has been some improvement since the previous year, the accounts presented for audit contained several internal inconsistencies and material errors have been identified during the course of the audit. Of particular concern, the draft statements published on the Council's website were subject to almost immediate change, before our audit began. This indicates the published draft statements had not been subject to an appropriate quality control review and challenge by management before they were made available for public inspection.

Furthermore, the working papers and other information required to support the accounts were not always available at the start of our work. In some cases, the working papers provided did not agree to the figures disclosed within the accounts once they were made available to us. The level of errors identified in the draft accounts and volume of amendments required has resulted in the need for additional work and has delayed completion.

Potential effects

The Council may not have a good understanding of its financial position.

Public confidence in the financial governance of the Council could be undermined.

Recommendation

Management should undertake a full debrief of the accounts preparation process to identify how the errors in the financial statements occurred.

Management should ensure there is an appropriate arrangement for quality control review in future years.

Management response

A lessons learnt review from the 2020/21 accounts and audit was undertaken and presented to Audit Committee. A comprehensive accounts closure timetable was also prepared which assigned key tasks and responsibilities across a wider range of staff. Unfortunately the interim Chief accountant who was working with the authority and produced both of these documents left the Council before the end of March and another interim Chief accountant had to be engaged.

The 90 day consultation on the finance restructure was launched in March 2021 and the recruitment to the permanent posts is now nearly complete. Some long established staff who were part of the close down team left during the process which has caused some loss of continuity, this included the senior accountant and the capital accountant, other have been on extended periods of sick leave. Unfortunately errors have also been identified within this years accounts and delays have been experienced

The permanent Chief accountant took up post on the 6th March this year and has quickly got to grips with reviewing the closedown timetable for this year, providing year end accounts training for all staff involved and the corporate planning team have already established model working papers for year end

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

Our review of Debtors included a review of the Councils control account reconciliation of the year end balances shown on the debtors system to that shown on in the ledger. The reconciliation detailed differences between the two of £109k. This difference had not been investigated.

Potential effects

Failure to investigate and clear differences increases the risk that errors are not detected and debtors are not collected.

Recommendation

The Council should ensure differences are identified and investigated promptly.

Management response

A balance sheet reconciliation register will be compiled and implemented during 2023/24, this will include the identification of the key control accounts to include debtors, creditors, financial instruments, bank reconciliation, payroll, collection fund cash accounts etc. All balance sheet account codes will be assigned to a responsible and review officer and a timetable established to ensure frequent reviews are undertaken throughout the financial year with reporting to senior officers of those key controls.

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

Our review of Debtors identified a significant number of debtors balances that were historic and no longer collectable. Debtors contained £1.8m of historic collection fund debtors that were no longer collectable. This meant that debtors were overstated.

Potential effects

Failure to understand and review debtors balances on a periodic basis increases the risk that errors are not detected and debtors are incorrectly stated.

Recommendation

The Council should the understand the detail within the debtor balance and undertakes a periodic review to ensure that debts are appropriate and collectable.

Management response

There is a significant piece of work about to commence to review all historic debt owed to the Council, this will include both collection fund and general fund debt initially. As part of this work all balance sheet control accounts and bad debt provisions will be reviewed and consideration given to the most appropriate way of collecting the debt and whether some of it is no longer collectable and should be written off, but this will be once all avenues of collection have been explored.

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

As part of our cash and bank testing we identified that the Paypoint account had year end balances had not been included in the Council statements. At year end the balance not transferred to the Council was £67k.

Potential effects

Cash balances are understated and corresponding debtors may be overstated.

Recommendation

The Council should ensure that all bank accounts are identified and included as appropriate.

Management response

5. Internal control recommendations

Other recommendations in internal control – Level 3

Description of deficiency

Through our review of school bank reconciliations, we have identified a number of old reconciling items dating back to 2020. Total value of payments and receipts over 6 months old is £128,269.97 payments with unreconciled receipts totalling £3,926.47.

Potential effects

Failure to clear reconciling items increase the risk of errors on the reconciliation not being identified.

Recommendation

The Council should ensure un reconciled difference are cleared promptly.

Management response

This will be covered through the implementation of a balance sheet reconciliation register process throughout the financial year.

5. Internal control recommendations

Other recommendations in internal control – Level 3

Description of deficiency

Our IT audit work identified active generic accounts on the Agresso Application system with privilege access rights in which the passwords are not managed through a secured password vault.

Potential effects

Generic user IDs reduce the accountability of actions performed on the application because it may be difficult to trace to a specific user.

Recommendation

The use of generic accounts should be discouraged. All accounts on the application systems should be created for specific purposes and mapped to specific individuals or processes. In the event generic accounts are required, these should be managed securely through a password safe.

Management response

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

The draft financial statements which were submitted for audit were not to the required standard. A number of material errors within the financial statements were identified during the audit process

Potential effects

There is a risk that fundamental errors in the Council's reported financial position could be caused by a reoccurrence of these events.

Recommendation

Management should undertake a full debrief of the accounts preparation process to identify how the errors in the financial statements occurred.

Management should ensure there is an appropriate arrangement for quality control review in future years.

2021/22 update

Although improvements have been made the Council still doesn't have sufficiently robust arrangements in place to ensure the accounts submitted for audit were of the required standard, due to a number of interim key finance positions.. Matter remains open.

Description of deficiency

The Council's in-house valuer did not retain any supporting records and evidence to support the work carried out to arrive at the Council Dwellings valuation included within the draft accounts.

Potential effects

Management have not complied with the requirement to maintain appropriate underlying financial records.

Errors in the valuation cannot be identified.

Additional costs are incurred where revaluations need to be re-performed.

Delays to the audit processes.

Recommendation

Management should ensure that the experts used understand the requirements of keeping adequate records of work completed in order to evidence the values within the accounts.

2021/22 update

The Council now uses an external valuer to undertake the valuation of Council Dwellings. Our testing did not identify any similar issues in 2021/22.

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

As part of our work on PPE and investment properties it was identified that there were 50 assets which were classified within the fixed asset register and the draft accounts as investment properties but which were PPE assets. This suggests a deficiency in the controls around the fixed asset register.

Potential effects

The incorrect classification of assets within the fixed asset register could lead to the assets being subjected to an incorrect valuation method. This could lead to material misstatements within the accounts.

Recommendation

Management sure ensure that there is adequate review processes in place to ensure that the assets within the fixed asset register are both classified correctly and valued on the correct basis for the relevant classification.

2021/22 update

Our work on PP&E and investment properties did not identify any miss classification in 2021/22.

Description of deficiency

As part of our audit work on debtors and creditors we identified a number of disclosure errors relating to the classification of debtors and creditors over the relevant categories within the notes. This is due to the year end balances in the accounts receivable and accounts payable systems not being analysed.

Potential effects

This is likely to lead to material disclosure errors within the debtors and creditors notes within the statement of accounts.

Recommendation

Management should implement processes to ensure that all year end debtors and creditors are correctly analysed.

2021/22 update

Our debtors and creditors testing did not identify any classification errors.

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

As part of our audit review of property, plant and equipment we identified a number of assets within the fixed asset register had an incorrect asset life recorded. This resulted in the depreciation calculation for the year being inaccurate. We also noted that the asset lives for buildings had not been reviewed for a number of years.

Potential effects

Inaccuracies in the asset lives data within the fixed asset register could lead to depreciation being materially misstated within the financial statements.

Recommendation

For all asset entries ensure there is a check of reasonableness and accuracy of the asset lives data input into the system prior to posting to prevent inaccuracy in the depreciation calculation.

The instructions provided to the valuer should be request that the valuer provides an indication of the remaining useful lives of the assets subject to revaluation. This will provide assurance over the asset lives that are used are up to date and the resulting deprecation calculation will be more accurate.

2021/22 Update

Our testing of PP&E did not identify differences in asset lives used.

Description of deficiency

Our audit work identified a number of leases where the contract had expired but the lease arrangement remained in place informally with the tenant continuing to occupy the properties and paying the rent without a contract in place.

Potential effects

These informal arrangements could lead to the tenants vacating the properties at short notice as there is no contractual arrangement in place with an agreed end date. The Council may also not be receiving an appropriate market rent due to the rent not being subjected to a regular review.

There may also be implications for financial reporting under IFRS 16 once implemented.

Recommendation

The Council should ensure that all leases are reviewed regularly, including a review of rent. It should also be ensured that the Council holds up to date lease documentation signed by both parties to the lease.

20/21 update

Our 2021/22 testing of leases did not identify any further issues.

5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

Our IT audit work identified some employees who had left the Council but who had retained access to Agresso and the Active Directory.

Potential effects

Failure to remove user accounts from users who have left presents the risk that activities are performed by those not authorised to perform them.

Recommendation

Ensure that leavers are communicated to the system custodians promptly and that access is revoked on or before the users' leave date.

2021/22 Update

Description of deficiency

Our IT audit work identified that disaster Recovery tests were not performed during the year. Further, we noted that the Disaster Recovery site is in close proximity to the primary server.

Potential effects

A lack of testing disaster recovery plans means any deficiencies in the effectiveness of the Council's resilience may not be detected.

Locating the Disaster Recovery site close to the primary server means that environmental issues affecting the primary server have a higher probability of also affecting the secondary server.

Recommendation

Disaster Recovery should be tested at least annually to ensure resilience to issues affecting the primary server.

The Council should reposition the disaster recovery server at a greater distance from the primary server. If this is not possible the Council should implement controls to ensure the secondary server is protected from being affected by environmental issues which might affect the primary.

2020/21 update

06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £327k (group threshold £329K). The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

Unadjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Accruals			526	
	Cr: Income		526		
	Our cut off income testing identified 2 invoices that had been posted to 2022-23 in error. These errors totalled £39k. The above represents the total potential error when the error rate is extrapolated across the untested population				
2	Dr: Expenditure	458			
	Cr: Accruals				458
	Our expenditure cut off testing identified one error which related to expenditure having been posted to the incorrect accounting period. This error was £5k. The above represents the total potential error when the error rate is extrapolated across the untested population				

6. Summary of misstatements

Unadjusted misstatements (continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
3	Dr: Pension Liability			6,786	
	Cr: Pension Reserves				6,786
	Represents the Council' share of an error identified in the GMPF auditor testing of pension assets				
	Dr. Debtors - Expected Credit Loss			465	
4	Cr. Debtors				465
	Our testing of Debtors identified a number of historic balances that were no longer collectable. These totalled £1.8m. £1.3m has been written of as part of the amendments to the financial statements as detailed on page 32 leaving the above to be subsequently reviewed and corrected during 2022-23.				
	Total unadjusted misstatements	458	526	7,777	7,709
	Net impact of unadjusted misstatement		68		68

6. Summary of misstatements

Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Loss on Disposal	2,183			
	Cr. CIES Depreciation		37		
	Cr: PP&E Other land and Buildings				2,146
	Greenhill School converted to an academy in year. However, the Council did not remove the asset from its accounts.				
2	Dr: Financial Instrument Revaluation Reserve			14,800	
	Cr: Long Term Investments				14,800
	The Councils valuation expert revised their value of the Council's shareholding in Manchester Airport Holdings Limited, reducing the value of the investment by £14.8m. This amendment also impacts on the reported 2020/21 valuation, reducing it by £14.3m, along with impacts on Other Comprehensive Income in the CIES and disclosure notes. The corresponding adjustment reduces the unusable reserves.				

6. Summary of misstatements

Adjusted misstatements (Continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
3	Dr: Earmarked Reserves			1,370	
	Cr: Debtors				1,370
	Our debtors testing identified a number of historical debtors that no longer existed and should have been written off.				
4	Dr: Creditors			3,770	
	Cr: Debtors				3,770
	Our debtors testing identified an error relating to a debtor raised to correct an error within creditors. This overstated both creditors and debtors within the balance sheet.				

6. Summary of misstatements

Adjusted misstatements (continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
5	Dr: Provisions			652	
	Cr: Expenditure		652		
	Our work identified several errors in the calculation of provisions. These errors meant provisions and expenditure are both overstated. These differences included an item for which a provision had been made with a value of £785k which was actually covered by a separate insurance policy meaning no liability falls to the Council and a provision is not required. .				
6	Dr. Capital Adjustment Account			523	
	Cr. CIES, Financing and Investment Income and Expenditure		523		
	Investment property revaluations were incorrectly posted to the revaluation reserve. They should have been posited to the CIES				

6. Summary of misstatements

Adjusted misstatements (Continued)

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
7	Dr: LT Provisions			1,200	
	Cr: ST Provisions				1,200
	Amendment required to correctly reflect timings of payment of insurance provisions between those due to be paid in the next year and those over a longer period.				
	Total adjusted misstatements	2,183	1,212	22,315	23,286

6. Summary of misstatements

Disclosure amendments

Our review of the financial statements identified that a number of amendments were required to the disclosures in the financial statements to ensure compliance with the CIPFA Code. We have summarised the most significant of them below:

- **Prior Period Adjustment –** A prior period adjustment was required relating to the Council's investment in Manchester Airport. This reduced the value of the Council's investment by £14.3m in 2020/21 and adjusted the opening balance as at 1/4/2020 by £8.9m
- **DSG note –** the note has been revised to correct the totals disclosed within the note.
- **Financial Instruments Note - T**he comparative figure for 2020/21 for the fair value of Loans to Manchester Airport has been amended from £110m to £49m. The amendment was made to reflect the revised methodology and approach the Council's expert applied in 2021/22 which should also have been retrospectively applied to 2020/21. Additional amendments have been made relating to classification of short and long term debtors of £550k and to include the fair value 2021/22 disclosure of the Manchester Airport Loans of £50,274k.
- **Senior Officer Remuneration Note –** The table has been updated to correct the fees and allowances and pension contributions for 3 of the roles disclosed.
- **Employees above £50k Note – C**hanges made to the teaching staff numbers and to correct the remuneration banding for Deputy Chief Executive Officer.
- **Assets held for Sale Note –** Narrative changes made to ensure appropriate disclosure. An amendment was also between reclassifications and additions to correctly disclose the position.
- **Intangible Assets Note – The** brought forward values were amended by £5m
- **Revenue Grants receipts in Advance** – These grants were material in 2021/22. This means a disclosure note is required but this was not prepared for the draft accounts.
- **Capital Grants Receipts in Advance –**These grants were material in 2021/22. This means a disclosure note is required but this was not prepared for the draft accounts.
- **Expenditure and funding Analysis note 2.1 –** Various changes required to this note to reflect amendments made elsewhere.
- **Expenditure and funding Analysis note 2.2 –** Various changes to the values disclosed within this note as a result of the amendments made elsewhere.
- **Expenditure and Income Analysed by Nature note – T**he note has been revised to ensure consistency with the CIES.
- **Grant Income Credited to Services –** An adjustment of £367k has been made to note 30 to ensure consistency within the accounts
- **Accounting for Schools Note –** Changes to the number of academies

6. Summary of misstatements

Disclosure amendments (Continued)

- **Provisions Note –** Further narrative added relating to Insurance provisions.
- **Leases Note** – The operating leases disclosure notes for both lessee and lessor have been amended to correct a formulae error within the calculations provided.
- **Audit Fee Note -** the note has amended to reflect the correct fee.
- **Pensions Disclosure Notes –** Amendment to reflect detail within the Actuary's IAS19 report.
- **MIRS –** A number of changes were made to the entries within the MIRS to reflect the adjustments made to the accounts
- **Adjustment Between Accounting and Funding Basis Note -** A number of changes were made to the entries within the note to reflect the changes made to the accounts.
- **Reserves Notes –** Changes to disclosure notes to reflect adjustments made to the accounts.
- **Other Comprehensive Income –** Changes reflects amendments made elsewhere within the accounts.

Section 07:

Value for Money

7. Value for Money

Approach to Value for Money

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. . We intend to issue the Auditor's Annual Report within three months of giving the opinion on the financial statements.

Status of our work

We are yet to complete our work in respect of the Council's arrangements for the year ended 31 March 2022. On the basis of the work completed to date we expect to report significant weaknesses in arrangements in relation to the Council's arrangements for financial reporting and in respect of the outcome of the Ofsted inspection of children's services.

Our commentary on the Council's arrangements will be provided in the Auditor's Annual Report within 3 months of the date of our audit opinion.

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Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

Appendix A: Draft management representation letter

To be provided to us on client headed note paper

[Date]

Dear Karen

Bury Metropolitan Borough Council - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Bury Metropolitan Borough Council ('the Council') for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Executive Director of Finance that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council, Cabinet and committee meetings, have been made available to you.

Appendix A: Draft management representation letter (continued)

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Councils financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Council in making accounting estimates, including those measured at current or fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no undisclosed contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Appendix A: Draft management representation letter (continued)

Fraud and error

I acknowledge my responsibility as Executive Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council and Group involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code and applicable law.

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Appendix A: Draft management representation letter (continued)

Covid-19

I confirm that the Council has carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosures in the Narrative Report fairly reflects that assessment.

Going concern

To the best of my knowledge there is nothing to indicate that the Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Yours faithfully

Sam Evans

Executive Director of Finance

Appendix B: Draft audit report

The draft audit report will be included at the conclusion of the audit.

Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.
External confirmations	We did not experience any issues with respect to obtaining external confirmations.
Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	We have not identified any evidence to cause us to disagree with the Executive Director of Finance that the Council will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements. We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.

Appendix D: Other communications

Other communication	Response
Subsequent events	We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework. We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
Matters related to fraud	We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and the Audit Committee, confirming that a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Mazars

Karen Murray

Partner

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

mazars

Statement of Accounts 2021/2022

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Introduction by the Director of Finance

I am pleased to introduce our financial accounts for 2021/22. The purpose of these accounts is to present a true and fair view of the financial results of our activities for the year and the value of our assets and liabilities at the end of the year. The statement of Accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom and the Update to the Code and Specifications for Future Codes for Infrastructure Assets. The Statement of Accounts play a vital role in providing Bury residents, Council Members and other interested parties with an understanding of the Council's financial position, providing assurance that public resources have been used and accounted for in an appropriate manner. It aims to ensure the readers of the Statement of Accounts can:

- Understand the overarching financial position of the Council and the 2021/22 financial out-turn;
- Have confidence that public money with which the Council has been entrusted has been used and accounted for appropriately, and;
- Be assured of the robustness of the council's financial standing.

The Council's Statement of Accounts is presented as simply and clearly as possible. However, the accounts for such a large and diverse organisation are by their nature both technical and complex. To assist in this, a narrative report has been produced.

This narrative report is set out in five parts. The first part provides some key information on what the Council does, how it does it and its plans for the future. The second part provides further detail on how we plan to resource the Council's activities. This section also considers the factors in the external environment that influence our decisions and highlights some of the key risks that we have identified to our priorities.

The third part summarises our financial and other performance in 2021/22 and our effectiveness in the use of our resources and the fourth part describes our outlook ahead and into the new financial year. It includes some of the key pressures facing the Council over the next few years and the changes taking place in the Council to respond to those challenges. Finally, this report sets out how the Financial Accounts for 2021/22 are prepared and set out.

Neil Kissock

Director of Finance and S151 Officer

Certificate of the Statement of Accounts

I certify that the Statement of Accounts presents a true and fair view of the financial position of Bury Council at 31 March 2022, and its income and expenditure for the year ended 31 March 2022.

Neil Kissock

Director of Finance and S151 Officer

XX XXXX 2024

Approval of Accounts

In accordance with the Accounts and Audit Regulations 2015, I certify that the Statement of Accounts for the financial year ended 31 March 2022, was approved under delegated powers as agreed by the Audit Committee at the meeting held on xx xxxxx 2024.

Narrative report

Introduction to Bury

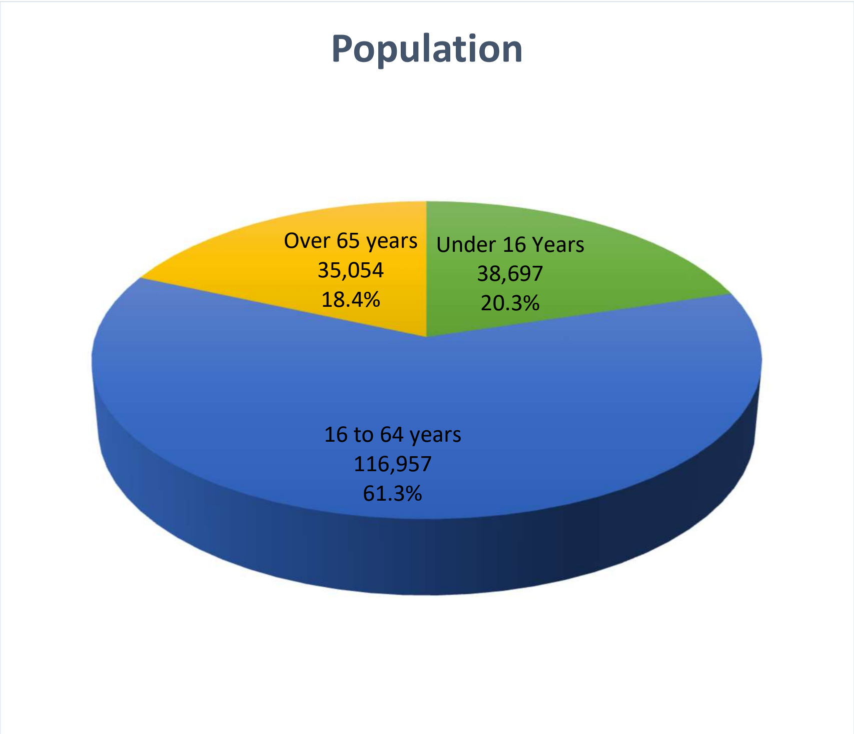
Bury Council is one of ten local authorities in the Greater Manchester region. Bury is a place of independent shops, regeneration, thriving businesses and strong communities making it a place where people want to live, work and spend their leisure time.

Like many other authorities across the country the Council faces significant financial challenges whilst operating in an environment that is uncertain and volatile. Despite this the Council recognises the need to transform itself and ensure it is a sustainable organisation fit for the future. The Council's Medium Term Financial Strategy has been updated to reflect the Council's priorities and to take account of the financial challenges, opportunities and risks both now and in the future.

Key Facts

Population

The Office for National Statistics (ONS) 2020 mid-year population estimate report Bury's total population as 190,708. The age profile of the population is shown below.



The working age population (age 16 to 64) as a proportion of the population is slightly lower than the regional and national averages, whilst those over 65 also represent a lower percentage of the population than regional and national averages. Over 85's represent 2.3% of the population compared to 2.5% nationally. Under 16s are higher than regional and national averages.

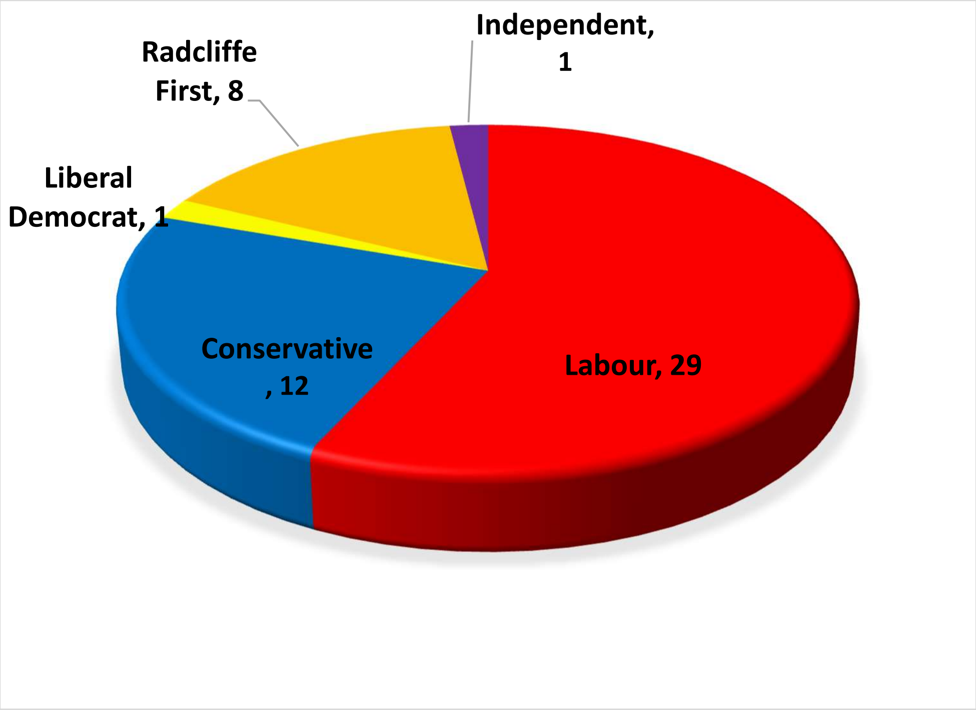
The population is expected to increase to 207,091 by 2043. There is expected to be a high increase in those residents aged 80 and over from 8,800 in 2018 to 14,935 in 2043, with resulting increases in demand for health and social care services.

Local Economy

Bury's economy is strong and delivers good employment to its residents. Bury's employment levels were expected to increase over the medium to long term. Strong links with the business communities and support through the council are in place to ensure that employment levels are maintained.

Political Structure

Bury is made up of 17 wards with 3 Councillors representing each ward giving an overall total of 51 members. During 2021/22 the political make-up of the Council was:



The Cabinet

The Cabinet is the main decision making body of the Council and is responsible for the strategic management of Council services. The Council in 2021/22 consisted of a Leader and 8 Cabinet Member Councillors each of whom hold a Cabinet Member portfolio. These were as follows:

- Leader and Cabinet Member for Finance and Growth
- Deputy Leader and Cabinet Member for Children, Young People and Skills
- First Deputy and Cabinet Member for Health and Wellbeing
- Cabinet Member for Corporate Affairs and HR
- Cabinet Member for Environment, Climate Change and Operations
- Cabinet Member for Communities
- Cabinet Member for Culture and The Economy
- Cabinet Member for Housing Services

Cabinet members are also held to account through Overview and Scrutiny Committees: Health Scrutiny Committee; Joint Health Overview and Scrutiny Committee for Pennine Acute NHS Trust, Children and Young People Scrutiny Committee, Overview and Scrutiny Committee, Performance and Finance – Overview and Scrutiny Sub-group.

Corporate Executive Team Structure

The Council' Executive Team provides leadership to the Council and supports the work of Councillors. During the year, the Council's Chief Executive was supported by a Deputy Chief Executive and 4 Executive Directors – One Commissioning Organisation, Children and Young People, Operations and Business, Growth and Infrastructure. The Council's Executive Director of Finance also supports the wider Council/CCG and is employed in the capacity of a joint role. In recognition of the wider integration with Bury CCG, the Chief Executive is also supported by an Executive Team of the CCG who work together with the Council's Executive Team. In carrying out their roles, the Executive Team support the Council in:

1. Developing the Council's strategies
2. Identifying and planning resources
3. Delivering Council plans
4. Reviewing the Council's performance and effectiveness in delivering services to residents across the borough

Council Employees

At the start of 2021, the Council, excluding staff directly employed by schools, employed 1,955 full time equivalents and this had decreased to 1,858 full time equivalents by the end of the financial year. The reduction is part of a response to delivering savings through more efficient ways of working and integrated working. Investing in our staff and ensuring they have the right skills and knowledge to support effective and efficient delivery is a priority and will continue to be so as the Council continues to transform in 2021/22 and future years. The Council aims to build a resilient and flexible workforce that is able to deliver the Council's plans and meet the changing needs of the organization. The Council aims to have the right people, with the rights skills and the right tools in place to do their job across the whole of The Council. The partnership with the NHS is a key enabler for the Council and the ability to integrate and work alongside our partners is key.

Council Plan

In 2021/22 the Council continued to lead the Team Bury partnership to deliver the ten-year vision and strategy for the borough of Bury: "to be a place which stands out as achieving faster economic growth than the national average, with lower than national average levels of deprivation". Underpinning this ambition are seven core outcome measures:

1. Improved quality of life
2. Improved early years development
3. Improved educational attainment
4. Increased adult skill levels and employability
5. Inclusive economic growth
6. Carbon neutrality by 2038
7. Improved digital connectivity

The strategy to achieve this vision is for public services to secure a very different relationship with residents, where people are more self-reliant within their networks and empowered to take greater responsibility for themselves and control over resources.

Meeting this ambition will require a high performing council that gets its basics right; creates a culture of community collaboration and enables self-reliance through the conditions of economic growth and quality of statutory services. Included within the strategy is a recognition of the need for a programme of transformation to develop these capabilities.

A new performance management framework has also been developed against which progress can be monitored. Updates on progress are now being presented quarterly to Cabinet and will continue to do so into 2022/23 and beyond.

Impact of Covid

The continuing impact of the Covid pandemic was significant during the year. Priorities for the Council changed throughout the year as the Council responded to new and emerging issues. Enhanced management arrangements were quickly established at the start of the pandemic and remained in place throughout part of 2021/22.

During the pandemic to ensure the Council was able to respond quickly, existing resources from services that were unable to operate were redeployed to priority areas including newly established Community Hubs that provided a central point of contact to those most vulnerable within the borough. To a lesser extent staff were redeployed to support key roles in 2021/22, for example payment of grants to businesses affected by the lockdowns. Business continuity arrangements became a key focus to ensure that the most critical of services could continue to operate.

As well as dealing with the impact of the pandemic, the Council also had to support new requirements placed on them by Government, in particular support for businesses that were closed or impacted financially by the pandemic.

To support Councils with additional financial pressures, the government made available grants some of which were un-ringfenced and others that were targeted to specific initiatives. Updates on the grants and how these have been utilised have been reported throughout the year as part of the Council's financial monitoring arrangements and also to the Overview and Scrutiny Finance and Performance Sub Committee.

The Council submitted regular returns to the Ministry of Health, Communities and Local Government (MHCLG) to monitor the financial impact of the pandemic. The key financial risks for the Council were, and continue to be, increased demand for services and also loss of income. Income loss in both 2020/21 and continuing into 2021/22 was substantial and included loss of income on fees and charges, reduced collection rates for council tax and business rates and loss of the airport dividend. It is likely that the impact of Covid will continue into future financial years and the Council's Medium Term Financial Strategy (MTFS) will be updated to ensure that any impact is fully reflected and that appropriate planning arrangements are put in place.

Greater Manchester Devolution and Partnership Working

The Greater Manchester (GM) Devolution agreement with Government has provided the opportunity to better integrate policies and decision making at a local level. This has led to innovation and new models of local service delivery as well as better co-ordination of interventions to drive productivity growth. Most importantly, as highlighted by the GM Combined Authority, outcomes for residents across the city region have been improved. The GM Strategy has provided the vision and aims for the region, agreed between the public sector, businesses and the voluntary, community and social enterprise sector, and implemented through local and national Government working in partnership. This integration is vital for not only improving services but driving productivity and prosperity across Greater Manchester.

GM Devolution is continuing to shape a new way of working across the region on the important issues facing Greater Manchester. Bury is well placed to shape and benefit from these opportunities.

More broadly, The Council and local partners will need to continue to work closely on how we contribute and engage in ongoing devolution developments. The vision for the future of GM has been set through the Places for Everyone strategy, a new Transport Delivery plan, a Housing Vision and Infrastructure Framework.

Resourcing Our Activities

The budget for 2021/22 was set around the Council's priorities and key deliverables. The creation of the £5.8m transformation fund in 2020/21 was in recognition of the fact that the Council needed to create some funding to support council wide transformation that would lead to cost reductions and efficiencies in the future. Work began in earnest in 2021/22 to start to deliver the transformational projects which will help Bury Council to become an organisation that is digitally enabled.

Revenue and Capital Spending expenditure

We use our resources in two ways through revenue and capital spending. Broadly our revenue spending relates to income received in year and spending on items used in one year. Most of our salary costs are included in revenue expenditure. Our capital expenditure relates to items we have bought, created or improved and which will be used for more than one year.

Revenue allocations are made to services through a process which balances demand forecasts, inflation and other price increases, commitment to our statutory duties and the investment choices which the Council wishes to make to improve services or reduce costs. By law we must set a balanced budget which ensure the Council meets not only its existing commitments but also remains on a firm footing for the future.

Revenue Budget

Our revenue budget for the year was £171.851m and was set by Full Council in February 2021. Throughout the year, Cabinet has received reports on the Council's financial position and this has also been used to inform the development of the 2022/23 budget and the Medium Term Financial Strategy. Our revenue budget for the year was allocated over our Directorates and funded through our main sources of income including business rates, council tax and government grants:

Directorate	**Budget**	**Actual Expenditure**	**Variance (Under)/Over Spend**
	£m	**£m**	**£m**
Business, Growth and Infrastructure	3.6	3.7	0.1
Children, Young People and Culture	45.4	48.1	2.6
Corporate Core Services	14.2	13.4	(0.8)
Housing General Fund	0.7	1.3	0.6
Non-Service Specific	5.2	(0.2)	(5.4)
One Commissioning Organisation	81.3	80.2	(1.1)
Operations	21.5	21.3	(0.2)
Creation of Utilities Earmarked Reserve	0.0	1.5	1.5
Increase Children's Earmarked Reserve	0.0	0.5	0.5
Increase Smoothing Reserve	0.0	1.5	1.5
Balance at 31 March	171.9	171.2	(0.7)

Capital Resources

Capital Programme Original Budget 2021/22	**2021/22 Actual £m**	**2022/23 Forecast £m**
Capital Grants and Contributions	15.258	28.025
Receipts from the Sale of Assets	0.613	0.453
Direct Application of Revenue Resources	12.631	19.255
Borrowing (To be repaid from revenue resources) Includes slippage brought forward from previous years	17.234	99.012
Total Capital Resources	**45.736**	**146.745**

Our capital allocations are made in line with our Capital Strategy, which includes two key elements: capital maintenance works to ensure our assets continue to be fit for purpose and able to support the provision of services; and capital investment to create and develop new assets. Each element has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals, underpinned by specific service asset management strategies.

Allocations included in the maintenance programme meet one of the following three criteria:

- maintaining our assets to ensure services can continue to be delivered;
- statutory health and safety and other regulatory requirements;

- annual equipment and/or vehicle replacement programmes.
- Our capital spending power is the combination of external income which must be spent on capital (such as specific grants or contributions and the receipts from the sale of our assets) and the extent to which the Council is willing to meet the costs associated with borrowing money from its revenue resources.

Our annual maintenance programme includes allocations from the Government grants received for schools and highways maintenance plus revenue funding used for the replacement of vehicles, where this is more cost effective than leasing the vehicle. We also finance some maintenance from borrowing.

Investment schemes are, by their nature, not routine and so are only considered if they move the organisation towards the delivery of our outcomes. Where we have discretion in how to apply capital financing, we use a structured evaluation process that assesses:

- what we are trying to achieve for the Bury residents, businesses and visitors by investing in particular assets;
- the contribution of the new assets to the delivery of the corporate outcomes;
- the financial costs and benefits over the short, medium and long-term; and
- the risks inherent in the delivery of the scheme itself and the expected benefits, with a focus on better up-front planning and timetabling.

Investment schemes may be funded by any of the sources in the above table, and often a combination of these is used. It should be noted that included in the 2022/23 budgeted figures are £60.117m of schemes that have been brought forward from the 2021/22 financial year. When the capital programme for 2022/23 was set in February 2022, slippage of £57.734m was reflected in the programme. Since then, there has been further slippage of £2.383m that will be carried forward.

It should be noted that delivery of the capital programme was significantly impacted by the Covid pandemic. At some times during the year, works were unable to continue and when they were shortages of equipment and resources have impacted.

During 2021/22 the Council was successful with both of its submissions to receive £20m of levelling up funds. One for Radcliffe and one for the Bury market flexihall project.

There will be a significant review of the capital gateway and prioritisation process in 2022/23.

Savings and efficiencies

Bury has delivered £93.107m in savings between 2010 and 2021, with a further £5.533m being delivered in 2021/22. The delivery of some of these continued to be impacted by Covid as in the previous year and, where possible, alternative efficiencies were identified. All of the agreed savings targets remain in the budget for 2022/23 as it is considered that these are still achievable in the longer term. The Council recognises the need for savings plans to be delivered, and the Council has previously worked with external advisors to test assumptions and deliverability of savings options for future years. Since then, project management capacity has been increased and a programme that supports and monitors the delivery and deliverability of savings is in place. This embedded support will continue into future years.

Reserves

Reserves are resources we have accumulated over time and set aside for a particular purpose as part of an integrated approach to the successful financial management of the authority over the short, medium and long term. We hold reserves to:

- ensure future events outside of our control do not undermine the authority's overall financial position or impact on service delivery;
- plan for the effective use of resources over time for a specific purpose;
- ensure we meet funding conditions (set either by an external funding body or a specific decision of Members) in our use of any available resources;
- retain any other accumulated underspends prior to decisions on their use.

Our budget is set to include anticipated levels of reserves added or drawn down in the year; these plans may change as the year progresses to react to emerging pressures or other events and are approved in our quarterly monitoring process.

Some reserves are held at a corporate level to support overarching risks and strategies. The level of general reserves is consistent with the overall financial environment and the key financial risks faced by the Council. These risks are assessed at least annually and take account of circumstances at the time of assessment as well as trends into the future.

As part of the year end review with the Executive team, the consolidation of some reserves that were no longer needed was agreed to create a capacity reserve to support the delivery of the savings programme and ensure that the collective benefit could be maximised and that a more strategic approach could be put in place. Further additions were also made to the children's reserve created during 2021/22 and a smoothing reserve created as part of the 2022/23 budget setting. A reserve was also created to support the rising costs of energy if they could not be contained through other measures.

The Council has previously reported a deficit on the Dedicated Schools Grant Reserve. This deficit has increased annually largely as a result of increased demand for out of borough placements for children with Special Educational Needs (SEN) and an increase in Education, Health and Care Plans. During the year, the department for education (DfE) continued to work with Bury as part of Project Safety Valve, in the period of the plan to reduce the deficit and recover the deficit over a defined period of time.

Regular monitoring is in place with the DfE to ensure that plans are being delivered and to highlight any variances.

The table below sets out the position on General Fund and Earmarked Reserves at the end of 2021/22.

Analysis of Reserves as at 31 March 2022	
Reserve	**£m**
General Fund Reserve	24.468
Directorate Risk Reserves	9.257
Volatility and Fiscal Risk	47.889
Total Management of Risk Reserves	**81.614**
COVID-19 Related Grants	4.691
Corporate Priorities	17.799
External Funding/Grants	19.427
Other Earmarked Reserves	7.567
Total Earmarked Reserves	**49.484**
TOTAL COUNCIL RESERVES	**131.098**
Schools Reserves	8.846
TOTAL NET RESERVES	**139.944**

Borrowing and investments

We undertake treasury management activities in a prudent and flexible manner to ensure we retain sufficient liquid funds to provide for day to-day cash flow requirements whilst funding our capital spend at the lowest cost. These activities are managed within an overall framework determined by the Treasury Management and investment strategies that are updated annually. Interest income and expenditure as a result of investments or borrowing are reflected in our revenue budgets. Included in our investment income is the Council's interest in Manchester Airport Group. The airport has been significantly impacted by Covid and the dividend payable has not been received in 2021/22. As a planning assumption, the loss of dividend has been assumed. As part of the capital development of the Manchester Airport Group, the Greater Manchester authorities agreed a loan totalling £300m of which Bury's share is £9.677m. Interest from the loan is still being paid and will be payable.

Pensions

The majority of the Council's employees are members of the Greater Manchester Local Government Pension Scheme, which is administered on behalf of all of the Greater Manchester Local Authorities by Tameside Council. The valuation of the scheme reflects the valuation by the fund valuers at the end of the 2021/22 financial year taking into account the impact of Covid. As a defined benefit scheme, the Scheme is shown as a long term liability in our accounts.

However, statutory arrangements for funding this deficit are in place, including increased contributions over the working life of employees, and means that our financial position remains healthy.

Management of Risk

The successful delivery of the Council's plans and our sustainability into the future are dependent on our ability to manage and respond to the risks we face. Many potential issues will remain on the risk register and be regularly monitored, while others are actively managed to reduce the risk or its impact. Further information can be found in the Annual Governance Statement section within this document.

Investment strategies are updated and approved by Members annually. Interest income and expenditure as a result of investments or borrowing is reflected in our revenue budgets. The Council has some investment properties, the performance on which is reported annually. In addition to this, the Council has investment in the Manchester Airport Group, dividend and interest income from which is included in the Council's budgets. To manage the risk in fluctuations, the Council has a volatility and fiscal risk reserve that includes an airport equalisation reserve.

Our Performance 2021/22

Over the past 12 months, whilst delivering throughout the ongoing COVID-19 pandemic, the Council has focussed on delivering business as usual services and also begun to implement some transformation programmes which will be key to a successful recovery going forward. This delivery is set out in the Corporate Plan which was refreshed early in 2021 and monitored internally and externally through newly strengthened governance processes. Progress through the year has been set out below against the themes described in the Leader's annual report.

Covid-19 response

- As the Covid-19 pandemic dawned upon our borough and the country at large. Our number one priority was to provide help and support to our borough's residents and our businesses.

- When the chance came up for us to support the mammoth effort to end this pandemic by supporting the vaccination efforts we stepped up. We transformed the Elizabethan Suite into a vaccination centre and supported efforts to bring Covid-19 vaccines to the Prestwich Walkin Centre, Bealey's in Radcliffe, and Ramsbottom Civic Hall.

- We also opened a 'pop-up' Covid vaccination clinic at the Jinnah Centre aimed at Bury's South Asian community. This was led by local GPs, clinical pharmacists, and the community, together with Bury Council and NHS Bury CCG. It offered vaccinations to people who were eligible for a jab but had not yet taken up the offer.

- As of the 9th May 2021, our tremendous vaccination efforts meant we had given a first dose of the Covid-19 vaccine to at least 100,000 residents, with 61,000 having received a second vaccine and being fully vaccinated.

- **Business:** We have set up town centre boards in each of our townships to bring together local firms and help co-ordinate recovery post-Covid. We have a dedicated business support team, which has administered more than £30 million in local business grants through the various Local Restrictions Support Grants, Additional Restrictions Grants, closed business lockdown payments, and Restart Grants.

Recovery

We are also pleased to announce that we completed our 10-point plan for recovery set last July. This includes: Summer provision for our children; No rough sleepers; The Bury opportunity guarantee; Anti-poverty strategy refresh; Year of Culture; Health and care recovery; Backing Bury businesses; Working well; Economic recovery strategy; and championing the borough's key workers.

- **Opportunity:** Guarantee We progressed our work to ensure every resident of the Borough has the opportunity to maximise their life chances, including responding from the impact of Covid-19. The Opportunity Guarantee is aimed at all ages, from Early Years, through education including transition, to ensure opportunities to promote work and life readiness. The guarantee will provide a joined-up approach to skills provision, in one place, showcasing the variety of options regardless of circumstance. We are making a guarantee that everybody in the Borough has the opportunity to develop themselves or others and to get involved in their community as a volunteer.

- **Apprenticeships:** Earlier this year we proudly announced that we will be putting into place a policy which ensures that Bury Council apprenticeships will be ringfenced for our own residents. This will increase employment and training opportunities for people living in Bury. Plans will be brought forward in the coming months to make the most of this opportunity with residents as they come forward. This is on top of our work to create over 30 jobs through the government's Kickstart job creation programme.
- **Real Living Wage:** At the beginning of this pandemic, we clapped for the NHS and our key workers. The past year has proven to us how important our key workers are, and how we must not take the services they deliver for granted. Now, the council has gone one step further and committed to paying our employees, whether directly employed by the Council or contracted out, the Real Living Wage (£9.50ph). For people currently working full time on the minimum wage (£8.91 for over 25s) this could mean a pay increase of over £100 per month, potentially taking many people above the poverty line (21% of employees are paid below the Real Living Wage – Resolution Foundation) This is likely to have a huge difference for the thousands of staff we employ in our social care services and for those who clean our buildings to make them as safe as possible during the pandemic.

- **Environment:** At Bury Council we are taking our climate emergency pledge seriously as we continue to reduce our carbon footprint and make our air cleaner for our residents. This pledge has only been strengthened during the pandemic with a shift to home-working and a greater appreciation of our green spaces and parks, proving that we need to Build Back Better out of this pandemic. All six towns should be thriving and sustainable and by 2030 we will have delivered key regeneration opportunities within our town centres. Everyone will be living in a high quality carbon-neutral environment by 2038. We have signed up to a huge range of green/climate change initiatives, from carbon neutral pledges to tree planting, solar panels and new green bin wagons. We invested £3.5 million in a new 'fit for purpose' fuel efficient fleet of 19 waste collection vehicles to boost efficiency. Fourteen of the new vehicles are 'state of the art' Rotopress vehicles. The main noticeable difference with Faun Zoeller Rotopress vehicles is that the main body of the vehicle is in the form of a cylindrical drum. This rotates while the vehicle is stationary and on the move, to shift the waste to the front of the vehicle. Savings of nearly £140,000 will be made after the installation of solar panels at the council's operations HQ at Bradley Fold. Some 69 panels have been fitted to the south-facing roof of the vehicle workshop of the depot. The panels will generate around 22,000kWh of electricity annually and reduce carbon emissions by 10 tons a year.

- **Parks and green spaces:** We agreed to spend £1.1m last year to improve our parks, which all have Green Flag status. All the borough's parks have been inspected and the first phase will be to refurbish three parks in East Bury which were considered to be most in need of investment – Manchester Road Park, Hoyles Park and Openshaw Park. In addition, most parks will benefit: work will include improvements to paths, structures, fencing, access, drainage, bins, play areas, ball zones, access and landscaping. There will also be a contribution to enhancements to car parking at Burrs Country Park and support for a scheme led by the Friends of Nuttall Park, plus work at St Mary's, Whitefield and Close parks. We pledged £350,000 of funding for upgrades to Clarence Park, which includes £150,000 to restore the skate park. A public consultation which attracted more than 600 responses found many users wanted to skate park to return. The park will also see refurbishment of the tennis courts, play area, ball zone, paths, railings, signage, landscaping, benches and bins. In the budget earlier this year we took the decision to invest a further £600,000 in green spaces in its next phase of an ongoing programme to upgrade Bury's Green Flag parks. This complements the £1.1m green spaces improvement programme approved in November 2020. There will also be provision for further development of the Burrs Strategy as well as health and safety works and developing external funding bids towards the longer term sustainability of this well used country park Other key enhancements to the borough's leisure facilities include improvements to all tennis courts over 2 years, athletics track development, public rights of way works, development of 3G all-weather football pitches and improvements to play areas and ball zones.

- **Infrastructure:** We agreed to invest a further £10 million in road improvements. Out of the £10 million, £4.5 million was allocated to structural maintenance (e.g. resurfacing), £3 million on preventative maintenance (e.g. surface dressing), leaving £2.5 million for reactive maintenance (e.g. potholes, patching).

- **Town of Culture:** Arts organisations in the borough creatively moved activities online to ensure culture could continue to flourish during our year as the first Greater Manchester Town of Culture. We were delighted to hear that our year of culture was extended for another year due to the impact of Covid-19, an opportunity we could not refuse. Bury's own The Met hosted much of the United We Stream programme in the first lockdown, featuring DJs, big name acts like Elbow and Brandon Flowers, performance, arts and food. We are now making final preparations to develop a new Cultural Strategy for the borough. Central to the strategy is the need for strong partnership and engagement activity to develop and deliver the borough's cultural vision together. It will also explore how Town of Culture activity can be used as means for conversations with wider communities to generate future cultural initiatives.

- **Health and fitness:** The pandemic has shown us how important leading healthy lives can be. During the first lockdown many of us took the opportunity to get outdoor for our daily exercise. As a result, we took the decision to give our council owned gyms an upgrade to encourage people to keep fit or improve their fitness in the future. Our three gyms have had a £500k upgrade to improve the digital experience of their thousands of visitors. The improvements at Castle Leisure Centre, Radcliffe Leisure Centre and Ramsbottom Pool & Fitness Centre were carried out in time to welcome customers back on 12 April when coronavirus lockdown restrictions were lifted. The council partnered with Matrix Fitness to install 135 of the latest machines across the three sites, including those which focus on building strength, function fitness and cardiovascular capacity.

Regeneration

- **Radcliffe:** We set out major short, medium and long-term regeneration plans for Radcliffe, to transform the area for generations to come. The plans for Radcliffe include: Civic Hub: a new public services hub in the heart of Radcliffe town centre which will bring real regenerative benefits into the core of the town and provide confidence for other owners to invest in their property/the town. Uses currently being explored include Council offices to accommodate staff relocating from Whittaker Street; Creative workspaces; a health-related facility; a community space; and retail / active frontage on the ground floor. Market Chambers: Refurbishment work is expected to commence in 2021. The SRF proposal is to bring the whole of the building back into active use, with potential to include flexible working space for young start-up businesses and entrepreneurs, particularly those in the technology and creative industries sectors, as well as retail and office use. Residential Development: The development of key brownfield sites will provide much needed new homes for Radcliffe residents and help to bring forward considerable investment and confidence into the town. East Lancashire Paper Mill (ELPM) - This site is being delivered jointly with Homes England On the School Street site over £880,000 of funding has been secured through Greater Manchester's allocation of the Brownfield Land Fund. Phase 2 of this project will involve identifying new opportunities for new large scale residential sites within Radcliffe. Phase 3 of the work will look at other potential sites in and around the centre, which are likely to be longer term opportunities.

- **A new High School for Radcliffe**: Thanks to the work of the Council and STAR Academies to make the Coney Green Site available for a new secondary school in Radcliffe, STAR were able to submit a successful big to government for funding for a new secondary school. The new school will accommodate 750 pupils, opening one year at a time, i.e. start with a Year 7 with an intake of 150 and growing over 5 years to 750 pupils. Star Academies runs a group of 29 primary and secondary schools in Lancashire, Greater Manchester, West Yorkshire, the Midlands and London. The trust is one of the country's leading education providers. In 2018 and 2019, it was the top-performing trust in England for the progress pupils make at its secondary schools. Star Academies schools promote excellence in everything they do, with around half of all Star schools judged to be 'Outstanding' by Ofsted.

- **3G football pitch:** Earlier this year we worked with the Football Foundation and Lancashire County FA on developing a funding application for a 'state of the art' 3G football facility in Radcliffe. This would be the third of its kind in the borough, the others being at Goshen Playing Field and at Elton High School.

- **Prestwich Regeneration:** Over the past year we took our regeneration proposals a step further, including our proposals to transform the heart of Prestwich. We took the decision to buy the Longfield shopping centre from its current owners in order to drive forward multi-million pound regeneration of the village.

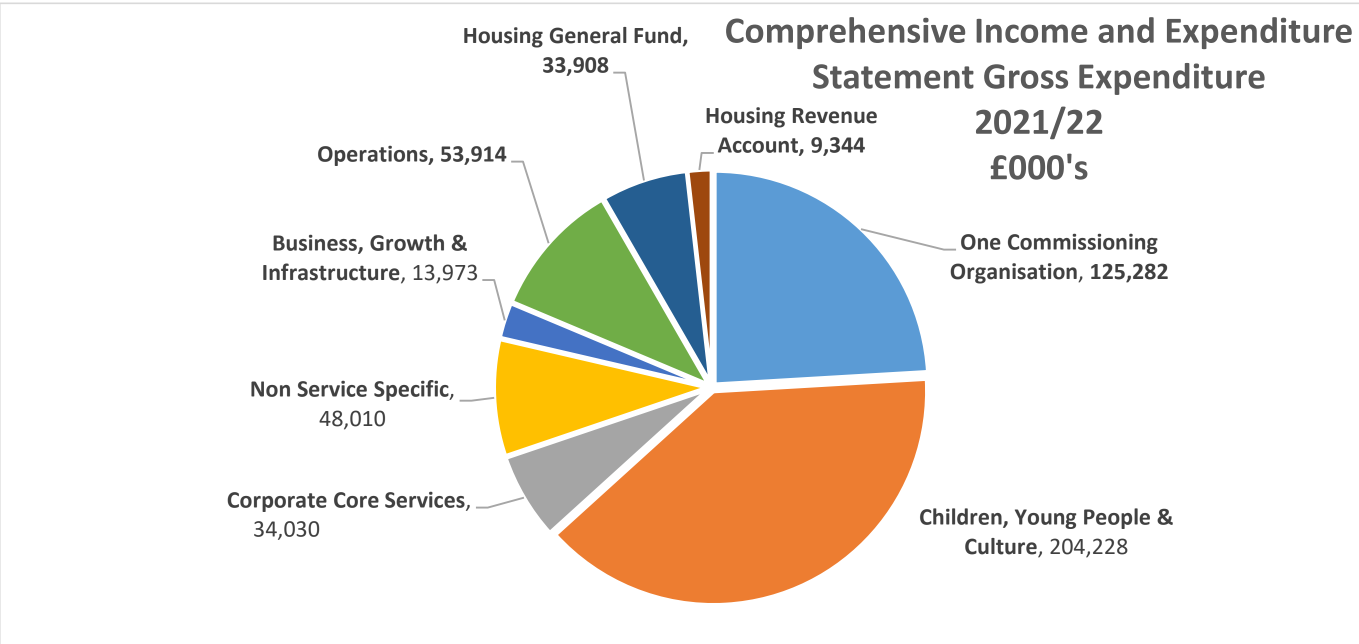
- **Masterplan for Bury Town Centre:** We are also developing plans to transform Bury town centre (including the transport interchange and Bury Market). We have bid successfully, and have submitted more bids, to build affordable housing on brownfield land in the area. We are consulting on our Housing Strategy to make sure we have the type of housing needed for the future.

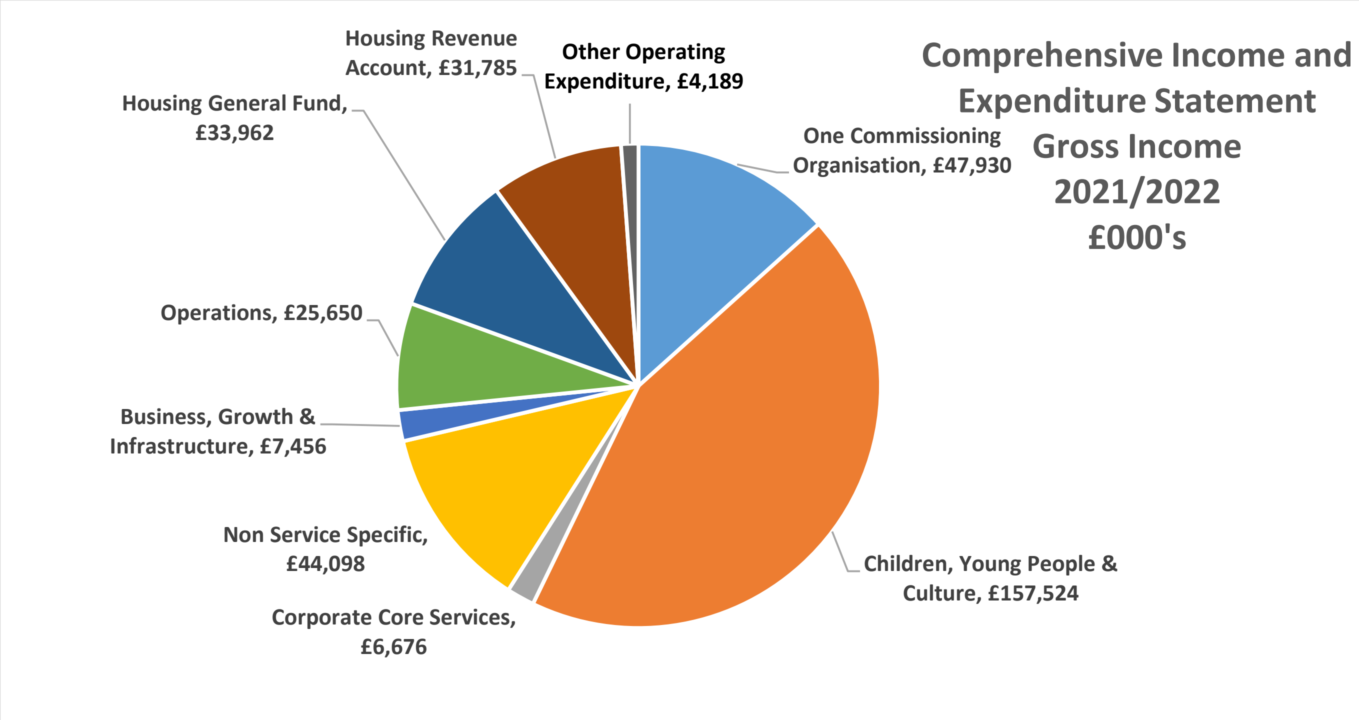
- **Ramsbottom Town Plan:** In November 2020, Cabinet approved proposals to engage consultants to prepare a public realm and place management plan for Ramsbottom. The plan will principally set out a series of initiatives to improve public realm, townscape and movement within the town centre and explore opportunities to improve its visitor offer in order to help maintain its role as a quality destination for the next 10 to 15 years.

Financial Performance 2021/22

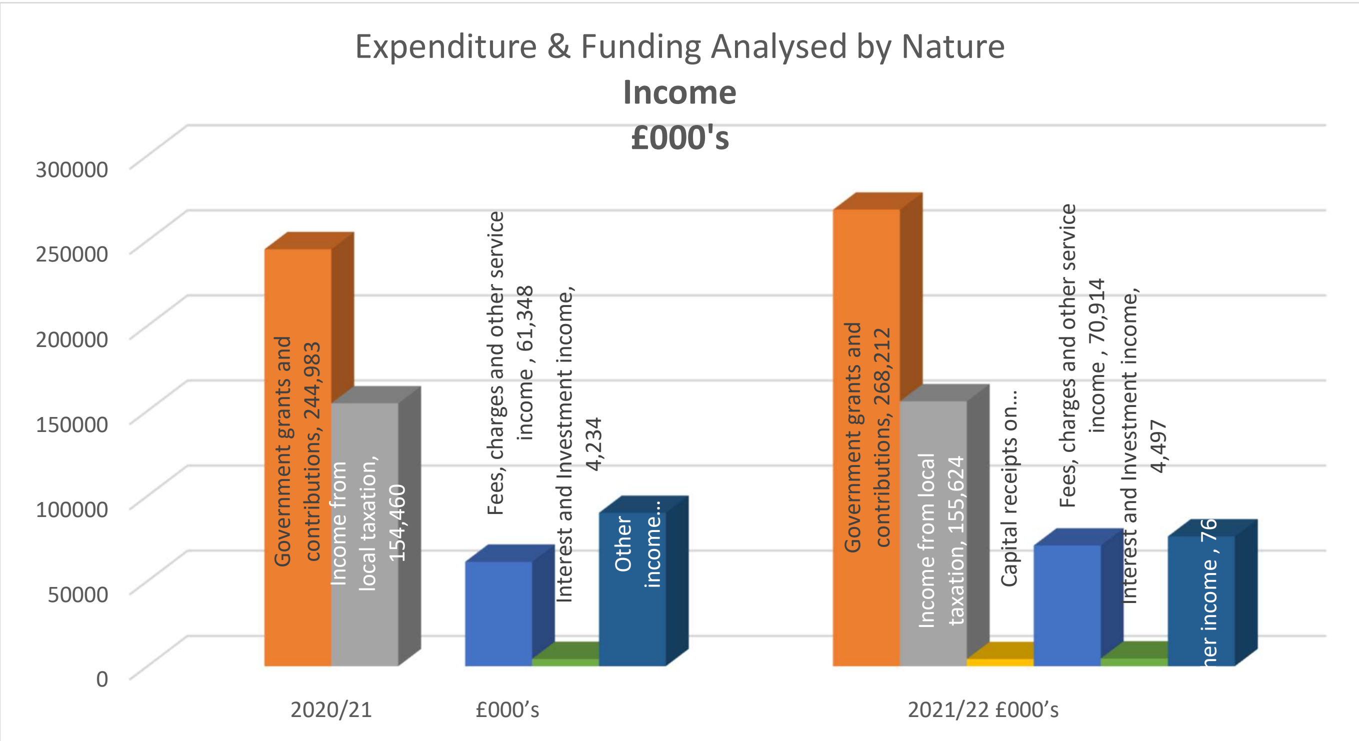
Our total revenue income from all sources in 2021/22 was £579.667m. We have spent £583.572m on providing our services, included schools. Both this income and spend includes technical accounting adjustments and makes up the "Surplus or Deficit on Provision on Services" shown within the Council's Comprehensive Income and Expenditure Statement. This income and spend is also analysed by department and by nature below:

By department:

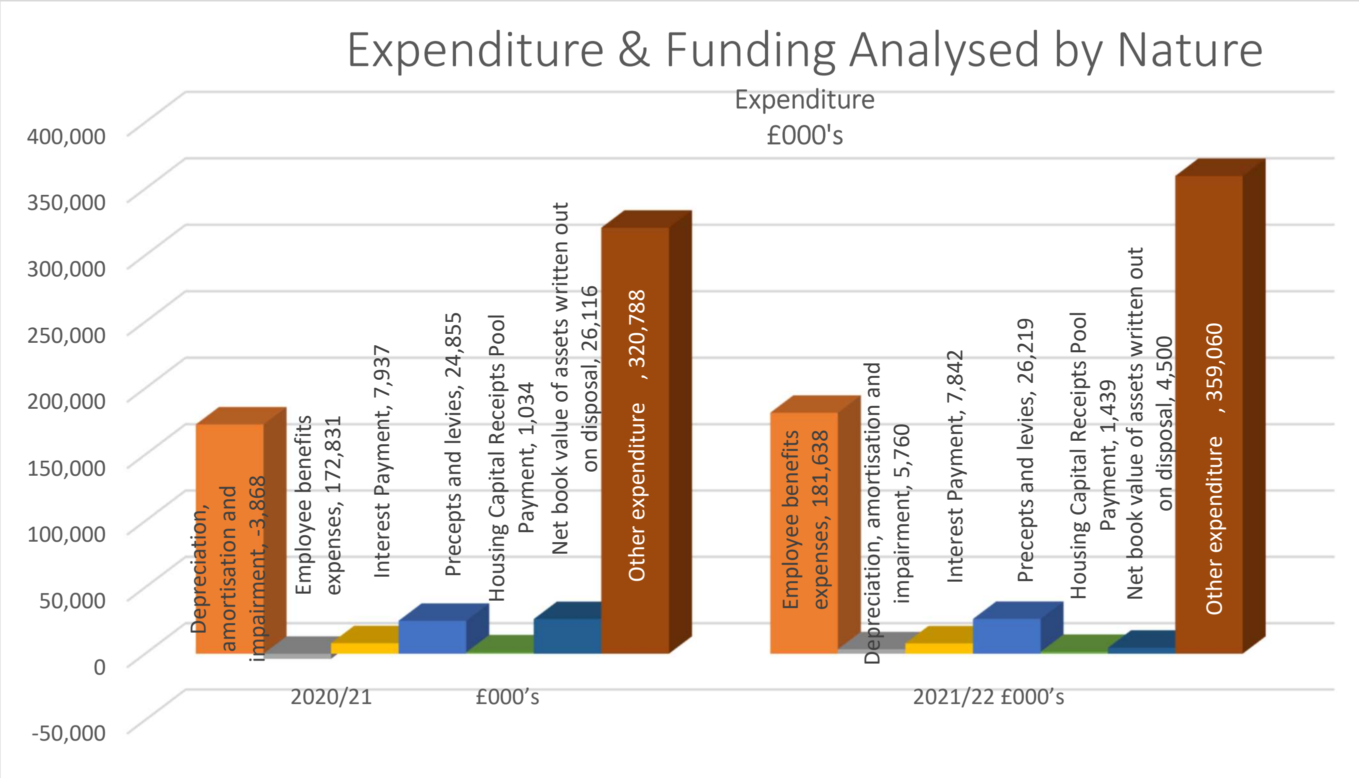



Comprehensive Income and Expenditure Statement
Gross Income
2021/2022
£000's
Housing Revenue Account, £31,785
Other Operating Expenditure, £4,189
Housing General Fund, £33,962
One Commissioning Organisation, £47,930
Operations, £25,650
Business, Growth & Infrastructure, £7,456
Non Service Specific, £44,098
Corporate Core Services, £6,676
Children, Young People & Culture, £157,524

By nature:


Expenditure & Funding Analysed by Nature
Income
£000's
300000
250000
200000
150000
100000
50000
0
Government grants and contributions, 244,983
Income from local taxation, 154,460
Fees, charges and other service income , 61,348
Interest and Investment income, 4,234
Other income...
Government grants and contributions, 268,212
Income from local taxation, 155,624
Capital receipts on...
Fees, charges and other service income , 70,914
Interest and Investment income, 4,497
ner income , 76
2020/21
£000's
2021/22 £000's

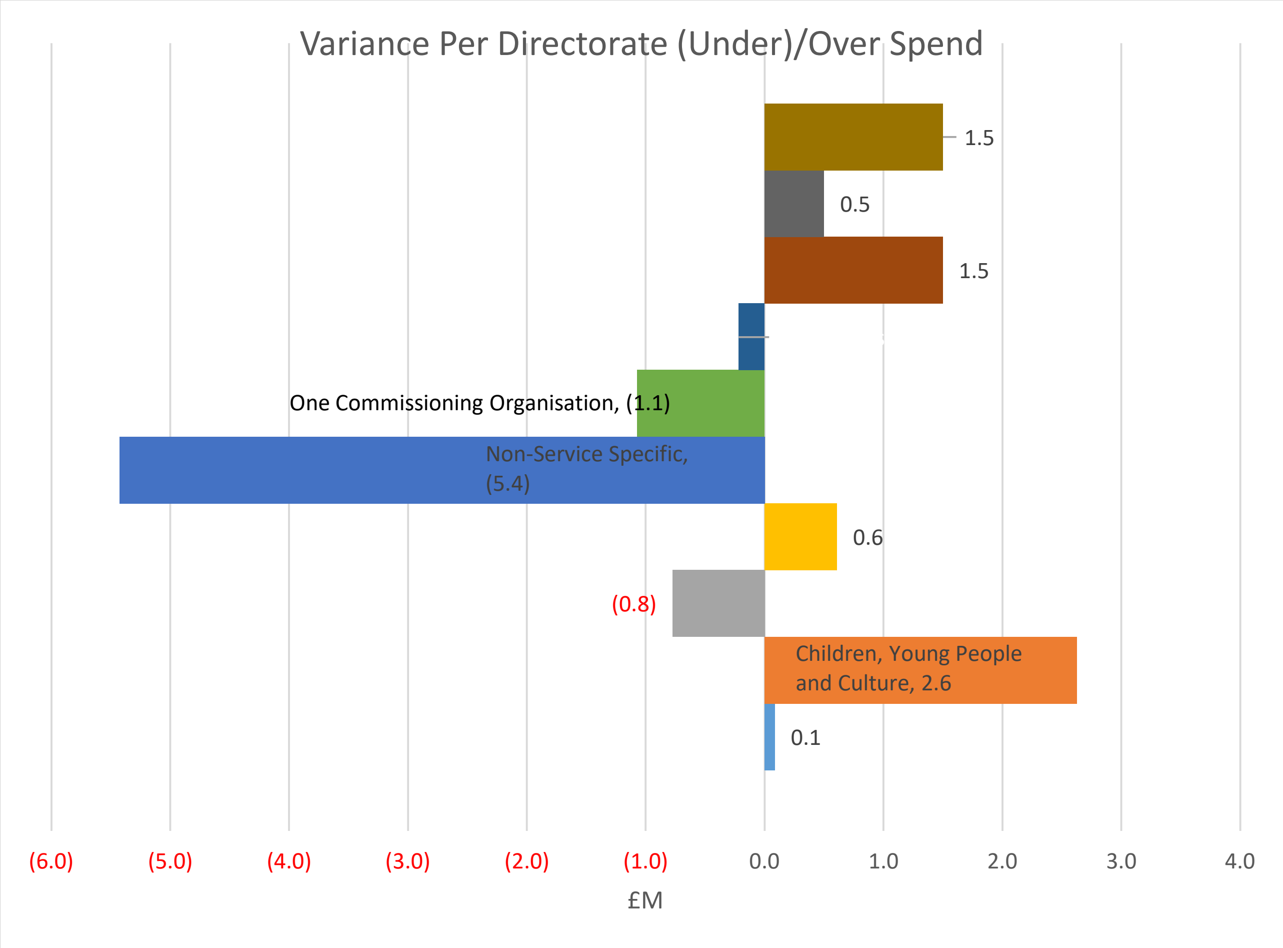
The ‘Other expenditure’ block above includes all payments made to suppliers for goods and services received during the year.



Revenue Underspends/Overspends

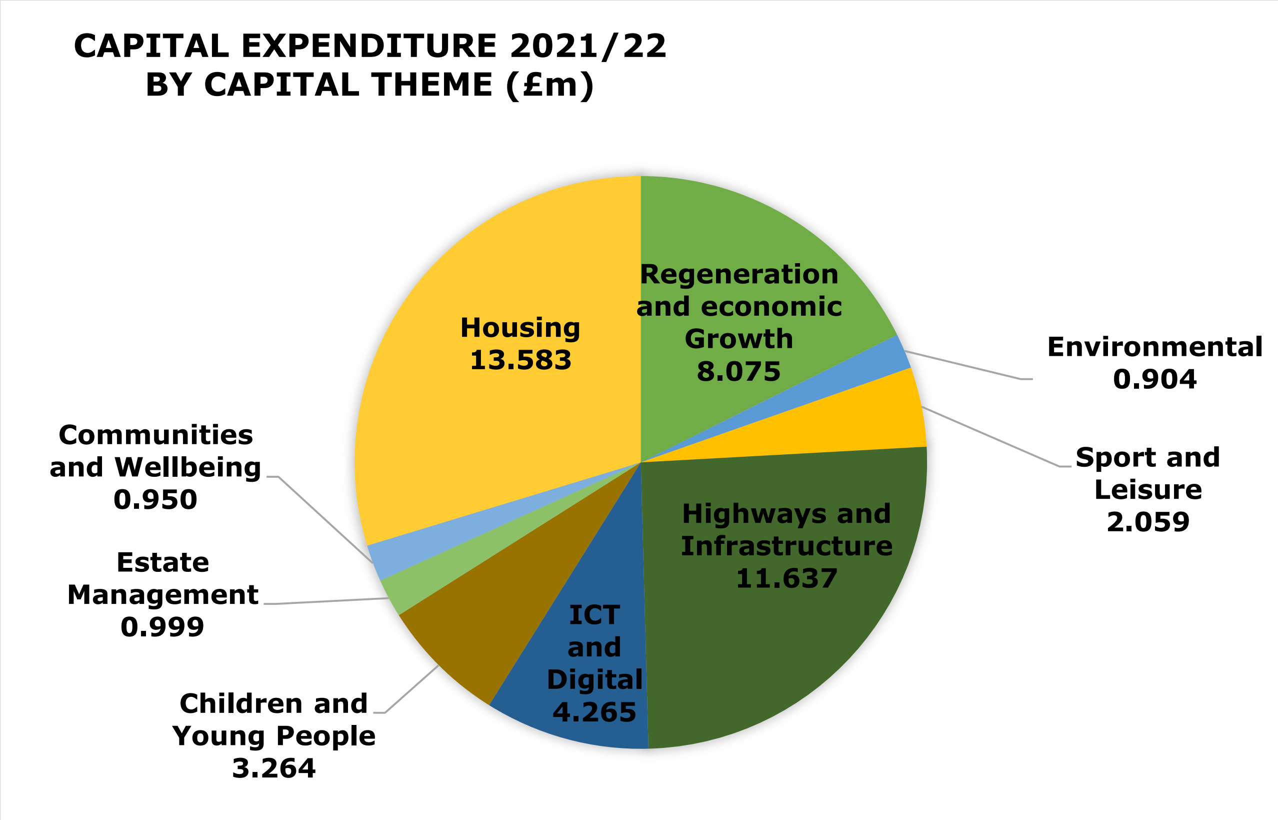
The net value of the funding and expenditure is an underspend of **£**0.666m. This follows the transfers to reserves in respect of children, smoothing reserve and utilities.

The under/overspends are as follows:



Capital Spending and the value of our assets

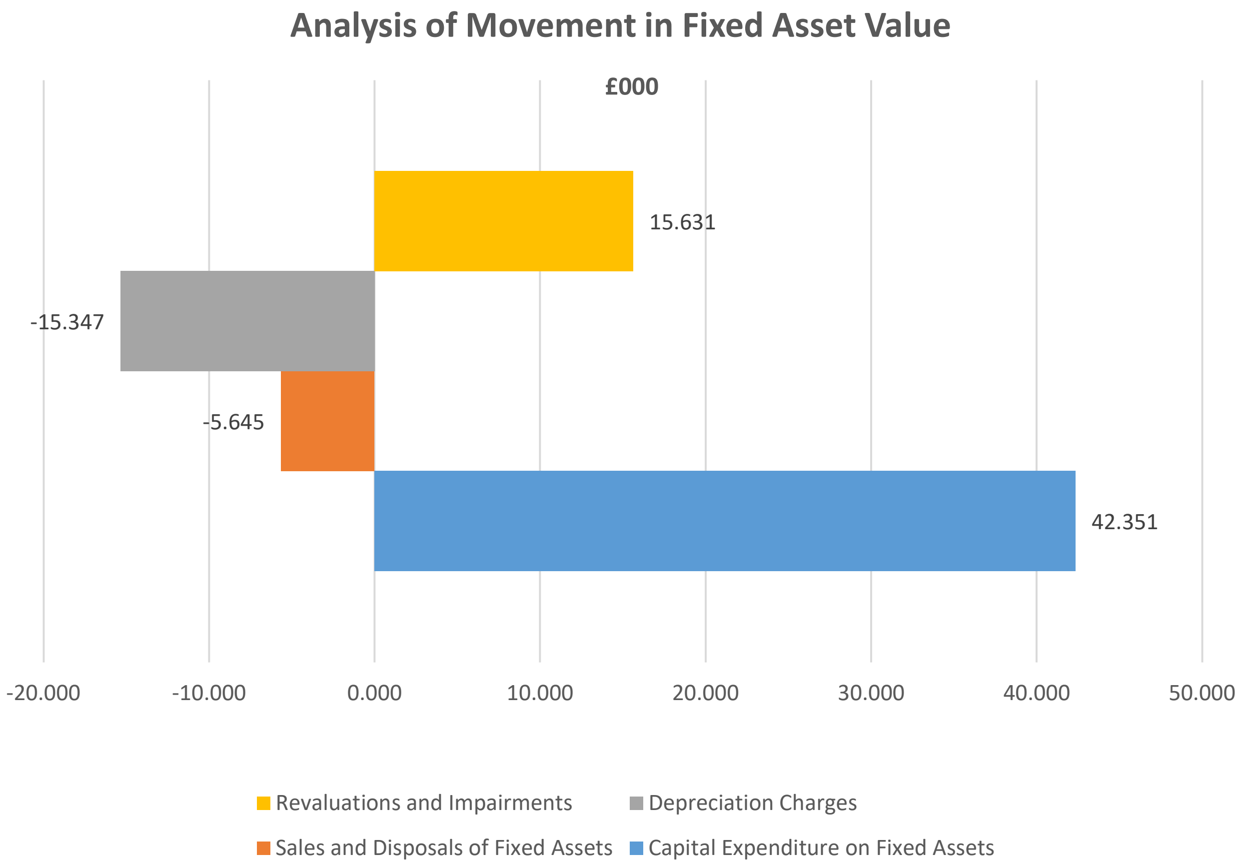
We spent £45.736m on capital related activities. This was £61.461m less than was included in the original capital programme and taking account of slippage brought forward from the 2020/21 financial year. The main reasons for the underspend were delays in the delivery of capital projects throughout the year. The Council has carried forward £60.117m of slippage into the 2022/23 financial year. The capital expenditure of £45.736m is analysed by theme in the chart below:



The capital expenditure of £45.736m is analysed by asset type in the table below:

2021/22	Analysis of Movement	Capital Expenditure £000
PPE	Community Assets	1,067
	Council Dwellings	12,648
	Infrastructure	7,779
	Other Land & Buildings	10,503
	Surplus Assets	25
	Vehicles Plant & Equipment	3,974
	Assets Under Construction	5,398
Other Long Term	Intangible Assets	951
	Investment Properties	5
	Long Term Investment	0
Other Expenditure Funded by Capital	Held for Sale	0
	Revenue expenditure funded from capital under statute	3,385
Total		**45,736**

Overall, the value of our long term assets has increased from £662.248m to £702.259m in 2021/22. While the capital expenditure of £45.736m was a significant reason for this increase, there were other causes, including the results of an external valuation. All the reasons for the increase are analysed below:



Reserves

There was a £7.732m planned use of General Fund reserves to balance the 2021/22 position.

In addition to General Fund reserves, Earmarked reserves have also been used throughout the year to deliver key priorities and deliver outcomes where specific funding had been received and was being held in reserves.

The accounts show that the council has £115.476m in earmarked reserves and a General Fund balance of £24.468m as at 31 March 2022, totalling £139.944m. Some of our reserves reflect the fact that the Government allocated grant funding to support Councils manage the financial impact crated by additional requirements or increased demand.

The Collection Fund

The council is required by legislation to maintain a separate account for the administration of Council Tax and Business Rates income. All income collected from local taxpayers is paid into this account and then distributed to the Council's General Fund, and to the Greater Manchester Combined Authority (GMCA) for the GMCA Mayoral Police and Crime Commissioner precept and the GMCA Mayoral General precept (including fire services). The 2021/22 out turn on the collection fund is a deficit of £9.446m.

The Council's and the Precepting Authorities share of the surplus is shown in the table below:

The Collection Fund	Council Tax £000s	Business Rates £000s	Total £000s
Balance Brought Forward	497	28,140	28,637
Prior Year estimated deficit paid in during the year	(550)	(25,143)	(25,693)
Deficit for the year	(4,849)	11,351	6,502
Closing Cumulative (surplus) / Deficit carried forward	**(4,902)**	**14,348**	**9,446**
Allocated to:			
Bury Council	(4,144)	14,205	10,061
GMCA Mayoral General	(223)	143	(80)
GMCA Mayoral Police and Crime Commissioner	(535)	0	(535)
Total Allocation	**(4,902)**	**14,348**	**9,446**

As part of the Council's 2021/22 budget setting process, the Council declared a (£25.693m) Collection Fund deficit for the year. In line with the legislation that governs the Collection Fund accounting, £25,356m has been contributed from the Council's General Fund in 2021/22 and £0.337m has been contributed from the GMCA Mayoral General precept and the GMCA Mayoral Police and Crime Commissioner Precept. The balance of £2.944m (£28,637m less £25.693m) will be required to be received into the Collection Fund 2022/23. The variance relates to the differences between the estimated position as at January 2022 and the final outturn position.

The year-end net deficit balance of £9.446m of which £14.348 relates to NNDR. This is largely due to the additional reliefs which were awarded to ratepayers in 2021/22 due to the COVID-19 pandemic, primarily the extended Retail Discount and Nursery Relief, with compensating grant of £11.123m being received which will partially mitigate this.

Due to the impact on the Council's ability to collect both Council Tax and Business Rates, an important change to Collection Fund accounting was introduced for 2020/21, which (with the exception of the 2020/21 £24.899m Government grant funded Business Rate reliefs) mandated the smoothing of the impact of COVID related exceptional deficit over three financial years, thus reducing the impact on the revenue budget. The Council's 2021/22 budget and future years budget estimates have been prepared using this new facility.

Greater Manchester 100% Business Rates Retention Pilot

On 1 April 2017, the GMCA, Bury Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. The participants agreed to pilot full Business Rates Retention on the basis that no district would be worse off than they would have been under the original '50/50' arrangements whereby Business Rates revenues are shared between Central Government and the Local Authority sector. This has become known as the 'no detriment' principle. Under the pilot scheme, additional rates income is offset by reductions in other funding streams such as the Revenue Support Grant (RSG) and Public Health Grant.

It was always the intention that the Greater Manchester region as a whole would benefit from the 100% Business Rates Retention Pilot and on this basis, it was agreed that a minimum of 50% of the benefit would be retained by Greater Manchester Authorities and that the balance would be retained by GMCA. During 2020/21 it was agreed that there would not be a no detriment payment to GMCA due to the impact of COVID 19 and the large deficit being reported. This agreement has again been amended for 2021/22 so that 75% of the benefit is retained by the Greater Manchester Authorities and the balance of 25% is retained by GMCA. The Council retained £1.072m of the 2021/22 benefit of £1.429m, and this is reflected in our out turn position. The GMCA share will be used to support the delivery of Greater Manchester priorities outlined in the GMCA 2020/21 budget reports.

Whilst the Council will continue to pilot the 100% retention of Business Rates in 2022/23, it is difficult to accurately budget for the expected benefit at the beginning of the financial year and as such a prudent approach was taken and the budget was set with the level of assumed benefit remaining constant and no further growth was built in. Business rates income is a complex and volatile tax, changes in rateable values and increases in appeals by businesses are difficult to predict and can have a significant impact on the actual benefit realised at the end of the financial year.

From the Government's perspective, the primary purpose of the pilot was to develop and trial approaches to manage risk and reward in a Local Government finance system that included the full devolution of Business Rates revenues. Government plans subsequently changed with a 75% Business Rates Retention Scheme expected to be introduced.

There have been delays to the expected reform of Local Government Funding, including the Business Rates Retention scheme (including the adoption of a national 75% rates retention scheme) however, it has been confirmed, that the Greater Manchester 100% Business Rates Retention pilot scheme would continue for a further year in 2022/23.

Borrowing and Investments

Our treasury management activity generated an investment rate of 0.10%. Our investments have been managed prudently. Our long-term debt outstanding is £207.903m as at 31 March 2022, and is £6.808m higher than at the end of the 2020/21 financial year when the level of borrowing was £201.095m. At the end of 2021/22 we were holding £34.773m in cash or cash equivalents.

Pensions

As at 31 March 2022, our pensions liability was £230.442m, a decrease of £126.150m over the year. This remains within the expected range and we are confident that this liability is well managed within the statutory arrangements.

Outlook

Pre Existing Financial Challenges

2020/21 was the first year of the Council's new Medium term Financial Strategy (MTFS). When the budget was set, it was recognised that a reliance on reserves and the non-delivery of savings was impacting on the Council's financial resilience and sustainability and could not be continued. A rolling 5-year financial strategy was developed that realigned budgets, addressed historic savings targets that had never been delivered, reduced reliance on reserves, increased corporate capacity and built in a mechanism to increase reserves on a planned basis.

A review of the collection fund, provisions and reserves also further supported the strategy by ensuring that funding reflected a more accurate position on council tax receipts and growth and that one-off funding was released to increase general reserves and to provide some one-off funding to support transformation. Provisions and reserves were also better aligned to reflect the risks facing the Council.

In developing this approach, the financial strategy recognised the need for a number of risks to be monitored, managed and where uncontrollable, to be financially underwritten:

- Prolonged uncertainty around central Government's future funding including a new funding model for adults social care to replace the social care council tax and the better care fund grants;
- Dependency upon locally collected Business Rates placing greater reliance on the need to maintain reserves to manage volatility;
- Designing and delivering sustainable delivery of Special Educational Needs within the Dedicated Schools Grant;
- The broader economic impact, such as the impacts of movements in inflation, council tax base and interest rates on our day to day costs, income and debt repayments;
- Pension cost increase arising from revaluations and any Central Government decisions about the Local Government Pension Scheme's funding mechanisms.

Covid-19

The financial impact of the pandemic has been widespread and has affected all Government bodies. For Bury, the impact was largely due to:

- Additional expenditure incurred in response to the pandemic
- The impact on the local economy and the impact on collection rates of both council tax and business rates as well as a fall in income from sales, fees and charges,
- A delay in the delivery of some of the agreed savings targets.

The impact of the pandemic has been mitigated, to some extent, by additional grant funding provided to Councils by Central Government. Some of the funding received was un-ringfenced and other funding to offset the cost of implementing new requirements and support, particularly that to businesses.

There does however remain a significant element of uncertainty for future years. The impact of the pandemic will continue for some time and the risk in the longer term remains.

Mitigation

The risks to the financial strategy are common to all local authorities and we continue to combat these through a mix of active management and financial planning

Housing Revenue Account (HRA)

Under legislation, income and expenditure on council housing is ringfenced within the HRA. This means the council is not able to make contributions to or from its General Fund from or to the HRA.

After taking into account adjustments between the accounting basis and the funding basis under legislation and transfers to and from earmarked reserves there is a reduction of £0.579m on the HRA balance bringing it to £9.843m as at 31 March 2022. On an accounting basis, the 2021/22 outturn position on the HRA is a surplus of £18,847m.

Group Accounts

The Council's Group Accounts include those entities where there is a material financial interest and the Council holds a significant level of control. The Council's Group boundary comprises of:

- Six Town Housing Ltd.,
- Bury MBC Townside Fields Ltd.,
- The Persona group of companies, Persona Care and Support Ltd and Persona Group Ltd.

In accordance with the Code, consideration has been given as to whether these entities should be consolidated in the Council's Group Accounts. Six Town Housing Ltd, Bury MBC Townside Fields Ltd and the Persona group of companies, are consolidated into the Council's Group Accounts.

Further details on the Group entities and the Group Accounts can be found in the Group Accounts section of the Council's statement of Accounts.

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Bury that Officer is the Section 151 Officer.
- To manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- To approve the Statement of Accounts.

The Responsibilities of Audit Committee

Audit Committee is required:

- To monitor the integrity of the financial statements of the Council and to review significant financial reporting judgements contained in them;
- To review the Council’s internal financial controls including its risk management systems;
- To monitor and review the effectiveness of the Council’s internal audit function;
- To review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process;
- To consider significant accounting policies, any changes to them, and any significant estimates and judgements;
- To review the clarity and completeness of disclosures in the financial statements and consider whether the disclosures made are set properly in context;
- To approve the audited Statement of Accounts.

The Responsibilities of the Section 151 Officer

The Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of CIPFA’s Code of Practice on Local Authority Accounting in the United Kingdon and the Update to the Code and Specifications for Future Codes for Infrastructure Assets, is required to present **a true and fair view** of the financial position, financial performance and cash flows of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2022.

In preparing the Statement of Accounts the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice on Local Authority Accounting.

The Section 151 Officer has also:

- Kept proper accounting records which are up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities;
- Signed the letter of representation with the External Auditor;
- Signed and dated the draft Statement of Accounts, confirming satisfaction that it presents a true and fair view of the authority's financial position at the balance sheet date, the authority's income and expenditure for the year;
- Commenced the period for the exercise of public rights with regards to the inspection of the statement of accounts;
- Notified the external auditor of the date on which that period began;
- Assessed the Authority's [and the Group's] ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Used the going concern basis of accounting on the assumption that the functions of the Authority [and the Group] will continue in operational existence for the foreseeable future;
- Maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- Reconfirmed satisfaction that the accounts present a true and fair view of the financial position at the balance sheet date and the income and expenditure for the year, upon conclusion of the public inspection period and immediately prior to approval of the audited accounts by Audit Committee.

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Financial Statements and Explanatory Notes

Comprehensive Income and Expenditure Statement. (This statement shows the accounting cost during the year of providing services in accordance with generally accepted accounting practice.)

Restated 2020/21			Comprehensive Income and Expenditure Statement	Note	2021/22		
Gross Expenditure £000's	**Gross Income £000's**	**Net Expenditure £000's**	**Description**		**Gross Expenditure £000's**	**Gross Income £000's**	**Net Expenditure £000's**
107,261	(50,214)	57,047	One Commissioning Organisation		125,282	(47,930)	77,352
208,807	(169,429)	39,378	Children, Young People & Culture		204,228	(157,524)	46,704
32,337	(11,701)	20,636	Corporate Core Services		34,030	(6,676)	27,354
19,409	(32,583)	(13,174)	Non Service Specific		48,010	(44,098)	3,912
9,431	(6,906)	2,525	Business, Growth & Infrastructure		13,973	(7,456)	6,517
45,982	(20,551)	25,431	Operations		53,914	(25,650)	28,264
39,221	(35,916)	3,305	Housing General Fund		33,908	(33,962)	(54)
5,714	(31,176)	(25,462)	Housing Revenue Account		9,344	(31,785)	(22,441)
468,162	**(358,476)**	**109,686**	**Cost of Services**		**522,689**	**(355,081)**	**167,608**
52,005	(591)	51,414	Other Operating Expenditure	5	32,158	(4,189)	27,969
29,526	(20,133)	9,393	Financing & Investment Income & Expenditure	6	31,611	(21,224)	10,387
0	(176,511)	(176,511)	Taxation & Non-Specific Grant Income & Expenditure	7	0	(199,173)	(199,173)
549,693	**(555,711)**	**(6,018)**	**Surplus or Deficit On Provision of Services**		**586,458**	**(579,667)**	**6,791**
		(13,872)	(Surplus)/Deficit on revaluation of Property, Plant & Equipment				(13,469)
		10,080	Impairment Losses on Non-Current assets charged to the Revaluation Reserve				7,417
		3,510	(Surplus)/Deficit from investments in Equity Instruments designated at fair value through Comprehensive Income				0
		95,446	Actuarial (gains)/losses on Pension assets & liabilities				(154,327)
		95,164	**Total Other Comprehensive Income & Expenditure**				**(160,379)**
		89,146	**Total Comprehensive Income & Expenditure**				**(153,588)**

Movement in Reserves Statement

The Statement shows the movement in the year on the different reserves held by the Council, analysed into usable (cash) reserves unusable (non cash) reserves.

Movement in Reserves Statement 2021/22	Usable Reserves									
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Housing Revenue Account £000	Usable Capital Receipts £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April Brought Forward	**(30,882)**	**(131,583)**	**(162,465)**	**(10,422)**	**(4,889)**	**(14)**	**(9,608)**	**(187,398)**	**73,764**	**(113,634)**
Movement in reserves during 2021/22										
Total Comprehensive Income and Expenditure	25,638	0	**25,638**	(18,847)	0	0	0	**6,791**	(160,379)	**(153,588)**
Adjustments between accounting basis and funding basis under regulations	(3,117)	0	**(3,117)**	19,426	(2,078)	14	(6,511)	**7,734**	(7,734)	**(0)**
Net (increase) / decrease before transfers to Earmarked Reserves	**22,521**	**0**	**22,521**	**579**	**(2,078)**	**14**	**(6,511)**	**14,525**	**(168,113)**	**(153,588)**
Transfers to/from Earmarked Reserves	(16,107)	16,107	**0**	0	0	0	0	**0**	0	**0**
(Increase)/Decrease in Year	6,414	16,107	**22,521**	579	(2,078)	14	(6,511)	**14,525**	(168,113)	**(153,588)**
Balance at 31 March carried forward	**(24,468)**	**(115,476)**	**(139,944)**	**(9,843)**	**(6,967)**	**0**	**(16,119)**	**(172,873)**	**(94,349)**	**(267,222)**

The following table is provided for comparative purposes:

Movement in Reserves Statement 2020/21	Usable Reserves								Unusable Reserves	Total Reserves
	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April Brought Forward Restated *	**(6,990)**	**(58,327)**	**(65,317)**	**(8,393)**	**(6,974)**	**(46)**	**(9,982)**	**(90,712)**	**(112,068)**	**(202,780)**
Movement in reserves during 2020/21										
Total Comprehensive Income and Expenditure	15,219	-	**15,219**	(21,237)	-	-	-	**(6,018)**	95,164	**89,146**
Adjustments between accounting basis and funding basis under regulations	(112,367)	-	**(112,367)**	19,208	2,085	32	374	**(90,668)**	90,668	**-**
Net (increase) / decrease before transfers to Earmarked Reserves	**(97,148)**	**0**	**(97,148)**	**(2,029)**	**2,085**	**32**	**374**	**(96,686)**	**185,832**	**89,146**
Transfers to/from Earmarked Reserves	73,256	(73,256)	**-**	-	-	-	-	**-**	-	**-**
(Increase)/Decrease in Year	(23,892)	(73,256)	**(97,148)**	(2,029)	2,085	32	374	**(96,686)**	185,832	**89,146**
Balance at 31 March carried forward	**(30,882)**	**(131,583)**	**(162,465)**	**(10,422)**	**(4,889)**	**(14)**	**(9,608)**	**(187,398)**	**73,764**	**(113,634)**

* Note: The 1 April 2020 opening balance of both Earmarked General Fund Reserves and Unusable Reserves has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. Net Assets match the reserves held by the Council. Reserves comprise two categories: Usable reserves represent real cash available to the Council, while unusable reserves do not represent real cash.

1st April 2020 Restated £000's	31st March 2021 Restated £000's	Balance Sheet Description	Note	31st March 2022 £000's
553,206	548,374	Property, Plant & Equipment	9	584,795
24,592	26,353	Heritage Assets	10	26,353
18,998	16,708	Investment Property	11	17,005
2,219	3,271	Intangible Assets	12	3,544
23,170	23,400	Long Term Investments	13	23,400
31,816	44,142	Long Term Debtors	14	47,162
654,001	**662,248**	**LONG TERM ASSETS**		**702,259**
5,269	521	Short Term Investments	13	5,504
1,269	1,069	Stocks & Work in progress		1,392
58,349	62,997	Sundry Debtors & Advance Payments	14	52,463
21,190	11,044	Cash and Cash Equivalents	15	34,773
511	622	Assets Held For Sale	16	624
86,588	**76,253**	**CURRENT ASSETS**		**94,756**
(23,439)	(6,392)	Short Term Loans Outstanding	13	(14,344)
(177)	(145)	Deposit & Client Funds		(140)
(5,626)	(3,948)	Short Term Provisions	19	(1,876)
(51,397)	(43,466)	Sundry Creditors & Advance Receipts	17	(43,569)
(250)	(73)	Revenue Grants In Advance	17	(15,536)
(80,889)	**(54,024)**	**CURRENT LIABILITIES**		**(75,465)**
(193,987)	(201,095)	External Loans Outstanding	13	(207,903)
(2,184)	(4,272)	Capital Grants Receipts in Advance	30	(10,017)
(49)	(27)	Finance Lease Liabilities	13	(4)
(1,866)	(970)	Deferred Liabilities	13	(13)
(250,464)	(356,592)	Pension Liability	18	(230,442)
(8,370)	(7,887)	Long Term Provisions	19	(5,949)
(456,920)	**(570,843)**	**LONG TERM LIABILITIES**		**(454,328)**
202,780	**113,634**	**NET ASSETS**		**267,222**
90,712	187,398	Usable Reserves *	20	172,873
112,068	(73,764)	Unusable Reserves *	21	94,349
202,780	**113,634**	**TOTAL RESERVES**		**267,222**

* Note: The 1 April 2020 balance of both Usable Reserves and Unusable Reserves has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

Cash Flow Statement

The Cash Flow Statement shows the changes in the Council's cash and cash equivalents during the year and quantifies the movements in balances attributable to day to day running of the Council (operating activities), investing activities or financing activities.

Cash Flow Statement	Note	2020/21 £000's	2021/22 £000's
Net surplus or (deficit) on the provision of services		6,018	(6,791)
Adjustment to surplus or deficit on the provision of services for noncash movements		12,286	49,940
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(4,358)	(25,904)
Net Cash flows from Operating Activities	22	**13,946**	**17,245**
Net cash flows from Investing Activities	23	(11,514)	(8,262)
Net cash flows from Financing Activities	24	(12,578)	14,746
Net increase or (decrease) in cash and cash equivalents		**(10,146)**	**23,729**
Cash and cash equivalents at the beginning of the reporting period		**21,190**	**11,044**
Cash and cash equivalents at the end of the reporting period	**15**	**11,044**	**34,773**

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Notes to the Core Financial Statements

1 Accounting Policies for the 2021/22 Statement of Accounts

General Principals

Basis of preparation

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021) which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Council Accounting in the United Kingdom 2021/22 (the Code) and the Update to the Code and Specifications for Future Codes for Infrastructure Assets, 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 accounts have been prepared on a going concern basis, under the assumption that the Council will continue in existence for the foreseeable future.

Events after the Balance Sheet Date

Events may occur between the balance sheet date and the date when the Statement of Accounts is authorised for issue, which may have a bearing upon the financial results of the past year. Two types of events can be identified:

- Conditions existing at the end of the reporting period:
    - The Statement of Accounts would be adjusted to reflect such events.
- Conditions arising after the end of the reporting period:
    - The Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes to the accounts of the nature of the events and their estimated financial effect.

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

Group Accounts

The Council has material interest in external entities that are classified as subsidiaries and which are consolidated into the Council's group accounts on a line by line basis, after eliminating intra group transactions.

An entity could be material but still not consolidated if all of its business is with the Council and eliminated on consolidation – i.e. the consolidation would mean that the group accounts are not materially different to the single entity accounts.

Pooled Budgets

The Council is the host partner of the pooled funds in respect of Health and Social care and the Better Care Fund. The arrangements are made in accordance with section 75 of the National Health Service Act 2006 and allows budgets to be pooled between authorities and health and social care organisations.

The arrangements are accounted for as joint operations and, therefore, the Council accounts for its share of the funds' assets, liabilities, expenditure and income.

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

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

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

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

Accounting policies for income and expenditure

Accruals of Income and Expenditure

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

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

Capital Charges to Revenue for Non-Current Assets

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

• depreciation attributable to the assets used by the relevant service.

• revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

• amortisation of intangible non-current assets attributable to the service.

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

Council Tax and Non Domestic Rates income

Council Tax, Retained Business Rates and Business Rates Top-up Grant income included in the Comprehensive Income and Expenditure Statement for the year will be treated as accrued income.

Business Rates, Business Rates Top-up Grant and Council Tax income will be recognised in the Comprehensive Income and Expenditure Statement within the Taxation and Non-Specific Grant Income line. As a billing Council, the difference between the Business Rates and Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by regulation credited to the General Fund is taken to the Collection Fund Adjustment Account and reported in the Movement in Reserves Statement. Each major preceptor's share of the accrued Business Rates and Council Tax income is available from the information that is required to be produced in order to prepare the Collection Fund Statement.

Business Rates and Council Tax income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council, and the amount of revenue can be measured reliably.

Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates

Depreciation

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

Category	Measurement Basis
Dwellings	Component Life
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 the useful life of the asset as estimated by a suitably qualified officer.
Infrastructure	Straight line allocation over the standard life for the category: • Roads – 25 Years • Bridges – 80 Years • Street Furniture – 30 Years • Street Lighting – 40 Years • Footways & Cycle Tracks – 25 Years

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

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, flexi and time off in lieu (TOIL) as well as bonuses and non-monetary benefits (e.g. mobile phones) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

Employee Accumulated Absence Accrual

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the current accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday entitlement occurs.

Termination Benefits

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

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

Post-Employment Benefits

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

• The Greater Manchester Local Government Pension Scheme, administered by Tameside Metropolitan Borough Council.

• The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).

• The NHS Pension Scheme, administered by EA Finance NHS Pension

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

However, the arrangements for the teachers' and NHS schemes means that liability for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they are a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

The Greater Manchester Local Government Pension Scheme

The Greater Manchester Local Government Pension Scheme is accounted for as a defined benefits scheme. The liabilities of the Greater Manchester Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method; an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of future earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate (based on the indicative rate of return on a basket of high quality corporate bonds, Government gilts and other factors).

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

• quoted securities – current bid price

• unquoted securities – professional estimate

• unitised securities – current bid price

• property – market value

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

• current service cost – the increase in liabilities as a result of years of service earned in the current year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

• past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Service Specific.

• net interest on the net defined benefit liability - the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Remeasurement comprising:

• the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

• actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

• Contributions paid to the Greater Manchester Pension Fund - cash paid as employer contributions to the pension scheme in settlement of liabilities; not accounted for as an expense.

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

Government Grants and Contributions

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

• the Council will comply with the conditions attached to the payments, and

• the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

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

Where revenue grants are credited to the Comprehensive Income and Expenditure Statement but have yet to be used to fund revenue expenditure, they are posted to the Revenue Grant Reserve. When eligible expenditure is incurred in future years the grant is transferred back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Overheads and Support Services

The costs of support services such as administration and management are charged to services in accordance with the Council’s arrangements for accountability and performance

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim) it is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

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

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

Contingent Assets

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

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

Revenue Expenditure Funded from Capital under Statute (REFCUS)

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

Revenue Recognition

Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.

Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue

Value Added Tax (VAT)

Value Added Tax payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

Accounting policies for assets and liabilities

Cash and Cash Equivalents

Cash is represented by cash in hand, school bank accounts and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a change in value.

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

Fair Value Measurement

The Council measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the amount that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council uses both in house and external valuers to provide a valuation of its non-financial assets and liabilities, for recognition or disclosure as appropriate, in line with the highest and best use definition within IFRS 13 Fair Value Measurement.

The highest and best use of the asset or liability being valued is considered from the perspective of a market participant. Inputs to the valuation techniques in respect of the Council's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

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

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

Level 3 – unobservable inputs for the asset or liability.

Financial Instruments

Classification of Financial Instruments

The Council's financial assets and liabilities have been classified as follows:

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics.

There are three main classes of financial assets measured at:

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

The Council's business model is to hold investments to collect contractual cash flows i.e. payments of interest and principal. Most of the Council's financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

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

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

Financial Assets measured at Fair Value through other Comprehensive Income (FVOCI)

These assets relate to financial instruments where the amounts received relating to them are solely principal and interest but they are held to collect cash and sell the assets. The interest received on these assets is spread evenly over the life of these instruments.

Changes in fair value are posted to Other Comprehensive Income and Expenditure and are balanced by an entry in the Financial Instruments Revaluation Reserve.

When the asset is de-recognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services.

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

These assets relate to financial instruments where the amounts received relating to them are not principal and interest (e.g. equity investments). Dividends received are accounted for at the point they are received.

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

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

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

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

Expected Credit Loss Model

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

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

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings held by the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. When a premium or discount has been incurred and paid in full by a grant from an external body it is accounted for in full in the year that the grant is received. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Heritage Assets

The Council's Heritage Assets are held by the Council principally for their contribution to knowledge and/or culture. These include Civic Regalia, Artefacts and various gifts & bequests some of which are held in the Museum and Art Gallery. These are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's accounting policies on Property Plant and Equipment.

The land and building assets identified to date include Radcliffe Tower, the Dungeon and Rodger Worthington's grave. As there is no available valuation for these assets they have been reported at nominal value as recommended by the Council's property valuer.

However, some of the measurement rules are relaxed allowing the Council's Heritage Assets to be included on the Balance Sheet at their insured value where available. Where insurance valuations are not available there is a narrative disclosure.

Heritage assets are deemed to have an indefinite life, therefore are not depreciated as the charge made would be minimal and immaterial. Nevertheless, where there is evidence of physical deterioration to a Heritage Asset, or doubts arise to its authenticity, the value of the asset has to be reviewed.

Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset. Investment properties are not depreciated, and an annual valuation programme ensures that they are held at highest and best use value at the Balance Sheet date. Gains and losses on revaluation are charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

Leases

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

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

Operating Leases:

Rental paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

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 Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Property, Plant and Equipment

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

Recognition

Expenditure 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 potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Council has a £15,000 de-minimis limit for the recognition of Capital Expenditure.

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 that are being constructed by the Council will initially be recognised at cost. The Council does not capitalise borrowing costs incurred in the cost of acquisition, construction and completion of qualifying assets.

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

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

Category	**Measurement Basis**
Community assets, infrastructure assets and assets under construction	Depreciated historical cost
Dwellings	Current value, determined using the basis of existing use value for social housing (EUV-SH).
Surplus Assets	Fair value, determined by the measurement of the highest and best use value of the asset
All Other operational Assets	Current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Assets included on the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for 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 Portfolio line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, 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 as to whether there is any indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, 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 Portfolio line(s) in the Comprehensive Income and Expenditure Statement.

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

Component Accounting

Component accounting is applied only to housing stock in accordance with the analysis provided by the valuer.

Disposals

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

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. If the disposal relates to housing assets a proportion of the capital receipt is payable to the Government (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances). The balance of receipts is required to be credited to the Useable Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council’s underlying need to borrow (the capital financing requirement). Receipts are transferred to the Useable Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are held to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council. These reserves are further explained in the relevant policies.

Schools

In line with accounting standards and the Code on group accounts and consolidation, all maintained schools are considered to be entities controlled by the Council. Rather than produce group accounts the income, expenditure, assets, liabilities, reserves and cash flows of each school are recognised in the Council's single entity accounts.

The Council has the following types of maintained schools under its control:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation

Schools' non-current assets (school buildings and playing fields) are recognised on the Balance Sheet where the Council directly owns the assets, where the Council holds the balance of control of the assets or where the school or the school governing body own the assets or have had rights to use the assets transferred to them through a licence arrangement.

When a maintained school converts to an Academy, the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Other Operating Income and Expenditure in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off asset value is not a charge against the General Fund, as the cost of non-current asset disposals resulting from schools transferring to an Academy is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves

2.1 Expenditure and Funding Analysis

The purpose of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Council for the year 2021/22 (i.e. Government grants, rents, Council Tax and Business Rates) has been used to provide services in comparison with those resources consumed or earned under generally accepted accounting practice. The Expenditure and Funding analysis also shows how this expenditure is allocated for decision making purposes between the Council's Directorates. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21			Expenditure and Funding Analysis	2021/22		
Expenditure Chargeable to General Fund & HRA £000's	**Adjustment between Funding & Accounting Basis £000's**	**Net Expenditure £000's**		**Expenditure Chargeable to General Fund & HRA £000's**	**Adjustment between Funding & Accounting Basis £000's**	**Net Expenditure £000's**
56,234	813	57,047	One Commissioning Organisation	74,332	3,020	77,352
4,990	34,388	39,378	Children, Young People & Culture	31,699	15,005	46,704
18,828	1,808	20,636	Corporate Core Services	23,472	3,882	27,354
(56,090)	42,916	(13,174)	Non Service Specific	23,704	(19,792)	3,912
1,297	1,228	2,525	Business, Growth & Infrastructure	1,750	4,767	6,517
20,340	5,092	25,432	Operations	19,651	8,613	28,264
3,304	0	3,304	Housing General Fund	(54)	0	(54)
(6,633)	(18,829)	(25,462)	Housing Revenue Account	(3,614)	(18,827)	(22,441)
42,270	**67,416**	**109,686**	**Cost of Services**	**170,940**	**(3,332)**	**167,608**
(141,447)	25,743	(115,704)	Other Income and Expenditure	(147,840)	(12,977)	(160,817)
(99,177)	**93,159**	**(6,018)**	**Surplus or Deficit On Provision of Services**	**23,100**	**(16,309)**	**6,791**

Movement in General Fund and HRA Balance	2020/21 £000's	2021/22 £000's
Opening General Fund and HRA Balance	(73,710)	(172,877)
Surplus/Deficit on General Fund & HRA Balance in Year	(99,177)	23,100
Closing General Fund and HRA Balances at 31st March	**(172,887)**	**(149,787)**

* Note: The 2020/21 balance of Usable Reserves has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

2.2 Note to the Expenditure and Funding Analysis

This note explains the main adjustments from Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement:

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2021/22	Adjustment for Capital Purposes £000's	Change For Pension Adjustment £000's	Other £000's	Total Adjustment £000's
One Commissioning Organisation	98	2,922	0	3,020
Children, Young People & Culture	6,602	9,101	(698)	15,005
Corporate Core Services	1,028	3,454	(600)	3,882
Non Service Specific	(1,578)	0	(18,214)	(19,792)
Business, Growth & Infrastructure	3,851	916	0	4,767
Operations	4,163	4,450	0	8,613
Housing General Fund	0	0	0	0
Housing Revenue Account	(18,827)	0	0	(18,827)
Net Cost of Services	**(4,663)**	**20,843**	**(19,512)**	**(3,332)**
Other Income & Expenditure From the Expenditure & Funding Analysis	(20,311)	7,334	0	(12,977)
Difference between General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Service	**(24,974)**	**28,177**	**(19,512)**	**(16,309)**

Notes:

a) Adjustments for Capital Purposes – this column adds in depreciation and impairment and revaluation gains and losses in the net cost of service.

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Finance and investment income and expenditure** – the statutory charges for capital financing, i.e. Minimum Revenue Provision 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 during the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied within the year.

b) Change for Pension Adjustment – this column removes employer pension contributions and adds IAS19 Employee Benefits related expenditure and income as follows:

- **For the net cost of services –** the removal of the employer pension contributions made by the Council as allowed by statute and their replacement with current service costs and past service costs.
- **For financing and investment income and expenditure –** the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement (CIES).

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

- **For financing and investment income and expenditure –** the other differences column recognises adjustments to the General Fund of the timing differences for premiums and discounts.
- **For taxation and non-specific grant income –** the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates to that which was forecast to be received at the start of the year, and the income recognised under general accepted accounting practices. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.

The table below shows the comparative information for 2020/21.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2020/21	**Adjustment for Capital Purposes £000's**	**Change For Pension Adjustment £000's**	**Other £000's**	**Total Adjustment £000's**
One Commissioning Organisation	143	670	0	813
Children, Young People & Culture	10,010	2,269	22,109	34,388
Corporate Core Services	1076	784	(52)	1,808
Non Service Specific	(1,318)	0	44,234	42,916
Business, Growth & Infrastructure	1,020	208	0	1,228
Operations	4,031	1,061	0	5,092
Housing General Fund	0	0	0	0
Housing Revenue Account	(18,829)	0	0	(18,829)
Net Cost of Services	**(3,867)**	**4,992**	**66,291**	**67,416**
Other Income & Expenditure From the Expenditure & Funding Analysis	20,053	5,690	0	25,743
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Service	**16,186**	**10,682**	**66,291**	**93,159**

3 Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

Expenditure and Income Analysed by Nature	2020/21 £000's	2021/22 £000's
Expenditure		
Employee benefits expenses	172,831	181,638
Depreciation, amortisation, revaluations and impairment	(3,868)	5,760
Interest Payment	7,937	7,842
Precepts and levies	24,855	26,219
Housing Capital Receipts Pool Payment	1,034	1,439
Net book value of assets written out on disposal	26,116	4,500
Other expenditure	320,788	359,060
Total Expenditure	**549,693**	**586,458**
Income		
Government grants and contributions	(244,983)	(268,212)
Income from local taxation	(154,460)	(155,624)
Capital receipts on disposed assets	(591)	(4,189)
Fees, charges and other service income	(61,348)	(70,914)
Interest and Investment income	(4,234)	(4,497)
Other income	(90,095)	(76,231)
Total Income	**(555,711)**	**(579,667)**
Deficit on the Provision of Services	**(6,018)**	**6,791**

4 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.

Adjustments Between Accounting Basis & Funding Basis Under Regulations	**Usable Reserves 2020/21**					**Movement in Unusable Reserves**	**Usable Reserves 2021/22**					**Movement in Unusable Reserves**
	General Fund Balance	**Housing Revenue Account**	**Capital Receipts Reserve**	**Major Repairs Reserve**	**Capital Grant Unapplied**		**General Fund Balance**	**Housing Revenue Account**	**Capital Receipts Reserve**	**Major Repairs Reserve**	**Capital Grant Unapplied**	
	£000's	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Adjustments primarily involving the Pensions reserve												
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(28,141)	-	-	-	-	28,141	(45,423)	-	-	-	-	45,423
Employer's pension contributions and direct payments to pensioners payable in the year	17,459	-	-	-	-	(17,459)	17,246	-	-	-	-	(17,246)
Adjustments primarily involving the Financial Instruments Adjustment Reserve												
Financial Instruments	2	-	-	-	-	(2)	2	-	-	-	-	(2)
Adjustments primarily involving the Collection Fund Adjustment Account												
Amount by which Council Tax and Business Rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(44,235)	-	-	-	-	44,235	18,214	-	-	-	-	(18,214)
Adjustments primarily involving the Accumulated Absences Account												
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	(650)	-	-	-	-	650	1,362	-	-	-	-	(1,362)
Adjustments primarily involving the DSG Adjustment account												

Transfer of Dedicated Schools Grant (DSG) over/(underspend) to the DSG Adjustment Account	(21,407)	-	-	-	-	21,407	(66)	-	-	-	-	66
Adjustments involving the Capital Adjustment Account: reversal of items debited or credited to the Comprehensive Income and Expenditure statement												
Depreciation, amortisation & impairment of non-current assets	(15,643)	10,278	-	-	-	5,365	(12,381)	6,329	-	-	-	6,052
Movements in the Fair Value of Investment Properties						-	292	-	-	-	-	(292)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(26,376)	409	-	-	-	25,967	(917)	600	-	-	-	317
Revenue Expenditure Funded from Capital under Statute	(3,369)	-	-	-	-	3,369	(4,586)	-	-	-	-	4,586
Capital grant and contributions unapplied credited to CI&E	8,553	-	-	-	(489)	(8,064)	13,476	-	-	-	-	(13,476)
Adjustments primarily involving the Capital Receipts Reserve												
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	(554)	-	-	554	-	-	(4,136)	-	-	4,136
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	1,605	-	-	(1,605)	-	-	613	-	-	(613)
Payments to the Government Housing Receipts Pool	(1,034)	-	1,034	-	-	-	(1,445)	-	1,445	-	-	0
Adjustments primarily involving the Major Repairs Reserve												
Use of the Major Repairs reserve to finance capital expenditure	-	-	-	7,358	-	(7,358)				7,404		(7,404)
Transfer of Excess of Depreciation over Notional MRA to MRR	-	7,326	-	(7,326)	-	-		7,390		(7,390)		-
Insertion of items not debited or credited to the Comprehensive Income and Expenditure statement												
Statutory provision for the repayment of debt	2,426	-	-	-	-	(2,426)	2,602	-	-	-	-	(2,602)
Capital expenditure financed from revenue balances	48	1,195	-	-	-	(1,243)	214	5,107	-	-	-	(5,321)
Adjustments primarily involving the Capital Grants unapplied Account												
Application of capital grants to finance capital expenditure	-	-	-	-	863	(863)	8,293	-	-	-	(6,511)	(1,782)
Total Adjustment	**(112,367)**	**19,208**	**2,085**	**32**	**374**	**90,668**	(3,117)	**19,426**	**(2,078)**	**14**	**(6,511)**	**(7,734)**

5 Other Operating Expenditure

This note provides an analysis of other operating expenditure within the Comprehensive Income and Expenditure Statement.

Other Operating Expenditure	**2020/21 £000's**	**2021/22 £000's**
(Gain)/Loss on Disposal of Non Current (Fixed) Assets	25,525	310
Contribution of Housing Capital Receipts to Government Pool	1,034	1,440
Levies	24,855	26,219
Total	**51,414**	**27,969**

6 Financing and Investment Income and Expenditure

This note provides an analysis of financing and investment income and expenditure within the Comprehensive Income and Expenditure Statement.

Financing and Investment Income and Expenditure	**2020/21 £000's**	**2021/22 £000's**
Interest Payable and similar charges	7,937	7,596
Interest receivable and similar income	(3,850)	(4,021)
Income and expenditure in relation to investment properties	(384)	(522)
Pension Interest Cost and Expected Return on Pension Asset	5,690	7,334
Total	**9,393**	**10,387**

7 Taxation and Non-Specific Grant Income

This note provides an analysis of taxation and non-specific grant income within the Comprehensive Income and Expenditure Statement.

Taxation and Non-Specific Grant Income	2020/21 £000's	2021/22 £000's
Council Tax income	(89,668)	(95,807)
Retained Business Rates	(23,130)	(38,621)
Business Rates Top Up	(3,286)	(3,439)
Grants in lieu of Business Rates	(37,305)	(17,757)
Improved Better Care Fund	(7,404)	(7,404)
Housing & Council Tax Benefit Grants	(791)	(762)
New Homes Bonus	(458)	(253)
Independent Living Fund	(288)	(288)
Social Care Support Grant	(4,770)	(5,696)
Capital Grants and Contributions	(8,553)	(21,769)
Local Council Tax Support Grant 21/22	0	(2,081)
Lower Tier Services grant 21/22	0	(253)
Other Government Grants	(857)	(5,043)
Total	**(176,511)**	**(199,173)**

8 Material Items of Income and Expenditure

Individually Material Items of Income & Expenditure Item	2021/22 £000's
None	0
Total	**0**

The above note contains individual items of income or expenditure that exceed materiality and have not been individually recorded on the face of the financial statements or in one of the other notes to the accounts.

For the purposes of this note, the materiality is set at £5m. There were no individual items above £5m which have not been individually disclosed.

9 Property, Plant and Equipment

Depreciation

The Council carried out depreciation on a straight line basis of the estimated useful life of the asset
asset revaluing process. The asset lives have been used in the calculation of depreciation. Land is n

- Council Dwellings – Componentised*
- Other Land & Buildings – as estimated by the valuer
- Vehicles, Plant, Furniture & Equipment – estimated by a suitably qualified officer
- Infrastructure
  Roads – 25 Years
  Bridges – 80 Years
  Street Furniture – 30 Years
  Street Lighting – 40 Years
  Footways & Cycle Tracks – 25 Years

*Council Dwellings are valued on a beacon basis, in order to ensure that the depreciation is not mat
are componentised to reflect the different rates at which the components will be consumed. For 202
lives are as follows:

- Main Structure – 50 Years
- Roof – 35 Years
- M&E – 15 Years
- Other Works – 15 Years

Revaluations

The Council undertakes a rolling programme of revaluating assets no more than every 5 years, whic
of the Council's assets each year. In 2019/20 the Council undertook a full revaluation of assets, whi
valuers Align (80%) with the remaining 20% carried out by our in house valuers. In 2020/21 the Co
programme and this continued in 2021/22. In 2021-22, all revaluations were carried out externally.
were Align, who revalued all investment properties and the Property, Plant and Equipment, with the
and Equipment falling managed within the Housing Revenue Account – which was revalued by Carte

Fair Values have been calculated in line with the CIPFA Code of Practice and the RICS Valuation standards. This includes reviewing comparable valuations reviewing property of an equivalent nature and location. The effective date of all the 2021/22 revaluations was 1 March 2022.

For the purposes of valuation materiality is set at £50k. However, in order to ensure that any assets below the materiality level which may have moved above the materiality threshold in valuation was captured, all assets above £40k were included in the valuations. There are some assets held at depreciated historical cost in the categories revalued. This is because they were either below the de-minimis level for revaluation or because purchases of new assets and additions to assets, which were below de-minimis during 2021/22, means that they have yet to be revalued. This will take place in subsequent years.

Non-operational property, plant and equipment (surplus assets)

Fair Value Hierarchy
All of the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (please refer to accounting policy – fair value measurement for more information)

The fair value of investment properties has been measured on a comparable based market approach and/or the investment approach for surplus property assets. This approach uses prices and other relevant information generated by market transactions involving identical or comparable (ie similar) assets. This approach has been undertaken having regard to the relevant comparable evidence from the local and surrounding areas.

	Assets Under Construction	**Community Assets**	**Council Dwellings**	**Infrastructure Assets**	**Other Land & Buildings**	**Surplus Assets**	**Vehicles, Plant & Equipment**	**Total**
	£000	£000	£000	£000	£000	£000	£000	£000
Depreciated Historical Cost	8,884	3,054		45,022			7,737	64,697
Valued at Current Value:								
31.03.2018								
31.03.2019			59		492	60		611
31.03.2020		1,323	1,244		76,654	11,442	1,134	91,797
31.03.2021			1,965		48,334	2,400		52,699
31.03.2022			284,219		83,243	7,529		374,991
	8,884	4,377	287,487	45,022	208,723	21,431	8,871	584,795

Property, Plant and Equipment Note 2021/22	Assets Under Construction £000's	Community Assets £000's	Council Dwellings £000's	Other Land & Buildings £000's	Surplus Assets £000's	Vehicles, Plant & Equipment £000's	TOTAL £000's
Certified Value as at 1st April 2021	**4,957**	**5,456**	**281,463**	**226,342**	**19,954**	**19,502**	**557,674**
Additions & Acquisitions	5,398	1,067	12,648	10,503	25	3,974	**33,615**
Revaluations Recognised in the Revaluation Reserve	-	-	3,651	(1,800)	2,251	-	**4,102**
Revaluations Recognised in the Surplus/Deficit on the Provision of Services	-	-	18,875	(2,026)	(24)	-	**16,825**
Disposals	(1,201)	-	(1,938)	(2,562)	-	-	**(5,701)**
Reclassifications & Asset Transfers	-	-	-	-	-	-	**0**
Other Movements in Cost or Valuation	(270)	-	(26,631)	(4)	-	-	**(26,905)**
Movement in Cost/Valuation	3,927	1,067	6,605	4,111	2,252	3,974	21,936
Amount as at 31st March 2022	**8,884**	**6,523**	**288,068**	**230,453**	**22,206**	**23,476**	**579,610**
Accumulated Depreciation & Impairments as at 1st April 2021	**(270)**	**(2,146)**	**(14,714)**	**(17,190)**	**(775)**	**(13,556)**	**(48,651)**
Depreciation charged in year	-	-	(7,334)	(4,177)	-	(1,049)	**(12,560)**
Depreciation written out to the Revaluation Reserve	-	-	7,309	2,076	-	-	**9,385**
Depreciation written out to Surplus/Deficit on Provision of Services	-	-	-	539	-	-	**539**
Depreciation Written out on Disposal	-	-	45	12	-	-	**57**
Reclassifications & Asset Transfers	-	-	-	-	-	-	**0**
Impairments Written Out on Revaluation	-	-	-	-	-	-	**0**
Impairments Written Out on Sale of Asset	-	-	-	-	-	-	**0**
Impairments Written to Revaluation Reserve	-	-	(7,309)	(108)	-	-	**(7,417)**
Impairments Recognised in the Surplus/Deficit on the Provision of Services	-	-	(5,209)	(2,886)	-	-	**(8,095)**
Other Movements in Depreciation and Impairment	270	-	26,631	4	-	-	**26,905**
Movement in Depreciation & Impairment	270	-	14,133	(4,540)	0	(1,049)	**8,814**
Amount as at 31st March 2022	**-**	**(2,146)**	**(581)**	**(21,730)**	**(775)**	**(14,605)**	**(39,837)**
Opening NBV	**4,687**	**3,310**	**266,749**	**209,152**	**19,179**	**5,946**	**509,023**
Total Movement	**4,197**	**1,067**	**20,738**	**(429)**	**2,252**	**2,925**	**30,750**
Closing NBV	**8,884**	**4,377**	**287,487**	**208,723**	**21,431**	**8,871**	**539,773**

The following table is provided for comparative purposes:

Property, Plant and Equipment Note 2020/21	Assets Under Construction £000's	Community Assets £000's	Council Dwellings £000's	Other Land & Buildings £000's	Surplus Assets £000's	Vehicles, Plant & Equipment £000's	TOTAL £000's
Certified Value as at 1st April 2020	**6,252**	**5,364**	**256,602**	**247,657**	**19,712**	**17,875**	**553,462**
Additions & Acquisitions	4,991	92	7,943	3,120	261	1,627	**18,034**
Revaluations Recognised in the Revaluation Reserve	-	-	5,161	(1,277)	(1)	-	**3,883**
Revaluations Recognised in the Surplus/Deficit on the Provision of Services	-	-	11,684	(2,690)	(6)	-	**8,988**
Disposals	(1,299)	-	(1,591)	(23,921)	(99)	-	**(26,910)**
Reclassifications & Asset Transfers	(4,987)	-	1,664	3,453	87	-	**217**
Movement in Cost/Valuation	**(1,295)**	**92**	**24,861**	**(21,315)**	**242**	**1,627**	**4,212**
Amount as at 31st March 2021	**4,957**	**5,456**	**281,463**	**226,342**	**19,954**	**19,502**	**557,674**
Accumulated Depreciation & Impairments as at 1st April 2020	**(270)**	**(2,146)**	**(13,818)**	**(6,581)**	**(775)**	**(12,517)**	**(36,107)**
Depreciation charged in year	-	-	(7,388)	(4,506)	-	(1,039)	**(12,933)**
Depreciation written out to the Revaluation Reserve	-	-	7,082	831	-	-	**7,913**
Depreciation written out to Surplus/Deficit on Provision of Services	-	-	1	438	-	-	**439**
Depreciation Written out on Disposal	-	-	30	412	-	-	**442**
Reclassifications & Asset Transfers	-	-	-	-	-	-	**0**
Impairments Written Out on Revaluation	-	-	6,706				**6,706**
Impairments Written Out on Sale of Asset	-	-	479				**479**
Impairments Written to Revaluation Reserve	-	-	(7,081)	(2,999)	-	-	**(10,080)**
Impairments Recognised in the Surplus/Deficit on the Provision of Services	-	-	(725)	(4,785)	-	-	**(5,510)**
Movement in Depreciation & Impairment	-	**-**	**(896)**	**(10,609)**	-	**(1,039)**	**(12,544)**
Amount as at 31st March 2021	**(270)**	**(2,146)**	**(14,714)**	**(17,190)**	**(775)**	**(13,556)**	**(48,651)**
Opening NBV	**5,982**	**3,218**	**242,784**	**241,076**	**18,937**	**5,358**	**517,355**
Total Movement	**(1,295)**	**92**	**23,965**	**(31,924)**	**242**	**588**	**(8,332)**
Closing NBV	**4,687**	**3,310**	**266,749**	**209,152**	**19,179**	**5,946**	**509,023**

INFRASTRUCTURE ASSETS

Movements on balances

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

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

Infrastructure Assets	2021/22 £000's
Certified Valuation or Cost at 1 April	**39,351**
Additions in Year	7,779
Depreciation charged in year	(2,108)
As at 31st March	**45,022**

As infrastructure assets are not being disclosed on the face of the Balance Sheet a reconciling note has been prepared:

	2021/22 £000's
Infrastructure Assets	45,022
Other PPE Assets	539,773
Total PPE Assets	**584,795**

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

10 Heritage Assets

Heritage Assets	Artifacts and Gifts £000's	Pictures £000's	Civic Regalia £000's	Total Assets £000's
Cost or Valuation 1 April 2020	31	23,931	629	24,591
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	1,762	-	1,762
Additions	-	-	-	-
31 March 2021	**31**	**25,693**	**629**	**26,353**
Cost or Valuation 1 April 2021	31	25,693	629	26,353
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	0	-	0
Additions	-	-	-	0
31 March 2022	**31**	**25,693**	**629**	**26,353**

Heritage assets are defined as assets intended to be preserved in trust for future generations because of their cultural, environmental or historical association. They are held by the councils in pursuit of our overall objectives in relation to the maintenance of our local heritage. These include Civic Regalia, Artefacts and various gifts & bequests some of which are held in the Museum and Art Gallery. These are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's accounting policies on Property Plant and Equipment.

Heritage assets are deemed to have an indefinite life, therefore are not depreciated as the charge made would be minimal and immaterial. Nevertheless, where there is evidence of physical deterioration to a Heritage Asset, or doubts arise to its authenticity, the value of the asset has to be reviewed. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

Further Information On The Collections

The two principal collections of heritage assets held in Bury Art Museum & Sculpture Centre are:

Fine and Decorative Art – this collection consists of over 1,800 artworks including oil paintings, watercolours, prints, sculpture and other mixed media works. Of particular interest and value are the oil painting, 'Calais Sands: Poissards Gathering Bait' and 4 watercolours by J.M.W. Turner. The collection also has significant paintings by Clausen, Landseer, Riviere and Lady Butler. A selection of works are displayed at Bury Art Museum & Sculpture Centre and works not on display are kept in store and available to view by appointment. Images and information about paintings is available to view on the Art UK searchable website (https://www.artuk.org/visit/venues/bury-art-museum-6547) and also our own website (https://www.buryartmuseum.co.uk)

Social History – This collection consists of around 60,000 items and is of significant value as material evidence of the social history of Bury and its people. The collections relate to the area's archaeology, industrial and domestic history and include ephemera representing the everyday life of the Borough. The founding collection included natural history, geology, and ethnography. Some objects from the collections are of significant historical importance, such as a Thomas Lees long case clock, George III Spade Guineas, Sir Robert Peel's cradle, Bronze Age urns, a Roman bracelet and coins, 2 Celtic heads, Hutchinson family furniture, African ivories, Wedgwood vases and one hundred pieces of Pilkington's Royal Lancastrian pottery.

Civic Regalia – forms part of the Social History Collection and is stored in the Strong Room.

Other Heritage Assets – Additionally, the Authority has in its care three Historic Buildings that are classed as Heritage Assets these carried in the accounts at a nominal value only and are named as the Radcliffe Tower in Radcliffe, The Dungeon in Tottington and Rodger Worthington's Grave in Hawkshaw.

11 Investment Properties

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

Items accounted for in the Financing & Investment Income & Expenditure – CIES	2020/21 £000's	2021/22 £000's
Rental income from investment property	(497)	(382)
Direct operating expenses arising from investment property	113	152
Movement in fair value of investment properties	0	(292)
Net Gain	**(384)**	**(522)**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or to repair, maintain or enhance it. However, we are currently paying the business rates, utilities and maintenance costs on an empty investment property.

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

Investment Properties	2020/21 Investment Properties £000's	2021/22 Investment Properties £000's
Certified Valuation or Cost at 1 April	**18,997**	**16,708**
Additions in Year	87	5
Disposals in Year	(57)	0
Reclassifications of Assets	(1,580)	0
Net Gain (Loss) from fair value adjustment	(739)	292
At 31 March	**16,708**	**17,005**

Fair Value Hierarchy

All of the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (please refer to accounting policy – fair value measurement for more information)

Valuation Techniques Used to Determine Level 2 Fair Values for Investment Properties

The fair value of investment properties has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's Investment Asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy. There has been no change in the valuation techniques used during the year for investment properties.

Highest and Best Use

In Council's estimates the fair value of our investment properties by taking the highest and best use value of the asset at the balance sheet date.

12 Intangible Assets

The Council regards the cost of purchased software as an intangible asset, which is carried at the historical cost of purchase and amortised over it expected useful life. Economic lives for the purposes of amortisation have been assessed at 5 and 10 years as per the Council's accounting policies.

Intangible Assets	**Software Licences £000's**
Certified Valuation or Cost at 01/04/2021	8,789
Amortisation to 1 April 2021	(5,518)
Balance at 1 April 2021	**3,271**
Purchase in Year	952
Reclassifications in Year	
Amortisation in Year	(679)
Balance at 31 March 2022	**3,544**

13 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial li another entity. Non exchange transactions, such as those relating to taxes and government grants, instruments.

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

Financial Assets

Financial Assets	Non-Current				Cu	
	Investments		Debtors		Investments	
	31st March 2021 Restated £000s	31st March 2022 £000s	31st March 2021 £000s	31st March 2022 £000s	31st March 2021 £000s	31st March 2022 £000s
Amortised Cost						
Principal	-	-	44,142	47,162	500	5,500
Investment Accrued Interest	-	-	-	-	21	4
Cash & Cash Equivalents (CCE)	-	-	-	-	11,036	34,766
CCE Accrued Interest	-	-	-	-	8	7
Debtors	-	-	-	-	-	-
Amortised Cost Total	-	-	44,142	47,162	11,565	40,277
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-	-
Fair Value through other comprehensive income - other	23,400	23,400	-	-	-	-
Total Financial Assets	23,400	23,400	44,142	47,162	11,565	40,277
Non - Financial Assets	-	-	-	-	-	-
Total	**23,400**	**23,400**	**44,142**	**47,162**	**11,565**	**40,277**

Financial Liabilities

Financial Liabilities	Non-Current		Current				Total
	Borrowings		Borrowings		Creditors		
	31st March 2021 £000's	31st March 2022 £000's	31st March 2021 £000's	31st March 2022 £000's	31st March 2021 £000's	31st March 2022 £000's	31st March 2022 £000's
Amortised Cost							
Borrowings - PWLB	145,526	162,336	190	3,190	-	-	165,526
Borrowings - Market Debt	55,300	45,300	5,000	10,000	-	-	55,300
Borrowings - Temporary Loans	-	-	-	-	-	-	-
Loans Accrued Interest	-	-	1,202	1,154	-	-	1,154
Market Loans Effective Interest Rate Adjustment	269	267	-	-	-	-	267
PFI, Finance lease and transferred debt	997	17	-	-	-	-	17
Creditors	-	-	-	-	28,430	30,560	30,560
Total Financial Liabilities	202,092	207,920	6,392	14,344	28,430	30,560	252,824
Non - Financial Liabilities	-	-	-	-	15,036	13,010	13,010
Total	**202,092**	**207,920**	**6,392**	**14,344**	**43,466**	**43,570**	**265,834**

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

With the introduction of IFRS 9 the Council has designated the following equity at 31 March 2022 as fair value through other comprehensive income:

Investments in equity instruments designated at fair value through other comprehensive income	Nominal £000's	Fair Value £000's	Change in fair value during 2021/22 £000's	Dividend 2021/22 £000's
Manchester Airport Shares	10,214	18,600	900	-
Manchester Airport Car Park (1) Limited	5,610	4,800	(900)	-

The Council holds 3.22% shares in Manchester Airport Holdings Ltd, the shareholding is a strategic investment and not held for trading and therefore the Council has opted to designate it as fair value through Other Comprehensive Income. This would mean that there is no impact on the revenue budget and the decision to designate to fair value through other comprehensive income is irrevocable. Any gains or losses on the valuation of the shareholding will therefore be transferred to a Financial Instruments Revaluation Reserve.

Items of Income, Expense, Gains or Losses

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

Items of Income, Expense, Gains or Losses	**2020/21 Restated**			**2021/22**		
	Surplus or Deficit on the provision of services £000's	**Other Comprehensive Income & Expenditure £000's**	**Total £000's**	**Surplus or Deficit on the provision of services £000's**	**Other Comprehensive Income & Expenditure £000's**	**Total £000's**
Net gains / losses on: Financial Assets measured at fair value through other comprehensive income	-	(3,510)	(3,510)	-	0	0
Total net gains / (losses)	-	**(3,510)**	**(3,510)**	-	**0**	**0**
Interest income: Financial Assets measured at amortised cost	2,974	-	2,974	4,497	-	4,497
Other Financial Assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Total interest income	**2,974**	-	**2,974**	**4,497**	-	**4,497**
Interest expense	**(7,810)**	-	**(7,810)**	**(7,665)**	-	**(7,665)**

Fair Value of Financial Instruments

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

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/03/2021 Fair Value Restated £000's	As at 31/03/2022 Fair Value £000's
Fair Value through other Comprehensive Income				
Manchester Airport	Level 2	Earnings Based	23,400	23,400
Total			**23,400**	**23,400**

The Council holds a 3.22% share in Manchester Airport Holdings Limited (MAHL). The shares in this company are not traded in an active market; however, the fair value shown above is based on a high degree of comparability to listed company data including any movement in share prices. An earnings-based method has been employed which takes as its basis for the profitability of the company, assessing its historic earnings and arriving at a view of "maintainable" or "prospective" earnings.

The method involves the application of a price earnings ratio to maintainable or prospective earnings or post tax profits and draws on data from comparable quoted companies. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. These unobservable inputs have been developed using the best information about the assumptions that the market participants would use when pricing the asset.

The valuation has been made using annual audited accounts of MAHL for the annual periods between 2015 and 2018/19 along with interim 6 month reports for the period ending 30 September 2021. These shares are subject to annual valuation. In 2021/22 this has seen an increase in value of £0m.

Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried on the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2) using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;

- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be carrying amount or the billed amount.

The fair values are calculated as follows:

The Fair Values of Financial Liabilities that are not measured at Fair Value	31st March 2021		31st March 2022	
	Carrying amount £000's	Fair value £000's	Carrying amount £000's	Fair value £000's
PWLB Loans	146,447	180,481	166,258	198,497
LOBO/Market Loans	61,037	84,254	55,986	77,274
Temporary Loans	-	-	-	-
Local Bonds	3	3	3	3
Short-term Creditors	28,430	28,430	30,560	30,560
Financial liabilities	**235,917**	**293,168**	**252,807**	**306,334**

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2022) arising from a commitment to pay interest to lenders above current market rates.

The Fair Values of Financial Assets that are not measured at Fair Value	31st March 2021		31st March 2022	
	Carrying amount £000's	Fair value (Restated) £000's	Carrying amount £000's	Fair value £000's
Cash & Cash Equivalents	11,044	11,044	34,773	34,773
Short-term Investments	521	521	5,504	5,504
Short-term Debtors	40,728	40,728	34,816	34,816
Long-term Debtors	44,142	49,056	47,162	50,274
Financial Assets	**96,435**	**101,349**	**122,255**	**125,367**

(47,712 less £550k = £47,162; 39,405k plus £550k = £39,955k-£3,770=£36,185-£1,370=£34,815)

The fair value of the assets is greater than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans in the market at the Balance Sheet date. This guarantee to receive interest above current market rates increases the amount that the Council would receive if it agreed to early repayment of loans.

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

Fair value of long-term receivables was significantly higher than the carrying value for the year ended 31 March 2021 primarily due to the inclusion of airport loans, where the coupon rate of the loans was much higher than market rates. This showed a significant notional future gain based on economic conditions at 31 March 2021, arising from a commitment by the airport to pay interest above current market rates.

The methodology used for 2021/22, however is different from previous years' as the interest payments on these loans are currently being deferred and will therefore incur an additional rate. The valuation therefore includes a significantly higher "market rate" comparator (PWLB maturity rate plus 7% risk margin), reflecting the higher underlying risk pertaining to these loans. The valuations generated for fair value purposes are still a proxy valuation but are more appropriate than using the PWLB annuity or maturity rate used in previous years.

The methodology used for 2020/21 has also been restated, so that a consistent approach has been used as at 31 March 2022 and 31 March 2021.

Fair Value hierarchy for Financial Assets and Financial Liabilities that are not measured at Fair Value

31st March 2022 **Recurring fair value measurements using:**	**Other significant observable inputs (Level 2)** **£000**
Financial liabilities	
Financial liabilities held at amortised cost:	
PWLB	162,333
Non- PWLB	45,570
Short term debt	14,344
PFI and finance lease liability	17
Total	**222,264**
Financial assets	
Financial assets held at amortised cost	40,277
Total	**40,277**

31st March 2021 **Recurring fair value measurements using:**	**Other significant observable inputs (Level 2)** **£000**
Financial liabilities	
Financial liabilities held at amortised cost:	
PWLB	145,522
Non- PWLB	55,572
Short term debt	6,392
PFI and finance lease liability	997
Total	**208,483**
Financial assets	
Financial assets held at amortised cost	11,565
Total	**11,565**

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed.

Nature and Extent of Risks Arising from Financial Instruments

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

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

Overall Procedures for Managing Risk

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

Credit Risk

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

This risk is minimised through the Annual Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution.

This Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies, 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 spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The full Investment Strategy for 2021/22 was approved by Council on 24/02/21 and is available on the Council's website.

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 individual credit limits being set in accordance with parameters set by the Council.

The council has a total of £40.277m deposited with a number of financial institutions as 31 March 2022. The Council's maximum exposure to credit risk in relation to this amount cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2022 that this was likely to crystallise.

The Council does not generally invest in quoted equity shares where there is an active market. It does have a shareholdings valued at £23.4m in the Manchester Airport Group. The Council is therefore exposed to the risk of a loss in the valuation of its investments arising as a result of poor performance by the Group. The Council would not normally attempt to spread its risk by diversifying its portfolio.

Expected Credit Loss Model

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

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

We have assessed the Council's investments (all short-term) and concluded that the expected credit loss is not material therefore no allowances have been made.

Amounts Arising from Expected Credit Losses	**Amounts at 31 March 2022**	**Historical experience of default**	**Historical experience adjusted for market conditions as at 31 March 2022**	**Estimated maximum exposure to default and uncollectability**
	£000's	**%**	**%**	**£000s**
Deposits with banks and other financial institutions	40,277	0.00%	0.00%	-
Bonds and other securities	-	0.00%	0.00%	-
Sundry Debtors	34,816	0.53%	0.53%	185
Total	**75,093**			**185**

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

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

Aged Debt Analysis	31 March 2022 £000's
Less than three months	7,680
Three to four months	4,157
Four months to one year	5,349
More than one year	6,843
Total	**24,029**

Liquidity Risk

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

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

The maturity analysis of financial assets is as follows:

Maturity Analysis of Financial Assets	31 March 2021 £000's	31 March 2022 £000's
Less than 1 year	52,293	75,093
Between 2 and 3 years	-	-
Between 1 and 2 years	-	-
More than 3 years	67,542	70,562
Total	**119,835**	**145,655**

Refinancing and Maturity Risk

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

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

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

The maturity analysis of financial liabilities is as follows:

Maturity Analysis of Financial Liabilities	**31 March 2021 £000's**	**31 March 2022 £000's**
Less than 1 year	34,821	44,904
1 - 2 years	13,000	5,000
2 - 5 years	7,300	2,850
5 - 10 years	5,550	51,000
More than 10 years	176,243	149,070
Total	**236,914**	**252,824**

Of the £38m of Lender Option Borrower Option (LOBO) loans, all loans mature in more than 10 years (the average maturity time being 48 years).

While the terms of the LOBO state that loans could be recalled within 12 months; this has never happened and is something we deem to be highly unlikely. We have therefore taken the decision to disclose these as long-term liabilities as they are very likely to be on our balance sheet for a period of greater than 12 months and so the classification of long-term creditors provides the most realistic status of these loans to the users of the accounts.

Market Risk

The Council is exposed to market risk in terms of its exposure that the value of an instrument will fluctuate because of changes in:

- Interest rate risk;
- Price risk; and
- Foreign Exchange rate risk

Interest Rate Risk

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

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

- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

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 the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

According to this investment strategy, at 31 March 2022, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

Interest Rate Risk 2021/22	**£000's**
Increase in interest payable on variable rate borrowings	330
Increase in interest receivable on variable rate investments	(297)
Impact on Surplus or Deficit on the Provision of Services	**33**
Decrease in fair value of fixed rate investment assets	-
Impact on Other Comprehensive Income and Expenditure	**-**
Decrease in fair value of fixed rate borrowing liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	38,371

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note – Fair value of Assets and Liabilities carried at Amortised Cost.

Price Risk

The Council does not generally invest in equity shares but does have shareholdings to the value of £32.070m in local industry. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead it only acquires shareholdings in return for "open book" arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

Of the shares mentioned above, £32.070m has been elected as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) would thus have resulted in a £1.604m gain or loss being recognised in the Financial Instruments Revaluation Reserve.

Foreign Exchange Risk

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

14 Analysis of Short and Long Term Debtors

The Council's short-term debtors, less credit losses, are as follows:

Analysis of Short Term Debtors	2020/21 £000	2021/22 £000
Central Government Bodies	5,990	3,672
Other Local Authorities	1,505	3,689
NHS Bodies	6,457	7,615
Payments in Advance	2,779	2,396
Capital Debtors	695	130
Collection Fund	32,053	28,819
Bodies External to General Government	33,637	28,662
Gross Debtors Total	**83,116**	**74,983**
Less Expected Credit Loss	(20,119)	(22,520)
Net Debtors	**62,997**	**52,463**

The Council's long-term debtors are as follows:

Analysis of Long Term Debtors	2020/21 £000's	2021/22 £000's
Loan Accounts	32,888	32,658
Bury MBC Townside Fields	7,257	7,257
Airport Loan Interest	3,985	7,237
Debt Managed for Probation Services	12	10
Total	**44,142**	**47,162**

15 Cash and Cash Equivalents

Cash and Cash Equivalents	2020/21 £000's	2021/22 £000's
Cash held by the Authority	71	59
School Bank Accounts	796	1,178
Bank Call Accounts	15,428	38,062
Bank Overdraft	(5,251)	(4,526)
Total	**11,044**	**34,773**

16 Assets Held for Sale

This note contains assets that are held for sale and are shown as non-current assets on the balance sheet as they are expected to be sold within 1 year. In accordance with the CIPFA Code of Practice, these assets are available for immediate sale in their present condition and are being actively marketed for sale.

Assets Held for Sale	2020/21 £000's	2021/22 £000's
Balance at 1st April	**511**	**622**
Additions	-	2
Disposals	-	-
Revaluations Recognised in the Revaluation Reserve	(2)	0
Revaluations Recognised in CIES	(12)	0
Reclassifications & Asset Transfers	125	0
Movements in Year	**111**	**2**
Balance as 31st March	**622**	**624**

17 Analysis of Creditors

The Council's creditors are as follows:

Analysis of Creditors	2020/21 £000's	2021/22 £000's
Central Government Bodies	(7,584)	(4,918)
Other Local Authorities	(3,912)	(3,242)
NHS Bodies	(105)	(1,135)
Income in Advance	(5,435)	(6,137)
Capital Creditors	(5,995)	(2,762)
Collection Fund	(7,019)	(2,131)
Bodies External to General Government	(13,416)	(23,245)
Total	**(43,466)**	**(43,570)**

Revenue Grants received in Advance	2020/21 £000's	2021/22 £000's
Council Tax Rebate Scheme	0	(11,413)
Covid Additional Relief Fund	0	(3,022)
DfE PE & Sports Premium Grant Various Schools	0	(272)
Sports England and similar	0	(247)
Planning Grant	(63)	(165)
DfE School Led Tutoring Grant	0	(124)
DfE Holiday Activities & Food Grant	0	(98)
Public Health/Substance Misuse	0	(77)
DfE Grants Parrenthorn High	0	(63)
DfE Grants the Virtual School	0	(31)
DfE School-Led Tutoring Grant the Elton High School	0	(17)
DfE PE & Sports Premium Our Lady of Lourdes RCP	0	(7)
Miscellaneous Grants	(6)	0
Bury Adult Learning Centre	(4)	0
Closing Balance	**(73)**	**(15,536)**

18 Pension Liability

Defined Contribution Scheme

Teachers' Pension Scheme

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

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

In 2021/22, the Council paid £9.354m (£10.281m in 2020/21) to Capita Teachers Pensions in respect of teachers' retirement benefits, representing 23.68% (23.68% in 2020/21) of pensionable pay.

In 2022/23, it is estimated that the Council will pay £9.067m to Capita Teachers Pensions in respect of teachers retirement benefits.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis as detailed below.

NHS Pension Scheme

Public Health employees are members of the NHS Pension Scheme, administered by the EA Finance NHS Pensions. This scheme provides its members with specified benefits on their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The NHS Pension Scheme is operated in a similar way to the Teachers' Pension Scheme, in that Employer Contributions are set nationally and all contributions from employers and employees are paid into one pot.

In 2021/22, the Council paid £0.09m (£0.09m in 2020/21) to the EA Finance NHS Pensions for members of the NHS pension scheme's retirement benefits, representing 14.4% (14.4% in 2019/20) of pensionable pay.

In 2022/23, it is estimated that the Council will pay £0.06m to the EA Finance NHS Pensions.

The Council is responsible for any additional benefits awarded upon early retirement outside of the terms of the NHS pension scheme. These costs are accounted for on a defined benefit basis as detailed below.

Defined Benefit Scheme

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 and this needs to be disclosed at the time that employees earn their future entitlement.

All employees (except teachers and members of the NHS pension scheme) are, unless they have opted out, members of the Greater Manchester Pension Fund which is administered by Tameside MBC and operates in accordance with the rules of the Local Government Pension Scheme (LGPS). This is a funded defined benefit career average (previously 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.

The Greater Manchester Pension Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pension committee of Tameside Council. Policy is determined in accordance with the Pension fund Regulations. The investment managers of the fund are appointed by the committee and consist of the Director of Finance and Resources of Tameside Council.

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

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they may eventually fall due.

Transactions Relating to Retirement benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by the employees rather than when they are eventually paid as pensions. However, the charge 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 through the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance through the Movement in Reserves Statement during the year:

Employers Contributions Payable to the Scheme	2020/21 £000	2021/22 £000
Service Cost		
Current service cost	(25,086)	(37,407)
Past service cost (including curtailments)	2,635	(682)
Total service cost	**(22,451)**	**(38,089)**
Financing and Investment Income and Expenditure		
Interest income on scheme assets	15,899	16,727
Interest cost on defined benefit obligation	(21,589)	(24,061)
Total net interest	**(5,690)**	**(7,334)**
Total Post Employment Benefits Charged to the Deficit on the Provision of Services	**(28,141)**	**(45,423)**
Remeasurements of the Net Defined Liability Comprising:		
Return on plan assets excluding amounts included in net interest	141,684	77,019
Actuarial (losses)/gains arising from changes in financial assumptions	(239,290)	70,201
Actuarial (losses)/gains arising from changes in demographic assumptions	(6,417)	12,507
Other experience and actuarial adjustments	8,577	(5,400)
Total remeasurements recognised in other comprehensive income	**(95,446)**	**154,327**
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	**(123,587)**	**108,904**
Movement in Reserves Statement		
Reversal of net charges made to the deficit on the provision of services	28,141	45,423
Employers' Contributions Payable to the Scheme	**(17,459)**	**(17,246)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amounts included in the Balance Sheet arising from the council's obligation in respect of its defined benefit scheme is as follows:

Pensions Assets and Liabilities Recognised in the Balance Sheet	2020/21 £000	2021/22 £000
Fair value of plan assets	841,328	887,993
Present value of funded liabilities	(1,167,829)	(1,091,734)
Present value of unfunded liabilities	(30,091)	(26,701)
Net Liability Arising From Defined Benefit Obligation	**(356,592)**	**(230,442)**

Reconciliation of the Movements in Fair Value of Scheme Assets

Reconciliation of the Movement in Fair Value of Scheme Assets	2020/21 £000	2021/22 £000
Opening fair value of scheme assets	691,732	841,328
Interest income	15,899	16,727
Remeasurement loss		
Return on plan assets excluding amounts included in net interest	141,684	77,019
Other experience and actuarial adjustments	0	(38,242)
Contributions from the employer into the scheme	14,950	14,833
Contributions from employees into the scheme	4,601	4,575
Benefits paid	(27,538)	(28,247)
Closing Fair Value of Scheme Assets	**841,328**	**887,993**

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

Reconciliation of the Movements in Fair Value of Scheme Assets	2020/21 £000	2021/22 £000
Opening fair value of scheme liabilities	942,196	1,197,920
Current service cost	25,086	37,407
Interest cost	21,589	24,061
Contributions from scheme participants	4,601	4,575
Remeasurement gain		
Actuarial (gains)/losses arising from changes in financial assumptions	239,290	(70,201)
Actuarial (gains)/losses arising from changes in demographic assumptions	6,417	(12,507)
Other experience and actuarial adjustments	(8,577)	(32,842)
Past service cost	(2,635)	682
Benefits paid	(30,047)	(30,660)
Closing Fair Value of Scheme Liabilities	**1,197,920**	**1,118,435**

Pension Scheme Assets

Asset Category	Period Ended 31 March 2021				Period Ended 31 March 2022			
	Quoted Prices in active markets £000	Quoted Prices not in active markets £000	TOTAL £000	Percentage of Total Assets	Quoted Prices in active markets £000	Quoted Prices not in active markets £000	TOTAL £000	Percentage of Total Assets
Equity Securities:								
Consumer	73,826	-	73,826	9%	58,769		58,769	7%
Manufacturing	65,750	-	65,750	8%	57,980		57,980	7%
Energy and Utilities	40,799	-	40,799	5%	47,985		47,985	5%
Financial Institutions	88,378	-	88,378	11%	87,776		87,776	10%
Health and Care	42,050	-	42,050	5%	46,464		46,464	5%
Information Technology	44,439	-	44,439	5%	43,365		43,365	5%
Other	13,593	-	13,593	2%	9,928		9,928	1%
Debt Securities				0%				
Corporate Bonds (investment grade)	40,666	-	40,666	5%	34,101		34,101	4%
Corporate Bonds (non-investment grade)	-	-	-	0%			0	0%
UK Government	-	-	-	0%	16,544		16,544	2%
Other	10,929	-	10,929	1%	28,125		28,125	3%
Private Equity				0%				
All	-	50,075	50,075	6%		64,958	64,958	7%
Real Estate				0%				
UK Property	-	31,436	31,436	4%		40,265	40,265	5%
Overseas Property	-	-	-	0%				0%
Investment Funds and Unit Trusts				0%				
Equities	75,594	-	75,594	9%	55,563		55,563	6%
Bonds	106,621	-	106,621	13%	87,104		87,104	10%
Infrastructure	-	42,889	42,889	5%		59,483	59,483	7%
Other	18,236	80,002	98,238	12%	16,107	104,040	120,147	13%
Derivatives				0%				
Other	(676)	-	(676)	0%	(4,938)		(4,938)	-1%
Cash and Cash Equivalents				0%				
All	16,721	-	16,721	2%	34,374		34,374	4%
Totals	**636,926**	**204,402**	**841,328**	**100%**	**619,247**	**268,746**	**887,993**	**100%**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

Mortality assumptions	2020/21	2021/22
Mortality assumptions:		
Longevity at 65 for current pensioners:		
- men	20.5	20.6
- women	23.3	23.7
Longevity at 65 for future pensioners:		
- men	21.9	21.8
- women	25.3	25.4
Rate of inflation	2.85%	3.20%
Rate of increase in salaries	3.60%	3.98%
Rate of increase in pensions	2.85%	3.20%
Rate for discounting scheme liabilities	2.00%	2.70%

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

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in Assumptions at 31st March 2022	Approximate % Increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in real discount rate	2%	19,738
0.1% increase in the salary increase rate	0%	2,270
0.1% increase in the pension increase rate	2%	17,311
1 year increase in member life expectancy	4%	44,737

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis. The current triennial valuation took effect from this financial year starting 1 April 2020.

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

The Council is anticipated to pay £14.351m in contributions to the scheme in 2022/23.

Bury Pension Guarantees

The Council has pension guarantees in place for two organisations Addiction Dependency Solutions and Persona Care and Support Ltd. The guarantees identified are those which the Council has an agreement in place with GMPF. Valuations have been obtained on both an on-going and cessation basis.

We have determined that these pension guarantees meet the definition of an insurance contract in accordance with IFRS4. IFRS4 defines an insurance contract as:

A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Council is the insurer and through the provision of the pension guarantee is accepting the risk of the admission body being unable to fund the benefits earned by its employees.

We have assessed the nature and extent of potential liabilities in respect of these guarantees and the likelihood of cash outflow is low. If any guarantee was invoked, this would be valued on an ongoing basis as the net surplus/liability would be added to the BMBC sub fund as we are a continuing employer. The overall net surplus/deficit position for guarantees valued on an ongoing basis is a net surplus position – because there is a net surplus and because the likelihood of cash outflow is considered to be remote, no liabilities have been included in the Council’s financial statements at 31 March 2022.

The Council has agreed to meet all contributions to retirement benefit schemes that are the responsibility of Six Town Housing in respect of both transferred and new staff by way of periodic management fee payments to them. The Council has also accepted responsibility for any liabilities of Six Town Housing in respect of transferred employees’ early retirement which may arise subsequent to the Transfer Date. It will (in relation to those transferred Employees who are members of the Local Government Pension Scheme) upon demand make such payments to the Administering Authority as are necessary to ensure the accrued benefits of the Transferred Employees, whilst in the service of the Council, are fully funded.

19 Short and Long Term Provisions

Provisions are amounts set aside by the Council to meet the cost of a future liability, for which the timing of the payment is uncertain. The amounts represent the best estimate of that liability where an exact cost is not able to be determined. In line with the Code of Practice, the provision is charged to service revenue accounts in the year it is established. When the liability falls due, the costs are charged directly to the provision.

Short Term Provisions	**Insurance Provision £000's**	**Business Rates Provision £000's**	**Other Provisions £000's**	**Total £000's**
Balance at 1 April 2021	0	(3,140)	(808)	(3,948)
Additional provisions made in 2021/22	0	0	0	0
Amounts used in 2021/22	0	0	685	685
Unused Amounts Reversed in 2021/22	652	0	0	652
Amounts transferred to/from short term provisions	(1,200)	1,935	0	735
Balance at 31 March 2022	**(548)**	**(1,205)**	**(123)**	**(1,876)**

Long term Provisions	**Insurance Provision £000's**	**Business Rates Provision £000's**	**Other Provisions £000's**	**Total £000's**
Balance at 1 April 2021	(5,160)	(785)	(1,942)	(7,887)
Additional provisions made in 2021/22	(1,559)	(40)	(1)	(1,600)
Amounts used in 2021/22	1,184	2,481	0	3,665
Unused Amounts Reversed in 2021/22	0	0	608	608
Amounts transferred to/from short term provisions	1,200	(1,935)	0	(735)
Balance at 31 March 2022	**(4,335)**	**(279)**	**(1,335)**	**(5,949)**

Business Rates Provision – Provision for potential backdated liability of refunding Business Rates payers as a result of reductions in Rateable Values, following successful appeals or alterations to Valuation lists. This may include the impact on Business Rates income previously paid into the National Non-Domestic Rates pool prior to the introduction of the Business Rates Retention Scheme which was implemented on 1st April 2013

Insurance Provision – Provision for outstanding claims relating to 31 March 2022 and before, where there are potential settlement costs attributable to the Council.

Other Provisions - This is the total of all other amounts set aside as provisions.

20 Usable Reserves

20.1 Summary of Usable Reserves

Reserve	2020/21 Restated £000's	2021/22 £000's
Earmarked & Schools Balances *	118,451	102,402
Capital Receipts Unapplied	4,889	6,967
Capital Grants Unapplied	9,608	16,119
General Fund	30,881	24,468
Housing Revenue Account	10,422	9,843
Dedicated Schools Grant	8,846	8,846
Section 106 Commuted Sums	4,286	4,228
Manchester Airport Share Reserve *	0	0
Other Minor Reserves	15	0
Balance at 31 March	**187,398**	**172,873**

* Note: The 2020/21 balance of Usable Reserves has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

20.2 General Fund Balance

General Fund Balance	General Fund £000's
Balance at 31 March 2021	**30,881**
Surplus/(Deficit) for the Year	1,319
Planned Contribution to General Fund	(7,732)
Balance at 31 March 2022	**24,468**

To ensure that the Council can manage financial risks whilst being able to maintain services, the Council is required to hold funds to meet these costs as and when they arrive. The level of this reserve is set by the Section 151 Officer as the minimum amount required, based on their assessment of the financial risks facing the organisation and the extent to which these are covered elsewhere. In-year contributions have been made to the reserve.

20.3 Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2021/22. The following table and note explains the amount and purpose of the earmarked reserves held by the Council

Earmarked Reserves	Balance at 31 March 2020 Restated £000's	Transfer to DSG Adj Account £000's	Restated balances at 1st April 2020 £000's	Transfers in 2020/21 £000's	Transfers out 2020/21 £000's	Balance at 31 March 2021 £000's	Transfers in 2021/22 £000's	Transfers out 2021/22 £000's	Balance at 31st March 2022 £000's
Management of Financial Risk - Corporate									
- Community Safety	**49**	-	**49**	-	-	**49**	-	-	**49**
- Climate Change	**150**	-	**150**	-	-	**150**	-	(150)	**0**
- Culture	**40**	-	**40**	44	-	**84**	-	(57)	**27**
- Corporate	**1,921**	-	**1,921**	103	-	**2,024**	-	(167)	**1,857**
- Adults Social Care Transformation	**1,247**	-	**1,247**	-	-	**1,247**	3,222	0	**4,469**
- Childrens Social Care Transformation	**94**	-	**94**	245	-	**339**	77	-	**416**
- Homelessness	**987**	-	**987**	50	-	**1,037**	-	(50)	**987**
- Housing	**123**	-	**123**	-	-	**123**	-	-	**123**
- Skills	**2,086**	-	**2,086**	618	-	**2,704**	-	(458)	**2,246**
- ICT	**893**	-	**893**	108	(51)	**950**	251	-	**1,201**
- Council Transformation	**206**	-	**206**	5,800	(700)	**5,306**	1,118	0	**6,424**
COVID-19 Related Grants	-	-	**0**	10,523	-	**10,523**	0	(5,832)	**4,691**
Management of Financial Risk - Directorate	**993**	-	**993**	2,720	(201)	**3,512**	5,745	0	**9,257**
Volatility and Fiscal Mitigation *	**39,888**	-	**39,888**	7,422	-	**47,310**	579	0	**47,889**
Earmarked External Funding	**17,522**	-	**17,522**	36,305	(14,040)	**39,787**	0	(20,360)	**19,427**
Investment Funds	**3,270**	-	**3,270**	36	-	**3,306**	33	-	**3,339**
Sub-Total	**69,469**	**-**	**69,469**	**63,974**	**(14,992)**	**118,451**	11,025	**(27,074)**	**102,402**
Section 106 Commuted Sums	**4,040**	-	**4,040**	425	(179)	**4,286**	0	(58)	**4,228**
Manchester Airport Share Reserve *	**-**	-	**-**	-	-	**-**	-	-	**-**
Schools Reserve	**(15,182)**	**20,067**	**4,885**	8,845	(4,884)	**8,846**		-	**8,846**
Total Earmarked Reserves	**58,327**	**20,067**	**78,394**	**73,244**	**(20,055)**	**131,583**	11,025	**(27,132)**	**115,476**

Management of Financial Risk: Corporate **-** These are reserves held to support specific outcomes across the council and are presented on a thematic basis relating to current priorities. Chief Executive approval is required for use of the reserve unless otherwise agreed.

Management of Financial Risk: Directorate **-** This reserve is utilised to manage in-year financial variations such as fluctuations in demand or any other financial risk.

* Volatility and Fiscal Mitigation **-** This reserve is utilised to manage areas of spending where costs in any one year are variable and unpredictable but where annual fluctuations are averaged over the medium term. The 31 March 2020 balance has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

Earmarked External Funding **-** This reserve is utilised to manage external funding received for specific purposes where the decisions on how the funding is used is not wholly within the control of the council.

Investment Funds **-** This reserve is utilised to provide pump-priming investment to deliver the Council's key objectives.

Section 106 Commuted Sums **-** This reserve represents money received as part of Section 106 agreements from Housing and other developers. The reserve is earmarked and is not available for general use.

* Manchester Airport Share Reserve **–** The 31 March 2020 balance has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

Schools Reserve – This includes the balances held by schools under the scheme of delegation.

21 Unusable Reserve

All unusable reserves are described below, the movements in year for all reserves with a material balance are also disclosed.

Summary of Unusable Reserves

Reserve	**2020/21 Restated £000's**	**2021/22 £000's**
Financial Instruments Adjustment Reserve	(271)	(269)
Financial Instruments Revaluation Reserve	7,576	7,576
Collection fund Adjustment Account	(28,275)	(10,061)
Accumulated Absences	(4,781)	(3,419)
Pension Reserve	(356,592)	(230,442)
DSG Adjustment Account	(21,407)	(21,473)
Capital Adjustment Account *	213,447	235,764
Deferred Capital Receipts	(1)	(1)
Revaluation Reserve	116,540	116,674
Balance at 31st March	**(73,764)**	**94,349**

* Note: The 2020/21 balance of Unusable Reserves has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

21.1 Revaluation Reserve

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

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

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

Revaluation Reserve	**2020/21 £000's**	**2021/22 £000's**
Balance at 1 April	**124,128**	**116,540**
Upward revaluation of assets	8,635	26,393
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	(4,843)	(20,339)
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the provision of services	**3,792**	**6,054**
Difference between fair value depreciation and historical cost depreciation	(1,213)	(1,099)
Accumulated gains on assets sold or scrapped	(10,167)	(778)
Revaluation balances adjustment	0	(4,043)
Amount written off to the capital adjustment account	**(11,380)**	**(5,920)**
Balance at 31 March	**116,540**	**116,674**

21.2 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 element 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 contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 4 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2020/21 Restated £000's	2021/22 £000's
Balance at 1 April *	**215,761**	**213,447**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation and impairment of non-current assets	(14,018)	(17,655)
Revaluation losses on Property, Plant and Equipment	10,343	12,280
Amortisation of intangible assets	(474)	(679)
Revenue expenditure funded from capital under statute	(3,369)	(4,586)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(26,521)	(4,453)
Adjusting amounts written out of the Revaluation Reserve	10,166	5,920
Repayment of Long Term Debtors	(1)	0
Net written out amount of the cost of non-current assets consumed in the year	**(23,874)**	**(9,173)**
Capital financing applied in the year:		
Use of the Capital Receipts reserve to finance new capital expenditure	1,605	613
Use of the Major Repairs Reserve to finance new capital expenditure	7,358	7,404
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,066	13,476
Application of grants to capital financing from the Capital Grants Unapplied Account	862	1,782
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	2,426	2,602
Capital expenditure charged against the General Fund and HRA balances	1,243	5,321
Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	0	292
Balance at 31 March	**213,447**	**235,764**

* Note: The 1 April 2020 balance has been restated for a Prior Period Adjustment relating to the Capital Financing Requirement (see note 40 for further details).

21.3 Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets 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.

21.4 Financial Instrument Adjustment Account

The Financial Instrument Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

The Council uses the Account to manage premiums paid and discounts received on the early redemption of loans. Premiums are debited and discounts are credited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the net expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on Council Tax payers. In the Council's case this period is the unexpired term that was outstanding on loans when they were redeemed.

Financial Instrument Adjustment Account	**2020/21 £000**	**2021/22 £000**
Balance at 1 April	(272)	(271)
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	1	2
Balance at 31 March	(271)	(269)

21.5 Financial Instrument Revaluation Account

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

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

Financial Instruments Revaluation Reserve	**2020/21 Restated £000's**	**2021/22 £000's**
Balance at 1st April	11,086	7,576
Transfer from Available for Sale Financial Investment Account	-	-
Revaluation of Shareholding in Manchester Airport	(3,510)	-
Surplus on Revaluation of Financial Instrument Revaluation Reserve	-	-
Financial Instruments held under Fair Value through Profit & Loss subject to MHCLG Statutory Over-Ride	-	-
Balance at 31st March	**7,576**	**7,576**

21.6 Accumulated Absences

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.

Accumulative Absences	**2020/21 £000**	**2021/22 £000**
Balance at 1 April	(4,131)	(4,781)
Amount by which officer remuneration charged to the CI&E on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(650)	1,362
Balance at 31 March	**(4,781)**	**(3,419)**

21.7 Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Business Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and Business Rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

The regulations require this technical adjustment in order to smooth any potential volatility in the local taxation system which would otherwise impact on the Councils general fund. Due to the impact of COVID, the exceptional difference which has occurred in 2021/22 has been offset by compensatory grants of £11.778m. These amounts are held within reserves to be utilised in 2022/23 when the deficit amount is required in statute to be repaid into the Collection Fund.

Collection Fund Adjustment Account	**2020/21 £000's**	**2021/22 £000's**
Opening Balance	15,960	(28,275)
Amount by which council tax and non-domestic rate income credited to the Comprehensive Income and Expenditure statement is different from council tax and non-domestic rate income calculated for the year in accordance with statutory regulations	(44,235)	18,214
Total	**(28,275)**	**(10,061)**

21.8 Pension 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 pays any pension 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 are due for payment.

Pension Reserve	**2020/21 £000's**	**2021/22 £000's**
Balance at 1 April	(250,464)	(356,592)
Remeasurement of net defined liability	(95,446)	154,327
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	(28,141)	(45,423)
Employer's Pension Contributions and direct payments to pensioners payable in the year	17,459	17,246
Balance at 31 March	**(356,592)**	**(230,442)**

21.9 Dedicated Schools Grant (DSG) Adjustment Account

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

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget relating to its accounts for a financial year beginning on 1 April 2020, 1 April 2021 or 1 April 2022, it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the Councils' general fund for a period of three financial years.

This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation is limited to the financial reporting periods 2020/21, 2021/22 and 2022/23 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit.

Dedicated Schools Grant (DSG) Adjustment Account (Schools and Central Spend)	2020/21 Restated £000's	2021/22 £000's
Balance at 1 April	-	(21,407)
Reporting of Schools Budget Deficit to new Adjustment Account	(20,067)	0
In year DSG (over)/under spend	(1,340)	(66)
Balance at 31 March	**(21,407)**	**(21,473)**

22 Cash Flow Statement – Operating Activities

The cash flows for Operating Activities include the following items:

Operating Activities	2020/21 £000's	2021/22 £000's
Interest received	4,256	3,963
Interest paid	(7,939)	(7,645)
Dividends received	-	

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

Non-Cash Movements	2020/21 £000's	2021/22 £000's
Depreciation	14,018	14,763
Impairment and downward valuations	(4,452)	(9,392)
Amortisation	474	679
Movement in contract assets, liabilities and costs (IFRS 15)	0	0
Deferred revenue/ deferred payment agreements (IFRS 15)	0	0
Increase/(decrease) in impairment for credit losses	0	0
Increase/(decrease) in creditors	(9,398)	14,067
(Increase)/decrease in debtors	(18,604)	1,817
(Increase)/decrease in inventories	200	(324)
Movement in pension liability	5,690	28,177
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	26,521	4,455
Movements in the Value of Investment Properties	0	(292)
Other non-cash items charged to the net surplus or deficit on the provision of services	(2,163)	(4,010)
	12,286	**49,940**

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

Investing and Financing Activities	2020/21 £000's	2021/22 £000's
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	4,750	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(555)	(4,135)
Any other items for which the cash effects are investing or financing cash flows	(8,553)	(21,769)
	(4,358)	**(25,904)**

23 Cash Flow Statement – Investing Activities

Cash Flow Statement - Investing Activities	2020/21 £000's	2021/22 £000's
Purchase of property, plant and equipment, investment property and intangible assets	(20,622)	(33,840)
Purchase of short-term and long-term investments	(3,740)	(5,500)
Other payments for investing activities	-	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,207	4,135
Proceeds from short-term and long-term investments	-	0
Other receipts from investing activities	10,641	26,943
Net cash flows from investing activities	**(11,514)**	**(8,262)**

24 Cash Flow Statement – Financing Activities

Cash Flow Statement - Financing Activities	2020/21 £000's	2021/22 £000's
Cash receipts of short- and long-term borrowing	12,300	20,000
Other receipts from financing activities	-	918
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(22)	(23)
Repayments of short- and long-term borrowing	(23,133)	(6,149)
Other payments for financing activities	(1,723)	0
Net cash flows from financing activities	**(12,578)**	**14,746**

Reconciliation of Liabilities Arising from Financing Activities

	Balance at 1 April 2021 £000's	Financing cash flows £000's	Non cash changes £000's	Balance at 31 March 2022 £000's
Long Term borrowings	201,095	7,000	(192)	207,903
Short Term borrowings	6,392	8,000	(48)	14,344
Lease liabilities	27	(23)	0	4
Transferred debt	970	(957)	0	13
Amounts included as part of (debtor)/creditor balances:				
Amounts owed to/from Collection Fund preceptors	7,019	918	*(5,761)	2,176
Total Liabilities from financing activities	**215,503**	**14,938**	**(6,001)**	**224,440**

*Non cash adjustments include the inclusion of balances relating to the full Collection Fund shares of preceptors.

	Balance at 1 April 2020 £000's	Financing cash flows £000's	Non cash changes £000's	Balance at 31 March 2021 £000's
Long Term borrowings	193,987	12,300	(5,192)	201,095
Short Term borrowings	23,439	(22,237)	5,190	6,392
Lease liabilities	49	(22)	-	27
Transferred debt	1,866	(896)	-	970
Amounts included as part of (debtor)/creditor balances:				
Amounts owed to/from Collection Fund preceptors	8,742	(1,723)	-	7,019
Total Liabilities from financing activities	**228,083**	**(12,578)**	**(2)**	**215,503**

25 Capital Expenditure and Financing Requirement

The total value of capital expenditure incurred during the year is disclosed in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in a decrease in the Capital Financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

Capital Expenditure and Financing Requirement	2020/21 £000's	2021/22 £000's
Opening Capital Financing Requirement *	**301,978**	**320,990**
Capital Investment		
Property Plant and Equipment	22,482	41,394
Heritage Assets	-	-
Investment Assets	87	5
Intangible Assets	1,291	952
Assets Held for Sale	-	1
Long Term Investment	3,740	-
Long Term Debtors	9,677	-
Revenue Expenditure Funded from Capital Under Statute	3,369	3,385
Source of Finance		
Capital Receipts	(1,572)	(613)
Government Grants and Other Contributions	(8,926)	(15,258)
Major Repairs Reserve	(7,358)	(7,404)
Sums Set aside from Revenue:		
Direct Revenue Contributions	(1,243)	(5,321)
Minimum Revenue Provision and other repayments in the year	(2,535)	(2,715)
Closing Capital Financing Requirement	**320,990**	**335,416**
Explanation of movement in year		
Increase in Need to Borrow Supported by Government Financial Assistance	-	-
Increase in Need to Borrow Unsupported by Government Financial Assistance	21,547	17,141
Assets Acquired Under Finance Leases	-	-
Minimum Revenue Provision and other repayments in the year	(2,535)	(2,715)
Increase in Capital Financing Requirement	**19,012**	**14,426**

* Note: The 1 April 2020 balance has been restated for a Prior Period Adjustment (see note 40 for further details).

Capital commitments as at 31st March 2022 total £7.683m and include:

Scheme	£000
ICT Projects	333
Street Lighting	211
Estate Management – Corporate Landlord	10
Vehicle Replacement Strategy	1,825
Regeneration	367
Housing	4,937
Total	**7,683**

The actual level of expenditure on any of the uncommitted schemes for future years will depend upon the availability of capital financing resources.

26 Contingent Assets

A contingent asset is an asset that may be received but only if a future event occurs that is not under the control of the Council. The Council has identified no contingent assets as at 31 March 2022.

27 Contingent Liabilities

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

Municipal Mutual Insurance Ltd

On 30 September 1992 the Council's then insurers, MMI Ltd, announced that they were no longer accepting new business. On the 13 November 2012 the directors of MMI triggered a Scheme of Arrangement which now means that the Council may be required to repay amounts for claims previously settled. The scheme provides that following a Trigger Event a levy may be imposed on all those creditors that have been paid in respect of established scheme liabilities, this rate is currently 25%.

The established scheme liabilities of gross claim payments at 31 March 2022 is £2.175m which would attract a levy of £0.531m should a Trigger Event arise. The amended liability that the Council may be required to repay is £1.644m (£2.175m les £0.531m levy) in respect of claims previously settled. There are 2 outstanding claims with MMI totalling £0.031m.

28 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be used to finance expenditure that is included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2020. The Schools Budget includes elements for a range of educational services provided on a Council wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each Council maintained school.

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

DISCLOSURE OF DEPLOYMENT OF DEDICATED SCHOOLS GRANT 2021/22			
	Central Expenditure £000	**Individual Schools Budget £000**	**Total £000**
A. Final DSG for 2021/22 before academy and high needs recoupment			190,358
B. Academy and high needs figure recouped for 2021/22			65,459
C. Total DSG after academy and high needs recoupment for 2021/22			124,899
D. Plus: Brought forward from 2020/21			-21,407
E. Less: Carry-forward to 2021/22 agreed in advance			21,407
F. Agreed initial budgeted distribution in 2021/22	42,570	82,329	124,899
G. In year adjustments	4,314	0	4,314
H. Final budget distribution for 2021/22	46,884	82,329	129,213
I. Less: Actual central expenditure	46,959	N/A	46,959
J. Less: Actual ISB deployed to schools		82,320	82,320
Plus: Local authority contribution for 2021/22	0	0	0
In year carry-forward to 2022/23	-75	9	-66
Plus: Carry-forward to 2022/23 agreed in advance			-21,407
K. Carry-forward to 2022/23			-21,473

A: Final DSG figure before any amount has been recouped from the Council.

B: Figure recouped from the Council in 2021/22 by the Department for Education (DfE) for conversion of maintained schools into Academies and for high needs payments made by the ESFA.

C: Total DSG figure after Academy and high needs recoupment for 2021/22.

D: Figure brought forward from 2020/21 agreed with the DfE

E: Any amount which the Council decided after consultation with the Schools Forum to carry forward to 2021/22.

F: Budgeted distribution of DSG as agreed with the Schools Forum.

G: Changes to the initial distribution.

H: Budgeted distribution of DSG as the end of the financial year.

I: Actual amount of central expenditure items in 2021/22.

J: Amount of ISB actually distributed to schools.

K: Carry forward to 2022/23.

Disclosure of Deployment of Dedicated Schools Grant		2020-21		
		Central Expenditure	Individual Schools Budget	Total
Note		£000	£000	£000
A	Final DSG before academy recoupment			(177,641)
B	Academy Recoupment			49,599
C	**Total DSG after academy recoupment**			**(128,042)**
D	Balance Brought Forward			(20,067)
E	Carry forward to 2020/21 agreed in advance			20,067
				(128,042)
	Agreed initial budget distribution	(28,375)	(99,667)	(128,042)
G	In year adjustments	(6,000)		(6,000)
H	**Final budget distribution**	**(34,375)**	**(99,667)**	**(134,042)**
I	Less: Central expenditure	35,715	-	35,715
J	Less: ISB deployed to schools	-	99,667	99,667
K	**Carried forward**	**1,340**	**-**	**21,407**

Details of the deployment of the DSG receivable for 2020/21 is as follows:

A: Final DSG figure before any amount has been recouped from the Council.

B: Figure recouped from the Council in 2020/21 by the Department for Education (DfE) for conversion of maintained schools into Academies and for high needs payments made by the ESFA.

C: Total DSG figure after Academy and high needs recoupment for 2020/21.

D: Figure brought forward from 2019/20 agreed with the DfE

E: Any amount which the Council decided after consultation with the Schools Forum to carry forward to 2020/21.

F: Budgeted distribution of DSG as agreed with the Schools Forum.

G: Changes to the initial distribution.

H: Budgeted distribution of DSG as the end of the financial year.

I: Actual amount of central expenditure items in 2020/21.

J: Amount of ISB actually distributed to schools.

K: Carry forward to 2021/22.

29 External Audit Costs

In 2021/22 the Council incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's External Auditors:

External Audit Costs	2020/21 Restated £000's	2021/22 £000's
Fees payable with regard to external audit services carried out by the appointed auditor for the year	90	90
Additional fee agreed for 20/21 after publication of accounts per PSAA	76	34
Total	**166**	**124**

30 Grant Income

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

Grant Income Credited to Services	2020/21 £000's	2021/22 £000's
Dedicated Schools Grant (DSG)	(134,042)	(129,716)
Pupil Premium Grant	(5,899)	(5,467)
Housing Benefit Subsidy - Rent Allowances	(22,907)	(21,259)
Housing Benefit Subsidy - Rent Rebates	(12,800)	(12,408)
Discretionary Housing payments	(209)	(270)
COVID 19 grants	(36,446)	(48,194)
Asylum Seekers (UASC)	(825)	(367)
Other Government Grants	(9,847)	(6,992)
Total	**(222,975)**	**(224,673)**

Capital Grants received in Advance	2020/21 £000's	2021/22 £000's
Opening Balance at 1st April	2,184	4,272
Grants received in year with conditions attached	6,116	14,353
Total grants received in advance available to meet capital expenditure	**8,300**	**18,625**
Grants applied to financing of capital expenditure from grants received in year	(3,607)	(7,455)
Grants applied to financing of capital expenditure from grants brought forward from previous years	(421)	(1,153)
Total Grants applied to financing of capital expenditure at 31st March	**(4,027)**	**(8,608)**
Closing Balance	**4,272**	**10,017**

2020/21 £000's	Capital Grants received in Advance (Non-Current) Grant	2021/22 £000's
(59)	Devolved Formula Capital (Department for Education)	(49)
0	Levelling Up Fund (Department for Levelling Up Housing and Communities)	(4,146)
(1,977)	Disabled Facilities Grant (Department for Levelling Up Housing and Communities)	(4,050)
0	Next Steps Accommodation (Homes England)	(2)
0	Emergency Active Travel Fund (Greater Manchester Combined Authority)	(10)
0	Public Sector Decarbonisation (Greater Manchester Combined Authority)	(105)
(944)	Brownfield Fund (Greater Manchester Combined Authority)	0
(421)	GM Minor Works (Greater Manchester Combined Authority)	(421)
0	Highway maintenance (Department for Transport)	(180)
(153)	Flood Grant Department for Transport)	(150)
(81)	Environmental grants (Environment Agency)	(81)
(459)	Social Care Single Capital Pot (Department of Health)	(459)
(69)	Empty Properties (S106)	(136)
(109)	Shared Ownership Housing (S106)	(177)
0	Wheeled Sports (The Veolia Environmental Trust)	(50)
(4,272)		**(10,017)**

31 Leases

31.1 Operating Leases

The Council has numerous operating leasing agreements with private individuals and entities regarding shops, other premises and land where the Council acts as the lessor. The most significant of these is for land leased to Manchester Airport until 31.03.2085 for an annual rental of £530,526. The future minimum lease payments receivable are shown in the table below:

Operating Leases - Lessor	2020/21 £000's	2021/22 £000's
Not later than one year	3,175	3,123
Later than one year and not later than five years	9,403	8,716
Later than five years	131,651	133,047
Total	**144,229**	**144,886**

The Council also leases land and buildings, vehicles, plant and other equipment under the terms of operating leases. The table below shows the future minimum lease payments due under non-cancellable leases in future years:

Operating Leases - Lessee	Land and Buildings £000's	Vehicles, Plant and Equipment £000's
Not later than one year	1,387	49
Later than one year and not later than five years	5,124	0
Later than five years	11,638	0
Total	**18,149**	**49**

31.2 Finance Leases

Authority as Lessee:

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

Finance Leases - Lessee	31 March 2021 £000's	31 March 2022 £000's
Vehicles, Plant, Furniture and Equipment	44	22
Total	**44**	**22**

The Authority 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 Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

Finance Lease Liability	31 March 2021 £000's	31 March 2022 £000's
Finance Lease Liabilities (net present value of minimum lease payments)	27	4
Minimum Lease Payments	**27**	**4**

Finance Lease Liability	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2021 £000's	31 March 2022 £000's	31 March 2021 £000's	31 March 2022 £000's
Not later than 1 year	23	4	23	4
Later than 1 year not later than 5 years	4	-	4	-
Later than 5 years	-	-	-	-
Total	**27**	**4**	**27**	**4**

32 Members' Allowances

The council paid the following amounts to Members during the year:

Members' Allowances & Expenses	2020/21 Restated £000's	2021/22 £000's
Allowances *	667	678
Expenses	1	3
TOTAL	**668**	**681**

* includes a £16k correction of an error to the prior year comparative figures

33 Officers' Remuneration and Termination Benefits

33.1 Employees in Higher Earning Bands

The remuneration of senior employees is detailed below. Disclosure of Senior Officers whose salary in 2021/22 was £100,000 (pro rata) or more per year, the previous years are also included as a comparator.

	2020/21					2021/22					
	Salary, Fees and Allowances £000	Expenses Allowances £000	Compensation for Loss of Office £000	Pension Contribution £000	Total £000	Salary, Fees and Allowances £000	Expenses Allowances £000	Compensation for Loss of Office £000	Pension Contribution £000	Total £000	Note
G Little, Chief Executive & Accountable Officer NHS Bury CCG	187			38	225	190			39	229	A
L Ridsdale - Deputy Chief Executive (Corporate Core)	143.5			29.2	172.7	152			31	183	
Executive Director: Children & Young People	67.6			13.9	81.5						B
Executive Director: Children & Young People	66.5			12.5	79	104			15	119	C
Executive Director: Children & Young People	0			0	0	31			6	37	D
D Ball - Executive Director of Operations	127.9			26.2	154.1	132			27	160	
Executive Director: Strategic Commissioning	29.4			3.3	32.7	126			18	144	E
Executive Director: Places (Interim)*	25.5			0	25.5	44			0	44	F
Executive Director: Places						50			10	60	G
Director Community Commissioning	107.8			22	129.8	97			20	117	H
Director of Public Health	105.3			15	120.3	107			15	122	
Director of People & Inclusion	0			0	0	70			14	84	I
Director of Economic Regeneration & Capital Growth	104.5			21.4	125.9	59			12	71	J
Director of Housing Growth & Development (Interim)	0			0	0					0	
Director of Education & Skills	0			0	0	93			19	112	K
Joint Chief Information Officer	94.1			19.2	113.3	100			21	121	
Director of Law & Democratic Services	0			0	0	93			19	112	L
Assistant Director: Legal & Democratic Services (Monitoring Officer and DPO)	93.6			15.4	109	0				0	M
Strategic Advisor - Legal & Democratic Services	135.1			0	135.1					0	N
J Kramer - Interim Assistant Director Education and Learning	223.7			0	223.7					0	O
L Kitto – Deputy Chief Finance Officer (Interim) / Director of Financial Transformation (Interim)	302			0	302	19			0	19	P/Q

- PPA Includes 2020-21 has been adjusted for a £10,000 payment owing in 2020-21 but paid in 2021-22, but which was not accrued.

Senior Officers served for the whole of 2020/21 and 2021/22 unless stated below.

Notes:

A:	The Chief Executive is also the Accountable Officer at the Bury CCG, no recharge was made to NHS Bury CCG during 2020/21 but 50% was recharged in 2021/22.
B:	The Executive Director for Children & Young People left the Council on 4 October 2020.
C:	The Executive Director for Children & Young People was appointed on 30 September 2020. The appointee was in post until 31 October 21.
D:	The Executive Director for Children & Young People was appointed on 4 January 2022.
E:	The Executive Director for Strategic Commissioning was appointed on the 06 July 2020, the annualised salary would have been over the £100,000 threshold. This is a joint role between the Council and the CCG, the CCG contributed 50% of his salary in 2020-21 and 2021-22.
F:	The Interim Executive Director for Places started with the Council in February 2021 and is paid through an agency on a part time basis.
G:	The Executive Director Places was appointed on 25 November 2021.
H:	The Director of Community Commissioning acted up into the Executive Director for Strategic Commissioning prior to the appointment of the new director in 2020/21 financial year.
I:	The Director of People & Inclusion was appointed on 24 May 2021.
J:	The Director of Economic Regeneration & Capital Growth was in post until 24 November when he was recruited to the Executive Director Places. This role remained vacant to the end of the 2021/22 year.
K:	The Director of Education & Skills acted up into the Executive Director for Children & Young People prior to the appointment of the new director in 2021/22 financial year. (7 September 2021 to 3 January 2022.)
L:	The Monitoring officer role in 2021/22 sits with the Director of Law & Democratic Services.
M:	The Assistant Director for Legal & Democratic Services (Monitoring Officer) left the Council in 2020, the post was covered on an interim basis internally pending the permanent recruitment in April 2021. The permanent recruitment began on 1 April 2021.
N:	The Strategic Advisor for Legal & Democratic Services was contracted through an agency.
O:	The Interim Assistant Director of Education & Learning was paid via an agency.
P:	The Interim Deputy Chief Finance Officer was paid £151,000 for this role (April 2020 to September 2020) and £151,000 for the role of Interim Director of Financial Transformation (October 2020 to March 2021). Both roles were paid via an agency. This also included the Section 151 role for April at the start of the 2021-22 financial year.
Q:	The Executive Director of Finance is now the appointed Section 151 Officer for the Council and the post is remunerated through Bury NHS CCG, rather than Bury Council. The annual salary falls within a range of £115,000 and £119,999. The postholder in 2020/21 left the post of Joint Chief Finance Officer of the Council and CCG on 31 January 2021. The new incumbent began with the Council and CCG on 3 May 21.

33.2 The number of employees, including senior employees (in Table 33.1 above) and teachers, whose remuneration, excluding employer pension contributions, was £50,000 or more.

Salary Range	2020/21 Teaching Staff	2021/22 Teaching Staff	2020/21 Non-Teaching Staff	2021/22 Non-Teaching Staff
£50,000 - £55,000	48	51	28	26
£55,001 - £60,000	32	25	10	18
£60,001 - £65,000	25	28	11	14
£65,001 - £70,000	21	15	4	7
£70,001 - £75,000	8	11	1	5
£75,001 - £80,000	9	9	2	3
£80,001 - £85,000	1	3	1	1
£85,001 - £90,000	1	2	3	2
£90,001 - £95,000	4	3	4	4
£95,001 - £100,000	-	1	-	2
£100,001 - £105,000	-	-	1	2
£105,001 - £110,000	1	-	2	2
£110,001 - £115,000	-	1	-	1
£115,001 - £120,000	-	-	-	-
£120,001 - £125,000	-	-	-	-
£125,001 - £130,000	-	-	1	1
£130,001 - £135,000	-	-	-	1
£135,001 - £140,000	-	-	1	-
£140,001 - £145,000	-	-	-	1
£145,001 - £150,000	-	-	-	-
£150,001 - £155,000	-	-	-	-
£155,001 - £160,000	-	-	-	-
£160,001 - £165,000	-	-	-	-
£165,001 - £170,000	-	-	-	-
£175,001 - £180,000	-	-	-	-
£180,001 - £185,000	-	-	-	-
£185,001 - £190,000	-	-	1	-
£190,001 - £195,000	-	-	-	-
£195,001 - £200,000	-	-	-	1
TOTAL	**150**	**149**	**70**	**91**

33.3 Exit Packages – Total

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit Package Cost band (including special payments)	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
							£000	£000
£0 - £20,000	5	2	3	27	8	29	85	186
£20,001 - £40,000	-	-	6	7	6	7	165	187
£40,001 - £60,000	-	-	-	-	-	0	-	-
£60,001 - £80,000	-	-	1	-	1	0	70	-
£80,001 - £100,000	-	-	-	-	-	0	-	-
Total	**5**	**2**	**10**	**34**	**15**	**36**	**320**	**373**

34 Pooled Funds

Section 75 of the National Health Service Act 2006 allowed joint working arrangements between NHS organisations and local authorities. Pooled funds enable these bodies to work collaboratively to address specific local health issues.

Bury Council and the Bury Clinical Commissioning Group (CCG) have worked together to support health and social care integration within the locality. From 1 October 2019 the Integrated Commissioning Fund (ICF) includes the total revenue budget allocations of both the Council and the CCG. The single fund is overseen by the Bury Strategic Commissioning Board (SCB), a sub-committee of the CCG Governing Body and Council Cabinet. Its membership includes equal representation from the CCG and Council.

The ICF supports the 4 strategic priorities of the Bury Locality Plan:

- **Building new relationships:** We will enable a radical shift in both the relationship between local people and public services, and the way in which public services work together towards a common set of outcomes.
- **Staying well for longer:** We will support local people to remain well for longer by systematically tackling the causes of illness, radically up-scaling prevention, and implementing a whole system wellness and wellbeing programme.
- **Reducing failure demand:** We will identify and remove the demand that exists in most Public Service systems that occur as a result of the way in which services are delivered and the way in which organisations work together within the system.
- **Tackling wider determinants of health**: We will make a concerted system-wide effort to tackle the wider determinants which impact upon the health and wellbeing of local people such as deprivation, work and skills, housing, education and the environment.

The ICF is made up of 3 component sections:

- **Section 75 Pooled Budget**: Decisions on the utilisation of this budget are delegated to the SCB.
- **Aligned Services Budget**: For services that cannot be pooled under Section 75 legislation or the Council and CCG have agreed are not yet in a position to pool. Recommendations on the utilisation of this budget are made by the SCB with decisions taken by the appropriate sovereign organisation.
- **In View Services Budget:** For services that are influenced but not directly commissioned by the partners. Decisions on the utilisation of in-view budgets are made by committees/bodies outside of Bury and are shared for information purposes only.

Risk share agreement

Under the risk share arrangements of the ICF each organisation shares financial risk on a 50:50 basis. Each partner organisation accounts for their own contributions and details of the spend from the pool are reported to the Bury Strategic Commissioning Board.

In addition to the risk share the ICF financial framework allows for contributions from partners to vary in year as long as partner contributions are fully restored and balanced by the end of 2022/23. In 2021/22 Bury Council made an additional contribution to the ICF pooled budget of £2.5m (See table 1). It was previously agreed that the Council would make an additional contribution of £4.5m during 2021/22. However the SCB agreed to a rephasing of this contribution so that an additional contribution of £2.5m is made by the Council in 2021/22 with the remaining additional contribution of £2m made in 2022/23. This phasing of additional contributions complies with the Section 75 agreement to ensure contributions are balanced over the 4 year term of the arrangement. The impact of the contribution variations across years and by partner is shown in the Table 2 below.

Table 1

Integrated Commissioning Fund incorporating the Better Care Fund and Improved Better Care Fund	**2020/21 £'000s**	**2021/22 £'000s**
Integrated Commissioning Fund Contribution		
Bury Council (Note 1)	(88,047)	(105,673)
Bury CCG	(244,248)	(239,066)*
Sub Total	**(332,295)**	**(344,739)**
Integrated Commissioning Fund Costs		
Bury Council	103,804	101,609
Bury CCG	228,911	241,737
Sub Total	**332,715**	**343,346**
Net (Surplus)/deficit arising on the pooled budget during the year	**420**	**(1,393)**

*** As noted 2021/22 Bury Council made an additional contribution to the ICF pooled budget of £2.5m, see below:**

Table 2

Organisation	**2019/20 £'000s**	**2020/21 £'000s**	**2021/22 £'000s**	**2022/23 £'000s**	**Total £'000s**
Council	11,000	(15,000)	2,500	2,000	0
CCG	(11,000)	15,000	(2,500)	(2,000)	0
Total	**0**	**0**	**0**	**0**	**0**

35 Related Parties

The Council is required to disclose material transactions with related parties. Related parties are individuals or organisations that have the ability to control or significantly influence the Council or be controlled or influenced by the Council. This note sets out details of transactions between related parties and the Council.

Central Government: the Government has significant influence over the general operations of the Council. It is responsible for providing the framework within which the Council operates. It also provides the majority of funding for Council services. Grants received from government departments are set out in Note 30.

Members of the Council have direct control over the Council's financial and operating policies. Details of Members' interests, both pecuniary and non-financial are recorded in the Register of Members' Interests, which is open to public inspection. Members' interests are also available to view via the Council's web site. The total of members' allowances paid in 2021/22 is shown in Note 32.

Corporate Directors and Service Directors are required on an annual basis to make a declaration of related parties. In addition, there is a code of conduct under which such officers must disclose any pecuniary and non-financial interests. No such disclosures have been made for both 2021/22 and 2020/21.

Related Party Transactions with Other Public Bodies

The Council has a pooled fund arrangement with Bury CCG which encompasses Council Adult Social Care budgets and CCG commissioned expenditure, together with expenditure funded by the Better Care Fund, Improved Better Care Fund and the GM Health and Social Care Transformation Fund. For further detail see Note 34 Pooled Funds.

Greater Manchester Combined Authority

Greater Manchester Combined Authority (GMCA) co-ordinates key economic development, regeneration, transport and waste disposal functions. The Council pays levies to GMCA for transport and waste disposal functions and the following amounts are included in the Comprehensive Income and Expenditure Statement, within Other Operating Expenditure.

Related Parties	**2020/21 £000's**	**2021/22 £000's**
GM Waste Disposal Authority	11,840	12,745
GM Passenger Transport Authority	12,911	12,963
Environment Agency	104	103
Total	**24,855**	**25,811**

Other related parties disclosed elsewhere in the Statement of Accounts

Pension funds are disclosed in other notes to the Core Financial Statements.

The Council prepares Group Accounts for entities where it has material financial interests and a significant level of control. The Bury Council Group comprises Six Town Housing Ltd, Persona Care and Support Ltd and Persona Group Ltd, and Bury BMBC Townside Fields Ltd.

Related Party Transactions	**2020/21**				**2021/22**			
	Receipts	**Payments Management Fee**	**Payments Other**	**Outstanding Balances / Commitments**	**Receipts**	**Payments Management Fee**	**Payments Other**	**Outstanding Balances / Commitments**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Subsidiaries								
Six Town Housing Ltd.,	(11,750)	13,059	5,929	(5,613)	(3,795)	13,059	13,481	(3,237)
Persona Group Ltd., Persona Care and Support Ltd.,	(669)	12,075	1,578	(62)	(778)	11,068	1,444	(90)
Bury MBC Townside Fields Ltd.,	(344)	-	-	(165)	(313)			(1,007)
Total	**(12,763)**	**25,133**	**7,507**	**(5,840)**	**(4,886)**	**24,127**	**14,925**	**(4,334)**

Six Town Housing Ltd was set up to manage and maintain the housing stock of Bury Council. Six Town Housing has no share capital and is wholly owned by the Authority. It is an ALMO (arms-length management organisation) of the Council and is a company limited by guarantee. It was incorporated on 30 October 2003. In 2021/2022 Six Town Housing made a loss after tax of £1.654m compared to a profit of £0.031m in 2020/2021. Bury Council paid management fees of £13.059m in 2021/2022 (£13.059m in 2020/2021) to Six Town Housing for the management of its housing stock.

The Persona group of companies comprise of Persona Group Ltd, and Persona Care and Support Ltd. These companies were formed to provide social care services to older people and people with disabilities. The company's share capital (Called up Share Capital £3) is wholly owned by Bury Council. The Persona group of companies made a profit before tax of £0.529 for the year ended 31st March 2022, compared to a loss before tax of £0.045m for the period to 31st March 2021. Bury Council paid management fees of £11.068m in 2021/22 (£12.075m in 2020/2021).

Bury MBC Townside Fields Ltd was formed to facilitate the development of Knowsley Place, and was incorporated on 14th October 2009. The company's share capital (Ordinary Share Capital £1) is wholly owned by Bury Council. Bury MBC Townside Fields Limited made a profit before tax of £0.580m for the year ended 31st March 2022 compared to a profit before tax of £0.044m for the year ended 31 March 2021. As at 31st March 2022, Bury Council has £7.257m invested in Bury MBC Townside Fields Ltd.

More information can be found at The Group Accounts section to the Statement of Accounts.

36 Critical Judgements in Applying Accounting Policies

The following disclosure sets out critical judgements applied to the accounting policies of the Council that have a significant impact on the presentation of the financial statements.

Accounting for Schools – Balance Sheet Recognition of Schools

The Council recognises the land and buildings used by schools in line with the provisions of the Code of Practice. It states that property used by Local Council maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property.

The Council recognises schools land and buildings on its Balance Sheet where it directly owns the assets. Where the land and building assets used by the school are owned by an entity other than the Council, school or school Governing Body then it is not included on the Council's Balance Sheet. The exception is where the entity has transferred the rights of use of the asset to the Council, school or school Governing Body.

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

The types of schools that have been assessed as at 31 March 2022 are shown below:

Type of School	Nursery Schools	Primary Schools	Secondary Schools	Special Schools (including PRU)	Total Schools
Community	1	20	4	3	28
Voluntary Controlled (VC)	-	7	-	-	7
Voluntary Aided (VA)	-	18	1	-	19
Total Maintained	**1**	**45**	**5**	**3**	**54**
Academies	-	19	8	1	28
Total Schools and Academies	**1**	**64**	**13**	**4**	**82**

In 2014/15 the Council completed a school by school assessment across the different types of schools it controls within the Borough. Letters of confirmation were received from the Diocese of Manchester, Salford Diocese, Peel Brow Foundation School, Manchester Mesivta * and Bury and Whitefield Jewish Primary School that state that the schools occupy the school premises subject to the direction of the Trustees who own the land on which the schools are sited.

All decisions relating to land and buildings rest with the Trustees and there has been no assignment of rights to the property. No formal documentation exists, the schools occupy the premises under a "mere" license which has passed no interest to the school's governing body and which is terminable by the Trustees at any time. As such none of the schools are included on the Council's balance sheet.

(*The Department for Education (DfE) purchased the land occupied by Manchester Mesivta in January 2016 and the Trustees have a 125 year lease arrangement with the DfE. This does not affect the local authority accounts.)

All 28 community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet. The Council recognises on its Balance Sheet the playing fields located within the boundaries of Voluntary Aided and Voluntary Controlled schools that remain in the control of the Council.

Academies are not considered to be maintained schools in the Council's control. The existing schools' land and building assets are transferred to academies on conversion date on a long term lease of 125 years. The nominal value shown on the Council's Balance Sheet at year end reflects this arrangement.

For local authority maintained schools transferring to academy status an academy conversion accounting policy is in place that sets out the critical actions that must be completed in order for the school to transfer to an academy trust. This includes the treatment of transactions and balances of the schools being derecognised from the local authority single entity financial statements and the consideration of non-current assets.

Pooled Budgets

The Council is the host partner of the pooled funds. The arrangements are made in accordance with section 75 of the National Health Service Act 2006 and allows budgets to be pooled between authorities and health and social are organisations. The pool is jointly controlled by Bury MBC and Bury CCG constituting a joint operation and accounted for under IFRS 11. The pool is hosted by Bury MBC and governed by the Strategic Commissioning Board (SCB). The CCG Governing Body and Council Cabinet have delegated management of the pool to the SCB whose membership is made up of equal representation from the Council and CCG.

Whilst the section 75 agreement between the CCG and Bury Council does constitute a 'joint operation' under IFRS 11, the substance of the commissioning transactions related to the Fund's spending plan indicates that neither the CCG nor Bury Council are either a joint operator or lead commissioner but are acting as single entities. Therefore, each organisation accounts for its own transactions without recognising its interest in its share of total assets, liabilities, revenue and expenditure that relate to the whole Fund.

Group Boundaries

The Council carries out a complex range of activities, often in conjunction with external organisations. Where those organisations are in partnership with or under the ultimate control of the Council a judgement is made by management as to whether they are within the Council’s group boundary. This judgement is made in line with the provisions set out in the Code and relevant accounting standards.

Those entities which fall within the boundary and are considered to be material are included in the Council’s group accounts. Profit and loss, net worth, and the value of assets and liabilities are considered individually for each organisation against a materiality limit set by the Council. An entity could be material but still not consolidated if all of its business is with the Council and eliminated on consolidation – i.e. the consolidation would mean that the group accounts are not materially different to the single entity accounts. The assessment of materiality also considers qualitative factors such as whether the Council depends significantly on these entities for the continued provision of its statutory services or where there is concern about the level to which the Council is exposed to commercial risk.

The Council has assessed its group boundary for 2021/22 and has subsidiaries who are considered to be material and will be consolidated into its group accounts.

Basis of Consolidation

Six Town Housing, Bury MBC Townside Fields Ltd and Persona Group Ltd have been identified as subsidiaries of Bury Council and as such their financial statements have been consolidated on a line by line basis to comply with IFRS 10 – consolidated financial statements.

The accounting for business combinations basis for consolidation has been used for the 3 subsidiaries as Bury Council, the parent company, has taken 100% control of the companies.

In order to create Six Town Housing and Persona Group, part of the Council has been externalised and therefore at the formation of the company the assets and liabilities were transferred at fair value which did not give rise to good will.

Six Town Housing was incorporated on 30 October 2003 and trading began on 1 April 2005. Bury MBC Townside Fields Limited was incorporated on the 14th October 2009. Both are wholly owned subsidiaries of Bury Council.

The financial year of all 3 subsidiaries is the same as that of Bury Council, from 1 April 2020 to 31 March 2021, therefore no adjustments are required regarding the accounting year.

Investment Properties

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.

Airport Investment

The Council has a 3.22% shareholding in Manchester Airport Holdings Limited (MAHL). Following the adoption of accounting standard IFRS 9 Financial Instruments which came into effect 1 April 2018, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, the shareholding is a strategic investment and not held for trading and therefore the Council has designated the investment as fair value through other comprehensive income. It is the Council's view that this is a reasonable and reliable accounting policy for the investment.

The Council has made an equity investment in Manchester Airport Car Park (1) Limited, (along with the other nine Greater Manchester District Councils). The Council's investment is to provide car parking facilities at Manchester Airport. The Council holds 3 Class C ordinary shares. The shareholding will be classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS 9 the shareholding (investment) will be designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income. The decision to designate to fair value through Other Comprehensive Income is irrevocable and it is the Council view that this is a reasonable and reliable accounting policy for this investment.

Borrowing – Lender Option Borrower Option (LOBO) Loans

The LOBO maturity profile assumes that the lender will not exercise their option until maturity particularly given the current low interest rate environment. Therefore, we have taken the decision to disclose these as long-term liabilities.

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

Long Term Assets – Manchester Airport Holdings Limited (MAHL)

The Authority's shareholding in the Manchester Airport Group is 3.22% as at 31 March 2022. The asset is valued using the earnings based method resulting in the asset being valued at fair value rather than historic cost, therefore requiring an annual valuation. A firm of financial experts and valuers have been engaged by the Authority to provide an independent valuation which includes reviewing the financial performance, stability and business assumptions of the MAHL. The valuation provided is based on estimations and assumptions and therefore should the Authority sell its shareholding the value held in these statements may not be realised.

As at 31 March 2021 the Authority's valuers advised of an increase of £0.5m in the fair value Authority share from £37.700m to £38.200m which has been reflected in the financial statements.

Business Rates

Following the introduction of the Business Rates Retention Scheme in April 2013, Local Authorities are liable for a share of the cost of successful appeals by businesses against their rateable value in 2021/22 and earlier financial years. A provision has therefore been recognised in the statement of accounts. The provision estimate has been calculated using the latest Valuation Office (VAO) ratings list of ratings appeals and the analysis of successful appeals to date.

38 Events after the Balance Sheet Date

The unaudited Statement of Accounts was authorised for issue by the Executive Director of Finance on 29 July 2022. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes are adjusted in all material respects to reflect the impact of this information.

There has been one adjusting event after the Balance Sheet date, in relation to the 2021-22 Statement of Accounts following the discovery of Reinforced Autoclaved Concrete (RAAC) in the roof on the Bury Indoor Market Hall and the subsequent closure of the Market Hall from 26 October 2023. An impairment of £2.994m has been included in both the Property, Plant & Equipment heading on the Balance Sheet and Other Land & Buildings heading within Note 9 Property, Plant & Equipment, 31 March 2022 balances.

Three non-adjusting event are disclosed for the 2021-22 Statement of Accounts: in March 2022 the Council signed a Joint Venture with an external entity for the purchase and development of the Millgate Estate including the Shopping Centre. The funds to purchase the Estate are being provided by the Council. To finance this a PWLB loan has been drawn down. This was drawn down 28th March 2022 and was held as cash at the year end. Subsequently in the 2022-23 financial year, the funds were used to purchase the Estate.

As at 31 March 2022, the Council had an outstanding short-term loan for £0.5m to Six Town Housing. Subsequently, following review by Bury Council’s Architect’s Team, this loan has been offset against Council creditors with Six Town Housing. There is no net impact on the assets and liabilities shown as at 31 March 2022 and the decision to offset these amounts was only made during the 2022/23 financial year.

Springside Primary School converted to an academy as at 1 June 2022. The net book value of Springfield Primary school will be removed from the Council’s asset register for the 2022-23 financial year, in accordance with its accounting policies. The net book value as at 31 March 2022 was £2.2m. As an academy, operational direction falls outside the responsibility of the Council.

As at 31 March 2022, Bury Council had a £4.5m creditor balance with Six Town Housing. Following discussions between the two entities, it was agreed to reduce this creditor balance to £3.9m, during 2022-23.

39 Accounting Standards Issued, Not Adopted

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

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would, therefore result in an impact on disclosures spanning two financial years.
Accounting changes that are introduced by the 2022/23 Code are:

- IFRS 16 Leases (but only for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year).
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards: • IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
- IAS 37 (Onerous contracts) – clarifies the intention of the standard
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

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

40 Prior Period Adjustments

(A) Long-Term Investment: Manchester Airport

Bury Council has a part share investment in Manchester Airport, along with other authorities in the Greater Manchester Region.

The expert valuer has changed their opinion on the value of Manchester Airport, with Bury's share shown on its balance sheet as a Long-Term Investment. As a result, the value of this investment has declined by £13.5m from £38.2m to £24.7m. This is shown in the Table below:

31st March 2022 £000's	Prior Period Adjustment 2022 £000's	Balance Sheet Description	2021 Note	31st March 2022 £000's
38,200	(14,800)	Long Term Investments	13	23,400
38,200	**(14,800)**	**LONG TERM ASSETS**		**23,400**

(B) Capital Financing Requirement

Following a review of the Capital Financing Requirement (CFR), a reconciliation undertaken discovered a discrepancy of £42.673m in the 1 April 2020 opening CFR balance of £259.305m, note 25 Capital Expenditure and Financing Requirement, has been restated with the correct opening balance of £301.978m.

The understatement of the CFR by £42.673m was due to items including: Manchester Airport equity investment & loans, subsidiary loans and finance leases, prior to 2019/20 not being included within the CFR calculation and the accounting for loan principal repayments.

1 April 2020 £000's	Prior Period Adjustment £000's	1 April 2020 £000's	Capital Expenditure and Financing Requirement
259,305	42,673	301,978	Opening Capital Financing Requirement

To reflect the restatement of the opening CFR balance, additional adjustments were required to the 1 April 2020 opening balance in the Movement in Reserves Statement, Balance Sheet, Expenditure and Funding Analysis, note 2.1 Expenditure and Funding Analysis, note 20 Usable Reserves and note 21 Unusable Reserves.

The 1 April 2020 opening balance on reserves has been restated for the reversal of the £5.701m adjustment in the 2019/20 accounts, between the Manchester Airport Share Reserve (Usable Reserves) to the Capital Adjustment Account (Unusable Reserves).

1 April 2020 £000's	Prior Period Adjustment £000's	1 April 2020 £000's	Balance Sheet Heading
85,011	5,701	90,712	Usable Reserves
117,769	(5,701)	112,068	Unusable Reserves
202,780	**0**	**202,780**	**TOTAL RESERVES**

1 April 2020 £000's	Prior Period Adjustment £000's	1 April 2020 £000's	Reserve Heading
29,674	10,214	39,888	Usable Reserves: Volatility and Fiscal Mitigation
4,513	(4,513)	0	Usable Reserves: Manchester Airport Share Reserve
221,462	(5,701)	215,761	Unusable Reserves: Capital Adjustment Account

Housing Revenue Account

Income and Expenditure Statement

This statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

Since April 2005 the Council's housing stock has been managed by an Arm's Length Management Organisation, Six Town Housing.

HRA Income and Expenditure Statement	Note	2020/21 £000's	2021/22 £000's
Income			
Dwelling Rents (gross)		(29,896)	(30,324)
Non-Dwelling Rents		(170)	(192)
Charges for Services and Facilities		(971)	(1,019)
Contributions towards expenditure		(139)	(250)
Total Income		**(31,176)**	**(31,785)**
Expenditure			
Repairs and Maintenance		6,877	6,808
Supervision and Management		8,812	8,110
Rents, Rates, taxes & other charges		28	31
Depreciation and Impairment of Property, Plant & Equipment	5,6	(10,287)	(6,334)
Revaluation (gains) / losses on non-current assets		9	0
Debt management costs		39	41
Increased Provision for Bad & Doubtful Debts	8	236	288
Total Expenditure		**5,714**	**8,944**
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		**(25,462)**	**(22,841)**
HRA services share of Corporate and Democratic Core		0	400
Net Cost of HRA Services		**(25,462)**	**(22,441)**
HRA Share of Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:			
(Gain) or loss on sale of HRA non-current assets		(410)	(596)
Interest payable and other similar charges		4,649	4,209
Interest and investment income		(16)	(19)
(Surplus) or Deficit for the year on HRA Services		**(21,239)**	**(18,847)**

Statement of Movement on the Housing Revenue Account

Movement on the HRA Statement	2020/21 £000's	2021/22 £000's
Opening Balance	(8,393)	(10,414)
(Surplus) or Deficit for the year on the HRA Income and Expenditure Statement	(21,239)	(18,851)
Adjustments between accounting basis and funding basis under statute	19,218	19,431
Increase before transfers to/from reserves	**(2,021)**	**580**
Transfers to/(from) Earmarked Reserves	0	0
Increase in year on the HRA	**(2,021)**	**580**
Closing Balance	**(10,414)**	**(9,834)**

Note to the Movement on the HRA Statement	2020/21 £000's	2021/22 £000's
Analysis of adjustments between accounting basis and funding basis under statute		
*Depreciation, impairment and revaluation losses of non-current assets	10,287	6,334
Minimum Revenue Provision	0	0
Gain or loss on sale of HRA fixed assets	410	600
Capital Expenditure funded by the HRA	1,195	5,107
Transfer to Major Repairs Reserve	7,326	7,390
Net Adjustment	**19,218**	**19,431**

***The 2021/22 year is presented so that depreciation, impairment, and revaluation losses of non-current assets are shown where included in adjustments between accounting basis and funding basis.**

Notes to the Housing Revenue Account

1. Housing Stock

In preparing the HRA budget, the Council needs to estimate the total level of income it can raise from rents. In doing so it takes account of current rental income, any likely changes in the size and composition of the Housing Stock and the estimated loss of income from unoccupied dwellings.

The numbers of each type of property at 31st March were:

Housing Stock	2020/21	2021/22
Flats & maisonettes	3,329	3,325
Bungalows	803	768
Houses	3,733	3,732
Total Stock	**7,865**	**7,825**

The above housing stock numbers exclude 46 Council house's were disposed off during the financial year.

The total capital receipts realised from the disposal of Council houses during the year was £2.545m. This figure represents an increase of over 66% compared to the 2020/21 figure of £1.528m. The figure represents the total selling price of Council houses (net of Right to Buy discount) and other repaid discounts relating to previous sales.

The value of the housing stock was:

Housing Stock Value	**2020/21 £000's**	**2021/22 £000's**
Dwellings	191,673	221,469
Land	56,119	62,910
Shops, Offices and Garage Colonies	3,321	3,108
Total	**251,113**	**287,487**

2. Vacant Possession

i) The Vacant Possession Value (VPV) of dwellings within the Council's HRA as at 1st April 2022 was £716.4m representing an increase of approximately 11.9% over the 1st April 2020 figure of £640.5m. The new value was established as a result of the revaluation of the Housing Stock completed in the year.

ii) The VPV is an opinion of the best sale price that could have been obtained for the properties on the date of the valuation. The Balance Sheet value of dwellings within the HRA contains an adjustment factor advised by Government to reflect the fact that the properties have sitting tenants enjoying sub-market rents and rights, including 'right-to-buy'. This reflects the economic cost to the Government of providing council housing at less than open market rents.

iii) The current adjustment factor for the North West and Merseyside Region originally set from April 2016 at 40% by DCLG remains, resulting in an adjusted value of £287.487m at the valuation in 2022.

3. Major Repairs Reserve (MRR)

The Major Repairs Allowance (MRA), that used to be paid in past years as part of the HRA subsidy provided authorities with the resources needed to maintain the value of their housing stock over time. Under the new self-financing model Authorities can use, based on a componentised calculation for depreciation, an element that is transferred during the year into the Major Repairs Reserve and equates to an amount not less than the previous MRA amount.

Major Repairs Reserve (MRR)	2020/21 £000's	2021/22 £000's
Balance as at 1st April	**46**	**14**
Transferred to MRR during the year	7,326	7,390
Credit in respect of General Fund depreciation	0	0
Transferred from MRR to HRA during the year	0	0
Debits in respect of capital expenditure within HRA	(7,358)	(7,404)
Balance as at 31st March	**14**	**0**

4. Capital Expenditure within HRA

The 1989 Act gives local authorities the discretion to finance expenditure for HRA capital purposes from the HRA.

Capital Expenditure within the HRA	2020/21 £000's	2021/22 £000's
Total capital expenditure within the HRA	**8,553**	**12,512**
Financed by:		
External contributions	0	0
Revenue contributions	1,195	5,108
Capital receipts	0	0
Major Repairs Reserve	7,358	7,404
Total	**8,553**	**12,512**

5. Depreciation

The HRA is charged an amount for depreciation of assets.

HRA Depreciation	2020/21 £000's	2021/22 £000's
Council Dwellings	7,327	7,390
Shops, Offices and Garage Colonies	46	47
Total	**7,373**	**7,437**

6. Impairment Charges

Included above, HRA is charged an amount for the impairment charges of assets in respect of capital expenditure not adding value to the housing stock and other property within the HRA.

HRA Impairment Charge	2020/21 £000's	2021/22 £000's
Council Dwellings	7,806	12,518
Shops, Offices and Garage Colonies	0	0
Total	**7,806**	**12,518**

7. Revenue Expenditure Funded From Capital Under Statute

No revenue expenditure funded from capital under statute is attributable to the HRA.

8. Rent Arrears / Impairment Allowance

Rent Arrears

The rent arrears as at 1 April 2021 totalled £2,050,113, and at 31 March 2022 totalled £1,921,174. Of the arrears 70.25% at 31 March 2022 related to current tenants (60.12% at 31st March 2021) and 29.75% related to former tenants (39.88% at 31st March 2021). The figures stated represent gross arrears and are not shown net of advances as in previous years.

Impairment Allowance

Impairment Allowance	2020/21 £000's	2021/22 £000's
Opening credit loss Provision	**1,822**	**1,882**
Charged to HRA	236	288
Written off	(176)	(396)
Re-instated previously written off amount	-	-
Net increase / (decrease)	**60**	**(108)**
Closing Impairment Allowance	**1,882**	**1,774**

The Collection Fund

Collection Fund Statement:

Income and Expenditure Account	Note	2020/21 Total £000's	2021/22 Council Tax £000's	2021/22 NNDR £000'S	2021/22 Total £000's
Income					
Council Tax	1	(108,058)	(114,397)		(114,397)
Council Tax Annexe Grant		0	(1)		(1)
Transitional Relief		0	0		0
Business Rates Receivable	2	(23,189)	0	(39,424)	(39,424)
Business Rates Transitional Protection Payments		920		1,962	1,962
Contributions towards previous year's deficit		0			0
Bury MBC		0	(464)	(24,892)	(25,356)
Central Government		0	(60)	0	(60)
Greater Manchester Fire & Civil Defence Authority		0	(26)	(251)	(277)
Total Income		**(130,327)**	**(114,948)**	**(62,605)**	**(177,553)**
Expenditure					
Precepts and Demands on Collection Fund					
Bury		140,287	91,060	49,859	140,919
Police		11,503	11,751		11,751
Fire		5,540	4,896	504	5,400
Central Government		0			0
Cost of Collection		232		237	237
Expected Credit Losses		0			0
Change in expected credit loss provision		4,608	1,611	499	2,110
Write Offs		173	128	180	308
Contribution to (+)/ from (-) appeals provision		(3,021)		(2,466)	(2,466)
Transfer of Surplus		0			0
Police		968	0	0	0
Fire		459	0	0	0
Bury		15,808	0	0	0
Total Expenditure		**176,557**	**109,446**	**48,813**	**158,259**
Movement in collection fund Balance during year		46,230	(5,502)	(13,792)	(19,294)
Fund Balance brought forward		(17,490)	600	28,140	28,740
Closing cumulative (surplus)/ deficit carried forward		**28,740**	**(4,902)**	**14,348**	**9,446**

Notes to the Collection Fund Statement

1. Council Tax

Band	Valuation	Total Number of Dwellings	Specified Ratio	Band D Equivalent
A reduced	Less than £40,000	48.5	5/9	27
A	Less than £40,000	25,570	6/9	17,046
B	£40,000 to £52,000	16,529	7/9	12,856
C	£52,000 to £68,000	15,776	8/9	14,023
D	£68,000 to £88,000	8,492	1	8,492
E	£88,000 to £120,000	5,183	11/9	6,335
F	£120,000 to £160,000	1,758	13/9	2,540
G	£160,000 to £320,000	1,205	15/9	2,008
H	More than £320,000	160	18/9	320
		74,722		**63,647**
	Less allowance for losses on collection			(3,133)
	Impact of Council Tax Support Scheme			(6,686)
	Council Tax Base 2021/22			**53,828**

i) The actual number of properties was 84,222 but after adjusting for single person discounts, empty properties etc, the notional number of dwellings is 74,721.50

ii) The Band D Council Tax levied for the year was £2,000.92 (£1,911.30 in 2020/21):

Band D Council Tax Levied	2020/21 £000'S	2021/22 £000'S
Bury Council	1,612.04	1,691.67
Greater Manchester Police Authority	208.30	218.30
Greater Manchester Fire & Civil Defence Authority	90.95	90.95
Total	**1,911.29**	**2,000.92**

2. National Non-Domestic Rates (NNDR)

The Council collects NNDR in respect of business premises by applying a rate poundage set by central Government to the rateable value of the premises. The rate set for 2021/22 was 51.2p in the pound (51.2p in 2020/21) and at 31st March 2022 the estimated non-domestic rateable value of the Borough was £129.98 million (£132.41 million at 31st March 2021). In addition, in 2021/22 the Small Business Rate was set at 49.9p in the pound (49.9p for 2020/21).

The Group Accounts

Introduction

The CIPFA Code of Practice requires that where a Council has material financial interests and a significant level of control over one or more entity, it should prepare Group Accounts. The aim of these statements is to give an overall picture of the Authority's financial activities and the resources employed in carrying out those activities.

The Council has prepared the following Group Accounts due to its' relationship with three organisations over which it has substantial control and influence. Six Town Housing Ltd, Bury MBC Townside Fields Ltd and the Persona group of companies, Persona Care and Support Ltd and Persona Group Ltd, have been identified as subsidiaries of Bury Council.

The Group Accounts comprise the following key financial statements (with appropriate disclosures):

- Group Comprehensive Income and Expenditure Statement;
- Group Movement in Reserves Statement;
- Group Balance Sheet; and
- Group Cash Flow Statement.

Group Comprehensive Income and Expenditure Statement

2020/21 Restated Gross Expenditure £000's	2020/21 Restated Gross Income £000's	2020/21 Restated Net Expenditure £000's	Group Comprehensive Income and Expenditure Statement	2021/22 Gross Expenditure £000's	2021/22 Gross Income £000's	2021/22 Net Expenditure £000's
107,554	(50,790)	56,764	One Commissioning Organisation	123,853	(48,796)	75,057
208,807	(169,395)	39,412	Children, Young People & Culture	204,184	(157,524)	46,660
32,577	(10,282)	22,295	Corporate Core Services	34,031	(6,305)	27,726
36,876	(52,635)	(15,759)	Non Service Specific	43,553	(41,013)	2,540
9,431	(6,677)	2,754	Business, Growth & Infrastructure	13,778	(6,992)	6,786
45,982	(20,125)	25,857	Operations	53,848	(23,225)	30,623
39,221	(35,916)	3,305	Housing General Fund	33,908	(33,962)	(54)
(12,411)	(13,051)	(25,462)	Local Authority Housing	9,344	(31,708)	(22,364)
468,037	**(358,871)**	**109,166**	**Cost of Services**	**516,499**	**(349,525)**	**166,974**
52,005	(591)	51,414	Other Operating Expenditure	32,623	(4,189)	28,434
29,681	(19,714)	9,967	Financing & Investment Income & Expenditure	34,472	(20,959)	13,513
0	(176,511)	(176,511)	Taxation & Non-Specific Grant Income & Expenditure	0	(199,173)	(199,173)
549,723	**(555,687)**	**(5,964)**	**(Surplus) or Deficit On Provision of Services**	**583,594**	**(573,846)**	**9,748**
		(13,872)	(Surplus)/Deficit on revaluation of Property, Plant & Equipment			(13,469)
		10,080	Impairment Losses on Non-Current assets charged to the Revaluation Reserve			7,417
		3,510	(Surplus)/Deficit from investments in Equity Instruments designated at fair value through Comprehensive Income			0
		109,313	Actuarial (gains)/losses on Pension assets & liabilities			(173,228)
		109,031	**Total Other Comprehensive Income & Expenditure**			**(179,280)**
		103,067	**Total Comprehensive Income & Expenditure**			**(169,532)**

Group Movement in Reserves Statement

Movement in Reserves Statement 2021/22	Usable Reserves: General Fund Balance & Reserves	Usable Reserves: Housing Revenue Account £000s	Usable Reserves: Usable Capital Receipts £000s	Usable Reserves: Major Repairs Reserve £000s	Usable Reserves: Capital Grants Unapplied £000s	**Total Usable Reserves £000s**	**Unusable Reserves £000s**	**Total Reserves £000s**	**Council Share of Reserves of Subsidiaries, Associates & Joint Ventures £000s**	**Total Reserves £000s**
Balance at 1 April Brought Forward Restated	**(£162,465)**	**(£10,422)**	**(£4,889)**	**(£14)**	**(£9,608)**	**(£187,398)**	**£73,764**	**(£113,634)**	**£13,002**	**(£100,632)**
Movement in Reserves During 2021/22:										
Group (Surplus)/Deficit	(£8,605)	(£18,770)	£0	£0	£0	**(£30,261)**	£0	**(£30,261)**	£37,123	**£6,862**
Other Comprehensive (Income) and Expenditure	£0	£0	£0	£0	£0	**£0**	(£160,379)	**(£160,379)**	(£18,901)	**(£179,280)**
Total Comprehensive Income and Expenditure	(£8,605)	(£18,770)	£0	£0	£0	**(£30,261)**	(£160,379)	**(£187,754)**	£18,222	**(£169,532)**
Adjustments between Group Accounts and Council Accounts	£34,243	(£77)	£0	£0	£0	**£34,166**	£0	**£34,166**	(£34,166)	**£0**
Adjustments between Accounting Basis and Funding Basis Under Regulations	(£3,117)	£19,426	(£2,078)	£14	(£6,511)	**£10,620**	(£7,734)	**£0**	£0	**£0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	£22,521	£579	(£2,078)	£14	(£6,511)	**£14,525**	(£168,113)	**(£153,588)**	(£15,944)	**(£169,532)**
Transfers (to)/from Earmarked Reserves	£0	£0	£0	£0	£0	***£0***	£0	***£0***	£0	***£0***
(Increase)/Decrease in Year	£22,521	£579	(£2,078)	£14	(£6,511)	**£14,525**	(£168,113)	**(£153,588)**	(£15,944)	**(£169,532)**
Balance at 31 March Carried Forward	**(£139,944)**	**(£9,843)**	**(£6,967)**	**£0**	**(£16,119)**	**(£172,873)**	**(£94,349)**	**(£267,222)**	**(£2,942)**	**(£270,164)**

Group Balance Sheet

1st April 2020 (Restated) £000's	31st March 2021 (Restated) £000's	Group Balance Sheet Description	31st March 2022 £000's
562,984	557,906	Property, Plant & Equipment	594,105
24,592	26,353	Heritage Assets	26,353
26,638	24,168	Investment Property	24,805
2,656	3,597	Intangible Assets	3,744
23,170	23,400	Long term Investments	23,400
21,262	33,695	Long term debtors	36,329
661,302	**669,119**	**Long term assets**	**708,736**
5,269	521	Short Term Investments	5,504
1,377	1,177	Stocks & Work in progress	1,503
53,035	60,162	Sundry Debtors & Advance Payments	49,126
30,335	21,051	Cash and Cash Equivalents	46,577
511	622	Assets Held For Sale	624
90,527	**83,533**	**Current Assets**	**103,334**
(23,439)	(6,392)	Short Term Loans Outstanding	(14,344)
(177)	(145)	Deposit & Client Funds	(140)
(5,626)	(3,948)	Short Term Provisions	(1,876)
(49,298)	(43,749)	Sundry Creditors & Advance Receipts	(43,848)
(250)	(73)	Revenue Grants Receipts In Advance	(15,536)
(78,790)	**(54,307)**	**Current Liabilities**	**(75,744)**
(193,878)	(201,567)	External Loans Outstanding	(207,903)
(2,184)	(4,272)	Capital Grants Receipts in Advance	(10,675)
(49)	(27)	Finance Lease Liabilities	(4)
(3,018)	(1,640)	Deferred Liabilities	(729)
(261,425)	(382,312)	Pension Liability	(240,887)
(8,692)	(7,895)	Long Term Provisions	(5,964)
(469,246)	**(597,713)**	**Long Term Liabilities**	**(466,162)**
203,793	**100,632**	**Net Assets**	**270,164**
90,712	187,398	Usable Reserves – Council	172,873
112,068	(73,764)	Unusable Reserves – Council	94,349
1,013	(13,002)	Council Share of Reserves of Subsidiaries, Associates & Joint Ventures	2,942
203,793	**100,632**	**Total Reserves**	**270,164**

Note: the Council’s unusable reserve includes a prior period adjustment (Note 40) for the updated valuation of the investment in Manchester Airport and Capital Financing Requirement Review.

Group Cash Flow Statement

Group Cashflow Statement	2020/21 £000's	2021/22 £000's
Net surplus or (deficit) on the provision of services	5,870	(9,748)
Adjustment to surplus or deficit on the provision of services for noncash movements	13,385	54,724
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(4,354)	(25,904)
Net Cash flows from Operating Activities	**14,901**	**19,072**
Net cash flows from Investing Activities	(11,607)	(8,292)
Net cash flows from Financing Activities	(12,578)	14,746
Net increase or (decrease) in cash and cash equivalents	**(9,284)**	**25,526**
Cash and cash equivalents at the beginning of the reporting period	30,335	21,051
Cash and cash equivalents at the end of the reporting period	**21,051**	**46,577**

Group Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

Group Cash Flows for Operating Activities	2020/21 £000's	2021/22 £000's
Interest received	3,822	4,398
Interest paid	(7,937)	(7,645)
Dividends received	0	0

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

Non-Cash Movements	2020/21 £000's	2021/22 £000's
Depreciation	14,470	14,971
Impairment and downward valuations	(3,861)	(9,732)
Amortisation	474	812
Movement in contract assets, liabilities and costs (IFRS 15)	0	0
Deferred revenue/ deferred payment agreements (IFRS 15)	0	0
Increase/(decrease) in impairment for expected credit losses	0	0
Increase/(decrease) in creditors	(7,016)	14,257
(Increase)/decrease in debtors	(21,190)	2,708
(Increase)/decrease in inventories	200	(328)
Movement in pension liability	5,951	31,803
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	26,521	4,491
Movements in the Value of Investment Properties	0	(292)
Other non-cash items charged to the net surplus or deficit on the provision of services	(2,163)	(3,966)
	13,386	**54,724**

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

Investing and Financing Activities	2020/21 £000's	2021/22 £000's
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	4,750	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(551)	(4,135)
Any other items for which the cash effects are investing or financing cash flows	(8,553)	(21,769)
	(4,354)	**(25,904)**

Group Cash Flow Statement – Investing Activities

Group Cash Flow Statement - Investing Activities	2020/21 £000's	2021/22 £000's
Purchase of property, plant and equipment, investment property and intangible assets	(20,715)	(33,870)
Purchase of short-term and long-term investments	(3,740)	(5,500)
Other payments for investing activities	0	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,207	4,135
Proceeds from short-term and long-term investments	0	0
Other receipts from investing activities	10,641	26,943
Net cash flows from investing activities	**(11,607)**	**(8,292)**

Group Cash Flow Statement – Financing Activities

Group Cash Flow Statement - Financing Activities	2020/21 £000's	2021/22 £000's
Cash receipts of short- and long-term borrowing	12,300	20,000
Other receipts from financing activities	0	918
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(22)	(23)
Repayments of short- and long-term borrowing	(23,133)	(6,149)
Other payments for financing activities	(1,723)	0
Net cash flows from financing activities	**(12,578)**	**14,746**

Notes to the Group Accounts

Where figures in the Group accounts differ materially from the Council's accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the Council's accounts.

The financial year of all the subsidiaries is the same as that of Bury Council, from 1 April 2020 to 31 March 2021, therefore no adjustments are required regarding the accounting year.

Their financial statements have been consolidated on a line by line basis.

1. Accounting policies

The accounting policies of the Council's consolidated subsidiary companies have been aligned with the Council's Accounting Policies set out in Note 1. Any statutory adjustments between the accounting basis and funding basis included in the Council's accounting policies do not apply to the subsidiary companies

2. Bodies Consolidated

The Council has consolidated three of its Subsidiaries into its Group Accounts, these are Six Town Housing Ltd, Bury MBC Townside Fields Ltd and the Persona group of companies, Persona Care and Support Ltd and Persona Group Ltd.

Six Town Housing Ltd was set up to manage and maintain the housing stock of Bury Council. Six Town Housing has no share capital and is wholly owned by the Authority. It is an ALMO (arms-length management organisation) of the Council and is a company limited by guarantee. It was incorporated on 30 October 2003.

Percentage of voting rights: The composition of the Board and the voting rights is as follows:

Board members	Members	% of voting Rights
Bury Council	3	30%
Tenant	2	20%
Independent*	5	50%
Advisory Director	1	-
**Includes Independent Chair*	**11**	**100**

The related party transactions between Council Members on the board of Six Town Housing and Bury Council are detailed in Bury Council Statement of Accounts Note 35.

Six Town Housing's Statement of Accounts 2021/2022 are audited by RSM and will be submitted to their Audit, Standards, Risk and Performance Committee on 2nd September 2022, followed by the Board meeting on 22nd September 2022.

Financial Transactions and Operations: In 2021/2022 Six Town Housing made a deficit of £2.191m compared to a surplus of £0.119m in 2020/2021. Bury Council paid management fees of £13.059m in 2021/2022 (£13.059m in 2020/2021) to Six Town Housing for the management of its housing stock.

As a wholly owned subsidiary, the Council is committed that, in the event of Six Town Housing being wound up to contribute up to the limit of the guarantee. After the satisfaction of all the debts and liabilities the remaining assets will be transferred to the Council's Housing Revenue Account.

Bury Council has made a number of loans to Six Town Housing at commercial rates of interest. There was an additional loan of £0.5m in 2021/22, see table below:-

Loans by Bury Council to Six Town Housing							
	No of years of loan	**2011/12 £m**	**2013/14 £m**	**2014/15 £m**	**2015/16 £m**	**2021/22 £m**	**Total £m**
Redbank Housing Project	35.5	1.140					1.140
Mortgage Rescue	18		0.410	0.166			0.576
AGMA Loans	25			1.869	0.250		2.119
Short term loan	<1					0.500	0.500
TOTAL		**1.14**	**0.41**	**2.035**	**0.25**	**0.5**	**4.335**

Copies of Six Town Housing Ltd 2021/22 Statement of Accounts can be obtained from Six Town Housing Finance Department, 6, Knowsley Place, Angouleme Way, Bury BL9 0EL.

Bury MBC Townside Fields Ltd was formed to facilitate the development of Knowsley Place, and was incorporated on 14th October 2009. The company's share capital (Ordinary Share Capital £1) is wholly owned by Bury Council.

Bury MBC Townside Fields Limited made a profit after tax of £0.598m for the year ended 31 March 2022 compared to a loss of £0.044m for the period to 31 March 2021. As at 31 March 2022, Bury Council has £7.257m invested in Bury MBC Townside Fields Ltd.

Bury MBC Townside Fields Limited pre-audit accounts for the year ended 31 March 2022 have been used to prepare the group accounts. The company is audited by Horsfield and Smith Ltd.

The Persona group of companies comprise of Persona Group Ltd, and Persona Care and Support Ltd. These companies were formed to provide social care services to older people and people with disabilities. The company's share capital (Called up Share Capital £3) is wholly owned by Bury Council.

The Persona group of companies made a loss before tax of £0.529m for the year ended 31 March 2022, compared to a loss of £0.045m for the period to 31 March 2021. Bury Council paid management fees of £11.068m in 2021/22 (£12.075m in 2020/21).

The Persona group of companies pre-audit accounts for the year ended 31 March 2022 have been used to prepare the group accounts. Both companies are audited by Horsfield and Smith Ltd.

3. Plant, Property and Equipment

Six Town Housing's Property, Plant & Equipment are included as tangible assets; they are valued at either historical cost or fair value determined by DRC. Bury MBC Townside Fields Limited's Property, Plant & Equipment are also valued at historic cost in line with Bury Council's policy. Persona Care & Support Ltd accounts show no Property, Plant & Equipment.

Property, Plant and Equipment Note 2021/22	Assets Under Construction £000's	Community Assets £000's	Council Dwellings £000's	Other Land & Buildings £000's	Surplus Assets £000's	Vehicles, Plant & Equipment £000's	TOTAL £000's
Certified Value as at 1st April 2021	**4,957**	**5,456**	**292,247**	**226,342**	**19,954**	**20,102**	**569,058**
Additions & Acquisitions	5,398	1,067	12,747	10,503	25	4,001	**33,741**
Revaluations Recognised in the Revaluation Reserve	-	-	3,651	(1,800)	2,251	-	**4,102**
Revaluations Recognised in the Surplus/Deficit on the Provision of Services	-	-	18,875	(2,026)	(24)	-	**16,825**
Disposals	(1,201)	-	(1,938)	(2,582)	-	(13)	**(5,734)**
Other Adjustments & Restatements	0	-	-	-	-	-	-
Reclassifications & Asset Transfers	-	-	-	-	-	-	**-**
Other Movements in Cost or Valuation	(270)	-	(26,631)	(4)	-	-	**(26,905)**
Movement in Cost/Valuation	**3,927**	**1,067**	**6,704**	**4,091**	**2,252**	**3,988**	**22,029**
Amount as at 31st March 2022	**8,884**	**6,523**	**298,951**	**230,433**	**22,206**	**24,090**	**591,087**
Accumulated Depreciation & Impairments as at 1st April 2021	**(270)**	**(2,146)**	**(16,259)**	**(17,190)**	**(775)**	**(13,863)**	**(50,503)**
Depreciation charged in year	-	-	(7,582)	(4,178)	-	(1,124)	**(12,884)**
Depreciation written out to the Revaluation Reserve	-	-	7,309	2,076	-	-	**9,385**
Depreciation written out to Surplus/Deficit on Provision of Services	-	-	0	539	-	-	**539**
Depreciation Written out on Disposal	-	-	45	15	-	5	**65**
Other Adjustments & Restatements	-	-	-	-	-	-	-
Reclassifications & Asset Transfers	-	-	-	-	-	-	**-**
Impairments Written to Revaluation Reserve	-	-	(7,309)	(108)	-	-	**(7,417)**
Impairments Recognised in the Surplus/Deficit on the Provision of Services	-	-	(5,209)	(2,886)	-	-	**(8,095)**
Other Movements in Depreciation and Impairment	270	-	26,631	4	-	-	**26,905**
Movement in Depreciation & Impairment	**270**	**-**	**13,885**	**(4,538)**	**0**	**(1,119)**	**8,498**
Amount as at 31st March 2022	**0**	**(2,146)**	**(2,374)**	**(21,728)**	**(775)**	**(14,982)**	**(42,005)**
Opening NBV	**4,687**	**3,310**	**275,988**	**209,152**	**19,179**	**6,239**	**518,555**
Total Movement	**4,197**	**1,067**	**20,589**	**(447)**	**2,252**	**2,869**	**30,527**
Closing NBV	**8,884**	**4,377**	**296,577**	**208,705**	**21,431**	**9,108**	**549,082**

Property, Plant and Equipment Note 2020/21	Assets Under Construction £000's	Community Assets £000's	Council Dwellings £000's	Other Land & Buildings £000's	Surplus Assets £000's	Vehicles, Plant & Equipment £000's	TOTAL £000's
Certified Value as at 1st April 2020	**6,252**	**5,364**	**267,381**	**247,657**	**19,712**	**18,412**	**564,778**
Additions & Acquisitions	4,991	92	7,948	3,137	261	1,673	**18,102**
Revaluations Recognised in the Revaluation Reserve	-	-	5,161	(1,277)	(1)	0	**3,883**
Revaluations Recognised in the Surplus/Deficit on the Provision of Services	-	0	11,684	(2,690)	(6)	0	**8,988**
Disposals	(1,299)	-	(1,591)	(23,921)	(99)	-	**(26,910)**
Reclassifications & Asset Transfers	(4,987)	-	1,664	3,453	87	0	**217**
Movement in Cost/Valuation	**(1,295)**	**92**	**24,866**	**(21,298)**	**242**	**1,673**	**4,280**
Amount as at 31st March 2021	**4,957**	**5,456**	**292,247**	**226,359**	**19,954**	**20,085**	**569,058**
Accumulated Depreciation & Impairments as at 1st April 2020	**(270)**	**(2,146)**	**(15,117)**	**(6,581)**	**(775)**	**(12,755)**	**(37,644)**
Depreciation charged in year	-	-	(7,634)	(4,506)	-	(1,108)	**(13,248)**
Depreciation written out to the Revaluation Reserve	-	-	7,082	831	-	-	**7,913**
Depreciation written out to Surplus/Deficit on Provision of Services	-	-	1	438	-	0	**439**
Depreciation Written out on Diposal	-	-	30	412	-	-	**442**
Reclassifications & Asset Transfers	-	-	-	-	-	-	**0**
Impairments Written Out on Revaluation	-	-	6,706	-	-	-	**6,706**
Impairments Written Out on Sale of Asset	-	-	479	-	-	-	**479**
Impairments Written to Revaluation Reserve	-	-	(7,081)	(2,999)	-	-	**(10,080)**
Impairments Recognised in the Surplus/Deficit on the Provision of Services	0	0	(725)	(4,785)	-	-	**(5,510)**
Movement in Depreciation & Impairment	**0**	**0**	**(1,142)**	**(10,609)**	**0**	**(1,108)**	**(12,859)**
Amount as at 31st March 2021	**(270)**	**(2,146)**	**(16,259)**	**(17,190)**	**(775)**	**(13,863)**	**(50,503)**

Opening NBV	**5,982**	**3,218**	**252,264**	**241,076**	**18,937**	**5,657**	**527,134**
Total Movement	**(1,295)**	**92**	**23,724**	**(31,907)**	**242**	**565**	**(8,579)**
Closing NBV	**4,687**	**3,310**	**275,988**	**209,169**	**19,179**	**6,222**	**518,555**

INFRASTRUCTURE ASSETS

Movements on balances

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

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

Infrastructure Assets	2021/22 £000's
Certified Valuation or Cost at 1 April	**39,351**
Additions in Year	7,779
Depreciation charged in year	(2,108)
As at 31st March	**45,022**

As infrastructure assets are not disclosed on the face of the Balance Sheet a reconciling note has been prepared:

	2021/22 £000's
Infrastructure Assets	45,022
Other PPE Assets	549,082
Total PPE Assets	**594,104**

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

4. Pensions

Employees of Bury Council and Six Town Housing Limited are enrolled in the Greater Manchester Pension Fund. Employees of Persona Care and Support Limited who retain protected employment rights prior to 1st October 2015 are also enrolled in the Greater Manchester Pension Fund.

Each entity accounts individually for its net defined benefit cost and the resultant asset or liability.

The single entity also participates in the Teachers' Pension Scheme and the NHS Pensions scheme, details of which are given in the single entity statements Note 18.

Newer employees of Persona Care and Support Limited are enrolled in a defined contribution pension scheme. The pensions charge for the year ended 31 March 2022 was £0.158m (31 March 2021 - £0.152m).

The underlying assets and liabilities for retirement benefits attributable to the Group participation in the Greater Manchester Pension Fund as at 31 March are as follows:

	GMPF (Bury Council) £000	GMPF (Six Town Housing) £000	GMPF (Persona Care & Support) £000	31 Mar 2022 Total £000	31 Mar 2021 Total £000
Estimated Employers' Assets	887,993	54,575	42,271	984,839	926,183
Present Value of Scheme Liabilities	-1,118,435	-60,832	-46,459	-1,225,726	-1,308,495
Net Pension (Liability)/Asset	-230,442	-6,257	-4,188	-240,887	-382,312

The characteristics of the GMPF are set out in the single entity statements Note 18.

For Six Town Housing and for Persona Care & Support, the main financial assumptions are 3.15% for pensions increases (31 March 2021 - 2.80%); 3.93% for salary increases (31 March 2021 – 3.55%) and a discount rate of 2.75% (31 March 2021 - 2.05%). The major categories of group company plan assets as a percentage of total plan assets is as follows:

	31 March 2021 %	31 March 2022 %
Equity	70	66
Bonds	18	18
Property	9	11
Cash	3	4
	100	100

A reconciliation of the group position on the Greater Manchester pension fund is set out below:

Changes in the Fair Value of Plan Assets	Period ended 31 March 2022 Net (liability)/ Assets £000	Period ended 31 March 2022 Assets £000	Period ended 31 March 2022 Obligations £000	Period ended 31 March 2021 Net (liability)/ Assets £000	Period ended 31 March 2021 Assets £000	Period ended 31 March 2021 Obligations £000
Fair Value of Employer Assets	**926,183**	**926,183**	**0**	759,991	**759,991**	**0**
Present value of funded liabilities	**(1,278,403)**	**0**	**(1,278,403)**	(992,028)	**0**	**(992,028)**
Present value of unfunded liabilities	**(30,091)**	**0**	**(30,091)**	(29,388)	**0**	**(29,388)**
Opening position	**(382,311)**	**926,183**	**(1,308,494)**	(261,425)	759,991	(1,021,416)
Service Costs:						
- current service cost*	**(42,519)**	**0**	**(42,519)**	(28,608)	**0**	**(28,608)**
- past service costs (including curtailments)	**(882)**	**0**	**(882)**	2,607	**0**	**2,607**
Total service cost	**(43,401)**	**0**	**(43,401)**	(26,001)	0	(26,001)
Net Interest:						
- interest income on plan assets	**18,482**	**18,482**	**0**	17,488	**17,488**	**0**
- interest cost on defined benefit obligation	**(26,374)**	**0**	**(26,374)**	(23,446)	**0**	**(23,446)**
Total net interest	**(7,892)**	**18,482**	**(26,374)**	(5,958)	17,488	(23,446)
Total defined benefit cost recognised in Profit or (Loss)	**(51,293)**	**18,482**	**(69,775)**	(31,959)	17,488	(49,447)
Cashflows:						
- Contributions from Members	**0**	**5,275**	**(5,275)**	0	**5,301**	**(5,301)**
- Contributions from Employer	**17,077**	**17,077**	**0**	17,152	**17,152**	**0**
- Contributions in respect of unfunded benefits	**2,413**	**2,413**	**0**	2,509	**2,509**	**0**
- Benefits paid	**0**	**(29,608)**	**29,608**	0	**(28,619)**	**28,619**
- Unfunded benefits paid	**0**	**(2,413)**	**2,413**	0	**(2,509)**	**2,509**
Cashflows	**19,490**	**(7,256)**	**26,746**	19,661	(6,166)	25,827
Expected closing position	**(414,114)**	**937,409**	**(1,351,523)**	(273,723)	771,313	(1,045,036)
Remeasurements on Plan Assets:						
- Return on assets excluding amounts included in net interest	**84,855**	**84,855**	**0**	154,870	**154,870**	**0**
- Other experience	**(37,425)**	**(37,425)**	**0**	0	**0**	**0**
Remeasurements on Defined Benefit Obligation:						
- Changes in demographic assumptions	**14,373**	**0**	**14,373**	(6,873)	**0**	**(6,873)**
- Changes in financial assumptions	**78,377**	**0**	**78,377**	(265,835)	**0**	**(265,835)**
- Other experience	**33,047**	**0**	**33,047**	9,249	**0**	**9,249**
Total Remeasurements recognised in CIES	**173,227**	**47,430**	**125,797**	(108,589)	154,870	(263,459)
Fair Value of Employer Assets	**984,839**	**984,839**	**0**	926,183	**926,183**	**0**
Present Value of Funded liabilities	**(1,199,025)**	**0**	**(1,199,025)**	(1,278,404)	**0**	**(1,278,404)**
Present Value of Unfunded liabilities	**(26,701)**	**0**	**(26,701)**	(30,091)	**0**	**(30,091)**
Closing Position as at 31 March 2022	**(240,887)**	**984,839**	**(1,225,726)**	(382,312)	926,183	(1,308,495)

5. Cash and Cash Equivalents

Cash and Cash Equivalents	2020/21 £000's	2021/22 £000's
Cash held by the Authority	10,078	11,863
School Bank Accounts	796	1,178
Bank Call Accounts	15,428	38,062
Bank Overdraft	(5,251)	(4,526)
Total	**21,051**	**46,577**

6. Subsidiary Income and Expenditure

The operating expenditure and income of Six Town Housing has been included within "Non Service Specific". The operating expenditure and income of Bury MBC Townside Fields Limited has been included within "Corporate Core Services" whilst that of Persona Care & Support Limited has been included within "One Commissioning Organisation".

7. Amount to be met from Government Grant and Local Taxes

This is the same amount as that disclosed in the Comprehensive Income and Expenditure Statement of Bury Council.

8. Goodwill

No goodwill arose in respect of any subsidiaries.

Glossary of Terms

Accounting Principles

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

1. Recognising
2. Selecting measurement bases for, and
3. Presenting

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

Accounting policies do not include estimation techniques. They define the process whereby transactions and other events are reflected in the financial statements.

Accruals Basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses

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

Agency Services

These are services that are performed by or for another Authority or public body, where the principal (the Authority responsible for the service) reimburses the agent (the Authority carrying out the work) for the costs of the work.

Amortisation

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

Appointed Auditors

The appointment of External Auditors to Local Authorities is undertake by the Public Sector Audit Appointments Limited (PSAA), an independent company limited by guarantee and incorporated by the Local Government Association in August 2014. Mazars LLP are the Council's appointed auditor.

Asset

Items that are of worth and are measurable in terms of value. Current assets may change in value on a day to day basis, but the Council is expected to yield the benefit within the one financial year (e.g. short term debtors). Non-current assets yield benefit to the Council for a period of more than one year (e.g. land).

Associated Companies

An associate is an entity over which the Council has significant influence.

Association of Greater Manchester Authorities (AGMA)

AGMA represents the ten local authorities in Greater Manchester and works in partnership with Central Government, regional bodies and other Greater Manchester public sector bodies.

Balances

The balances of the Council represent the accumulated surplus of income over expenditure on any of the Funds.

Better Care Fund (BCF)

The BCF was announced by Government in June 2013 spending round to ensure a transformation in health and social care.

Capital Adjustment Account

The capital adjustment account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost on non-current assets that have been consumed and the amount that have been financed in accordance with statutory requirements.

Capital Expenditure

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

Capital Financing Charges

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

Capital Receipts

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying Amount

The Balance Sheet value recorded of either an asset or a liability.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Collection Fund

The Council as a billing authority has a statutory obligation to maintain a separate Collection Fund. This shows the transactions relating to the collection of Council Tax and Business Rages and its distribution to Local Government bodies.

Community Assets

These are non-current assets that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, any have restriction on their disposal. Examples include parks and historical buildings not used for operation al purposes.

Contingency

This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

Contingent Liabilities or Assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council’s accounts.

Council Tax Requirement

This is the estimated revenue expenditure on General Fund services that will be financed from the Council Tax after deducting income from fees and charges, General Fund Balances, specific grants and any funding from reserves.

Creditors

Amounts owed by the Council for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current Service Cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Current Value

The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

Deferred Capital Receipts

These represent capital income still to be received after disposals have taken place and wholly consists of principal outstanding from the sale of council houses.

Defined Benefit Scheme

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

Defined Contribution Scheme

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

Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of property, plant and equipment assets.

Depreciated Replacement Cost (DRC)

A method of valuation that provides a proxy for the market value of specialist assets.

Derecognition

Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

Discounts

Discounts represent the outstanding discount received on the premature repayment of Public Works Loan Board loans. In line with the requirements of the Code, gains arising for the repurchase or early settlement of borrowing have been written back to revenue. However, where the repurchase or borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains have been recognised over the life of the replacement loan.

Earmarked Reserves

The Council holds a number of reserves earmarked to be used to meet specific, known or predicted future expenditure.

External Audit

The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirement s and proper practices and to ensure the Council has made proper arrangements to secure value for money in its use of resources.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fees and Charges

Income arising from the provision of services e.g. the use of trade waste services.

Finance Lease

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term ‘financial instrument’ covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial Regulations

These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulation usually set out rules on accounting, audit, administrative and budgeting procedures.

General Fund

This is the main revenue fund of the Council and includes the net cost of all services financed by local taxpayers and Government grants.

Greater Manchester Combined Authority (GMCA)

This organisation was created by the Local Government, Economic Development and Construction Act, the GMCA assumed its powers and duties on 1 April 2011. It took over the functions previously the responsibility of the Greater Manchester Integrated Transport Authority (GMITA), which it replaced. It also took over responsibility for transport planning, traffic control and wide loads, assumed responsibility for transportation resources allocated to the Greater Manchester region and regional economic development functions. From 1 April 2018 it took over responsibilities for activities previously undertaken by the Greater Manchester Waste Disposal Authority, the Greater Manchester Fire and Rescue Service and the Greater Manchester Police and Crime Commissioner.

Heritage Asset

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Benefit

This is an allowance to persons receiving little or no income to meet, in whole or part their rent. Benefit is allowed or paid by Local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to the Council's own tenants are known as rent rebate and that paid to private tenants a rent allowance.

Impairment

A reduction in the value of assets below its value brought forward in the Balance Sheet, Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a non-current asset's market value and evidence of obsolescence or physical damage to the asset.

Infrastructure Assets

Non-current assets which general cannot be sold and from which benefit can be obtained only by continued use of the asset creased. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

Intangible Assets

These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licences and patents.

Interest cost (Pensions)

For a defined benefit scheme, the expected increase during the period on the present value of the scheme liabilities which arises from the passage of time.

International Financial Reporting Standard (IFRS)

Defined Accounting Standards that must be applied by all reporting entities to all financial statement in order to provide a true and fair view of the entity’s financial position, and a standardised method of comparison with financial statements of the other entities.

Inventories

Amounts of unused or unconsumed stocks held in expectation of future use. Inventories are comprised of the following categories:

- Goods or other assets purchased for resale
- Consumable stores
- Raw materials and components
- Product and service in intermediate stages of completion
- Finished goods

Investment Properties

Property, which can be land or a building or part of a building or both, that is held solely to earn rentals or for capital appreciation or both, rather than for operational purposes.

Joint Venture

A joint venture is a joint arrangement whereby the parties who have joint control of the arrangement have rights to the net assets of the arrangement.

Leasing Costs

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist; finance leases and operating leases.

Lender Option Borrower Option (LOBO)

A LOBO is a type of loan instrument. The borrower borrows a principal sum for the duration of the loan period (typically 20 to 50 years), initially at a fixed interest rate. Periodically (typically every six months to 3 years), the lender has the ability to alter the interest rate. Should the lender make this offer, the borrower then has the option to continue with the instrument at the new rate or alternatively to terminate the agreement and pay back the principal sum without penalty.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Loss Allowance

The allowance for expected credit losses on financial assets, such as debtors.

Materiality

Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about the Council.

Medium Term Financial Strategy (MTFS)

This is a financial planning document that sets out the future years' financial forecasts for the Council. It considers local and national policy influences and projects their impact on the general fund revenue budget, capital programme and HRA. In Bury is usually covers a five year timeframe.

Minimum Revenue Provision (MRP)

MRP is the minimum amount which must be charged to a Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

Ministry of Housing, Communities and Local Government (MHCLG)

MHCLG is a central government department with the overriding responsibility for determining the allocation of general resources to Local Councils.

National Non-Domestic Rates (NNDR) (also known as Business Rates)

This is the levy on business property, based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines national rate poundage each year which is applicable to all Local Councils.

Net Book Value (NBV)

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net Debt

Net debt is the council's borrowings less cash and liquid resources.

Outturn

Actual expenditure and income compared to the budget.

Pooled Aligned Budget

A pooled fund, arising from a Section 75 Agreement between Bury Council and Bury NHS CCG, but the partners' re4spective financial contributions to such a fund are held in their own bank accounts.

Pooled Budget

A pooled fund, arising from a Section 75 Agreement between Bury council and Bury NHS CCG, comprising financial contributions from both partners hosted by one of the partners in its bank account.

Pooled Fund

This can be either a Pooled Budget or a Pooled Aligned Budget.

Precept

The amount collected by the Council on behalf of other bodies. For 2021/22 the major precepts were payable in relation to the GM Mayor as Police and Crime Commissioner and the Mayoral General Precept (Including Fire Services).

Premiums

These are discounts that have arisen following the early redemption of long term debt, which are written down over the lifetime of replacement loans where applicable.

Prior Period Adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs are uncertain.

Public Works Loan Board (PWLB)

An arm of Central Government which is the major provider of loans to finance long term funding requirements for Local Councils.

Related Parties

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Member, and all senior officers. For individuals identified as related parties, the following are also presumed to be related parties:

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

Remeasurement of the Net Defined Benefit Liability

Remeasurement of the Net Defined Liability (asset) companies:

- Actuarial gains and losses
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
- Any change in the net effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Reporting Standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside to help manage future risks, to provide working balances or that are earmarked for specific future expenditure priorities.

Revaluation Reserve

The Reserve records the accumulated gains on the non-current assets held by the Council arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue Contributions

The method of financing capital expenditure directly from revenue.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

Section 75 Agreement

An agreement made between a Local Authority and NHS body under the powers of the National Health Service Act 2006 which facilitates the pooling of resources to improve the delivery of health and social care. Locally the agreement is between Bury Council and Bury NHS CCG.

Subsidiary

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Council.

Treasury Management

This is the process by which the Council controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Council.

Trust Funds

These are funds administered by the council on behalf of charitable organisations and/or specific organisations.

Unsupported (Prudential) Borrowing

This is borrowing for which no financial support is provided by Central Government. The borrowing costs are to be met from current revenue budgets.