



**Statement of
Accounts
2021/22**

The Deal

Our People

Our Place

Our Future



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Foreword by Cllr David Molyneux , Leader of Wigan Council

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FOREWORD by Cllr David Molyneux, Leader of Wigan Council

The 2021/22 financial year was once again a challenging 12 months due to the Covid 19 pandemic with many facing unprecedented challenges. All organisations, across both the public and private sectors, have had to adapt and we continue to face trying circumstances.

We saw our element of the Council Tax bill increase following seven years of tax freezes. This decision was not taken lightly but with the ongoing uncertainty about how local government is funded, along with having our budget cut by £160m over the past decade, it is unfortunately a necessary choice.

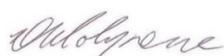
Local government, like many other sectors, has ongoing financial pressures due to rising costs and demand – even without factoring in how resources have been affected during the pandemic.

It is encouraging, however, that we have made significant steps in several key initiatives aimed not only at boosting our economy but providing a fairer economy that works for all our residents and this is underpinned by our Community Wealth Building principles. The essence of which, sees the public sector, local businesses and community organisations across the borough working more closely together, using their resources to promote growth and reduce inequality with renewed focus.

Here in Wigan Borough, we remain able to invest into the areas that we know are important to our communities; providing funding for our community networks, prioritising our green economy and climate change priorities and creating opportunities for young people, to name just a few.

Strengthened with feedback gathered from last year's Big Listening Festival, we will continue to deliver on the priorities of the refreshed Deal 2030 masterplan.

Although the last few years have been difficult because of the pandemic, there are reasons to be optimistic for the forthcoming year in Wigan. Key development projects and plans – such as the Galleries 25 and the Leigh Strategic Regeneration Framework (SRF) – have reached important milestones. And with two major sporting tournaments being held within the borough – the UEFA Women's EUROs and the Rugby League World Cup – arriving in our borough it is an exciting 12 months ahead.



Councillor David Molyneux, Leader of Wigan Council



NARRATIVE REPORT by the Director – Finance and Legal (Section 151 Officer)

Introduction

The Statement of Accounts is produced annually to give electors, local taxpayers, Members of the Council, employees and other interested parties clear information about the Council's finances.

The accounts must be completed by law and in accordance with the requirements of the Code of Practice on Local Authority Accounting based on International Financial Reporting Standards (IFRS) for 2021/22, Accounting Codes of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and any other government legislation or regulations. Government have continued to provide Local Authorities flexibility over the production of their Annual Statement of Accounts in 2021/22 in recognition of the impact of the pandemic. The legislation for 2021/22 requires draft accounts to be produced no later than 31 July rather than the 31 May deadline pre-pandemic.

The overriding requirement of the Code of Practice is that the Statement of Accounts 'presents a true and fair view' of the financial position and transactions of the Council. The main financial statements follow this report.

The accounts are highly technical and inevitably include some technical language. Wherever possible this has been avoided in an attempt to provide the reader with an easily understandable guide to the most significant matters reported in the accounts. Together with this narrative report, a glossary is provided at the back of the publication to explain some of the technical terms to assist in the interpretation of the financial statements.

This narrative report aims to provide an explanation of the Council's financial position for the financial year ending 31 March 2022, together with additional information about the Council in general. The report also includes the risks and pressures which the Council faces and plans that have been developed to place the Council in the best possible position to meet those risks.

As always, I would like to conclude by recognising the hard work of the finance teams for their work in producing the accounts together with their work during the year. The Council has continued to face unprecedented challenges and the way we operate and deliver services has evolved since the start of the pandemic. The forthcoming years will represent significant challenges as we face legacy covid pressures, ongoing service demand pressures against a backdrop of inflationary pressures particularly impacting on fuel, energy and food costs and our working together culture will be more important than ever as we face and address the challenges ahead.

Wigan Borough

Our residents are very proud of their borough and its parks, green spaces, sporting and cultural heritage, and industrial history. Most of all they are proud of its people, their accents, good humour and personalities.

Expansive countryside

two thirds of borough



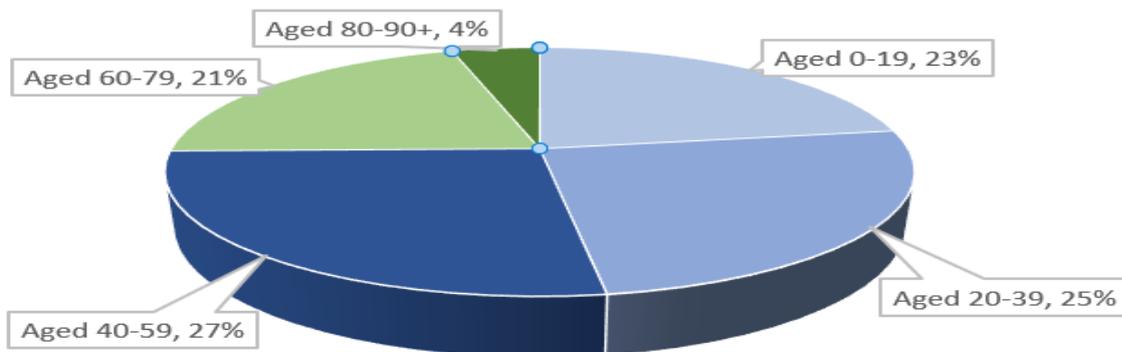
We have strong proud towns, historic villages and a wealth of green spaces. Around two-thirds of the borough is expansive countryside and we love our stunning parks, woodlands, wetlands, canals and green space, which is rich in flora and fauna.

Our strong employment rates, outstanding schools and affordable housing make Wigan an attractive place to live and work.

Size of the borough



Age Profile

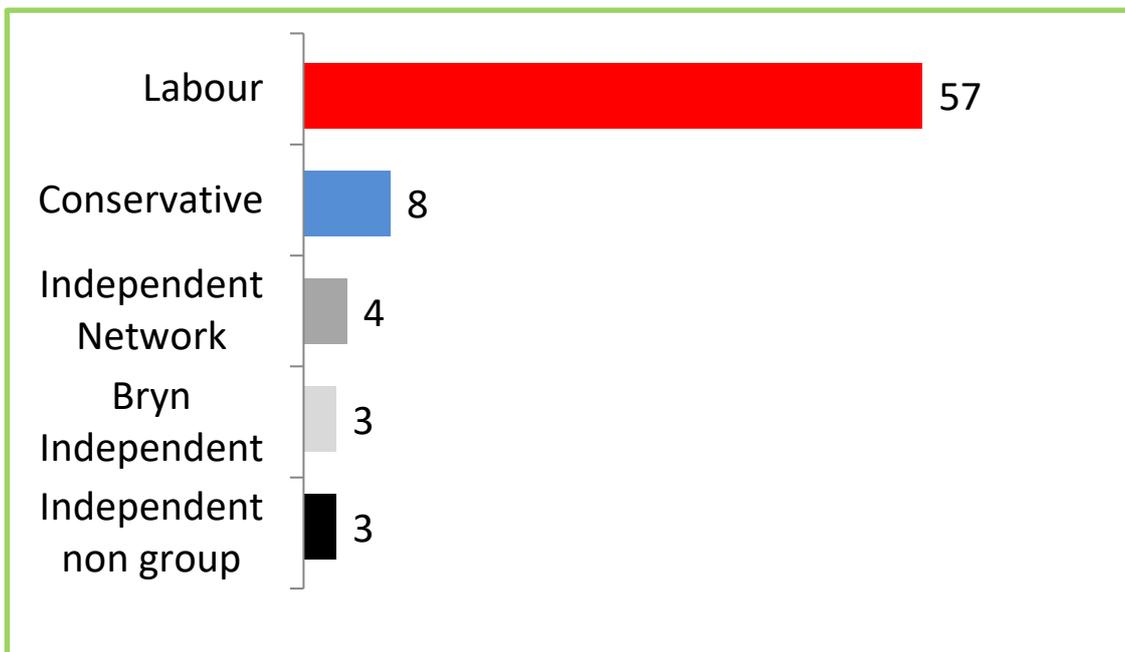


Who We Are

Wigan Council was created in 1974 as part of a major reorganisation of Local Government. Wigan is the second largest borough in Greater Manchester and occupies an enviable position between Liverpool and Manchester. The area it covers is still c70% countryside with its “Greenheart” covering some 77 square miles.

The Borough is split into 25 wards each with 3 elected Councillors. Local Councillors are elected by the community to decide how the Council should carry out its various activities. They represent public interest as well as individuals living within the ward in which he or she has been elected to serve a term of office. They have regular contact with the general public through Council meetings, telephone calls or surgeries. Surgeries provide an opportunity for any ward resident to go and talk to their Councillor face to face and these take place on a regular basis.

The political structure of the Council for the financial year 2021/22 was as follows:



The Cabinet, also known as the Executive, is the main policy making body of the Council and carries out Council functions that are not the responsibility of any other part of the Council, whether by law or under the constitution. It consists of an Executive Leader together with at least 2, but no more than 9, Councillors appointed by the Executive Leader.

At Wigan, the Cabinet (Executive) consists of 8 senior Councillors who are each ‘Portfolio Holders’ for a major area of responsibility.

- Economic Development and Regeneration
- Adult Social Care
- Planning, Environmental Services and Transport
- Children and Families
- Finance, Resources and Transformation
- Housing and Welfare
- Communities and Neighbourhoods
- Police, Crime and Civil Contingencies

From May 2021, the Executive Leader has decided that seven Lead members will support the Cabinet members and attend Cabinet meetings.

- Greener Wigan
- Leisure and Public Health
- Equalities and Domestic Abuse
- Armed Forces and Veterans
- District Centres and Night Time Economy
- Youth Opportunities
- Heritage and Building Conservation

In accordance with the Local Government Acts 1972 and 2000, they will not have decision-making powers in their own right.

The Deal 2030 Our Corporate Strategy

The Deal 2030 set out how we will work together to create a truly world class place to live in the decade ahead. The Council cannot realise the potential of our borough alone – to do this we have to be working effectively with our partners. Whether it's making our communities safe, our town centres more vibrant or our environment cleaner we have to have strong and effective partnership working to achieve that.



It is also fundamentally a strategy that is founded in partnership with our residents who have helped set our priorities.

Each priority area has an 'Our Part' (the borough's public sector organisations and partners) and 'Your Part' (residents) so that the Deal principles of working together to achieve our ambitions continues and we all know what we need to do to play our part. Our strategy is also underpinned by the notion of fairness. Whether it is fairness in opportunities for our young people, our towns having a fair share of funding, fairness in local wealth generation or through equality and diversity – residents told us that they wanted everyone to have an equal opportunity to achieve their full potential. Now that we have set down in writing what our ambitions are, it is now our collective responsibility as a council, with our partners and with our residents, to deliver on those priorities.

Our People

Together we feel happy, safe, included and look out for each other

- Best start in life for children and young people
- Happy healthy people
- Communities that care for each other

Our Place

Together we are proud of our towns and look after our environment

- Vibrant town centres for all
- An environment to be proud of
- Embracing Culture, Sport and Heritage

Our Future

Together we will build a future where everyone has the opportunity to thrive

- Economic growth that benefits everyone
- A well connected place
- Confidently digital
- A home for all

Recognising the impact which the pandemic has had on our community, a Big Listening Festival was undertaken during 2021. The aim of the festival was to give everyone in the borough the chance to help shape and refresh the Deal 2030.

The festival offered a variety of ways for people to get involved, such as digital forums, surveys, partner meetings and a large physical event. We also visited schools across the borough, speaking to over 150 young people.

Our residents told us they wanted a fairer and more inclusive borough and this priority is now a central part of our Deal 2030 strategy. To help us tackle economic inequality locally and create a fairer borough address the economic inequalities we have launched our Community Wealth Building strategy.



Community Wealth Building Strategy

We want community wealth building to be the catalyst to put more economic control in the hands of local people and in so doing create an inclusive economy which nurtures and sustains all our citizens. The crisis has seen a surge in our communities coming together to support each other, with many volunteers coming forward and local businesses changing the way they work. Indeed, in many cases it has been the local community businesses that have provided the resilience we needed. Many bigger national and multinational businesses will be able to 'ride the storm' of the recession while local businesses and workers will be hit hard. This in turn will make our local businesses vulnerable from failing or for a predatory national organisation to take them over.

The longer-term impact that the economic and societal effects of the pandemic present gives us an opportunity to bring about a transformational change and embed new social norms. Austerity was a stimulus to successfully change and transform our culture through The Deal, we now face a much bigger challenge. Without explicitly recognising it elements of community wealth building have been present in our approach to date as part of the Wigan Deal. Our investment in community organisations, social enterprises and community businesses and our raising of standards in adult social care through commissioning differently via an ethical homecare framework have led to improved outcomes for individuals and communities.

We are putting community wealth building at the heart of how the council operates. In partnership with all anchor organisations in the borough we will act to put our supply chains, our workforce and our assets at the forefront of creating a truly inclusive economy, one that will be more resilient in a turbulent post-Covid society.

In our plan for recovery we need to recognise the role we can play as a council and a leader of place, in bringing about fundamental change and reform to benefit our communities and take more strident steps toward our ambitions to contribute to climate change and our green economy. We need to harness the social capital that has been built up and accelerated beyond anything that has gone before, capitalise on the energy and commitment of individuals, organisations and communities that we have seen in recent months.

Any crisis is a motivational stimulus to change things for the better. We owe it to the people of our borough to show the organisational and political leadership to deliver that change to ensure that we recover from this crisis stronger than we went into it. Putting community wealth building at the centre of our recovery plan will enable us to build a stronger more resilient borough for the future.



The council alone spends
£350m

on goods and services, employs 4,500 people and owns 20% of the borough's land.

40%

of that is spent with Wigan based businesses. If we increase it by 11% that would mean an additional

£30m

spend on Wigan businesses.

These businesses in turn would spend approximately another

£13m

with their own suppliers and employees in the borough.

An increase of 12% in Wigan and neighbouring borough suppliers (from 53% to 65%) would equate to an approximate

£33m

additional spend with local businesses

Currently,
74%
of council staff live in the borough

20%

live in neighbourhoods in the top 20% most deprived nationally

11%

live in the top 10% most deprived nationally.

We can significantly reduce carbon-based energy in

22,000

homes and our other buildings and across our fleet with investment in locally based green businesses.

We can grow **economically generative** local businesses, including cooperatives, social enterprises and employee owned businesses

We can make a difference by increasing the proportion of people in secure, living wage paid jobs, from our neighbourhoods with the greatest potential.

We can increase the community use and control of council owned land and assets, particularly those which are currently under utilised

As an anchor partnership we increase our power to achieve these ambitions significantly.

There is an estimated
£1bn
of public spending and

22,000

employees working for Wigan's anchor institutions.

This shows the transformative power of a Wigan anchor partnership for community wealth building.

2021/22 Financial Performance

Revenue

The Council's 2021/22 revenue outturn position is shown in the table below. A deficit of £3.107m has been declared in 2021/22. The overspend has been taken from the General Fund reserves and can be seen in the Movement in Reserves Statement in the following accounts.

Service	Revised Budget		Actual Income and Expenditure		Variation	
		£'000		£'000		£'000
People		167,080		186,722		19,642
Places		74,308		48,931		-25,376
Resources		19,211		30,693		11,482
Total Cost of Services		260,599		266,347		5,747
Passenger Transport Levy		22,308		22,308		0
Other Charges including Capital and Asset related transactions		-24,996		-54,352		-29,355
Total Other Costs		-2,688		-32,044		-29,355
NDR including Section 31 Grant*	-	131,203	-	104,836		26,367
Council Tax	-	126,788	-	126,440		348
Parishes		81		81		0
Total Funding		-257,911		-231,196		26,715
Net Position 2021/22		0		3,107		3,107

*Variance on NNDR relates primarily to distributed deficit on collection fund, met through a contribution from reserves funded through a prior year grant receipt

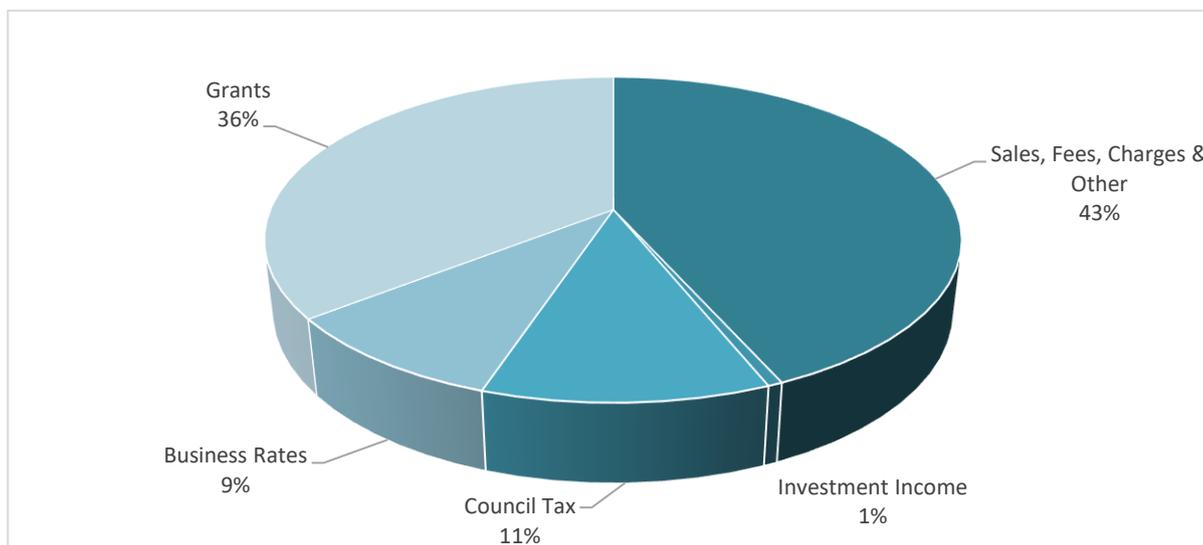
The table is in the format that is reported to the Council's Cabinet throughout the year and includes both controllable and uncontrollable budgets. The table above will look different to the main financial statements as they contain a number of technical accounting adjustments required to complete the financial statements.

Review of the Financial Performance 2021/22

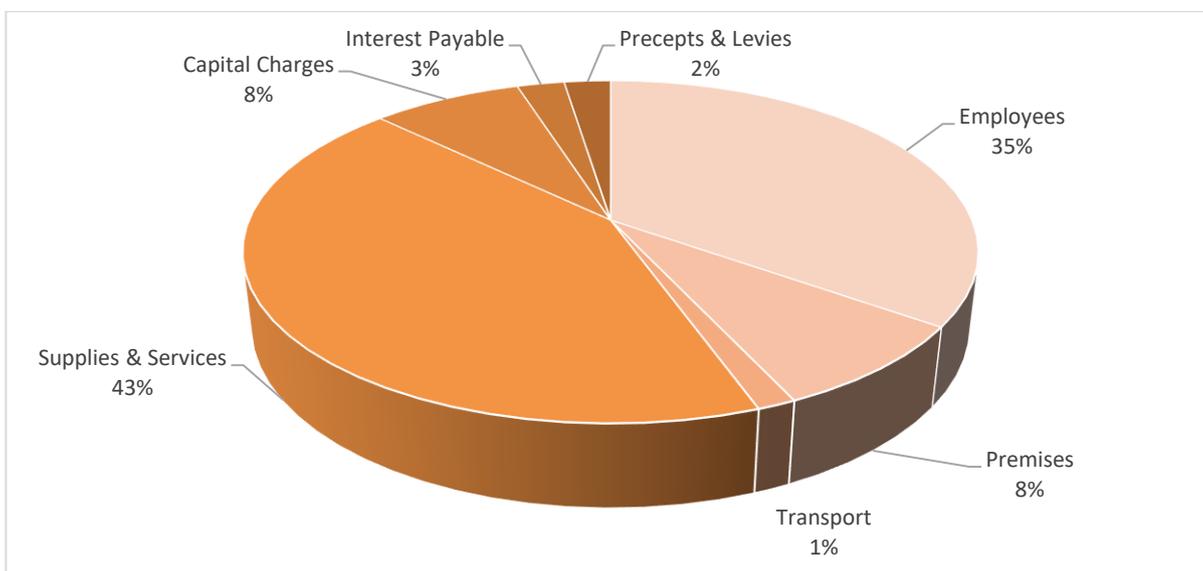
Where the Council received its money from and how it is spent

The following charts show the main sources of income that the Council received in 2021/22 and a high level breakdown of the money that it spent on providing services.

Where does the money come from?



What is the money spent on?

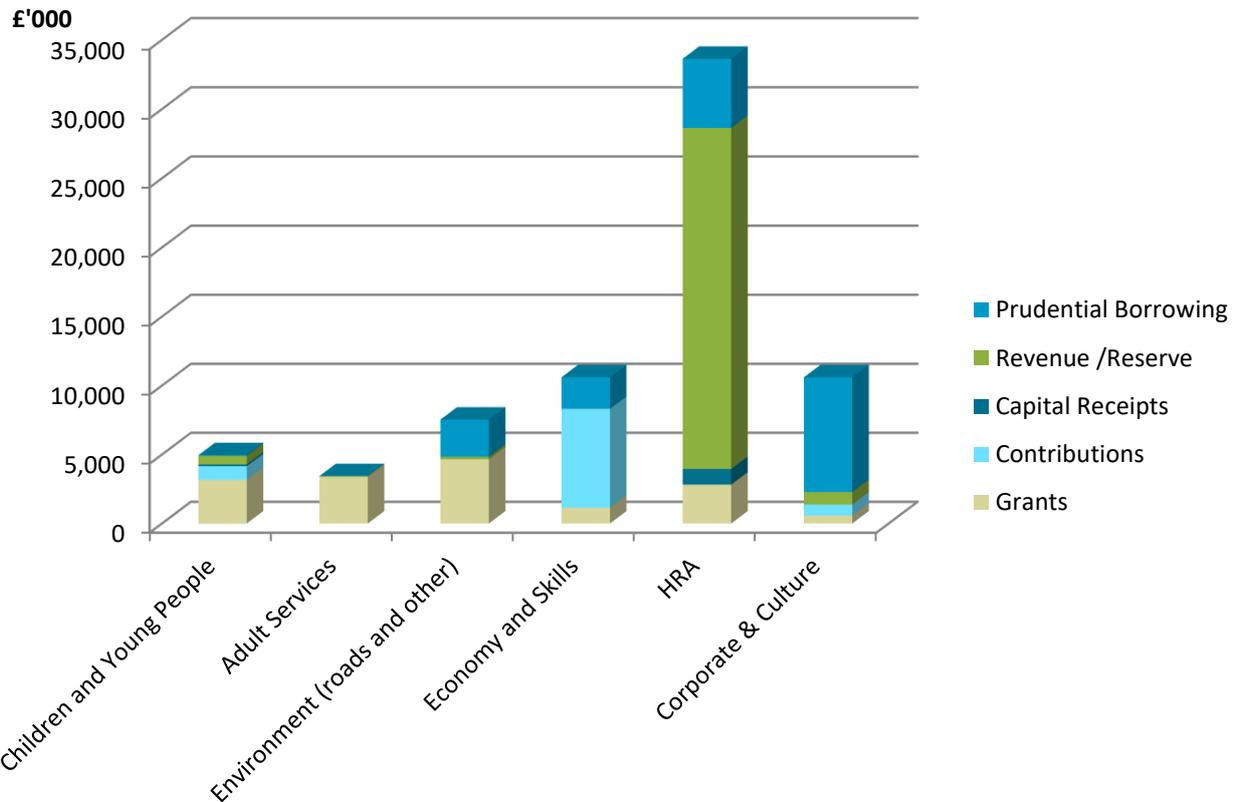


Capital

The Council spent over £70.738m on its capital programme in 2021/22. The programme underpins the Council's objectives and provides for investment in long term assets which are used to deliver the Council's services.

The Council operates a rolling capital programme that is reviewed throughout the year. The programme is funded from a variety of sources which includes capital receipts generated from the sale of council assets, government grants, contributions from developers and borrowing, both internal and external. The Council's strategy is to operate a balanced programme over its duration.

The chart below analyses the expenditure across the different areas together with the funding sources.



Borrowing Facilities and Cash

In accordance with Treasury Management policy, when there is a requirement to borrow then the majority of borrowing will be secured via the Public Works Loan Board (PWLB). The PWLB offers borrowing at rates only slightly above rates at which the Government secures its borrowing. It has traditionally been considered to be the most cost effective source of obtaining “traditional” funding.

For a number of years the level of debt held by the Council has been reducing as the Council has taken the opportunity to utilise its cash balances to repay debt.

The level of PWLB borrowing at 31 March 2022 decreased to £402.885m (2020/21 £403.048m).

During 2021/22, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and resulted in a reduction in exposure to counterparty risk. Details of the Council’s Capital Financing Requirement are disclosed in Note 16 to the accounts.

The policy for avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this is kept under review to avoid incurring higher borrowing costs in the future when the Council is unable to avoid borrowing.

Future Outlook – Risks and Uncertainties

The Council has faced unprecedented challenges as a result of the pandemic, although having commenced in 2020/21, the impact will continue to be felt in medium-term financial planning and that this will be significantly more challenging than would have been the case prior to COVID-19 together with global inflationary pressures and a cost of living crisis.

Childrens Social Care

The major risk area for the Council's revenue budget remains within children's social care. The most significant budget pressure relates to our looked after children - external residential costs and care leavers. Demand management continues to be an issue and even with the introduction of more innovative models this area will always be subject to some uncertainty and volatility. Some of this can be addressed through longer term financial planning and more robust demand management, but however well managed, there will be financial pressures as we are dealing with our most vulnerable children.

Adult Social Care

It is anticipated that the volume and complexity of demand for adult social care will continue to increase over the duration of the medium-term financial plan due to the impact of an ageing population alongside new demand from young adults transitioning from children's services. The expected rise in the living wage alongside other inflationary factors will also continue to impact financially on the Council. Further investment in the fees that the Local Authority pays for care will be required in response to ensure the ongoing sustainability and quality of local care provision. The combined growth pressure attributable to increased demand and the rising cost of care is anticipated to be upward of £5.8m annually. However, the ongoing impact of the pandemic on both demand and cost remains uncertain and will continue to be monitored, whilst local transformation within adult social care and health is expected to benefit future demand pressures.

Other Areas of Risk

Insurance claims are as ever a risk. This combined with rising premiums places pressure on the insurance fund. However, the current level of resources within the insurance fund will be sufficient in meeting any liability claims arising. The fund has been actuarially assessed and is deemed more than adequate. This will allow some further investment in risk-based schemes which will protect the Council further from future claims.

Construction industry prices have risen significantly in recent months as demand for materials etc is exceeding available resources. This increased cost places additional risk on our proposed capital schemes particularly the large infrastructure projects that are currently in the pipeline. To mitigate the risk, wherever possible we have delayed the start date and rephased into the subsequent years as it is anticipated that this spike in price will be for a short period. If prices continue to rise in the medium term, then a full review of the programme will be undertaken to ensure it remains affordable for the Council.

Interest rate risk can have a major impact upon the finance of the council as even small increases in interest rates can impact significantly on our longer-term capital plans. However wherever possible the use of internal cash will continue to be our first port of call as this avoids the costs of borrowing, however this cannot continue indefinitely, and borrowing will need to be considered.

The COVID-19 pandemic has obviously had a significant impact upon the Council and the services it provides. The full impact of the pandemic is likely to be felt for many years to come, in particular the effect upon our welfare provision. Our residents have been assisted throughout the pandemic with Government support with school meals / holidays. The fallout of all this support could result in significant financial pressure for a number of our residents. This in turn could result in an increase in arrears in Council Tax and Housing Rents for the Council.



Funding Risk

Key Government decisions about the Local Government Funding has been delayed. It was hoped that a full Fair Funding review together with Business Rate review would take place however this has delayed. The 2021/22 Local Government Finance Settlement was again a one year settlement. This has provided no certainty of funding beyond 2021/22.

Accounting and Other Matters 2021/22

Pensions

The actuarial valuation of the Council's pension scheme liabilities and pension reserve shown on the Balance Sheet has decreased by £247.141m during the year. The valuation is determined by the Actuary and represents the market conditions at the reporting date. The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation. Further details are given in Note 40.

Revaluation of Assets

The Council values its assets annually based on a 5 year rolling programme. This valuation provides the Council with an up to date value for its asset portfolio and reflects the market conditions. The value of assets can fluctuate significantly due to a number of factors, such as market conditions or obsolescence, or where physical damage to the asset has occurred. To ensure that asset values are materially accurate at the balance sheet date a review of the market is undertaken to consider any changes in value across the various asset types. A number of assets where values were considered at particular risk of being impacted by market change were specifically revisited during February and March 2022 to give assurance the valuation at 1st April 2021 was accurate for the accounts. Due to continuing high house price inflation during 2021/22, Council dwelling valuations were revisited as at 31st March 2022 and a revaluation increase was applied to adjust the value of stock to reflect movement between valuation date and balance sheet date

Manchester Airport Group

The Council holds a minority shareholding of 3.22%.

The shareholding in Manchester Airport Holdings Ltd has been estimated to be £18.6m (£17.7m for 2020/21), which is an increase in value of £0.9m since last year. The Manchester Airport Car Park Ltd shareholding has been valued at £4.800m, a decrease of £0.900m.

There is therefore no combined revaluation gain or loss to be recognised in the Financial Instruments Revaluation Reserve and there is no impact on the General Fund.

Due to the ongoing impact of COVID-19 pandemic there have been no dividend payments received from Manchester Airport during 2020/21 or 2021/22. The last dividend payment received was £6.429m during 2019/20, £4.129m of which related to the Airport's 2018/19 results and an interim dividend of £2.300m for 2019/20.

Housing Revenue Account (HRA)

The Council is required to keep a separate account in respect of council housing.

The Housing Revenue Account (HRA) shows the main elements of expenditure including maintenance, management and capital financing along with details of income from rents and other charges.



The HRA Statement of Accounts has two parts; the HRA Income and Expenditure Statement and the Movement on the Housing Revenue Account Statement.

The HRA commenced the 2021/22 financial year with a surplus of £24.9m and ended the year on 31 March 2022 with an accumulated surplus of £15.3m.

Approximately £33.6m was spent on capital schemes which included New Build Housing developments of £18.9m at Sandalwood Drive, former Pemberton Primary site, Wharfdale and Railway Arches, Leigh. These developments were funded from reserves, borrowing and supported by grant funding from the Homes England. Further new sites are planned over the next few years to add to the Council's housing portfolio.

Other significant areas of capital spend during 2021/22 included boiler renewals, roofing works, adaptations, carbon reduction works and bringing void properties up to standard (including kitchen and bathroom renewals).

Schools

Schools have responsibility for their budgets and may carry forward their own balances. In 2021/22 the cumulative level of delegated balances held by the schools has decreased and now stands at £20.581m (2020/21 £21.721m). This balance is spread across schools and is not available to the Council. Further information on schools funding is available in Note 36 Dedicated Schools Grant

Health and Social Care Integration / Healthier Wigan Partnership

As part of the Devolution plans for Greater Manchester the Integration of Health and Social Care was a priority. The aim was to work together to develop a locality plan that would facilitate the large scale structural change required to deliver clinical and financial sustainability with the health and social care system.

Since 2019, an Integrated Commissioning Committee has been in operation, this has brought together the senior political and clinical leadership of the locality. The integrated committee is responsible for the oversight of a pooled budget of c£350m of gross expenditure which has been created under a section 75 agreement (the mechanism that allows joint funding / pooled budgets). The foundations laid through the local health and social care integration journey has enabled the locality to respond to the unique challenges of Covid 19 in the most appropriate, proactive and rapid way enabled through mutual support, trust and partnership working.

In February 2021 the Department of Health & Social Care published the White Paper 'Integration and innovation: working together to improve health and social care for all', which sets out legislative proposals for a health and care Bill. For Wigan this means that the health and care integration in the borough and across Greater Manchester will take a step forward.

Across Greater Manchester, 10 Integrated Care Partnerships (ICPs) will be created – 1 in each borough. In Wigan, our ICP will be called Healthier Wigan to reflect our longstanding partnership arrangements. Our Chief Executive, Alison Mckenzie-Folan, will be the local Place-based Lead. NHS Wigan Borough CCG will be abolished along with all CCGs across the country. The staff and responsibilities of the CCGs in Greater Manchester will come together under a new NHS organisation, NHS Greater Manchester Integrated Care (NHS Greater Manchester).

Place-based leads in each locality will receive devolved responsibility and resources from NHS Greater Manchester Integrated Care. This means that Alison and Healthier Wigan partners will work with our residents, and with the wider system across Greater Manchester – including NHS Greater Manchester, to ensure a healthier community; plan and deliver health services more effectively; make sure everyone is treated equally and fairly; help the NHS become as efficient as possible, and help it contribute to the wider economy.



Leisure Services

Leisure Services and Wellbeing services transferred back into the Council from April 2021 following a mutual agreement with Inspiring Health Lifestyles (IHL) who have been the provider of the leisure services in the Borough since 2003. The contract with IHL meant that all assets relating to the Leisure Centres were already included within the Councils Balance Sheet.

Technical Terms

Wherever possible the use of technical language is avoided, however inevitably some is necessary and a glossary is provided at the back of this publication to explain some of the technical terms. The following is a brief explanation of the main statements within the accounts:

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in year of providing services with generally accepted accounting practices, rather than the amount to be funded by taxation. Councils raise taxation to cover expenditure in accordance with regulations, this will generally be different to the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Movement in Reserves Statement

This statement shows the movement in year on the different reserves held by the Council, analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce taxation) and 'unusable reserves'. The Surplus or Deficit on the provision of services line shows the true economic cost of providing the Council's services, more details of which are shown in the CIES. These are different from the statutory amounts required to be charged to the general fund balance for council tax setting.

Balance Sheet

The Balance Sheet shows the value as at the 31 March 2022 of the assets and liabilities recognised by the Council. The net assets of the Council, i.e. assets less liabilities are matched by reserves which are split into two categories, usable and unusable reserves. Usable reserves are those which the Council can use to support initiatives and services. Unusable reserves are not available to use on Council Services and are in the main technical accounting reserves.

Cash Flow Statement

The Cash Flow Statement summarises the total movement of cash and cash equivalents during 2021/22. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flow as operating, investing and financial activities.

Housing Revenue Account

The Housing Revenue Account Comprehensive Income and Expenditure Statement shows the costs in year of providing and operating the Council's housing stock and includes the major elements of expenditure (property maintenance, management and capital finance) and the income due from rents and charges.



Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the authority (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. 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 practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Collection Fund

The Collection Fund separately summarises transactions in relation to Non-Domestic Rates and Council Tax.

Statement of Responsibilities

The Statement of Responsibilities for the Statement of Accounts which sets out the responsibilities of the Council and the Director Finance and Legal (Section 151 Officer) for the accounts.

Concluding Remarks

As the Council continues to transform, it is expected that as Chief Financial Officer, I ensure that the budget and council tax is appropriate and that a prudent level of reserves and balances are available to ensure the delivery of future plans are achievable.

The financial statements provide assurance to the reader that the Council's financial position is robust and that its pro-active approach to the impact of the austerity measures has delivered the necessary savings in advance thus providing a one-off opportunity to set monies aside into reserves which will be utilised to support initiatives in line with the Corporate Strategy Deal 2030.

The preparation of these statutory accounts to a high standard is a testament to the finance staff who have contributed to the completion of this Statement of Accounts and I would like to take the opportunity to pass on my thanks for this considerable achievement.



A Clarke (CPFA)

Director Finance and Legal (Section 151 Officer)

MOVEMENT IN RESERVES STATEMENT 2021/22

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'Unusable Reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to Council Tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

Single Entity	Note	General Fund Balance £'000	Earmarked Reserves £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000
Balance at 31 March 2020		16,509	84,728	24,549	5,509	11,373	38,923	181,589	195,769	377,358
Movement in Reserves during 2020/21										
Restated Surplus or (deficit) on provision of services		46,119	0	100,648	0	0	0	146,767	0	146,767
Other Comprehensive Expenditure and Income		0	0	0	0	0	0	0	-223,539	-223,539
Total Comprehensive Expenditure and Income		46,119	0	100,648	0	0	0	146,767	-223,539	-76,772
Restated Adjustments between accounting basis & funding basis under regulations	6	68,882	0	-100,301	18,526	-815	7,507	-6,201	6,201	0
Net Increase / Decrease before Transfers to Earmarked Reserves		115,001	0	347	18,526	-815	7,507	140,566	-217,338	-76,772
Transfers to / from Earmarked Reserves	27	-114,848	114,848	0	0	0	0	0	0	0
Increase / Decrease in Year		154	114,848	347	18,526	-815	7,507	140,566	-217,338	-76,772
Balance at 31 March 2021		16,663	199,576	24,896	24,034	10,557	46,429	322,155	-21,569	300,586
Movement in Reserves during 2021/22										
Surplus or (deficit) on provision of services		-53,478	0	85,866	0	0	0	32,387	0	32,388
Other Comprehensive Expenditure and Income		0	0	0	0	0	0	0	294,901	294,901
Total Comprehensive Expenditure and Income		-53,478	0	85,866	0	0	0	32,387	294,901	327,289
Adjustments between accounting basis & funding basis under regulations	6	38,556	0	-95,465	-2,160	7,278	13,297	-38,494	38,494	0
Net Increase / Decrease before Transfers to Earmarked Reserves		-14,922	0	-9,599	-2,160	7,278	13,297	-6,106	333,396	327,289
Transfers to / from Earmarked Reserves	27	11,815	-11,815	0	0	0	0	0	0	0
Increase / Decrease in Year		-3,107	-11,815	-9,599	-2,160	7,278	13,297	-6,106	333,396	327,289
Balance at 31 March 2022		13,555	187,761	15,297	21,874	17,835	59,726	316,049	311,826	627,875

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT FOR YEAR ENDED 31 March 2022

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

2020/21 Gross Expenditure	2020/21 Gross Income	2020/21 Net Expenditure		Notes	2021/22 Gross Expenditure	2021/22 Gross Income	2021/22 Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
			Expenditure on Services				
			People Directorate:				
213,738	-167,316	46,422	Adult Social Care and Health		229,434	-138,670	90,764
316,731	-253,622	63,109	Children and Families		360,668	-270,982	89,686
0	0	0	Leisure & Wellbeing		23,579	-9,502	14,077
			Places Directorate:				
12,028	-5,531	6,497	Economy		11,824	-6,854	4,970
62,144	-15,785	46,359	Environment		73,339	-17,743	55,596
15,360	-16,918	-1,558	COVID-19 Local Business Support		2,942	-1,885	1,057
-11,982	-94,595	-106,577	HRA		-4,483	-90,874	-95,357
			Resources Directorate:				
56,405	-21,303	35,103	Corporate Services		58,937	-24,560	34,378
109,607	-81,024	28,583	Customer Transformation		106,350	-79,535	26,815
774,032	-656,094	117,938	Net Cost of General Fund Services		862,591	-640,604	221,986
		24,991	Other Operating Expenditure	7			31,729
		32,024	Financing and Investment Income and Expenditure	8			29,483
		-321,721	Taxation and Non-Specific Grant Income	9			-315,586
774,032	-656,094	-146,767	Surplus (-) or Deficit on the provision of services		862,591	-640,604	-32,388
		-2,606	Surplus (-) or Deficit arising on the revaluation of non-current assets				-9,901
		211	Impairment Loss on non-current assets charged to revaluation reserve				112
		222,424	Re-measurement of the net defined benefit liability	40			-285,112
		3,510	Surplus (-) / Deficit on financial assets measured at fair value through Other Comprehensive Income				0
		76,772	Total Comprehensive Income and Expenditure				-327,289

BALANCE SHEET AS AT 31 March 2022

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

31.3.21 £'000		Notes	31.3.22 £'000
1,208,415	Property, Plant and Equipment	10	1,306,627
3,660	Heritage Assets	11	3,667
40,575	Investment Property	12	38,765
239	Intangible Assets	14	126
23,405	Long Term Investments	17	23,405
37,433	Long Term Debtors	17	40,467
1,313,728	Long Term Assets		1,413,057
816	Inventories		808
66,267	Short Term Debtors	20	72,206
126,812	Cash and Cash Equivalents	22	152,119
3,600	Assets held for Sale	24	1,370
197,495	Current Assets		226,503
8,278	Short Term Borrowing	17	6,165
48,966	Creditors	25	72,799
4,125	Capital Grants Receipts in Advance	25	2,924
7,825	Provisions	26	9,767
69,194	Current Liabilities		91,655
398,019	Long term borrowing	17	399,720
2,297	Deferred Income – Receipt in Advance	17	2,648
40,879	Other Long Term Liabilities (Deferred Liabilities)	18	39,881
2,415	Provisions	26	2,747
697,832	Defined Benefit Pension Scheme	40	475,034
1,141,442	Long Term Liabilities		920,030
300,586	Net Assets		627,875
322,155	Usable Reserves	28	316,049
-21,569	Unusable Reserves	29	311,826
300,586	Total Reserves		627,875

I certify that the Balance Sheet and related accounts present a true and fair view of the financial position of Wigan Council at 31 March 2022.



A Clarke (CPFA)
Director Finance and Legal (Section 151 Officer)

CASH FLOW STATEMENT FOR YEAR ENDED 31 March 2022

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

2020/21 £'000		Notes	2021/22 £'000
	Operating Activities		
-146,767	Net Surplus or Deficit on the provision of services		-32,388
30,382	Adjustments to net surplus or deficit on the provision of services for non- cash movements	23	-57,831
40,004	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	23	43,368
	Cash Outflows:		
17,611	Interest Paid		17,596
5,088	Interest element of PFI rental payments		5,006
	Cash Inflows:		
0	Dividends Received		0
-458	Interest Received		-185
-22,241	Reversal of operating activity items included in the net surplus or deficit on the provision of service		-22,417
-76,382	Net Cash flows from Operating Activities		-46,851
	Investing Activities		
	Cash Outflows:		
44,386	Purchase of Property, Plant and Equipment		66,580
13,417	Other Capital Cash Payments		3,361
0	Adjustments to Other Capital Cash Payments		-7,502
	Cash Inflows:		
-36,189	Capital Grants Received		-33,945
-7,546	Sale of Property, Plant and Equipment		-12,018
-239	Other Receipts		-791
13,829	Net Cash flows from Investing Activities		15,685
	Financing Activities		
	Cash Outflows:		
405	Repayments of Amounts Borrowed		5,412
1,764	Repayments of Amounts Borrowed – Transferred Debt		1,858
542	Payment for reduction of liability relating to PFI		993
3,630	Billing Authorities – Council Tax and NDR Adjustment		2,596
	Cash Inflows:		
0	Cash receipts of short and long term borrowing		-5,000
6,341	Net Cash flows from Financing Activities		5,859
-56,211	Net increase (-) / decrease in cash and cash equivalents		-25,307
70,601	Cash and cash equivalents at the beginning of the reporting period		126,812
126,812	Cash and cash equivalents at the end of the reporting period	22	152,119

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NOTES TO THE CORE FINANCIAL STATEMENTS

1. Accounting Standards that have been issued but have not yet been adopted

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

At the balance sheet date the following amendments to existing standards have been published as part of the annual improvements to IFRS Standards but not yet adopted. None of these are expected to impact the Council's Statement of Accounts:

- IFRS 1 First-time Adoption – amendment relating to foreign operations of acquired subsidiaries transitioning to IFRS
- IAS 37 Onerous Contracts – clarifies the intention of the Standard
- IFRS 16 Leases – amendment to remove a misleading example
- IAS 41 Agriculture – one of a small number of IFRS's that are only expected to apply to local authorities in limited circumstances

IFRS16 Leases has been introduced by the 2022/23 code, but only for those authorities that have decided to adopt IFRS 16 in the 2022/23 year. The mandatory introduction of the standard will be from 1 April 2024, and therefore included in the 2024/25 Statement of Accounts.



2. Critical Judgements in applying Accounting Policies

Related Companies

An assessment of the Council's interests has been carried out during the year in accordance with the Code. The Council has identified 7 entities within the group boundary. However, having due regard to levels of materiality, both quantitative and qualitative, it has been determined that the Council does not have to prepare Group Accounts for 2021/22. For the reader's benefit we have included details of the relationship with the Council and financial performance of the most significant companies. These details are included in Note 37 Related Parties.

Better Care Fund

The Section 75 agreement by which Better Care resources have been pooled between the Council and Wigan Borough CCG has been assessed against the appropriate standards, mainly IFRS10 and IFRS11. The arrangement has been assessed to be classified as a Joint Operation given the control and governance arrangements of the pool. As such, each party accounts for the assets, liabilities, revenues and expenses relating to its involvement in a joint operation. The details are included in Note 31 Joint Operations.

Regional Adoption Agency

A Regional Adoption Agency (RAA) was established as a shared service between Wigan, Warrington, St Helens, Halton and Cheshire West and Chester local authorities. Wigan Council acts as the host local authority on behalf of the RAA Partnership. Funds are pooled together in order to deliver the service. The Partnership has now been in operation since 2017/18. The RAA has been assessed against appropriate standards and is deemed as a Joint Operation given the nature, governance and control arrangements of the partnership, details are included in Note 31 Joint Operations.

Private Finance Initiative (PFI)

The Council is deemed to control the services provided under its PFI arrangement for the Wigan Life Centre. This assessment was based on advice received from expert external advisors. The accounting policy for PFIs and similar arrangements has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Balance Sheet.

Leases

All the Council's lease arrangements have been assessed as operational. The Council's Finance Officers have applied and followed the primary indicators within the Code in determining lease classification between an operating lease and a finance lease. The assessment of some of these indicators does require a degree of professional judgment in determining the classification. It should be noted that materiality has also been applied to assess whether the classification would significantly affect the financial statements.



Schools

In line with accounting standards and the Code, it has been determined that maintained schools (excluding academies) meet the definition of entities controlled by the Council. Rather than produce Group Accounts, school income and expenditure as well as assets, liabilities and reserves of each school are recognised within the Council's single entity accounts.

The recognition of non-current assets used by the different types of maintained schools has been assessed in line with the provisions of the Code. The Council has reviewed the various arrangements that it has with schools. The decision as to whether the school is recorded on the Council's Balance Sheet is determined by the ownership of the asset and the rights and obligations the legal owner has over the asset.

The types and numbers of schools that have been assessed are shown in the table below. Please note in respect of Community schools, the non-current assets are already recognised within the Council's Balance Sheet as previous assessments have determined that these are owned by the Council.

	No. of Schools 2021/22
Voluntary Aided – Primary	52
Voluntary Aided – Secondary	5
Voluntary Controlled – Primary	4
Foundation – Primary	1
Foundation – High	2
Total	64

The assessment has been based on information obtained in respect of legal title and information provided by the relevant dioceses. A conclusion has been reached that for all 57 Voluntary Aided and 4 Voluntary Controlled schools, legal title, and/or substantive rights rest with the relevant Diocese and the Diocese has granted a 'mere licence' to the schools to use the Land and Buildings. Under this licence, the rights of use of the land and buildings have not transferred to the school and thus it has been judged not to be included on the Council's Balance Sheet.

In respect of Foundation schools, 2 are classed as Foundation Trusts, and therefore a separate entity, in this instance a Trust, owns the land and buildings and no transfer of rights have been made to the Council in this respect. Therefore, these are judged not to be included on the Council's Balance Sheet. For the remaining Foundation School, the school governing body has legal ownership of the land and buildings and therefore is included on the Council's Balance Sheet.

Academies are not considered to be maintained schools within the Council's control. The Land and building assets are not owned by the Council and are therefore not included on the Council's Balance Sheet.

Investment Properties

Investment properties have been categorised as such, based on careful consideration of the criteria for recognition identified in IAS 40 Investment Property. Overall, the Council has determined that it holds assets with a value of £38.765m that it judges are held solely for capital appreciation or for the generation of investment income, or both. More information is available in Note 12, Investment Properties.



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 on 1 April 2018, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, the shareholding is a strategic investment and not held for trading and therefore the Council has designated the investment as fair value through other comprehensive income. It is the Council's view that this is a reasonable and reliable accounting policy for the investment.

In addition, the Council made an equity investment in Manchester Airport Car Park Limited, (along with the other nine Greater Manchester District Councils), which opened at the end of 2020. The Council holds 3 Class C ordinary shares. This shareholding is classed as a financial instrument and held at fair value on the Council's balance sheet. The Council has designated the investment as fair value through other comprehensive income.

The decision to designate these investments as fair value through Other Comprehensive Income is irrevocable and it is the Council's view that this is a reasonable policy for this type of investment.

Pension Guarantees

For strategic and/or operational reasons, the Council has provided a number of admission agreements to the Greater Manchester Pension Fund (GMPF) to a number of organisations (admission bodies). Each admission body manages the funding of its section of the pension fund through the payment of pension contributions. Each of the admission agreements are underpinned by a pension guarantee from the Council. As guarantor the Council would be required to make good any costs incurred by GMPF as a result of an admission body being unable to meet its pension costs (i.e. if the admission body is unable to pay benefits to its members) as a result of premature termination by reason of insolvency, winding up or liquidation.

Thus, the pension guarantee is only activated by GMPF when an admission body is unable to pay and all other cost recovery options have been exhausted. At this point GMPF would activate the guarantee and ask the Council to fund the outstanding costs. However, it is unlikely that these costs would ever crystallise resulting in a payment by the Council to GMPF. There are a number of options available to the Council, but the Council has made a judgement that the pension assets and liabilities of the admission body would be absorbed into the Council's section of the pension fund. Doing this allows GMPF to value the admission body's pension assets and liabilities on a more optimistic going concern (ongoing) valuation basis. This valuation basis will result in an improved pension fund position being absorbed by the Council.

COVID-19 Business Support

In response to the COVID-19 pandemic, Central Government has provided grants directly to the Council to support businesses. Judgements have needed to be made as to the accounting treatment of these grants due to the Agent/Principal nature.

Where the Council was acting as agent the following conditions applied:

- It was acting as an intermediary between the recipient and the Government Department;
- It did not have "control" of the grant conditions and there was no flexibility in determining the level of grant payable.



The transactions relating to the Council acting as agent are not recorded nor reflected in the main statements. On the contrary where the Council acted as principal (able to use its own discretion when allocating the amount of grant payable) these transactions are recorded and reflected in the main statements.

The table below sets out the summary Business grant information relevant to 2021/22. All business support grant schemes in respect of COVID-19 have ended as at 31 March 2022.

	Total Grant 21/22 £'000	Council acting as Agent £'000	Council acting as Principal £'000	Expenditure as at 31 March 2022 £'000	Grant Repaid or to be Repaid at 31 March 2022 £'000	Grant Remaining to be spent as at 31 March 2022 £'000
Restart Grant	15,073	15,073	0	14,903	170	0
Omicron Support Grant	1,950	1,950	0	1,681	269	0
Additional Restrictions Grant	828	0	828	828	0	0
Additional Restrictions Grant (Brought Forward from 20/21)	1,057		1,057	1,057	0	0
Local Restrictions Support Grants (Brought Forward from 20/21)	11,432	11,432		464	10,968	
	30,340	28,455	1,885	18,933	11,407	0

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

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

Manchester Airport Group

The Council's shareholding in Manchester Airport Group is 3.22% as at 31 March 2022. The asset is valued using the earning based method and discounted cash flow 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 provide an independent valuation which includes reviewing the financial performance, stability and business assumptions of the Manchester Airport Group. The valuation provided is based on estimations and assumptions and therefore should the Council sell its shareholding, the value held in these statements may not be realised. As at 31 March 2022 the Council's valuers advised of an increase of £0.9m in the fair value Council share from £17.7m to £18.6m which has been reflected in the financial statements.

Non-Domestic Rates (NDR)

Following the introduction on 1 April 2013 of the Business Rates Retention Scheme, Local Authorities are liable for their share of successful appeals against business rates charged in the period to 31 March 2022. An estimated provision of £7.162m is reflected in the accounts relating to the Council's share of appeals. It has been calculated using the latest Valuation Office (VOA) ratings list of appeals as at 31 March 2022 and an analysis of successful appeals to date.

Pensions

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

At 31 March 2022 the net pension liability had decreased by £222.798m. This comprises:

- £285.112m actuarial gain on pensions assets and liabilities;
- £62.314m loss arising from employer contributions of £35.772m being less than the pension obligations of £98.086m.

The effects on the net pensions liability of changes in assumptions can be measured. For instance, a change in the discount factor of + or – 0.1% would change the liability by £41.614m. A change in excess of earnings of + or – 0.1% would potentially change the total liability by £5.630m. An increase in consumer price inflation on pensions of 0.1% would change the liability by £35.637m. A 1 year increase in member life expectancy would change the liability by £86.1m. However, the assumptions interact in complex ways and changes to other estimates and actuarial assumptions may produce a different impact upon the total liability.

Property, Plant and Equipment

The Council's portfolio of Land and Buildings is re-valued as part of a 5 year rolling programme (investment and Council dwellings portfolio annually). These asset valuations are prepared in accordance with the requirements of RICS Red Book Global and consider RICS guidance. The valuation of the Council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty.

If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain recorded in the Comprehensive Income and Expenditure Statement. As an example, the impact of a 10% change in the valuation of the Council's operational property and dwellings would be £116.856m. Note 10, Property, Plant and Equipment, to the accounts sets out the Council's approach to valuation of its PPE and discloses the carrying value of each asset category.

Fair Value

When the fair values of Investment Properties and Surplus Assets cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques:

- For Level 2 inputs, quoted prices for similar assets or liabilities in active markets at the balance sheet date
- For Level 3 inputs, valuations are based on most recent valuations adjusted to current valuation by the use of indexation and impairment review.

Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value of the Council's assets and liabilities.



4. Material items of Income and Expenditure

This note provides details of the material items that have been included in the Comprehensive Income and Expenditure Statement (CIES).

None of the charges impact upon the balances of the Council or upon the Council Tax.

Revaluation, Impairments and Depreciation

As part of the total movement in Property, Plant and Equipment valuations disclosed in Note 10, there were £183.792m upward revaluation movements offset by £98.790m of downward revaluation movements accounted for within the CI&ES, with the majority relating to Council Dwellings stock. The CI&ES also contains £5.004m of impairment losses, and a charge of £43.560m for the annual depreciation of Council assets.

Better Care Fund

As part of the joint operation with Wigan Borough Clinical Commissioning Group, £37.403m of revenue expenditure is included within Comprehensive Income and Expenditure Statement under Adult Social Care together with £16.270m of income.

Covid-19 Section 31 and Collection Fund Deficit Earmarked Reserve

In 2020/21 the Council received £41.902m of additional Business Rates Section 31 grant to compensate for the loss of Business Rates income as a result of the extended retail relief given to retail hospitality and leisure businesses to support them through the pandemic. The Council transferred the £41.902m to a Collection Fund Reserve to match the deficit arising from the loss of business rates income which has been distributed in the Council's general fund during 2021/22.

As a result, the £41.902m specifically earmarked for this purpose has been transferred from the Collection Fund Reserve during 2021/22.



5. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It 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 practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21				2021/22		
Net Expenditure Chargeable to the General Fund and HRA balances	Adjustments between the funding and accounting basis	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund and HRA balances	Adjustments between the funding and accounting basis	Net Expenditure in the CIES
£'000	£'000	£'000		£'000	£'000	£'000
39,254	7,168	46,422	People Directorate:	72,540	18,224	90,764
56,178	6,931	63,109	Adult Social Care and Health	75,256	14,430	89,686
0	0	0	Children and Families	8,027	6,050	14,077
			Leisure & Wellbeing			
			Places Directorate:			
2,785	3,712	6,497	Economy	1,429	3,541	4,970
33,653	12,706	46,359	Environment	35,640	19,956	55,596
-1,558	0	-1,558	COVID-19 Local Business Support	1,057	0	1,057
-39,473	-67,103	-106,577	HRA	108	-95,465	-95,356
			Resources Directorate:			
26,190	8,913	35,103	Corporate Services	25,548	8,830	34,378
26,791	1,792	28,583	Customer Transformation	23,038	3,777	26,815
143,819	-25,881	117,938	Net Cost of Services	242,643	-20,657	221,986
-259,168	-5,537	-264,706	Other Operating Income and Expenditure	-218,122	-36,252	-254,374
-115,349	-31,419	-146,767	Surplus (-) or Deficit on General Fund and HRA Balance in Year	24,521	-56,909	-32,388
-125,785			Opening General Fund and HRA Balance	-241,135		
-115,349			Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year	24,521		
-241,135			Closing General Fund and HRA Balance	-216,614		

a) Note to the Expenditure Funding Analysis

Adjustments from General Fund & HRA to arrive at the CIES	Adjustments for Capital Purposes		Net Change for Pensions Adjustments		Other Adjustments		Total Adjustments	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
People Directorate:								
Adult Social Care and Health	116	26	5,624	15,378	1,428	2,820	7,168	18,224
Children and Families	3,585	3,975	1,351	9,229	1,995	1,226	6,931	14,430
Leisure & Wellbeing	0	3,578	0	2,491	0	-19	0	6,050
Places Directorate:								
Economy	2,663	81	1,001	2,505	48	955	3,712	3,541
Environment	9,271	9,573	4,030	11,051	-595	-668	12,706	19,956
COVID19 Local Business Support	0	0	0	0	0	0	0	0
HRA	-67,103	-91,923	0	0	0	-3,542	-67,103	-95,465
Resources Directorate:								
Corporate Services	8,799	7,180	426	1,818	-313	-168	8,913	8,830
Customer Transformation	128	74	1,914	4,083	-250	-380	1,792	3,777
Net Cost of Services	-42,541	-67,436	14,346	46,556	2,314	223	-25,881	-20,657
Other Income and Expenditure	-59,621	-22,030	11,671	15,758	42,413	-29,980	-5,537	-36,252
Surplus (-) or Deficit on General Fund and HRA Balance in Year	-102,163	-89,466	26,017	62,314	44,727	-29,757	-31,419	-56,909

The narrative commentary below provides an explanation of the major adjusting items necessary to reconcile the Expenditure and Funding Analysis Deficit on the General Fund to the Surplus on the Provision of Services from the Comprehensive Income and Expenditure Statement.

The Expenditure and Funding Analysis Deficit represents the statutorily defined charges to the General Fund and HRA, excluding items charged under accounting practices.

Adjustments for Capital Purposes

This column adjusts for depreciation and impairment and revaluation gains and losses in the net cost of services line.

Within the other income and expenditure line, the adjustments relate to:

- Capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

This column adjusts for the pension contributions and the addition of Employee Benefits pension expenditure and income calculated under IAS19.

- For net cost of services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For other income and expenditure this represents the net interest on the defined benefit liability which is charged to the CIES.

Other Adjustments

This column represents any further differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement which need to be adjusted to reach the statutorily defined charges to the General Fund and HRA. These include:

- For net cost of services, the accumulated absences accrual for compensating absences earned but not taken in year
- For other income and expenditure this represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year, and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund
- This also includes the statutory charges for capital financing i.e. Minimum Revenue Provision, and any revenue contributions to capital outlay allowed under the Code.

b) Expenditure and Income Analysed by Nature

	2020/21 £'000	2021/22 £'000
Expenditure		
Employee Benefits Expenses	313,398	369,969
Other Service Expenses	503,175	535,941
Capital Charges	-42,541	-43,060
Interest Payable	24,258	24,045
Precepts and Levies	23,478	23,606
Payments to Housing Capital Receipts Pool	2,997	3,567
Gain/loss on disposal of non-current assets	-1,484	4,320
Gain/loss on revaluation of investment property	1,105	-865
Trading	4,082	-1,434
Pension Interest Costs	10,506	14,396
Total Expenditure	838,997	930,485
Income		
Fees, charges & other service income	-291,118	-272,117
Interest & Investment Income	-6,163	-6,659
Income from Council Tax and Non Domestic Rates	-191,709	-224,915
Government Grants and Contributions	-460,686	-422,171
Capital Grants	-36,089	-37,010
Total Income	-985,764	-962,872
Surplus or Deficit on Provision of Services	-146,767	-32,388

6. Adjustments between Accounting Basis and Funding Basis under regulations

2021/22	Usable Reserves					Movement in
	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
Adjustments involving the CAA:						
Reversal of items debited/credited to the CIES:						
Charges for depreciation and impairment of non-current assets	18,734	30,290	0	0	0	-49,024
Revaluation gains/losses on PP&E	10,364	-95,667	0	0	0	85,303
Movements in the market value of Investment Properties	-861	-4	0	0	0	865
Amortisation of intangible assets	113	0	0	0	0	-113
Capital grants and contributions applied	-12,619	-2,815	0	0	0	15,435
Income in relation to donated assets	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	7,128	0	0	0	0	-7,128
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	9,668	6,696	0	0	0	-16,364
Insertion of items not debited or credited to the CIES:						
Statutory provision for the financing of capital investment	-9,202	-3,542	0	0	0	12,744
Capital expenditure charged against the General Fund and HRA balances	-1,722	0	0	0	0	1,722
Adjustments involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the CIES	-22,605	0	0	0	22,605	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	-9,308	9,308
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	-3,903	-8,115	0	12,341	0	-322
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	-1,282	0	1,282
Contribution from the Capital Receipts Reserve towards admin costs of non-current asset disposals	0	215	0	-215	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	3,567	0	0	-3,567	0	0
Adjustments involving the Major Repairs Reserve:						
Reversal of Major Repairs Allowance credited to the HRA	0	-22,522	22,522	0	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	-24,682	0	0	24,682
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the CIES	98,086	0	0	0	0	-98,086
Employer's pensions contributions and direct payments to pensioners payable in the year	-35,772	0	0	0	0	35,772
Adjustments involving the Collection Fund Adjustment Account:						
Amount by which Precept and NDR income credited to the CIES is different from the amount calculated for the year in accordance with statutory requirements	-22,722	0	0	0	0	22,722
Adjustments involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	304	0	0	0	0	-304
Total Adjustments	38,556	-95,465	-2,160	7,278	13,297	38,494

2020/21	Usable Reserves					Movement in
	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
Adjustments involving the CAA:						
Reversal of items debited/credited to the CIES:						
Charges for depreciation and impairment of non-current assets	20,290	27,209	0	0	0	-47,499
Revaluation gains/losses on PP&E	5,021	-94,237	0	0	0	89,215
Movements in the market value of Investment Properties	1,105	23	0	0	0	-1,128
Amortisation of intangible assets	164	0	0	0	0	-164
Capital grants and contributions applied	-17,002	-6,151	0	0	0	23,153
Income in relation to donated assets	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	4,404	0	0	0	0	-4,404
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	574	4,778	0	0	0	-5,352
Insertion of items not debited or credited to the CIES:						
Statutory provision for the financing of capital investment	-8,481	-108	0	0	0	8,588
Capital expenditure charged against the General Fund and HRA balances	-670	-972	0	0	0	1,642
Adjustments involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the CIES	-14,896	0	0	0	14,896	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	-7,389	7,389
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	-1,195	-6,350	0	7,781	0	-235
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	-5,429	0	5,429
Contribution from the Capital Receipts Reserve towards admin costs of non-current asset disposals	0	170	0	-170	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	2,997	0	0	-2,997	0	0
Adjustments involving the Major Repairs Reserve:						
Reversal of Major Repairs Allowance credited to the HRA	0	-24,663	24,663	0	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	-6,137	0	0	6,137
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the CIES	59,609	0	0	0	0	-59,609
Employer's pensions contributions and direct payments to pensioners payable in the year	-33,592	0	0	0	0	33,592
Adjustments involving the Collection Fund Adjustment Account:						
Amount by which council tax and NDR income credited to the CIES is different from council tax and NDR income calculated for the year in accordance with statutory requirements	49,368	0	0	0	0	-49,368
Adjustments involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,186	0	0	0	0	-1,186
Total Adjustments	68,882	-100,301	18,526	-815	7,507	6,201

7. Other Operating Expenditure

2020/21 £'000		2021/22 £'000
-2,023	Gains (-) & Losses on Disposals of Non-current Assets	4,556
538	Loss on disposal of shares	0
2,997	Payment to Housing Capital Receipts Pool	3,567
79	Parish Precepts	81
23,399	Levies	23,525
24,991		31,729

8. Financing and Investment Income and Expenditure

2020/21 £'000		2021/22 £'000
24,258	Interest payable and similar charges	24,045
10,506	Net Interest on the Net Defined Benefit Pension Liability (Asset)	14,396
-7,950	Investment receivable and similar income	-6,659
4,082	Trading Accounts	-1,434
1,128	Gains (-) & Losses on Revaluation of Investment Property	-865
32,024		29,483

9. Taxation and Non Specific Grant Income

2020/21 £'000		2021/22 £'000
-72,629	Non Domestic Rates income	-98,897
-119,080	Council Tax Income	-126,019
-36,089	Capital Grants and Contributions	-37,010
-93,923	Other Non-ring Fenced grants	-53,661
0	Donated Asset Additions	0
-321,721		-315,586

10. Property, Plant and Equipment

These tables contain details of the movements relating to Property, Plant and Equipment.

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	PP & E Assets Under Construction £'000	Total £'000	PFI Assets Included in PP & E £'000
Cost or value at 1.4.21	739,343	344,495	14,673	1,952	10,695	6,448	1,117,604	35,283
Additions	18,549	11,541	1,795	543	288	18,500	51,216	0
Donations	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	9	6,410	0	28	218	403	7,068	0
Revaluation increases/decreases to surplus/deficit on the provision of services (SDPS)	69,647	-11,861	0	-562	-2,212	37	55,049	0
De-recognition – Disposals	-6,679	-6,374	-625	0	-804	0	-14,482	0
De-recognition – Other	-15	-11	-1,010	0	0	0	-1,036	0
Reclassified to/from held for sale	0	-14	0	0	0	0	-14	0
Other Movements	3,260	265	0	3	2,659	-4,059	2,128	0
At 31.3.22	824,114	344,451	14,833	1,964	10,844	21,329	1,217,535	35,283
Depreciation & Impairment at 1.4.21	26,051	25,745	7,990	10	239	0	60,035	1,233
Depreciation	26,018	6,570	1,391	0	41	0	34,020	496
Depreciation written out to the Revaluation Reserve	0	-2,388	0	0	-16	0	-2,404	0
Depreciation written out to SDPS	-23,643	-3,059	0	0	-30	1	-26,731	0
Impairment losses/reversals to Revaluation Reserve	0	-263	0	0	-122	0	-385	0
Impairment losses/reversals to SDPS	1,777	-796	0	0	805	0	1,786	0
De-recognition – Disposals	0	-254	-577	0	0	0	-831	0
De-recognition – Other	-15	-11	-1,010	0	0	0	-1,036	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0
Other Movements	0	120	6	0	48	-1	173	0
At 31.3.22	30,188	25,664	7,799	10	965	0	64,627	1,730
Net Book Value at 31.3.22	793,925	318,787	7,034	1,954	9,880	21,329	1,152,908	33,553
Net Book Value at 31.3.21	713,292	318,749	6,683	1,942	10,456	6,448	1,057,568	34,050

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	PP & E Assets Under Construction £'000	Total £'000	PFI Assets Included in PP & E £'000
Cost or value at 1.4.20	657,676	350,044	14,642	1,974	17,760	12,593	1,054,689	35,283
Additions	11,456	6,720	2,501	8	1	8,127	28,813	2
Donations	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	-950	1,967	0	-1	-1,210	677	483	0
Revaluation increases/decreases to surplus/deficit on the provision of services (SDPS)	58,713	-8,916	0	-29	-1,043	116	48,839	-2
De-recognition – Disposals	-4,595	-58	-1,735	0	-415	0	-6,803	0
De-recognition – Other	-1,129	0	-735	0	0	-439	-2,303	0
Reclassified to/from held for sale	0	-702	0	0	-2,698	0	-3,400	0
Other Movements	18,172	-4,560	0	0	-1,700	-14,626	-2,714	0
At 31.3.21	739,343	344,495	14,673	1,952	10,695	6,448	1,117,604	35,283
Depreciation & Impairment at 1.4.20	35,405	21,962	8,448	11	1,539	0	67,365	737
Depreciation	23,626	6,300	1,729	0	115	0	31,770	496
Depreciation written out to the Revaluation Reserve	0	-1,686	0	0	-92	0	-1,778	0
Depreciation written out to SDPS	-23,140	-2,877	0	0	-57	-3	-26,077	0
Impairment losses/reversals to Revaluation Reserve	0	166	0	0	-517	0	-351	0
Impairment losses/reversals to SDPS	-8,728	1,996	0	-1	-788	0	-7,521	0
De-recognition – Disposals	0	0	-1,451	0	0	0	-1,451	0
De-recognition – Other	-1,129	0	-735	0	0	0	-1,864	0
Eliminated on reclassification to Held for Sale	0	-56	0	0	-24	0	-80	0
Other Movements	17	-59	0	0	62	3	22	0
At 31.3.21	26,051	25,745	7,990	10	239	0	60,035	1,233
Net Book Value at 31.3.21	713,292	318,749	6,683	1,942	10,456	6,448	1,057,568	34,050
Net Book Value at 31.3.20	622,271	328,082	6,194	1,963	16,221	12,593	987,324	34,546

Infrastructure Assets

In accordance with the temporary relief offered by the update to the Code on infrastructure assets, this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean 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 gross cost and accumulated depreciation are therefore not measured accurately and would not provide the basis for users of the financial statements to take economic or other decisions relating to infrastructure assets.

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

A summary of Infrastructure Assets on a Net Book Value basis is provided below.

	2020/21 £000	2021/22 £000
Net Book Value (Modified Historical Cost) at 1st April	143,930	150,846
Additions	15,926	12,395
De-recognition	0	0
Depreciation	-9,011	-9,520
Impairment	0	0
Other Movements	0	-1
Net Book Value at 31st March	150,846	153,720

The table below reconciles Note 10 and the infrastructure assets disclosure above to the balance sheet.

Movement on Balances	2020/21 £000	2021/22 £000
Infrastructure Assets	150,846	153,720
Property, Plant and Equipment	1,057,569	1,152,907
Net Book Value at 31st March	1,208,415	1,306,627

Capital Commitments

As at 31 March 2022, the Council was contractually committed to the following major items of capital work:

	£'000	Start Date	Projected End Date
Affordable Housing	19,825	2021	2023
Football Parklife Hubs	6,690	2021	2022



Property, Plant and Equipment Valuation

The Council's property portfolio, which comprises both freehold and leasehold properties, has been valued on the bases outlined below, which accord with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors (RICS). The valuations were undertaken by in-house staff and certified by T. Redding (MRICS) the qualified Principal Asset Management Planning Officer within the Council's Asset Management Service. Not all properties were inspected, as this wasn't considered by the Valuer to be necessary for the purposes of the valuation. Inspections were carried out between April 2021 and March 2022. The actual date of valuation was 1 April 2021.

The Code requires gains arising from the revaluation of Property, Plant and Equipment to be used initially to reverse previous losses for the asset that have been charged to the Surplus/Deficit on the Provision of Services before crediting the Revaluation Reserve. Revaluation losses and impairments are debited initially to the Revaluation Reserve up to the balance for the asset and thereafter charged to the Surplus/Deficit on the Provision of Services.

The Council carries out a rolling programme of revaluations that ensures that all Property, Plant and Equipment required to be measured at current value is re-valued at least every five years, although material changes to asset valuations are recognised as they occur. All valuations were carried out internally in accordance with the methodologies and bases for estimation set out in the professional standards of the RICS.

Where the current value – existing use value for a property could not be determined because there was no market value for the asset, the depreciated replacement cost method of valuation was employed. This is in accordance with the Code. All valuations comply with those definitions settled by the International Valuation Standards Committee.

Vehicles, Plant and Equipment are carried at depreciated historical cost basis as a proxy for current value due to the short useful lives and low values of these assets in accordance with the Code.



Property, Plant and Equipment Valuation

By valuation method:

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant and Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	PP & E Assets Under Construction £'000	TOTAL £'000
Depreciated Historical Cost	0	0	7,034	153,720	1,954	0	21,328	184,036
Depreciated Replacement Cost	0	192,323	0	0	0	0	0	192,323
Current Value – Existing Use Value – Social Housing	793,925	0	0	0	0	0	0	793,925
Current Value – Existing Use Value	0	126,464	0	0	0	0	0	126,464
Fair Value – Highest and Best	0	0	0	0	0	9,879	0	9,879
Net Book Value at 31.3.22	793,925	318,787	7,034	153,720	1,954	9,879	21,328	1,306,627

By year of valuation:

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant and Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	PP & E Assets Under Construction £'000	TOTAL £'000
Depreciated Historical Cost:	0	0	7,034	153,720	1,954	0	21,328	184,036
Valued at Current Value as at:								
31 st March 2022	793,925	139,745	0	0	0	9,646	0	943,315
31 st March 2021	0	27,332	0	0	0	126	0	27,458
31 st March 2020	0	109,468	0	0	0	0	0	109,468
31 st March 2019	0	20,847	0	0	0	108	0	20,954
31 st March 2018	0	21,395	0	0	0	0	0	21,395
Net Book Value at 31.3.22	793,925	318,787	7,034	153,720	1,954	9,879	21,328	1,306,627

Fair Value

The Council's surplus properties have been assessed at a mixture of Levels 2 and 3 for valuation purposes, see the Accounting Policies Note for an explanation of fair value levels. The fair value of surplus assets has been measured using the market valuation technique and has taken account of the following factors:- market evidence of capital values, location, size and layout. As the future use of these assets is yet to be determined, the current use cannot be assumed to be highest and best, however in estimating the fair value of surplus properties, the highest and best use of the properties has been adopted in accordance with the Code.

11. Heritage Assets

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. Heritage Assets are preserved principally for their contribution to knowledge and culture and this distinguishes them from other assets. The Council has three collections of Heritage Assets which are held in support of the primary objective of increasing the knowledge, understanding and appreciation of the Council's history, culture and local area.

The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see impairment note in the accounting policies.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with the statutory accounting requirements relating to capital expenditure and capital receipts, again see disposal note in the accounting policies. The Council's collections of Heritage Assets are accounted for as follows:

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

	Art & Artefacts £'000	Civic Regalia £'000	Outside Artwork £'000	Total £'000
Cost or Valuation				
1 April 2020	2,170	366	1,124	3,660
Additions	0	0	0	0
Disposals	0	0	0	0
Revaluations	0	0	0	0
Reclassifications	0	0	0	0
31 March 2021	2,170	366	1,124	3,660
Cost or Valuation				
1 April 2021	2,170	366	1,124	3,660
Additions	8	0	0	8
Disposals	0	0	0	0
Revaluations	0	0	0	0
Reclassifications	0	0	0	0
31 March 2022	2,178	366	1,124	3,668

More information on our Heritage Assets is contained within the accounting policies in Note 44.

12. Investment Properties

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

Income from Investment Properties is shown within Financing and Investment Income in the CI&ES. For 2021/22 this amounted to £1.253m (£2.275m 20/21) which is included within the £3.682m lease income shown in Note 39.

Fair Value

The Council's investment property portfolio has been assessed at a mixture of levels 2 and 3 for valuation purposes. The Council's interest in land held at Manchester Airport is assessed at level 2, with the remainder of the Council's investment assets assessed at level 3 (see Accounting Policies for a description of the fair value hierarchy).

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

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

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

Quantitative Information for Properties using Significant Unobservable Inputs – Level 3

As at 31 March 2022, just 13 of the Council's 135 investment assets accounted for 80% (£30.485m) of the total portfolio value (£38.765m), and 12 of these were assessed at level 3 at a combined value of £20.1m.

A sensitivity analysis of these assets indicated that a 1% increase in the unobservable yields adopted would reduce their value by £0.696m. A 1% decrease in the unobservable yields adopted would increase their value by £1.711m.

A breakdown of investment property types is shown below as at 31st March 2022:

Recurring Fair Value Measurements Using:	Level 1	Level 2	Level 3	Fair Value at 31 March 2022
	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	
	£000	£000	£000	£000
Airport Land Holding		10,385		10,385
Commercial Land			20,477	20,477
Commercial Units			1,126	1,126
Industrial Land and Units			6,641	6,641
Office Units			136	136
Total	0	10,385	28,380	38,765

Comparative year as at 31st March 2021:

Recurring Fair Value Measurements Using:	Level 1	Level 2	Level 3	Fair Value at 31 March 2021
	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	
	£000	£000	£000	£000
Airport Land Holding		9,730		9,730
Commercial Land			23,614	23,614
Commercial Units			781	781
Industrial Land and Units			6,321	6,321
Office Units			129	129
Total	0	9,730	30,845	40,575

Movement in Investment Properties

Sensitivity data has not been provided for the remaining portfolio of smaller assets, containing a mix of commercial land holdings, industrial sites, shops and advertising sites.

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

	2020/21 £'000	2021/22 £'000
Balance at start of the year	38,967	40,575
Additions:	0	0
Disposals	0	0
Net gains / losses (-) from fair value adjustments	-1,128	865
Transfers: to (-) / from Property, Plant and Equipment	2,736	-2,676
Balance at end of the year	40,575	38,765

The changes in fair value of investment property in 2021/22 is attributable to a £0.655m gain on the level 2 airport land holding, with the remaining changes attributable to level 3 assets.

13. Private Finance Initiative (PFI)

The Wigan Joint Service Centre (JSC) is under a 25 year PFI contract that began in 2011/12. The contract was for the construction and maintenance of the facility. The Centre is split between two sites:

- the Wigan Life Centre and Healthy Living Zone containing office accommodation, a swimming pool and a fitness suite.
- the Learning, Information and Neighbourhood Zone containing a library, office accommodation and registrars.

The PFI operator is still responsible for all building maintenance of the sites.

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

The building and equipment will be transferred to the Council at the end of the 25 year contract.

Payments

The Council makes monthly payments which comprise of a service charge, a finance lease rental and an interest charge. The Service Provider throughout the contractual term will pay for the repair and replacement of the premises and fixture and fittings with the consent of the Authority. 30% of the Unitary Payment is subject to an annual inflation increase in line with the RPI.

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

	Repayment of Liability £'000	Repayment of Interest £'000	Payment for Services £'000	Total £'000
Payable in 2022/23	998	5,042	2,714	8,754
Within 2 – 5 years	6,719	18,441	10,730	35,890
Within 6 – 10 years	12,027	17,087	17,889	47,003
Within 11 – 15 years	21,134	6,782	16,674	44,591
Total	40,879	47,352	48,007	136,237

The comparative figures as at 31 March 2021 are shown below.

	Repayment of Liability £'000	Repayment of Interest £'000	Payment for Services £'000	Total £'000
Payable in 2021/22	993	5,165	2,432	8,589
Within 2 – 5 years	5,359	19,147	11,030	35,535
Within 6 – 10 years	11,532	18,533	16,443	46,508
Within 11 – 15 years	21,468	9,516	18,127	49,112
Within 16 – 18 years	2,519	156	2,407	5,082
Total	41,871	52,517	50,439	144,826

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

The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2020/21 £'000	2021/22 £'000
Balance at start of the year	41,871	40,878
Payments during the year	-993	-997
Balance outstanding at year end	40,878	39,881

The PFI liability represents the outstanding long term liability to the contractor for capital expenditure. This is deemed to be an appropriate proxy for the fair value as the actual borrowing lies with the PFI provider and not the Council.

The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Council receives PFI grant from the Government to part fund the scheme, the annual grant is £6.023m. The Council is committed to making gross payments estimated at £136.237m, however the net cost to the Council after the PFI grant is £49.650m.

14. Intangible Assets

The Council accounts for major items of software as intangible assets, to the extent that the software is not an integral part of a particular IT system. The intangible assets are purchased licences.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council is 7 to 10 years, minor items of software are 3 to 5 years.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £0.113m charged to revenue in 2021/22 was charged to the appropriate Service Revenue Account.

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

	2020/21 Other Assets £'000	2021/22 Other Assets £'000
Balance at start of year:		
Gross carrying amounts	2,434	2,434
Accumulated amortisation	-2,032	-2,196
Net carrying amount at start of year	402	239
Additions:		
Purchases	0	0
Amortisation for the period	-164	-113
Net carrying amount at end of year	238	126
Comprising:		
Gross carrying amounts	2,434	2,434
Accumulated amortisation	-2,196	-2,309
Total	238	126

There are several items of capitalised software as follows:

	Carrying Amount		Remaining Amortisation Period
	31 March 2021 £'000	31 March 2022 £'000	
Customer Relationship Management System – Trading	9	0	0 Years
HR & Payroll – Trading	52	14	1 Year
Revenue & Benefits IT System – Trading	28	0	0 Years
Corelogic System	150	112	3 Years
Total	239	126	

15. Impairment Losses

During 2021/22, including Investment Property, the Council recognised total impairment losses of £5.8m (2020/21 £7.0m). Note 10 - Property Plant and Equipment analyses the net impairment movements between the Revaluation Reserve and SDPS.

The table below breaks down Impairment Losses by asset category:

	Council Dwellings	Land & Buildings (incl. PFI)	Vehicles Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Assets Held for Sale	Investment Property	Intangible Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2021/22 Impairment Charge	61	130	0	0	0	853	0	0	97	0	1,141
2021/22 Impairment Charge Non-enhancing Expenditure	4,125	541	0	0	0	0	0	0	0	0	4,666
Total	4,186	671	0	0	0	853	0	0	97	0	5,807

£4.2m of impairment losses were in respect of the council dwellings stock (2020/21 £3.5m), the vast majority of which related to capital expenditure determined to be of a non-enhancing nature.

The remaining £1.6m of impairment losses (2020/21 £3.5m) can be mainly attributed to essential capital work completed on various operational assets throughout the year, and the revaluation of a small number of the Council's Surplus Assets following external advice.

16. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Finance Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2020/21 £'000		2021/22 £'000
553,570	Opening Capital Financing Requirement	563,792
	Capital Investment:	
44,739	Property, Plant and Equipment	63,610
4,404	Revenue Expenditure Funded from Capital under Statute	7,128
13,418	Loans	0
	Sources of Finance:	
-5,429	Capital Receipts	-1,282
-30,543	Government Grants and Other Contributions	-24,743
	Sums set aside from Revenue:	
-7,779	Direct Revenue Contributions	-26,404
-8,588	MRP / loans fund principal repayments	-12,744
563,792	Closing Capital Financing Requirement	569,357
	Explanation of Movements During Year	
10,222	Increase / Decrease (-) in underlying need to borrow (unsupported by Government financial assistance)	5,564
10,222	Increase / Decrease (-) in Capital Financing Requirement	5,564

17. Financial Instruments

Categories of Financial Instruments

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

Financial Assets	Non-current				Current				Total 2021/22 £'000
	Investments		Debtors		Investments		Debtors		
	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	
Fair Value through profit and loss	0	0	0	0	0	0	0	0	0
Amortised Cost	5	5	33,292	40,467	147,470	164,894	40,924	44,951	250,317
Cash at Bank	0	0	0	0	-20,658	-12,775	0	0	-12,775
Plus items not classed as financial instruments e.g. VAT, NDR, Council Tax, RIA	0	0	0	0	0	0	29,484	27,255	27,255
Fair Value through Other Comprehensive Income – designated equity instruments	23,400	23,400	0	0	0	0	0	0	23,400
Fair Value through Other Comprehensive Income – other	0	0	0	0	0	0	0	0	0
Total Financial Assets	23,405	23,405	33,292	40,467	126,812	152,119	70,408	72,206	288,197

Financial Liabilities	Non-current				Current				Total 2021/22 £'000
	Borrowings		Creditors		Borrowings		Creditors		
	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	
Fair Value through profit and loss	0	0	0	0	0	0	0	0	0
Amortised Cost	398,019	399,720	2,297	2,648	8,278	6,165	16,038	19,767	428,300
Plus items not classed as financial instruments e.g. VAT, NDR, Council Tax, RIA	0	0	0	0	0	0	37,053	55,955	55,955
PFI and Other Deferred Liabilities	0	0	40,879	39,881	0	0	0	0	39,881
Total Financial Liabilities	398,019	399,720	43,176	42,529	8,278	6,165	53,091	75,722	524,136

The Council has a 3.22% shareholding in Manchester Airport Holdings Limited and under accounting standard IFRS 9 'Financial Instruments', investments in equity are to be classified as fair value through profit and loss unless there is an irrevocable election to designate the asset as fair value through Other Comprehensive Income.

The Manchester Airport Holdings Limited shareholding is a strategic investment and not held for trading and therefore the Council has opted to designate them as fair value through Other Comprehensive Income. This means 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 shareholdings will therefore be transferred to a Financial Instruments Revaluation Reserve.

Income, Expense, Gains and Losses

	2020/21		2021/22	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Net gains / losses on:				
Investments in equity instruments designated at fair value through Other Comprehensive Income and Expenditure		-3,510		0
Total net gains / losses		-3,510		0
Interest Revenue				
Financial assets measured at amortised cost	-750		-1,983	
Other financial assets measured through fair value through Other Comprehensive Income and Expenditure	-4,141		-3,360	
Total Interest Revenue	-4,891		-5,343	
Interest Expense	23,846		23,756	
Total Interest Expense	23,846		23,756	
Fee Expense				
Financial assets or financial liabilities that are not at fair value through profit or loss	0		6	
Total Fee Expense	0		6	

Fair Value of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments (Level 2 inputs), using the following assumptions:

- estimated ranges of interest rates at 31 March 2022 for loans from the Public works Loan Board (PWLB) and for short term investments based on new lending rates for equivalent loans at that date
- no early repayment or impairment is recognised
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value
- the fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair values calculated are as follows:

Financial Liabilities	2020/21		2021/22	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
PWLB borrowing	403,048	502,980	402,885	460,961
Salix Finance Ltd	370	367	123	123
Long - term creditors	40,879	40,879	39,881	39,881

The difference between the carrying amount and the fair value measures the additional interest that the Council will pay over the remaining terms of the loans with the PWLB, against what would be paid if the loans were at prevailing market rates.

However, the Council has a continuing ability to borrow at concessionary rates from the PWLB rather than the markets. If the Council were to seek to realise the projected gain by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that now has to be paid. The Fair value calculation for early redemption including the penalty charge would be £531.487m (£585.528m in 2020/21).

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans include 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. The commitment to pay interest at above the current market rates increases the amount that the Council would have to pay if the lender agreed to the early repayment of the loans.

Financial Assets	2020/21		2021/22	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
At Fair Value through profit and loss				
Investments	0	0	0	0
At Amortised Cost				
Loans and Receivables	147,470	147,470	164,894	164,802
Long-term debtors	37,433	105,518	40,467	44,117

The fair value of the assets is greater than the carrying amount because the Council's portfolio of investments include a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans at the balance sheet date.

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

Long Term Investments

The value of investments held at 31 March 2022 is analysed below:

2020/21 £'000		Input level in Fair Value Hierarchy	2021/22 £'000
17,700	Shareholdings in: The Manchester Airports Group Plc Manchester Airport Car Park – C Shares Other Investments	Level 2	18,600
5,700		Level 2	4,800
5			5
23,405			23,405

Manchester Airport Group

The Council's shareholding in Manchester Airport Group is 3.22% as at 31 March 2022. The shares in this company are a strategic investment and not held for trading, therefore the Council has opted to designate it as fair value through Other comprehensive Income. This means that there is no impact on the revenue budget and the Council's decision to designate it irrevocable. Any gains or losses on the valuation of the shareholding will therefore be transferred to a Financial Instruments Revaluation Reserve.

The shares in this company are not traded in an active market, the fair value shown above has been based on valuation techniques that are observable for the asset on an open market basis. The earnings based method (EBITA) has been used based on data for comparable quoted companies operating in the same sector. These shares are subject to an annual valuation. In 2021/22 this has seen an increase in value of £0.9m.

The Council holds an equity investment in Manchester Airport Car Park Ltd of £5.610m (along with the other nine Greater Manchester District Councils). This investment was to assist the funding of the capital build of a car park in return for the issue of 3 C shares in Manchester Airport Car Park Ltd. The value increased slightly in year to £5.7m in 2020/21 and has decreased to £4.8m in 2021/22. The shareholding will be classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS9 the shareholding 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. This would mean there is no impact on the Revenue budget and the Council's decision to designate is irrevocable.

Long Term Debtors

These are debtors which are not immediately due and payable, but are repayable over a period of time. The following table shows the breakdown. The Code requires the disclosure of the fair value alongside the carrying value held on the balance sheet.

2020/21 Fair Value £000	2020/21 Carrying Value £000		2021/22 Fair Value £000	2021/22 Carrying Value £000
98,308	30,223	The Manchester Airports Group Plc	33,547	30,223
4,141	4,141	Manchester Airport – accrued interest	7,501	7,501
2,590	2,590	Renovation Loans	2,278	2,278
443	443	Housing – Insulation Loans	433	433
36	36	Transferred Debt re Pre-1974 functions	32	32
105,518	37,433		43,751	40,467

Short Term Investments

During the year, the Council invested its revenue balances, reserves and capital receipts externally in short term deposits. At 31 March 2022 £164.894m was invested in this way (£147.470m at 31 March 2021) as follows:

2020/21 £'000		2021/22 £'000
22,330	Barclays Bank	25,400
30,028	Lloyds TSB Bank	20,002
19,570	Handelsbanken	19,450
0	Coventry BS	10,000
0	Nationwide BS	10,000
0	Yorkshire BS	5,000
0	Natwest - CD	5,000
0	Lloyds - CD	5,000
5,000	Thurrock Council	5,000
0	South Somerset	5,000
0	Slough	5,000
0	Warrington	5,000
0	Windsor & Maidenhead	5,000
0	East Ayrshire	5,000
0	Cheshire East	5,000
0	Fife	5,000
0	East Hertfordshire	5,000
5,000	Santander UK Bank	5,000
0	Goldman Sachs Intl	5,000
0	Australia & NZ Bank	5,000
0	Kingston Upon Hull CC	5,000
42	Royal Bank of Scotland	42
10,000	Leeds Building Soc	0
5,000	Ashford BC	0
5,000	Cambridgeshire CC	0
5,000	Central Bedfordshire	0
5,000	Eastleigh Council	0
5,000	LB of Barking and Dagenham	0
5,000	London Borough of Southwark	0
5,000	Moray Council	0
5,000	Plymouth CC	0
5,000	Rushmoor BC	0
5,000	West Dunbartonshire Council	0
3,500	North Lanarkshire Council	0
2,000	Rugby BC	0
147,470		164,894

Please note that short term investments are held on the balance sheet under cash and cash equivalents.

Long Term Borrowing

The tables below show the source of loans outstanding, the movements during the year and an analysis of current borrowings by maturity date.

2020/21 £'000	Source of Loan Outstanding	Increases in year £'000	Decreases in year £'000	2021/22 £'000
397,885	Public Works Loans Board	5,000	3,176	399,709
123	Salix Finance Ltd	0	123	0
11	Individuals	0	0	11
398,019		5,000	3,299	399,720

2020/21 £'000	An Analysis by maturity is:	2021/22 £'000
3,299	Over 1 year but not over 2 years	18,182
28,519	Over 2 years but not over 5 years	16,535
84,984	Over 5 years but not over 10 years	108,348
97,115	Over 10 years but not over 15 years	67,554
6	Over 15 years but not over 20 years	7
9	Over 20 years but not over 25 years	10
184,089	Over 25 years	189,084
398,019		399,720

The accrued interest associated with the PWLB loans is £1.319m. This is included under current liabilities and will be paid in 2022/23.

Short Term Borrowing

At 31 March 2022 the figure for Short Term Borrowing outstanding was £6.165m (£8.278m in 2020/21).

18. Deferred (Long Term) Liabilities

Deferred liabilities are liabilities which are payable beyond the next financial year. At 31 March 2022, these totalled £39.881m.

2020/21 £'000		2021/22 £'000
40,879	PFI (Wigan Joint Service Centre)	39,881
40,879	Balance as at 31 March	39,881

The PFI liability represents the outstanding long term liability to the contractor for capital expenditure. See Note 13. A fair value disclosure has not been provided for the PFI liability as the actual borrowing lies with the PFI provider and not the Council. The fair value is defined as 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. There is no basis on which the Council can exchange a financial liability held by a third party, as they are not directly a market participant.

19. Nature and Extent of Risks Arising from Financial Instruments

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

- credit risk – the possibility that other parties might fail to pay amounts due to the Council
- liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments
- market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements
- refinancing risk – the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous rates or terms

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out under policies approved in the Annual Treasury Management Policy.

The Council has adopted CIPFA's Treasury Management in the Public Services "Code of Practice". In accordance with the Code the Council sets an annual Treasury Management Policy containing a number of measures to control financial instrument risks including;

- Approved methods of raising finance
- Limits on external borrowing
- Policy on sources and types of borrowing
- Investment Policy including approved counterparties for lending purposes

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 Policy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria.

The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated approach incorporating:

- Credit ratings from all three credit rating agencies
- Credit watches and credit outlooks from all three rating agencies
- Credit Default Swap (CDS) spreads to give an early warning of likely changes in credit ratings

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads to create colour coded bands. These colour codes are used to indicate relative creditworthiness of counterparties and the suggested maximum investment period.

The annual Treasury Management Policy also imposes a maximum sum or percentage to be invested with financial institutions. Due to the current shortage of high quality counterparties, a percentage limit was introduced to be utilised in periods of high investment balances.

The full investment policy for 2021/22 was approved by Council on 3rd March 2021 and is available on the Council's website.

The credit criteria in respect of financial assets held by the Council are detailed below:

Financial Asset	Criteria	Maximum Investment £'000	Or % Limit (if greater)
Deposits with Part Nationalised Banks	Short Term: F1 Long Term: A -	15,000	45%
Deposits with Banks			35%
Deposits with Building Societies	Short Term: F1	10,000	
Deposits with Money Market Funds	AAA by 2 or more rating agencies	20,000 in total	
Deposits with Local Authorities	N/A	5,000	

There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

Amounts arising from Expected Credit Losses

We have assessed the Council's Short Term and Long Term investments and concluded that the expected credit loss is not material, therefore no allowances have been made.

A summary of the credit quality of the Council's investments at 31st March 2022 is shown below, along with the potential maximum exposure to Credit Risk, based on experience of default and uncollectability.

Deposits with Banks and other Financial Institutions	Amount as at 31st March 2022 £000	Lowest LT Credit Rating	Historic Risk of Default %	Product of Investment and historical risk £000
Call Accounts				
Handelsbanken	19,450	AA-	0.000%	0.000
Barclays Bank	10,400	A	0.012%	1.248
Royal Bank of Scotland	42	A	0.000%	0.000
Fixed Term Deposits				
Nationwide Building Society	10,000	A	0.014%	1.400
Goldman Sachs Intl	5,000	A+	0.016%	0.800
Australia & New Zealand Bank	5,000	A+	0.001%	0.050
South Somerset District Council	5,000	AA-	0.003%	0.150
Slough Borough Council	5,000	AA-	0.003%	0.150
Warrington Borough Council	5,000	AA-	0.002%	0.100
Windsor & Maidenhead RB Council	5,000	AA-	0.006%	0.300
East Ayrshire Council	5,000	AA-	0.016%	0.800
Cheshire East Council	5,000	AA-	0.003%	0.150
Fife Council	5,000	AA-	0.011%	0.550
East Hertfordshire	5,000	AA-	0.010%	0.500
Kingston Upon Hull City Council	5,000	AA-	0.004%	0.200
Thurrock Council	5,000	AA-	0.007%	0.350
Coventry Building Society	5,000	A-	0.015%	0.750
Coventry Building Society	5,000	A-	0.002%	0.100
Yorkshire Building Society	5,000	A-	0.005%	0.250
Natwest Certificate of Deposit	5,000	A	0.008%	0.400
Lloyds Certificate of Deposit	5,000	A+	0.008%	0.400
Notice Accounts				
Lloyds Bank 32 days notice	10,001	A+	0.004%	0.400
Lloyds Bank 95 days notice	10,002	A+	0.012%	1.200
Barclays Bank 95 day notice	15,000	A	0.012%	1.800
Santander UK Plc 95 day notice	5,000	A	0.012%	0.600
	164,895		0.007%	12.648

The following analysis summarises the Council's potential maximum exposure to credit risk for non-local taxation and non-HMRC debt based on the experience of the default and uncollectability over the last three financial years.

2020/21 £'000	Area	2021/22 A £'000	Historical experience of default B %	Historical experience adjusted for market conditions C %	Estimated maximum exposure to default and un-collectability A x B £'000
40,924	Trade & Other Debtors	44,951	2.18	0	979

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.

The Council does not generally allow credit for customers but some of the current balance is past its due date for payment.

The past due amount can be analysed as follows:

2020/21 £'000		2021/22 £'000
8,314	Less than three months	14,040
1,321	Three to six months	3,839
2,224	Six months to one year	1,972
9,109	More than one year	8,248
20,968		28,099

Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowing from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The policy is to ensure that no more than 10% of loans mature within any year.

The maturity analysis of financial liabilities is shown below:

2020/21 £'000		2021/22 £'000
6,956	Up to 1 year	4,845
3,299	Over 1 year but not over 2 years	18,182
28,519	Over 2 years but not over 5 years	16,535
84,984	Over 5 years but not over 10 years	108,348
97,115	Over 10 years but not over 15 years	67,554
6	Over 15 years but not over 20 years	7
9	Over 20 years but not over 25 years	10
184,087	Over 25 years	189,085
404,975		404,566

Market risk

Interest rate risk

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

- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fair value of the assets will fall.

The Council specifically has a policy on interest rate exposures which states:

- the Council is required to set upper limits to its exposures to the effects of changes in interest rates for both fixed interest rate and variable rate loans
- it has been Council policy to borrow at fixed rates of interest and it is recommended that this will continue.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would have been:

	2021/22 £'000
Daily average investment balance (average rate of interest 0.12%)	187,356
Assuming interest rates 1% higher additional interest received	1,874
Decrease in fair value of fixed rate borrowings liabilities (no impact on Comprehensive Income and Expenditure Statement)	58,713

Price risk

The Council does not generally invest in equity shares, but does have a shareholding in Manchester Airport Holdings Ltd. The Council has elected to designate the shareholdings as Fair Value through Other Comprehensive Income and Expenditure. Any change in valuation is charged to the Financial Instruments Revaluation Reserve, therefore does not impact upon the CIES.

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.

20. Short Term Debtors

An analysis of debtors which fall due within one year is shown below:

2020/21 £'000		2021/22 £'000
40,852	Other Entities and Individuals	41,550
6,433	NHS Bodies	12,826
14,262	Central Government Bodies	12,359
4,720	Other Local Authorities	5,471
66,267	Net Total	72,206

21. Debtors for Local Taxation

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

2020/21 £'000		2021/22 £'000
7,827	Less than one year	7,529
8,572	One year to two years	10,587
19,588	More than two years	13,673
35,987		31,789

22. Cash and Cash Equivalents

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

2020/21 £'000		2021/22 £'000
49	Cash held by the Council (Petty Cash)	50
16,499	Bank Current Accounts - Schools	14,195
-37,206	Bank Current Accounts - Council	-27,021
147,470	Short-term deposits	164,895
126,812	Total Cash and Cash Equivalents	152,119

The Cash Overdrawn element (£27.0m) is included within Cash and Cash Equivalents as it is deemed to be integral to the Council's cash management.

23. Cashflow Adjustments Analysis

2020/21 £'000	Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements	2021/22 £'000
-40,780	Depreciation	-43,541
-164	Amortisation	-113
81,368	Impairment and Revaluation Losses	80,685
-705	Increase +/- decrease in Creditors	-22,632
22,821	Increase +/- decrease in Debtors	8,973
45	Increase +/- decrease in Inventories	-8
-1,735	Increase +/- decrease in Provisions	-2,274
-26,017	Movement in Pension Liability	-62,314
-5,352	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	-16,364
900	Other non-cash items charged to net surplus and deficit on the provision of services	-243
30,382	Total	-57,831

2020/21 £'000	Adjust for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	2021/22 £'000
7,545	Sale of PPE	12,018
36,089	Capital Grants credited to the surplus or deficit on the provision of services	33,945
-3,630	Council Tax and NDR adjustment	-2,596
40,004	Total	43,367

As at 01/04/20 £'000	Financing Cashflows £'000	As at 31/03/21 £'000	Reconciliation of liabilities arising from financing activities	As at 01/04/21 £'000	Financing Cashflows £'000	As at 31/03/22 £'000
403,429	-5,410	398,019	Long term borrowing	398,019	1,701	399,720
3,273	5,005	8,278	Short term borrowing	8,278	-2,113	6,165
3,621	-1,764	1,857	Transferred Debt	1,857	-1,858	0
42,414	-542	41,872	On balance sheet PFI liabilities	41,872	-993	40,879
452,737	-2,711	450,026	Total	450,026	-3,263	446,764

24. Assets Held for Sale

These are assets that are being actively marketed for sale at a price that is reasonable to the current value. The sale is highly probable and likely to occur within 12 months.

	Current	
	2020/21 £'000	2021/22 £'000
Balance outstanding at start of the year	0	3,600
Assets newly classified as held for sale:		
Property, Plant and Equipment	3,400	729
Revaluation losses	-225	-750
Revaluation gains	505	410
Impairment losses	-21	0
	3,659	389
Assets declassified as held for sale:		
Property, Plant and Equipment	0	0
Assets sold	0	-2,709
Other Movements	-59	90
	-59	-2,619
Balance outstanding at year-end	3,600	1,370

25. Creditors

An analysis of creditors which are due and payable within one year is shown below:

2020/21 £'000		2021/22 £'000
17,054	Central Government and NHS Bodies	42,222
29,502	Other Entities and Individuals	29,061
2,410	Other Local Authorities	1,516
48,966	Net Total	72,799

When grants are received in year which have conditions remaining they are treated as Grants Receipts in Advance and are held under Current Liabilities on the Balance Sheet until the conditions are met.

2020/21 £'000		2021/22 £'000
4,125	Capital Grants Receipts in Advance	2,924
4,125	Net Total	2,924

26. Provisions

Current Liability

	Insurance Fund	Business Rates Appeals	Adult Services Supplier Refunds	Adult Services Ordinary Residence Challenge	Makerfield Depot Works	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	1,450	5,320	122	828	105	7,825
Additional provisions made in 2021/22	120	3,657	0	0	0	3,777
Amounts used in 2021/22	0	-1,815	0	0	0	-1,815
Unused amounts reversed in 2021/22	0	0	-20	0	0	-20
Balance at 31 March 2022	1,570	7,162	102	828	105	9,767

Long Term Liability

	Insurance Fund £'000
Balance at 1 April 2021	2,415
Additional provisions made in 2021/22	4,180
Amounts used in 2021/22	-3,848
Unused amounts reversed in 2021/22	0
Balance at 31 March 2022	2,747

These amounts have been set aside to cover the following potential liabilities:

Insurance

At 31 March 2022 the Council held an Insurance provision of £4.316m. This is for future payments of claims made or yet to be made for incidents which occurred before 31 March 2022. These include incidents where a legal liability arises and incidents of damage to Council property. The costs of premium payments, settlement of claims and risk management are shown as increases to the provision in 2021/22. The level of the Insurance provision is reviewed on an annual basis.

Business Rates Appeals

Following the introduction of the Business Rates Retention Scheme in April 2013 local authorities are now liable for their share of successful appeals and valuation changes as a result of checks and challenges to rateable values of business in the borough. Checks, challenges and appeals result in business rate refunds against amounts billed in previous years. The Council has set aside a provision for any potential liabilities.

For 2021/22, as part of the Greater Manchester 100% Business Rates retention pilot the Council is responsible for a 99% share of this liability, along with Greater Manchester Fire and Rescue Authority being responsible for 1%.

27. Transfers to / from Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans. It also shows the amounts used in year to meet General Fund expenditure in 2021/22.

	Balance at 31.3.20	In year realign.	Trans. Out	Trans. in	Balance at 31.3.21	In year realign.	Trans. Out	Trans. in	Balance at 31.3.22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Invest to Save - General Fund									
Organisational Transition	24,652	0	-1,682	22,509	45,479	-11,000	-2,595	7,099	38,983
IT Investment Reserve	2,463	0	-1,515	0	948	2,000	-862	4,000	6,086
Invest to Save Reserve	1,879	0	-200	0	1,679	1,000	-16	0	2,663
Legal Costs Reserve	953	0	-681	0	272	2,000	-587	1,000	2,685
Transformation Agenda	1,165	0	0	2,000	3,165	0	-212	0	2,953
Residential Social Care - New Initiative	1,083	0	0	5,000	6,083	0	0	492	6,575
Leisure Facilities Investment Funds	840	0	-3	0	837	4,000	-30	0	4,807
Carbon Reduction Scheme	83	0	0	0	83	0	0	0	83
	33,118	0	-4,081	29,509	58,546	-2,000	-4,302	12,591	64,835
Council approved Budget Funding – General Fund									
Wigan Council Internal Apprenticeships	0	0	0	10,000	10,000	0	0	0	10,000
Cabinet Recovery Fund	0	0	0	5,000	5,000	0	-55	0	4,945
Community Recovery Fund	0	0	0	2,000	2,000	0	-373	90	1,717
Community Investment Fund – Round 7	995	0	-465	532	1,062	0	-330	0	732
Community Investment Fund	565	0	-206	0	359	0	-109	300	550
Deal in Action	439	0	-40	0	399	0	-2	0	397
Access to Internet	330	0	-29	0	301	0	0	0	301
Apprenticeship Scheme – Business	241	0	-79	0	162	0	-36	0	127
Life Scheme – Leigh	300	0	0	0	300	0	0	0	300
Apprenticeship Scheme – General	162	0	-123	38	77	0	0	0	76
Development of Brown Field Sites	166	0	-69	12	109	0	-94	0	15
Borough Spring Clean	222	0	0	0	222	0	0	0	222
Graduate Scheme	162	0	0	0	162	0	0	0	162
World War One Commemorations	44	0	0	0	44	0	0	0	44
Road Traffic Safety Reserve	22	0	-4	0	18	0	-18	0	0
	3,648	0	-1,015	17,582	20,215	0	-1,017	390	19,588
Joint Arrangement - General Fund									
Public Health Joint Arrangement	83	0	0	3,845	3,928	0	-306	7,051	10,673
Usable Reserves General Fund	36,849	0	-5,096	50,936	82,689	-2,000	-5,625	20,032	95,096
Corporate									
Insurance Reserve	10,953	0	-178	0	10,775	0	-1,063	0	9,712
Grants Reserve	16,967	0	-1,304	10,925	26,588	0	-3,261	3,988	27,315
Leigh Sports Village	580	0	-321	252	511	2,000	0	1,200	3,711
Wigan Life Centre	856	0	0	0	856	0	0	1,000	1,856
Deal for Business	564	0	-113	2,000	2,451	0	-248	0	2,203
FCC Waste Disposal - Recycling Credit Penalties	364	0	0	0	364	327	-147	103	647
Waste Disposal After Care	328	0	0	0	328	-327	0	0	1
VAT Reserve	325	0	0	0	325	0	0	0	325
IT Partnership Reserve	407	0	0	102	509	0	-25	69	553
Various Bequests – Culture – Other Reserves	6	0	0	0	6	0	0	0	6
Warrington Rd Allotments – Other Reserves	6	0	0	0	6	0	0	0	6
Business Rates Safety Net	0	0	0	9,600	9,600	0	0	0	9,600
Business Rates Deficit Management	0	0	0	41,902	41,902	0	-41,902	14,280	14,280
Usable Reserves Corporate	31,356	0	-1,916	64,781	94,221	2,000	-46,646	20,640	70,215

	Balance at 31.3.20 £'000	In year realign. £'000	Trans. Out £'000	Trans. in £'000	Balance at 31.3.21 £'000	In year realign. £'000	Trans. Out £'000	Trans. in £'000	Balance at 31.3.22 £'000
Schools / DSG Balances									
DSG Schools Block – Delegated Fund	14,859	0	0	6,862	21,721	0	-1,726	586	20,581
DSG Carry Forward (Note 35)	279	0	-4,927	4,698	50	0	-2,629	3,872	1,293
Schools Balances – Direct Funding	847	0	-429	477	895	0	-792	472	575
Usable Reserves Schools*	15,985	0	-5,356	12,037	22,666	0	-5,147	4,930	22,449
Shares									
Wigan Football Company Shares	538	0	-538	0	0	0	0	0	0
Usable Reserves Shares	538	0	-538	0	0	0	0	0	0
Total Usable Reserves - Earmarked	84,728	0	-12,906	127,754	199,577	0	-57,418	45,602	187,760

*Reserves are not available to the Council.

Usable Reserves

Details of the categories and purpose of other earmarked reserves are set out below.

Invest to Save - General Fund:

Organisational Transition

This reserve was created to provide longer term funding towards the potential future costs of the significant changes the Council will go through in the next few years.

IT Investment Reserve

This will be utilised to support the transformation of the Council's IT service and provide the necessary funds to ensure efficiencies are achieved.

Invest to Save Reserve

This reserve was created to provide funds to support investment bids which will help to deliver the savings required as part of the Council's budget strategy.

Legal Costs Reserve

Monies have been set aside to assist the Council in meeting the potential cost of legal support as it progresses the delivery of its change programme.

Transformation Agenda

Monies have been set aside to provide the investment required for the Council to deliver its Transformation Agenda which underpins the Council's approach to manage the revenue cuts beyond 2015. The Transformation Agenda is aimed at building self-reliance which means integrating local public services around the whole life issues that our residents and families face, not providing individual services that deal with elements of their lives in isolation.

Residential Social Care – New Initiative

Reserve is to invest in the local care home market to support its ongoing transformation and deliver increased quality, efficiency and capacity whilst enabling economic growth for the Wigan Borough. Funding is to be invested on a reducing value basis over a three year period.

Leisure Facilities Investment Funds

These reserves are maintained to provide longer term funding for planned significant upgrades to Leisure Facilities.

Carbon Reduction Scheme

This scheme requires the Council to purchase allowances from the Government based upon its CO2 emissions. The price of the allowances is currently set by the Government. The funds set aside will assist the Council with the investment in new low carbon energy efficient schemes.

Council Approved Budget Funding - General Fund:

Wigan Council Internal Apprenticeships

Reserve established to support cost of apprenticeships for workforce succession planning.

Cabinet Recovery Fund

Following the impact of COVID this reserve will allow Cabinet members to support investments in projects in the Borough to support recovery.

Community Recovery Fund

Following the impact of COVID this reserve will support the Community Investment Fund to strengthen the recovery of community groups which play a vital role in supporting the citizens of Wigan.

Community Investment Fund (Building Self Reliance Programme)

As part of the budget strategy the Council is pumping one off investment into voluntary and charitable organisations which deliver services in partnership with the Council with the plan to reduce permanent funding to the voluntary sector in the longer term. This funding is set aside to assist in the transition of organisations from the current model which is largely a one off grant funding towards a situation whereby groups become sustainable in the delivery of complementary services both they and the Council would wish to see for the benefit of the citizens of Wigan.

Deal in Action Reserve

This reserve was created to provide the funds necessary to further extend the Wigan Deal across the borough.

Access to Internet Reserve

This reserve will be used to promote and provide training on internet use for all ages across the borough.

Apprenticeship Scheme – General & Business

This reserve provides funding to support apprenticeship opportunities for local businesses and internal Council Departments.



Life Scheme - Leigh

The Council plans to roll out its successful multi-channel, one stop shop customer service approach across the borough and this reserve will earmark funds for this purpose in Leigh.

Development of Brown Field Sites

Incentivise private sector to invest in the use Brown Field sites for housing use.

Borough Spring Clean Reserve

The Council approved this reserve to support the Wigan Deal by providing funds for each ward member to engage in a series of activities to improve their local wards.

Graduate Scheme

The aim is to utilise these funds to employ a number of graduate trainees and give them the necessary experience to develop their careers within the Council.

World War One Commemorations

The Council has a programme of events planned in June of each year to coincide with Armed Forces week. This reserve has been set aside to provide the necessary funds.

Road Traffic Safety Reserve

These funds have been put aside and will be utilised to fund the Council's commitment to introduce a lower speed limit in residential areas.

General Fund:

Public Health Joint Arrangement

This reserve has been set aside to facilitate investment across Health and Social Care sectors to deliver joint Council and CCG priorities whilst improving the quality of life for the residents of Wigan Borough. The investments are approved by the Joint Commissioning Group with the schemes being short term in nature to provide proof of concept whilst clearly demonstrating delivery against key metrics which will divert activity away from hospital care by avoiding hospital admissions altogether or at the very least ensuring that care is undertaken in a less costly community setting.

Corporate:

Insurance Reserve

This reserve provides a contingency against unforeseen future claims. It also provides a prudent hedge against changes in the insurance market which may require premium increases.

Grants Reserve

This reserve represents grant funding unspent in the year to be used in the future costs of various projects.

Leigh Sports Village

This reserve is to provide funding for maintenance and upgrades of the facility.

Wigan Life Centre

Monies have been earmarked from the rationalisation of Council buildings and will be utilised to assist in the affordability of the Life Centre in future years.



Deal for Business

Funds have been set aside to support local business growth and development.

FCC Waste Disposal – Recycling Credit Penalties

The reserve has been created to record any recycling credit penalties generated as part of the waste disposal contract.

Waste Disposal After Care

This reserve was created following the Council's sale of Landfill Management Limited (LML) in 2000. It represents LML's former liability, subsequently transferred to the Council along with the associated funds, for providing after care services on the former landfill sites at Ince Moss and Amberswood.

VAT Reserve

This represents previously overpaid output tax reimbursed by HM Customs.

IT Partnership Reserve

This reserve has been created from credit penalties and volume reduction credits awarded during the year for the IT partnership. Any decision on the utilisation of the reserve will be made by the IT Partnership Board, which is made up of representatives from Wigan and Bolton Councils, Wigan and Leigh Housing, and Wigan Leisure and Culture Trust.

Business Rates Safety Net

This reserve has been established to manage volatility in the business rates system in particular with regards to unlodged appeals.

Business Rates Deficit Management

This reserve holds the Section 31 grant received by the Council to compensate for the loss of Business Rates income as a result of the extended retail relief given to hospitality and leisure businesses to support them through the pandemic. The reserve manages timing differences between the accounting basis and the funding basis under Collection Fund accounting rules.

Other Reserves

These various minor reserves were set aside from efficiencies arising during the year.

Schools / DSG Balances:

DSG Schools Block – Delegated Fund

This represents the total balances of all schools within the borough that remain open and maintained by the local authority.

DSG Early Years Block

This represents unspent DSG in respect of Early Years Funding.



Schools Balances – Direct Funding

This reserve relates to non-delegated funds which schools have received directly for special investment in technology, equipment and books.

DSG Contingency / Centrally Retained

This relates to unspent contingency and centrally retained funds to cover unexpected items. The Schools' Forum have agreed to earmark some of this reserve to provide transitional supplementary funding to schools facing financial difficulty.

28. Usable Reserves

General Fund Balance: This is a statutory fund to hold Council balances to safeguard against risks identified in the Local Government Act.

Earmarked General Fund Reserves: Reserves set aside to fund specific future spend, as detailed in Note 27.

Housing Revenue Account: Represents balances remaining from the Housing Revenue Account held to fund future expenditure in connection with the Council's landlord function.

Major Repairs Reserve: A reserve to holds balances available for funding capital expenditure on the Council's housing stock.

Capital Grant Unapplied Reserve: This reserve holds capital grants and contributions received which have no outstanding grant conditions, but have yet to be applied to meet the relevant capital expenditure.

Capital Receipts Reserve: This holds proceeds the Council has received from the sale of assets, which by statute can only be used to fund capital expenditure.

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement on page 16. Movements within the Usable Capital Receipts Reserve are shown in Note 6.



29. Unusable Reserves

2020/21 £'000		2021/22 £'000
648,088	Capital Adjustment Account	730,524
74,206	Revaluation Reserve	79,949
7,576	Financial Instruments Revaluation Reserve	7,576
-697,832	Pensions Reserve	-475,034
-5,476	Employee Accumulated Absences Account	-5,780
-48,131	Collection Fund Adjustment Account	-25,409
-21,569	Total Unusable Reserves	311,826

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is charged 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 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2020/21 £'000		2021/22 £'000	
563,744	Balance at 1 April		648,088
	Reversal of items relating to capital expenditure debited or credited to the CIES:		
-47,499	Charges for depreciation and impairment of non-current assets	-49,024	
89,215	Revaluation losses on Property, Plant and Equipment	85,303	
-164	Amortisation of Intangible Assets	-113	
-1,128	Movements in the Market Value of Investment Property	865	
-4,404	Revenue expenditure funded from capital under statute	-7,128	
-5,352	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-16,364	
30,669			13,540
1,572	Adjusting amounts written out of the Revaluation Reserve		4,046
32,241	Net written out amount of the cost of non-current assets consumed in the year		17,586
	Capital financing applied in the year:		
5,429	Use of the Capital Receipts Reserve to finance new capital expenditure	1,282	
6,137	Use of the Major Repairs Reserve to finance new capital expenditure	24,682	
23,153	Capital grants and contributions credited to the CIES that have been applied to capital financing	15,435	
7,389	Application of grants to capital financing from the Capital Grants Unapplied Account	9,308	
8,588	Statutory provision for the financing of capital investment charged against the General Fund	12,744	
1,642	Capital expenditure charged against the General Fund and HRA Balances	1,722	
52,338			65,173
0	Movement in the Donated Assets Account credited to the CIES		0
-235	Write down of Long Term Debtors		-322
648,088	Balance at 31 March		730,524

Revaluation Reserve

The Revaluation reserve contains 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:

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

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

2020/21 £'000		2021/22 £'000	
73,384	Balance at 1 April		74,206
6,578	Upward revaluation of assets not charged to the Surplus/Deficit on the Provision of Services	12,976	
-4,184	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-3,186	
2,394	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services		9,790
-1,197	Difference between fair value depreciation and historical cost depreciation	-1,148	
-375	Accumulated gains on assets sold or scrapped	-2,899	
-1,572	Amount written off to the Capital Adjustment Account		-4,047
74,206	Balance at 31 March		79,949

Financial Instruments Revaluation Reserve

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

- re-valued downwards or impaired and the gains are lost
- disposed of and the gains are realised

2020/21 £'000		2021/22 £'000
11,086	Balance at 1 April	7,576
-3,600	Revaluation of Shareholding in Manchester Airport	900
90	Revaluation of Manchester Airport Car Park Shares	-900
7,576	Balance at 31 March	7,576

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pensions funds or eventually pays any

pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore represents a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The Statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. The balance of the reserve is based upon actual employer / employee contributions. However, the IAS19 notes are based on the Actuary estimated figures.

2020/21 £'000		2021/22 £'000
-449,391	Balance at 1 April	-697,832
-222,424	Actuarial gains or losses (-) on pensions assets and liabilities	285,112
-59,609	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-98,086
33,592	Employer's pensions contributions and direct payments to pensioners payable in the year	35,772
-697,832	Balance at 31 March	-475,034

Accumulated Absences Account

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

2020/21 £'000		2021/22	
		£'000	£'000
-4,290	Balance at 1 April		-5,476
4,290	Settlement or cancellation of accrual made at the end of the preceding year	5,476	
-5,476	Amounts accrued at the end of the current year	-5,780	
-1,186	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		-304
-5,476	Balance at 31 March		-5,780

Collection Fund Adjustment Account

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

2020/21 £'000		2021/22 £'000
1,237	Balance at 1 April	-48,131
-49,368	Amount by which council tax and non-domestic rates income credited to the CIES is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	22,722
-48,131	Balance at 31 March	-25,409

30. Agency Services

The Council is a billing authority for Non-Domestic Rates (NDR) and Council Tax. The Council collects Manchester Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) on behalf of the Greater Manchester Combined Authority (GMCA). The Council also collects precepts for the parishes of Shevington and Haigh. Only the elements of NDR and Council Tax that relate to the Council's income are included within the main financial statements. Total precepts on behalf of GMCA were £28.983m.

The Council also collects superannuation payments of £9.880m from its employees on behalf of the Greater Manchester Pension Fund (administered by Tameside MBC), £6.905m on behalf of the Teachers' Pension Scheme (administered by Capita) and £0.093m on behalf of the NHS Pension Scheme.

During 2021/22, the Council acted as Agent for Covid-19 business grant support schemes. £16.584m of assistance was paid to businesses on behalf of the government under the Restart and Omicron business support schemes.

31. Joint Operations

Pooled Budget:

Better Care Fund

Since 2015/16, the Council has been in a joint arrangement with Wigan Borough Clinical Commissioning Group (CCG) to pool resources in order to improve the Health and Social Care outcomes for the residents of the Borough. The arrangement is made in accordance with Section 75 of the National Health Service Act 2006 and any surplus or deficit generated will be distributed as per local agreement. The Pooled Budget is hosted by the Council. For 2021/22 the Council provided 46% of funding inclusive of revenue and capital allocations.

2020/21 £'000		Better Care Fund	2021/22 £'000	
-25,687		Funding Provided to the Pooled Budget		
-16,270		Revenue – CCG	-26,987	
-4,554		Revenue – Wigan Council	-16,270	
-1,046		Capital Allocation – Wigan Council	-4,554	
		Capital Underspend from Previous Years – Wigan Council	-2,438	
	-47,557	Total Funding		-50,249
		Expenditure on behalf of Pooled Budget		
5,572		Revenue expenditure – CCG	5,854	
36,385		Revenue expenditure – Wigan Council	37,403	
3,162		Capital expenditure – Wigan Council	3,385	
	45,119	Total Expenditure		46,642
	-2,438	Total Underspend		-3,607
		Allocated as agreed by the Joint Commissioning Finance Board:		
0		Revenue Underspend – CCG	0	
-2,438		Capital Underspend – Wigan Council*	-3,607	
	-2,438	Total Underspend		-3,607

*Note – the capital underspend is included in the Councils accounts.

Joint Operation:

Regional Adoption Agency – Together for Adoption

The Government announced changes to the provision of adoption services by proposing regional adoption agencies, with all Local Authorities belonging to a regional adoption agency by 2020.

As a consequence of this, it was agreed that these can be provided locally by Local Authority areas and brought together to form a single Regional Adoption Agency (RAA).

Wigan Council entered into a Partnership agreement with 4 other neighbouring authorities to create “Together for Adoption” RAA. The Partnership combines:

- Wigan Council – 27.11% share
- Cheshire West & Chester Council – 22.63% share
- Warrington Borough Council – 13.68% share
- Halton Borough Council – 15.00% share
- St Helens Council – 21.58% share

The annual budget is £2.153m.

Any surplus or deficit generated at the end of each financial year is distributed or reinvested as agreed upon by the collective decision of the Partnership Board. A number of options to consider the use of the cumulative unspent balances (£0.464m) was presented to the Partnership Board and it was agreed that each Local Authority Partner would retain their share of the surplus. For Wigan, this amounted to £0.153m.

The pooled budget is hosted by Wigan Council with operational costs being incurred directly to Wigan. The salary costs are incurred and retained by each local authority partner. A quarterly exercise is undertaken to determine that partners incurring greater salary costs than their % share will be reimbursed from the partners whose costs are lower than their agreed share of the Partnership agreement.

The Partnership Board have agreed to retain the collective underspend. This will be used to meet existing commitments to voluntary adoption agency placement costs where the Partnership have been unable to identify matching adopters to the children awaiting placements.

Together for Adoption - Regional Adoption Agency		2020/21 £'000	2021/22 £'000
Funding Provided to the Pooled Budget			
Revenue:			
Wigan Council		-584	-584
Cheshire West & Chester Council		-487	-487
Warrington Borough Council		-294	-294
Halton Borough Council		-323	-323
St Helens Council		-465	-465
Total Funding		-2,153	-2,153
Expenditure on behalf of Pooled Budget			
Revenue – Wigan Council on behalf of Together for Adoption (Operational Costs)			
		397	380
Wigan Council – salary costs		382	443
Cheshire West & Chester Council – salary costs		319	370
Warrington Borough Council – salary costs		193	224
Halton Borough Council – salary costs		212	245
St Helens Council – salary costs		304	353
Back Office Functions – supported by two Local Authority Partners (CW&C & Wigan)		70	73
Total Expenditure		1,877	2,088
Total Underspend		-276	-65

32. Members' Allowances

The Council paid the following amounts to elected members and independent appointed members of the council during the year.

	2020/21 £'000	2021/22 £'000
Allowances Expenses	1,284 0	1,299 1
Total	1,284	1,300

33. Officers' Remuneration

The following table lists the remuneration paid to the Authority's senior employees (Senior Management, Statutory Officers and officers with remuneration of above £150,000) as follows:

Table a)

Name	Job Title	Financial Year	Salary, Fees and Allow. Note * £	Employers Pension Contrib. £	Total Remun. Incl. pension contrib. £
Alison McKenzie-Folan	Chief Executive	2021/22 2020/21	191,479 188,649	37,530 36,975	229,009 225,624
Paul McKeivitt (1)	Deputy Chief Executive (Director of Resources and Contracts)	2021/22 2020/21	151,907 149,662	0 0	151,907 149,662
Stuart Cowley (2)	Director of Adult Social Care and Health	2021/22 2020/21	150,419 149,662	29,774 29,334	180,193 178,996
Colette Dutton (3)	Director of Children's Services	2021/22 2020/21	151,907 107,821	29,774 21,133	181,681 128,954
Sonia Halliwell	Director of Transformation	2021/22 2020/21	130,205 128,281	25,520 25,143	155,725 153,424
Aiden Thatcher (4)	Director of Economy and Skills	2021/22 2020/21	59,238 0	11,611 0	70,849 0
Rebecca Heron (4)	Director of Economy and Skills	2021/22 2020/21	70,003 128,281	13,721 25,143	83,723 153,424
Paul Barton	Director of Environment	2021/22 2020/21	130,205 128,281	25,520 25,143	155,725 153,424
Kate Ardern (5)	Director of Public Health	2021/22 2020/21	126,532 124,856	18,195 17,954	144,727 142,810
James Winterbottom	Director of Digital Services and Integration	2021/22 2020/21	130,205 123,085	0 -2,039	130,205 121,046

*Salary, fees and allowances include basic pay plus any overtime, special responsibility allowance and accrued holiday pay. Election payments are not included in the above figures.

- (1) Paul McKeivitt is the S151 Officer for Wigan.
- (2) Stuart Cowley is the Director of Social Services which is defined as a statutory post under Section 6 of the Local Authority Social Services Act 1996.
- (3) The Chief Education Officer is defined as a statutory chief officer post under Section 532 of the Education Act 1970. Collette Dutton was permanently appointed to the role of Director of Children's Services on 12/7/20 therefore the 2020/21 comparative year is not an annualised salary.
- (4) Rebecca Heron left the post of Director of Economy and Skills in October 2021 was replaced by Aiden Thatcher. Neither of the amounts disclosed for 2021/22 are therefore an annualised salary. Aiden Thatcher was previously Assistant Director, Growth and Housing from May 2021 to October 2021. Remuneration for this post is not included within this disclosure note.
- (5) Section 57 of Schedule 5 to the Health and Social Care Act 2012 defines the Director of Public Health as a statutory Chief Officer and is therefore included here.

Other Senior Officers

In order to provide further analysis, the remaining emoluments have been separated between Senior Officers and Leadership Heads, Deputies and Assistants in Schools and Colleges.

The Chief Officers whose individual remuneration has been declared in Table A are not included in this banding table.

The Authority's other senior employees receiving more than £50,000 remuneration (excluding employer's pension contributions) were paid the following amounts:

Table b)

Number of Employees 2020/21	Remuneration Band	Number of Employees 2021/22
31	£50,000 - £54,999	78
47	£55,000 - £59,999	42
17	£60,000 - £64,999	11
10	£65,000 - £69,999	24
2	£70,000 - £74,999	4
0	£75,000 - £79,999	0
0	£80,000 - £84,999	0
1	£85,000 - £89,999	0
7	£90,000 - £94,999	0
1	£95,000 - £99,999	2
0	£100,000 - £104,999	4
5	£105,000 - £109,999	5
0	£110,000 - £114,999	0
0	£115,000 - £119,999	0
0	£120,000 - £124,999	0
0	£125,000 - £129,999	0
0	£130,000 - £134,999	0
0	£135,000 - £139,999	0
0	£140,000 - £144,399	0
121		170

Redundancy payments are included in the remuneration.

Schools and Colleges Leadership – Heads, Deputies and Assistants

The number of school and college employees receiving more than £50,000 remuneration, (excluding employer's pension contributions) were paid the following amounts:

Table c)

Number of Employees	Voluntary Aided and Foundation School Employees included in previous column Total	Remuneration Band	Number of Employees	Voluntary Aided and Foundation School Employees included in previous column Total
2020/21	2020/21		2021/22	2021/22
111	59	£50,000 - £54,999	112	77
60	25	£55,000 - £59,999	52	28
39	21	£60,000 - £64,999	30	19
41	20	£65,000 - £69,999	41	30
19	7	£70,000 - £74,999	26	11
12	3	£75,000 - £79,999	13	6
6	3	£80,000 - £84,999	6	5
3	2	£85,000 - £89,999	3	2
3	1	£90,000 - £94,999	2	2
2	1	£95,000 - £99,999	1	1
0	0	£100,000 - £104,999	1	0
4	3	£105,000 - £109,999	3	3
0	0	£110,000 - £114,999	0	0
2	0	£115,000 - £119,999	1	0
0	0	£120,000 - £124,999	0	0
0	0	£125,000 - £129,999	0	0
0	0	£130,000 - £134,999	0	0
1	0	£135,000 - £139,999	1	0
303	145		292	184

Redundancy payments are included in the remuneration.

Exit Packages – Contractual obligation on termination of employment

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)	Col B Number of Compulsory Redundancies*		Col C Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band (Col B+C)		Total Cost of Exit Packages in Each Band £'000	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
0 - £20,000	19	8	59	55	78	63	373	363
£20,001 - £40,000	1	0	7	5	8	5	219	149
£40,001 - £60,000	0	0	3	4	3	4	145	196
£60,001 - £80,000	0	0	2	1	2	1	128	61
£80,001 - £100,000	0	0	1	1	1	1	86	84
£100,001 - £150,000	0	0	0	2	0	2	0	233
£150,001 - £200,000	0	0	0	0	0	0	0	0
£200,001 - £250,000	0	0	1	0	1	0	238	0
Total	20	8	73	68	93	76	1,189	1,085

*see below termination benefits note for cost value

The total cost of £1.085m for exit packages has been charged to the authority's Comprehensive Income and Expenditure Statement in the current year.

Termination Benefits

The Council terminated the contracts of a number of employees in 2021/22, incurring liabilities of £0.055m (£0.102m in 2020/21). Further details on the overall number of exit packages and the total cost per band is disclosed in the tables above.

Termination benefits are payable to employees across all Council Services whose employment has been terminated by the Council, not at the employees request. The number of compulsory redundancies can be seen in the exit packages table above.

34. Audit Costs

In 2021/22 Wigan Council incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and non-audit services provided by the Council's auditors:

	2020/21 £'000	2021/22 £'000
External Audit Costs		
Fees payable with regard to external audit services carried out by the appointed auditor	103	103
Fees payable with regard to external audit services carried out by the appointed auditor – additional fee	38	37
Other Non Audit Costs		
Fees payable in respect of other services provided by the external auditor during the year	31	0
Total	172	140

35. Dedicated Schools Grant

The Council's expenditure on schools is financed primarily by Dedicated Schools Grant (DSG) provided by the Education and Skills Funding Agency (ESFA). 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 2021. The balance on the DSG is separate to the general fund reserves of the council. The Schools' Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each Council maintained school.

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

Notes	Central Expenditure £'000 Column 1	Individual Schools Budget £'000 Column 2	Total £'000 Column 3
A			290,497
B			75,916
C			214,581
D			49
E			49
F	37,747	176,834	214,581
G	-1,512	1,530	19
H	36,235	178,364	214,600
I	35,711		35,711
J		178,364	178,364
K	720		720
L	1,245	0	1,245
M			49
N			1,294
O			0
P			0
Q			0
R			1,294

The DSG carry forward can be analysed as follows:

	£000
Schools Block	3,383
High Needs Block	-3,612
Early Years Block	1,523
	1,294

This balance has been identified separately from general reserves that are at the full disposal of the authority in accordance with the requirements of the Accounts and Audit Regulations 2015, as amended (Regulation 7 [4]).

The deficit on the High Needs Block will be recovered from future funding alongside a transformation plan for SEND. The LA reports regularly to Schools Forum and has set up a working group to monitor the progress of the transformation plan. This plan will ultimately look to deliver efficiencies and reduce demand on the High Needs Block.

- A Final DSG figure before any amount has been recouped from the authority as published March 2022. Do not include the adjustment to the 2020/21 DSG for early years made during 2021/22 based on January 2021 numbers or top up funding (see G below).
- B Figure recouped from the authority in 2021/22 by the DfE for the 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 as published March 2022 (do not deduct centrally funded licences).
- D Figure brought forward from 2020/21. There can only be an entry here if this is a surplus or a zero: a deficit must have been placed in the DSG Unusable Reserve created by MHCLG's amending regulations (see O below).
- E Any amount which the authority decided after consultation with the Schools Forum to carry forward to 2022/23 rather than distribute in 2021/22 – this may be the difference between estimated and final DSG for 2021/22, or a figure brought forward from 2020/21 which the authority is carrying forward again.
- F Budgeted distribution of DSG, adjusted for carry forward, as agreed with the Schools Forum. Note that the ISB column should include only money distributed to schools (including high needs place funding) and to other early years providers: centrally held schools block items such as the growth fund belong in the central expenditure column.
- G Changes to the initial distribution, for example, adjustments for exclusions, or final early years block adjustment for 2020/21 made during 2021/22 on the basis of January 2021 numbers or top up funding.
- H Budgeted distribution of DSG as at the end of the financial year.
- I Actual amount of central expenditure items in 2021/22 – amounts not actually spent, e.g. money that is moved into earmarked reserves, should be included as carried forward.
- J Amount of ISB actually distributed to schools (ISB is regarded for DSG purposes as spent by the authority once it is deployed to schools' budget shares).

- K Any contribution from the local authority in 2021/22 which will have the effect of substituting for DSG in funding the Schools Budget. Do not include any change in balances held by schools as they are not to be recorded in this note.
- L Carry forward to 2022/23, i.e.
- For central expenditure, difference between final budgeted distribution of DSG (H) and actual expenditure (I), plus any local authority contribution (K).
- For ISB, difference between final budgeted distribution (H) and amount actually deployed to schools (J), plus any local authority contribution (K).
- M Plus/minus any carry forward to 2022/23 already agreed (see E).
- N Total is carry forward on central expenditure (L), plus/minus any carry forward to 2022/23 already agreed (E). To be entered on this line, this can only be a surplus or a zero: if it results in a deficit, enter zero. Any in year deficit in 2021/22 must be recorded as part of the DSG unusable reserve (P).
- O DSG unusable reserve at end of 2020/21 (if any): any amount placed in the unusable reserve at the end of 2020/21 in accordance with the MHCLG amending regulations.
- P Any addition to DSG unusable reserve in 2021/22 as the result of an in year deficit in 2021/22 is to be entered here rather than (N) when it is a deficit.
- Q Total of DSG unusable reserve at end of 2021/22: this is the total of (O) and (P).
- R This is a memorandum item designed to show the overall position on DSG. It is calculated taking the figure (if any) at (N) and deducting the figure (if any) at (Q). It will therefore show any net deficit that the local authority would have if the unusable reserve were not held separately.

36. Grant Income

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

Credited to Taxation and Non Specific Grant Income	Awarding Body	2020/21 £'000	2021/22 £'000
Capital Grants	Various	-36,089	-37,010
Section 31 Grant Business Rate Reliefs (Small Business Rate Relief)	MHCLG	-10,746	-15,601
COVID Specific Business Rate Relief	MHCLG	-41,902	-12,530
Covid-19 Emergency funding (tranches 1-4) (COVID-19 Support Grant)	MHCLG	-17,489	-9,526
Private Finance Initiative	MHCLG	-6,024	-6,023
New Homes Bonus	MHCLG	-4,918	-3,236
Tax Income Guarantee Grant	MHCLG	-3,154	-3,088
Sales, Fees & Charges Compensation Scheme	MHCLG	-4,815	-1,819
Apprenticeship Scheme		-700	-918
Lower Tier Services Grant *	MHCLG	0	-461
School Improvement Grant	DFE	-381	-356
Local Services Support Grant	MHCLG	-79	-104
COVID-19 Council Tax Hardship Fund	MHCLG	-3,509	0
Probation Grant	MOJ	-158	0
Magistrates Grant	MOJ	-48	0
Total		-130,012	-90,671

Credited to Services	Awarding Body	2020/21 £'000	2021/22 £'000
Dedicated Schools Grant	DFE	-200,103	-214,581
HRA Rent Rebates	DWP	-31,957	-30,332
Rent Allowance Subsidy	DWP	-31,036	-29,357
Improved Better Care Funding	MHCLG	-16,270	-16,270
Adult Social Care Support Fund	MHCLG	-10,124	-13,370
Pupil Premium Grant	DFE	-11,194	-11,531
Contain Outbreak Management Fund	DHSC	-7,499	-4,926
Infection Control Fund	DHSC	-5,652	-3,007
Household Support Fund *	DWP	0	-2,818
Young Peoples Learning Agency	DFE	-2,281	-2,434
Universal Infant Free School Meals	DFE	-2,569	-2,432
Workforce & Retention Fund for Adult Social Care *	MHCLG	0	-1,990
Adult Social Care Rapid Testing Fund	DHSC	-683	-1,971
COVID Business Support – Additional Restrictions Grant (Discretionary) *	BEIS (via GMCA)	-9,874	-1,885
Self Isolation Practical Support Grant	MHCLG	-656	-1,708
Schools Emergency Support Grants	DFE	-436	-1,534
Primary PE & Sports Premium	Various	-1,521	-1,520
Other Grants	Various	-1,259	-1,469
Independent Living Grant	MHCLG	-1,456	-1,456
COVID Local Support Grant *	DWP	0	-1,323
Adoption Support Fund – Together for Adoption	DFE	-871	-1,151
COVID19 Catch Up Premium Schools	DFE	-1,594	-1,143
Workforce Recruitment & Retention Fund *	MHCLG	0	-1,078
REFCUS Grants	Various	-1,960	-1,030
Troubled Families	MHCLG	-964	-979
Housing Benefit Admin Grant	DWP	-1,000	-950
Rough Sleeping Initiative Fund	MHCLG	-728	-912
Leisure Additional Recovery Fund *	Sport England	0	-861
Homelessness Prevention Grant	MHCLG	-176	-850
Skills Fund Agency	BEIS	-980	-808
Afghan Refugee Assistance Programme *	HO	0	-745
Community Testing Programme Funding	DHSC	-221	-731
Domestic Abuse Grant	MHCLG	-50	-716
Recovery Premium Funding *	DFE	0	-667
Holiday Activities & Food Programme	DFE	0	-654
Inpatient Detoxification Treatment Grant *	PHE	0	-650
Kickstart Scheme Funding	DWP	-16	-620
Discretionary Housing Payments Grant	DWP	-784	-616
Youth Justice Board	MOJ	-606	-607
Local Council Tax Support Admin Grant	MHCLG	-457	-477
Additional Drug Treatment Crime & Harm Reduction Universal Funding *	PHE	0	-431
Adult Social Care Omicron Support Fund *	DHSC	0	-398
Rough Sleeper Drug & Alcohol Treatment Grant *	GMCA	0	-386
COVID Winter Support Grant Scheme	DWP	-1,125	-379
Welcome Back Fund *	MHCLG	0	-377
Unaccompanied Asylum Seeker Children Grant	HO	-391	-334

Teachers Pension & Pay Award Grants	DFE	-7,892	-328
General Education Grants	Various	-244	-325
New Burdens Funding	DWP	-56	-291
Non HRA Rent Subsidy	DWP	-246	-283
A Bed Every Night Grant *	GMCA	0	-282
Adult Weight Management Service Grant *	DHSC	0	-254
Community Safety Fund	GMCA	-248	-248
GM Pathfinder Self Isolation *	GMCA	0	-235
Local Reform & Community Voices Grant	MHCLG	-228	-228
COVID 19 Test & Trace Service Support Grant	DHSC	-492	-227
Safety of Women at Night Fund *	HO	0	-224
New Burdens Welfare Reform	DWP	-153	-176
Armed Forces Covenant Fund	MOD	-299	-168
Staying Put Grant	DFE	-155	-155
Serious Violence Grant	GMCA	-150	-150
Vaccine Fund *	DHSC	0	-136
Levelling Up Grant *	MHCLG	0	-125
Revealing Wigan Archives Heritage Lottery Fund	NLHF	0	-111
PCC Voluntary & Community Sector Grant	GMCA	-100	-100
Discretionary Small Business/Retail Hospitality & Leisure Support Grant	BEIS	-4,430	0
Local Restrictions Support Grant (Open)	BEIS	-1,998	0
Clinically Extremely Vulnerable (CEV) Funding	MHCLG	-1,037	0
Adult Social Care Workforce Capacity Fund	MHCLG	-796	0
Free School Meals Supplementary Grant	DFE	-520	0
Emergency Assistance Grant	DEFRA	-417	0
Flexible Homelessness Support Grant	MHCLG	-359	0
Compliance & Enforcement Grant	MHCLG	-187	0
Adoption Support Fund – COVID 19 Scheme	DFE	-163	0
Alleviating Barriers & ESOL Grants	GMCA	-100	0
Total		-366,763	-368,510

* These sources of funding are new for 2021/22

37. Related Parties

In accordance with the Code, the Council is required to disclose material transactions with related parties. Related parties are bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council. This note exemplifies those transactions between related parties and the Council.

Central Government

Central Government has significant influence over the general operations of the Authority. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, Housing Benefits). Details of grant transactions with Government departments are set out in Note 36 Grant Income.

Members of the Council

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2021/22 is shown in Note 32. Each year the Council invites Members to declare any such interests including related parties. In respect of 2021/22 financial year, three members declared interests in other organisations that the Council transact with. Contracts were entered in full compliance with the Council's standing orders.

The value of transactions with related parties declared by members is shown in the table below:

Related Party	Detail of the Arrangement	Receipt £	Payment £	Outstanding Balance at 31 st March 2022 £
Leigh South Community Centre Limited	This is a non-profit company. The community centre was used as a COVID testing centre and was paid by the Council for hire using funding designated for this purpose. Identification of testing centres had to meet national criteria.	0	7,800	0
Wigan Mayor's Charity Appeal	The Mayor's Charity Appeal is a registered charity which is set up to help support the Mayor's chosen charity each year to undertake its work in the borough. Contributions to the charity are part of the Council's annual budget and represent support for the work it does for Wigan residents.	0	14,000	0
Douglas Valley Communities	A registered charity managing community centres in Wigan supporting community groups to improve the quality	20	544	0

	of life for Wigan residents. Payments made were under the Household Support Fund towards supplies at the Food Pantry.			
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Details of Members' interests, both pecuniary and non-financial are recorded in the Register of Members' Interest, which is open to public inspection at Wigan Town Hall on appointment and is available on the Council's website.

Chief Officers

The Council operates a Code of Conduct whereby individual Chief Officers are required to disclose any pecuniary and non-financial interests with related parties. In addition, the Council necessitates Chief Officers to make a declaration of any related parties on an annual basis. During 2021/22, Paul McKeivitt Deputy Chief Executive, declared a related party transaction. During 2021/22 the Council contracted with Coral Reef Consultancy Ltd for which Paul McKeivitt's spouse is a director. The contract was for work in children's services on fostering capacity. The Council paid £127,656.66 in respect of this work (£0 2020/21) and there are no outstanding balances.

All Chief Officer remuneration payments are included in detail in Note 33 Officers' Remuneration.

Joint Services and Partnerships

Greater Manchester Combined Authority (GMCA)

As a result of an agreement reached between the ten Greater Manchester Councils and Central Government, the Combined Authority has taken over arrangements for the coordination of a range of policy issues including economic development and regeneration for Greater Manchester and have responsibility for the exercise of new powers for the Greater Manchester Mayoral Function and function for the prioritisation of transport investment.

During 2021/22 the following amounts were paid to the GMCA:

- Passenger Transport Levy £22.308m
- Economic Regeneration £0.971m

Association of Greater Manchester Authorities (AGMA)

The Association is a partnership between the ten Local Authorities within the Greater Manchester area. The ten co-operate on a number of issues both statutory and non-statutory, where there is the possibility of improving service delivery by working together. The expenditure incurred is contained within the relevant service headings in the Comprehensive Income and Expenditure Statement. During 2021/22 this amounted to £0.127m.

Assisted Organisations

The Council has pooled budget arrangements with Wigan Borough Clinical Commissioning Group (CCG) in order to improve the Health and Social Care outcomes for the residents of the Borough. As



part of this integration, the S151 for Wigan Council is also a separately appointed Director of Wigan Borough CCG.

The Council also entered a pooled budget arrangement on 1 September 2017 with four other neighbouring local authorities to create 'Together for Adoption' Regional Adoption Agency to provide local adoption services. Further details are included in Note 31 Joint Operations.

38. Related Businesses and Companies

Wigan Metropolitan Development Company Limited

This is a company limited by guarantee. The Council is entitled to appoint 14 out of 17 members of the Company. The Council has the ability to dissolve the company and to procure the distribution of its assets, although the Council does not have direct liability for the losses of the company. The company either directly or through its subsidiaries Wigan Metropolitan Development Company (Property) Limited and Wigan Metropolitan Development Company (Investment) Limited manages offices and industrial units and promotes regeneration within the borough of Wigan.

Wigan Metropolitan Development Company (Property) Limited has ceased active trading. Therefore, figures reported in this note relate to the trading company of Wigan Metropolitan Development Company (Investment) Limited for the financial year 2021/22.

The Council manages surplus cash balances on behalf of the company. The amount deposited with the Council at 31 March 2022 was £1.530m.

The company returned a draft pre-tax profit of £0.128m for the financial year 2021/22. Copies of the accounts are available at Wigan Investment Centre, Waterside Drive, Wigan, Lancashire, WN3 5BA.



Leigh Sports Village Limited

This is a company limited by shares. The Council is the only shareholder. The Council has the ability to dissolve the company and to procure the distribution of its assets, although the Council does not have direct liability for the losses of the company. The company manages the facilities at the Leigh Sports Village site. The Council paid the company £1.565m in 2021/22 for a combination of services and COVID-19 specific support of £0.365m.

The company returned a draft pre-tax profit of £0.137m in 2021/22.

Copies of the accounts are available at Leigh Sports Stadium, Sale Way, Leigh, Lancashire, WN7 4JY.

Douglas Valley Community Limited

This is a company limited by guarantee. The Council has the right to nominate 4 out of 12 members, hence the Council directly/indirectly holds more than 20% of the company's voting power. The Council paid £544 (i.e. less than £0.001m) for services provided by the Douglas Valley Community Limited in 2021/22.

Douglas Valley Properties Limited (DVP)

This is a company limited by guarantee. The Council has the right to appoint 3 out of the 9 members. The Council and Douglas Valley Community Limited must consent to the acquisition of any interest in land or premises by the Company and further, that the Council and Douglas Valley Community Limited may determine what the Company may do with its profits. The Council has not made payments to the company in 2021/22.

The company has ceased active trading and has had no activity during 2021/22. There are a number of properties leased from the council to DVP expiring up to 2035. Wigan Metropolitan Development Company (Investment) Ltd manage these properties on behalf of DVP however as they are still in place despite not trading the company will continue to be active for the short to medium term, until all leases are reviewed.

PSP Wigan LLP

The Council has entered into an agreement with Public Sector PLC (PSP) to establish a Limited Liability Partnership, trading as PSP Wigan LLP. This is classed as a Joint Venture as decisions about activities require the unanimous consent of all the parties sharing control and the Council and PSP have rights to the net assets of the arrangement. The partnership has been established to facilitate property related projects which could include development of surplus assets, facilitation of regeneration schemes, portfolio management and the investment of private sector funds in projects to mutual benefit. As at 31 March 2022, no assets have been transferred to the LLP.

Details of the other companies where the Council has a minority interest are:

Company Name
Borough Care Services Limited
CLS Care Services Ltd
Community Forest Trust
Groundwork Cheshire, Lancashire & Merseyside
Manchester Airport Group
New Environment CIC
North West Evergreen (GP) Limited
NPS North West Limited
S&W TLP Education Partnership Limited
Wigan Leisure & Culture Enterprises Limited
Yorkshire Purchasing Organisation

39. Leases

Authority as lessee:

During 2021/22 the Council continued to lease vehicles, plant, machinery and equipment by means of operating leasing. Operating lease rentals on vehicles, plant, equipment and property paid in 2021/22 was £1.414m (2020/21 £1.077m).

The Council was committed at 31 March 2022 to future lease payments of £11.323m under these operating leases, comprising the following elements:

2020/21 Total £'000s		Vehicles, Plant & Equipment £'000s	Property £'000s	2021/22 Total £'000s
1,203	Lease payments due within 1 year	930	483	1,414
2,336	Lease payments between 1 and 5 years	2,644	1,606	4,250
5,842	Lease payments after 5 years	64	7,009	7,073
9,381	Total Leases	3,638	9,099	12,737

Authority as lessor:

The Council acts as lessor for numerous commercial and industrial land and property assets in the borough and the rent receivable in respect of these operating leases for the year 2021/22 was £3.792m (2020/21 £4.536m).

The future minimum lease payments receivable are:

2020/21		2021/22
Total £'000s		Total £'000s
2,648	Leases expiring within 1 year	2,777
10,050	Leases expiring between 1 and 5 years	10,648
250,319	Leases expiring after 5 years	167,149
263,018	Total Leases	180,573

Of the minimum lease payments receivable after 2026/27 of £167.149m, £95.986m is in respect of leases which are due to expire more than 50 years after 31 March 2022.

40. Pension Schemes

Pension Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DFE). It provides teachers with defined benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is a multi-employer defined benefit scheme. The scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every three years.

The scheme has in excess of 6,000 participating employers and consequently 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. As a proportion of the total contributions into the Teacher's Pension Scheme during the year ending March 2022, the Council's own contributions equate to approximately 23.68%.

In 2021/22 the Council paid £17.0m (£17.0m in 2020/21) to Capita Teachers' Pensions in respect of teachers' retirement benefits. In addition, the Council pays the pension payments for teachers relating to added years together with related increases. In 2021/22 these amounted to £3.6m (£3.7m in 2020/21).

The Council is not liable to the scheme for any other entities obligations under the plan.

NHS Staff Pension Scheme

During 2021/22, NHS staff have continued to work within the Council and have maintained their membership in the NHS Pension Scheme. The scheme provides these staff with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.



The scheme is an unfunded defined benefit scheme. However, 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 purpose 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 £0.136m to the NHS Pension Scheme (£0.073m in 2020/21) in respect of former NHS staff retirement benefits. There were no contributions remaining payable at the year end.

Defined Benefit Pension Schemes

Participation in Pension Schemes

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

The Local Government Pension Scheme

Non-teaching employees other than teachers are members of the Local Government Pension Scheme administered by Tameside MBC on behalf of the Greater Manchester Councils. This is a funded scheme, meaning that the Council and employees pay contributions into a fund calculated at a level intended to balance the pensions liabilities with investment assets.

The cost of retirement benefits is recognised in the reported Net Cost of Service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on cash payable in the year, so the real cost of the post-employment / retirement benefits is reversed out of the General Fund Balance via the Movements 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:



Comprehensive Income and Expenditure Statement

2020/21 £'000		2021/22 £'000
	Cost of Services:	
48,775	Current service cost	82,112
328	Past service cost (including curtailments)	1,578
49,103	Total Service Cost	83,690
	Financing and Investment Income & Expenditure:	
-26,906	Interest income on scheme assets	-30,198
37,412	Interest cost on defined benefit obligation	44,594
10,506	Total Net Interest	14,396
59,609	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	98,086
	Remeasurements of the Net Defined Liability Comprising:	
223,324	Return on plan assets (excluding amounts included in net interest)	147,500
-10,857	Actuarial gains/losses arising from changes in demographic assumptions	26,298
-448,687	Actuarial gains/losses arising from changes in financial assumptions	148,134
13,796	Other experience and actuarial adjustments	-29,399
0	Effect of business combinations and disposals	-7,421
-222,424	Total Remeasurements Recognised in Other in the Comprehensive Income and Expenditure Statement	285,112
-162,815	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	383,198

Movement in the Reserves Statement - General Fund

2020/21 £'000		2021/22 £'000
-59,609	Reversal of net charges made to the surplus / deficit on the provision of service	-98,086
28,274	Employers' contributions payable to the scheme	30,771
5,318	Retirement benefits payable to pensioners	5,001
-26,017	Actual amount charged against the General Fund Balance for Pensions in the year	-62,314

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	Local Government Pension Scheme	
	2020/21 £'000	2021/22 £'000
Present value of the funded liabilities	-2,048,695	-2,094,806
Present value of the unfunded liabilities*	-66,928	-58,872
Fair value of plan assets	1,417,791	1,678,644
Total	-697,832	-475,034
Other movements in the liability (asset)	0	0
Net liability arising from the defined benefit obligation	-697,832	-475,034

* this liability in 2021/22 comprises of £16.748m (£19.144m in 2020/21) in respect of LGPS unfunded pensions and £42.124m (£47.784m in 2020/21) in respect of Teachers' unfunded pensions.

Reconciliation of the present value of the scheme liabilities (Defined Benefit Obligation)

	Funded Liabilities: Local Government Pension Scheme	
	2020/21 £'000	2021/22 £'000
Opening present value of funded liabilities	1,558,392	2,048,695
Opening present value of unfunded liabilities	64,654	66,928
Current Service Cost	48,775	82,112
Interest Cost	37,412	44,594
Contributions from scheme participants	8,967	9,886
Remeasurement gain		
Actuarial gains/losses arising from changes in demographic assumptions	10,857	-26,298
Actuarial gains/losses arising from changes in financial assumptions	448,687	-148,134
Other experience and actuarial adjustments	-13,796	31,620
Past Service Costs	328	1,578
Benefits Paid	-48,653	-51,402
Effect of business combinations and disposals	0	94,099
Closing present value of funded liabilities	2,048,695	2,094,806
Closing present value of unfunded liabilities	66,928	58,872
Closing fair value of scheme liabilities at 31 March	2,115,623	2,153,678

Reconciliation of movements in fair value of the scheme assets

	Local Government Pension Scheme	
	2020/21 £'000	2021/22 £'000
Opening fair value of scheme assets	1,173,655	1,417,791
Interest Income	26,906	30,198
Remeasurement gain		
Return on plan assets excluding amounts included in net interest	223,324	147,500
Contributions from employer into the scheme	33,592	35,772
Contributions from employees into the scheme	8,967	9,886
Other Experience	0	2,221
Benefits Paid	-48,653	-51,402
Effect of business combinations and disposals	0	86,678
Closing fair value of scheme assets at 31 March	1,417,791	1,678,644

In 2021/22 one school transferred to Academy Status.

Local Government Pension Scheme assets comprised:

	Quoted	Unquoted	Total	Percentage of Total Assets	Quoted	Unquoted	Total	Percentage of Total Assets
	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 %	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 %
Equity Securities								
Consumer	124,411	0	124,411	9	111,095	0	111,095	8
Manufacturing	110,800	0	110,800	8	109,604	0	109,604	7
Energy and utilities	68,753	0	68,753	5	90,710	0	90,710	5
Financial Institutions	148,934	0	148,934	11	165,930	0	165,930	10
Health and care	70,863	0	70,863	5	87,835	0	87,835	5
Information	74,888	0	74,888	5	81,977	0	81,977	5
Technology								
Other	22,906	0	22,906	2	18,769	0	18,769	1
Debt Securities								
Corporate bonds (investment grade)	68,530	0	68,530	5	64,464	0	64,464	4
UK Government	0	0	0	0	31,275	0	31,275	2
Other	18,418	0	18,418	1	53,167	0	53,167	3
Private Equity - All	0	84,386	84,386	6	0	122,796	122,796	7
Real Estate								
UK Property	0	52,976	52,976	4	0	76,115	76,115	4
Investment Funds and Unit Trusts								
Equities	127,389	0	127,389	9	105,036	0	105,036	7
Bonds	179,675	0	179,675	13	164,659	0	164,659	10
Infrastructure	0	72,275	72,275	5	0	112,445	112,445	6
Other	30,731	134,818	165,549	12	30,449	196,675	227,124	13
Derivatives - Other	-1,138	0	-1,138	0	-9,334	0	-9,334	-1
Cash and Cash Equivalents - All	28,178	0	28,178	2	64,980	0	64,980	4
Totals	1,073,337	344,454	1,417,791	100	1,170,613	508,031	1,678,644	100

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and 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 are 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
	Longevity at 65 for current pensioners:*	
20.5 years	Male	20.6 years
23.3 years	Female	23.7 years
	Longevity at 65 for future pensioners:*	
21.9 years	Male	21.8 years
25.3 years	Female	25.4 years
3.60%	Rate of increase in salaries (Salary Increases)	3.98%
2.85%	Rate of increase in pensions (Pension Increases)	3.20%
2.00%	Rate of discounting scheme liabilities (Discount Rate)	2.70%
55.00%	Take up of option to convert annual pension into retirement grant	50.00%

*Life Expectancy is based on the Fund's VitaCurves.

Vitacurves is a method of measuring mortality specifically tailored to fit the membership profile of the fund.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to the HRMC limits for pre-April 2014 service and 50% of the maximum tax-free cash for post-April 2014 service.

Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on 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 assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below is consistent with that adopted in the previous year.

Change in Assumption at 31 March 2022	Approximate % increase to Employer Liability £'000	Approximate monetary amount £'000
0.1% decrease in Real Discount Rate	2%	41,614
1 year increase in member life expectancy	4%	86,147
0.1% increase in the Salary Increase Rate	0%	5,630
0.1% increase in the Pension Increase Rate	2%	35,637

Impact on the Council's cash flow – Local Government Pension Scheme

The objectives of the scheme are to keep employers contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 93% over the next 3 years. Funding levels are monitored on an annual basis. The next triennial valuation will take effect from 1 April 2022.

The scheme has taken 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 for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

The Council estimates paying £31.698m contributions to the scheme for the period to 31 March 2023.

Pensions – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. Details have been included in Note 3.

41. Contingent Assets

Equity Loan Scheme

The Council operates an Equity Loan scheme to assist people to purchase a property. Eligible applicants secure a conventional mortgage with a high street lender for 70% of the full market value. The Council then secures a second charge or "equity loan" for the remaining percentage (30%) against the property.

Repayment of the equity loan will occur when the property is re-sold in the future or if the occupier decided to acquire the additional 30% equity. The repayment sum will be linked to the property value and will depend on the value at the time of repayment. The repayment sums will be classed and treated as Section 106 contributions. As at 31 March 2022, 278 equity loans were outstanding totalling £12.829m and possible repayment dates range from 2037 to 2047.

42. Contingent Liabilities

Business Rates Appeals

The Council has made a provision for appeals based upon its best estimate on information from the VOA. There are significant uncertainties as to what the ultimate effect of these backdated appeals will be and there is also a risk that further appeals, both national and local, could be lodged with the Valuation Office Agency under the Check, Challenge, Appeal system which may negatively impact on the Council's financial position.

43. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Director of Resources and Contracts (Deputy Chief Executive, Section 151 Officer) on 29th 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 have been adjusted in all material respects to reflect the impact of this information.

Subsequent to the balance sheet date of these accounts (31st March 2022) but before the external audit of the accounts was completed, the 2022 triennial valuation of the Greater Manchester Pension Fund (GMPF) was finalised. The updated information from the triennial valuation led to a material change in the estimate of the 2021/22 defined pension liability for the Council.

Consequently the 2021/22 statement of accounts have been updated to take account of the latest information for the GMPF pension liabilities. The Movement in Reserves Statement, Balance Sheet, Note 29 Unusable Reserves and Note 40 have all been updated to reflect the change.

The pension liability was amended from £450.691m to £475.034m, a change of £24.343m.

44. Accounting Policies

General Principles

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. These regulations require the Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code), supported by International Financial Reporting Standards (IFRS).

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

Going Concern

The accounts have been prepared on the assumption that the services of the Council will continue to operate for the foreseeable future.

Accruals of Income and Expenditure

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

- Revenue from the sale of goods or the provision of services is recognised in accordance with the terms and conditions and performance obligations specified in the contract.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

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

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than twelve months from the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. This should be equal to either:

- an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance or,
- equal to at least 2.5% of the underlying amount measured by the adjusted Capital Financing Requirement, excluding amounts attributable to Housing Revenue Account (HRA) activity.

Depreciation, impairment and revaluation losses and amortisations are therefore replaced by revenue provision in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction within the Capital Adjustment Account for the difference between the two. There is no requirement to make a repayment of housing debt.

Overheads and Support Services



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

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 and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence 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. They are charged on an accruals basis to the appropriate service.

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.

Pensions

The Council contributes to three different pension schemes;

- Teachers' Pension scheme (unfunded) administered by Capita Teachers' Pensions on behalf of the Department for Education
- Local Government scheme (funded) administered by Tameside MBC
- NHS Pension scheme (unfunded)

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council. However, the arrangements for the Teachers' and NHS schemes mean that liabilities for these benefits cannot be identified. These schemes are therefore accounted for as if it were defined contribution schemes. No liability for future payments of benefits is recognised in the Balance Sheet and the relevant service lines are charged with the employer's contributions payable to the schemes.



The Local Government Pension Scheme

The Local Government scheme is accounted for as a defined benefits scheme.

The liabilities of the Greater Manchester pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method. This is 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 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 high quality corporate bonds).

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
- utilised securities – current bid price
- property – market value

The change in the net pensions liability is analysed into six components:

1. **Current service cost** – the increase in liabilities as a result of years of service earned this year. This is allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
2. **Past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. This is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement to the relevant service heading.
3. **Net interest on the net defined benefit liability (asset)** – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined obligation at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
4. **Expected return on plan assets** – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return. This is credited to Financing and Investment Line in the Comprehensive Income and Expenditure Statement.
5. **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.



- 6. Contributions paid to the pension fund** – cash paid as employer’s contributions to the fund. In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the 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.

Discretionary Benefits

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

Events After the Balance Sheet Date

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

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

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

Financial Assets

Financial assets (e.g. investments and debtors) are classified into three types:

- Amortised cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit and Loss (FVPL)

The categorisation of financial assets into these types are dependent on the reason for holding the assets (to collect cash flows, to sell assets or achieve objectives by other means).



Amortised Cost

These assets relate to financial instruments where the amounts received are solely principal and interest and the assets are held to generate cashflows. The interest received on these assets are spread evenly over the life of these instruments. Any gain or loss in the value of these assets is recognised in the net surplus/deficit on the net provision of services at the point of derecognition (disposal) or reclassification.

Fair Value through Other Comprehensive Income (FVOCI)

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

Changes in the fair value of these assets are charged to the Other Comprehensive Income and Expenditure. Cumulative gains and losses are charged to the surplus/deficit on provision of services when they are disposed of. Where these assets are treated as capital expenditure the gain or loss is reversed to an unusable reserve – the Financial Instruments Revaluation Reserve.

Fair Value through Profit and Loss (FVPL)

These assets relate to the financial instruments where the amounts received are not solely principal and interest. Dividends received are accounted for at the point they are declared.

Changes in fair value are charged to the surplus/deficit on the net provision of services as they occur. Where these assets were treated as capital expenditure the gain or loss is reversed through the Movement in Reserves Statement and charged to an unusable reserve – the Capital Adjustment Account.

An equity instrument that has been classified as FVPL can be designated as FVOCI if it is not held for trading (e.g. Strategic Investment). Once a designation has been made it cannot be reversed. Any gains or losses would be held in the Financial Instruments Revaluation Reserve.

The Council has a 3.22% shareholding in Manchester Airport Holdings Ltd which is classified at fair value through Other Comprehensive Income. The investment in Manchester Airport Holdings Ltd and Manchester Airport Car Park Ltd are equity instruments and as such, the default valuation method is that any gains and losses on changes in fair value would be recognised through profit and loss.

The Manchester Airport Holdings Ltd and Manchester Airport Car Park Ltd shareholdings are strategic investments and are not held for trading, therefore the Council has opted to designate them as fair value through Other Comprehensive Income. This means there is no impact on the revenue budget and the gains and losses on the valuation of the shareholdings will therefore be transferred to the Financial Instruments Revaluation Reserve.



Credit Loss

The Council will recognise a loss allowance for expected credit losses, if applicable, on assets where cash flows are solely principal and interest. This does not apply where the Counterparty is central government or other local authority.

At each year end the loss allowance for a financial instrument is calculated as equal to the lifetime of expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If at year end the credit risk has not increased significantly since initial recognition the loss allowance is measured at an amount equal to twelve month expected credit losses. Where the financial asset was treated as capital expenditure any losses will be reversed via the Movement in Reserves Statement to the Capital Adjustment Account.

Where the Council has made a number of loans to individuals at less than market rates of interest (these are known as soft loans) a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet.

Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain 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. Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

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



Financial Liabilities

Financial liabilities (e.g. borrowings and creditors) 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 that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable 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 re-purchase 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 re-purchase/settlement. However, where re-purchase 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. 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.



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 ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using either the First in First Out (FIFO) or Weighted average costing formula. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Intangible Assets

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

Intangible assets are measured initially at cost. Amounts are only re-valued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion and they are therefore carried at amortised cost.



The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the 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. The Authority has no finance leases.

The Authority as Lessee

Operating Leases

Rentals 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 Authority as Lessor

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 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.



Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

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.

Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor.

As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at current value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

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

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

- **fair value of the services received during the year** – debited to the relevant service in the Comprehensive Income and Expenditure Statement

- **finance cost** – an interest charge of 12% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- **payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- **life cycle costs** – proportion of the amounts payable are treated as revenue expenditure and part of the services element of the unitary payment. Regular replacement of components are treated as part of the finance lease rentals

The cost of the PFI is partly funded from Government Grant. This grant is treated as non-specific and credited to the Taxation and Non Specific Grant Income line on the Comprehensive Income and Expenditure Statement.

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 which will likely require 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.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised 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 authority 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 authority.

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.

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. De minimis levels of £6,000 for vehicles, plant and equipment and £10,000 for land and buildings are in place for the acquisition and creation of Property, Plant and Equipment. A de minimis level of £10,000 is also in place for the capitalisation of expenditure for repairs. 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.

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 Council does not capitalise borrowing costs incurred whilst assets are under construction. 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. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account.

Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.



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

- **Community assets and assets under construction** – depreciated historical cost
- **Infrastructure Assets** – modified historical cost (see Infrastructure Assets section below)
- **vehicles, plant, furniture & equipment** – depreciated historical cost
- **Surplus assets** - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- **school buildings** – current value, however because of their specialist nature they are measured at depreciated replacement cost which is used as an estimate of current value
- **dwellings** – current value determined using the basis of existing use value for social housing (EUV-SH)
- **all other assets** – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

Assets included in the Balance Sheet at current value are re-valued 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.

Where decreases in value are identified, they are accounted for by:

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

The 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 by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement
- where an impairment loss is reversed subsequently, the reversal is credited to the relevant service 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.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services.

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

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

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government.

The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow



(the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of Property Plant and Equipment assets are 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.

Depreciation

Depreciation is provided for on all 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).

Depreciation is calculated by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use according to the following policy:

- newly acquired assets with the exception of vehicles, plant and equipment are depreciated in the year following acquisition.
- newly acquired vehicles, plant and equipment are depreciated in the year of acquisition on a pro-rata basis.
- Assets are not subject to depreciation in the year of disposal.

Depreciation is calculated on the following bases:

- **council dwellings** – based on straight line allocation over the life of the property.
- **other buildings** – straight line allocation over the life of the property as estimated by the valuer, these can range from 10 to 70 years.
- **vehicles, plant and equipment** – straight line allocation over a period of between 3 and 20 years, or over the asset's estimated remaining life.
- **highways infrastructure** – see Infrastructure Assets section below
- **public open space infrastructure** – straight line allocation over 20 years.
- **bridges** – straight line over 80 years.

Each component part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item and has a different useful life shall be depreciated separately. Components with similar useful lives which when combined also have a significant cost in relation to the total cost of the item may be grouped together in determining the depreciation charge.

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



Infrastructure Assets

Infrastructure assets include carriageways, footways, cycle tracks, structures, street lighting, street furniture, traffic management systems and land.

Expenditure on acquisition or replacements of network components is recognised on an accruals basis, provided that it is probable that the future economic benefit associated with the item will flow to the Council and the cost can be measured reliably.

Infrastructure assets are measured at a modified form of historical cost. Opening balances were originally recorded in the balance sheet at amounts of capital undischarged for sums borrowed at 1st April 1994 which is deemed to be historical cost.

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

Depreciation is provided on parts of the highway network infrastructure assets that are subject to deterioration by the allocation of the depreciable amount over their useful lives. The useful lives are detailed below:

- **Carriageways** – 25 years
- **Footways and Cycle Tracks** – 25 years
- **Street Lighting** – 40 years
- **Structures** – 80 years

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off the 'Other Operating Expenditure' line in the CIES as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the CIES, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). The written off amounts of disposal are not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate 129 arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the MiRS.

Fair Value

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

- 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 measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interest).

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

The Council uses appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

- **Level 1** – quoted prices in active markets for identical assets 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 where market data is not available.

A sensitivity analysis will be carried out on those assets assessed as Level 3 where the value exceeds £250k and where significant changes in unobservable inputs would result in a material change in fair value.

Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

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 posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Heritage Assets

Heritage Assets are recognised and measured in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.



Acquisitions are initially recognised at cost and donations are recognised at valuation in accordance with the authority's policy on acquisitions and disposals. The assets are deemed to have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation.

Arts and Artefacts Collection

The total museum collection comprises of an estimated 35,000 objects. This includes well over 4,000 paintings, prints, sketches, musical instruments, decorative arts, pewter and glass items, coins and jewellery. The collection also contains approximately 55 Egyptian artefacts, some of which were revalued by The Manchester Museum and external experts in 2015. The museum collection also contains the Drumcroom art collection which was transferred to the museum in May 2015. This collection is still being documented, although some high value pieces were valued by Christies prior to transfer. When donations to the collection occur they are initially recognised at insurance valuation.

There is a large collection of social and industrial items held in the museum collection, illustrating domestic, civic, religious, leisure and working life in Wigan Borough from the 17th century to present day alongside collections of geology, natural history and archaeology covering a longer historical period. Due to the low value of these individual items they are not recognised on the balance sheet, but some details are available on the museums database. Only the items over £5,000 are included on the Authority's Balance Sheet and reported at insurance value.

The Museum will occasionally dispose of heritage assets in accordance with the Museum Code of Ethics and with approval by the Council if they are not deemed to be relevant to the borough, do not comply with collecting policies or would be better placed in another museum.

Civic Regalia

Items of civic regalia are objects relating to duties of civic office. Examples of civic regalia are the mayoral chains, corporation mace, caskets, badges and other items commemorating civic duty. Civic Regalia are reported in the balance sheet at insurance valuation. These items are available for the public to view; prior arrangements must be made with the Democratic Services Manager. Tel: 01942 827121.



Public / Outside Art

Throughout the borough are numerous items of Outside Public Art/Statues. These items are owned by the Council but have been funded by various external funding sources, e.g. Lottery Fund, European Regional Development Fund, Single Regeneration Budget and private developers. These assets are included in the balance sheet at cost.

Other Heritage Assets

The Council has numerous Cenotaphs, War Memorials and Ancient Crosses within the borough which would fall under the Heritage Assets definition. Due to the historic nature of these assets, no cost or insurance valuation is available and obtaining valuations would involve a disproportionate cost in comparison to the benefits to the users of the Authority's financial statements. Consequently, the Authority does not recognise these assets on the balance sheet.

All items of Heritage Assets are available for the public to view, but prior arrangements must be made. For further information of the museum collection contact the Community History Manager at the Museum of Wigan Life, Library Street, Wigan WN1 1NU. Tel: 01942 828128. Email: wiganmuseum@wigan.gov.uk

Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

Schools Non-Current Assets

The Council recognises schools non-current assets (school buildings and playing fields) on its Balance Sheet where it has direct ownership of the assets, there is formal agreement or evidence that the rights of ownership have been transferred or that these are no longer substantive. Where the non-current 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.

Community schools are owned by the Council and are, therefore recognised on the Balance Sheet.

The legal title of ownership of Voluntary aided and Voluntary Controlled schools lies with the respective Diocese with no rights if ownership transfer to the school or governing bodies, therefore these schools are not recognised on the Balance Sheet.

Where the ownership of a Foundation school lies with a charitable trust, the school is not recognised on the Council's Balance Sheet. Where the ownership lies with the school or the schools Governing Body, the school is recognised on the Council's Balance Sheet.



When a maintained school converts to an Academy, the schools 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 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.

Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current fixed asset has been charged to relevant service account 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 so there is no impact on the level of Council Tax.

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating 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 and 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 kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and they do not represent usable resources for the Council.

Accounting for Council Tax

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund or paid out from the Collection Fund to the major preceptors.

The Council Tax income included in the Comprehensive Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year. Revenue related to council tax shall be 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.

The cash collected by the Council from Council Tax payers belongs proportionately to all the major preceptors. The difference between the amounts collected on behalf of the other major preceptors and the payments made to them is reflected as a debtor or creditor balance as appropriate.

National Non-Domestic Rates (NNDR)

The NNDR income for the year credited to the Collection Fund is the accrued income for the year. Regulations determine when it should be released from the Collection Fund and paid out to major preceptors and the Government. The amount credited to the General Fund under statute is the Council's estimated share of NNDR for the year from the National Non-Domestic Rates (NNDR) 1 return.



The NNDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year from the NNDR 3 return. Revenue relating to non-domestic rates shall be 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.

VAT

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



HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 March 2022

2020/21 £'000		Notes	2021/22 £'000
	Expenditure		
21,785	Repairs & Maintenance	1	32,210
24,223	Supervision & Management	2	23,735
1,409	Rents, Rates, Taxes and Other Charges	3	1,038
27,209	Depreciation and Impairment of Non-Current Assets	4/5	30,251
-94,238	Gain (-) or loss on Revaluation of Stock	4	-95,629
0	Debt Management Costs	6	0
1,176	Movement in the Allowance for Bad Debts	7	1,320
-18,436	Total Expenditure		-7,074
	Income		
-84,744	Dwelling Rents	8/9	-86,144
-370	Non-dwelling Rents	10	-320
-1,581	Charges for Services & Facilities	11	-334
-1,566	Contributions towards Expenditure	12	-1,605
-88,261	Total Income		-88,403
-106,697	Net Cost of HRA Services as included in the whole authority Comprehensive Income & Expenditure Statement		-95,477
120	HRA services share of Corporate and Democratic Core		120
-106,577	Net Cost of HRA Services		-95,357
	HRA share of the operating income and expenditure included in the whole authority Comprehensive Income & Expenditure Statement:		
-1,402	Gain (-) or loss on sale of HRA non-current assets		-1,204
13,539	Interest payable and similar charges	13	13,604
-80	HRA Interest and investment income	14	-90
23	Gain (-) or loss on the Revaluation of HRA Investment Property		-4
-6,151	Capital grants and contributions receivable		-2,815
-100,648	Surplus (-) or deficit for the year on HRA services		-85,866

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2020/21 £'000		Notes	2021/22 £'000
-24,549	Housing Revenue Account surplus brought forward		-24,896
-100,648	Surplus (-) or deficit for the year on the HRA Income and Expenditure Statement		-85,866
100,301	Adjustments between accounting basis and funding basis under the legislative framework	15	95,465
-24,896	Balance on the HRA at the end of the current year	16	-15,297

NOTES TO THE HOUSING REVENUE ACCOUNT

Under Section 74 of the Local Government and Housing Act 1989, the Council is required to keep a separate account in respect of the provision of council dwellings.

The HRA Income and Expenditure 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 by 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 on which rents are raised, is shown in the Movement on the HRA Statement.

1. Repairs & Maintenance

This is the cost of undertaking programmed and day to day responsive repairs to the properties within the HRA.

2. Supervision & Management

This is the cost of managing and delivering services to all of the properties within the Housing Revenue Account.

3. Rents, Rates and Other Charges

This includes all such items the Council is liable to pay in respect of property within the HRA, including the cost of Council Tax on empty properties and various minor charges.

4. Depreciation, Impairment and Revaluation

The depreciation, impairment and revaluation charges for 2021/22 are as follows:

	£'000
Depreciation on Property, Plant and Equipment – Dwellings	26,018
Depreciation on Property, Plant and Equipment – Other Land and Buildings	47
Depreciation on Property, Plant and Equipment – Surplus Assets	0
Depreciation on Property, Plant and Equipment – Vehicles, Plant, Furniture and Equipment	0
Total Depreciation	26,065
Impairment	4,187
Revaluation gain	-95,629
Total	-65,377

The net book value of dwellings was £713.291m in 2020/21 and increased by £80.634m during 2021/22 to £793.925m.

5. Capital Asset Charges Accounting Adjustment

The costs of impairment are included as charges to the HRA Income and Expenditure Account. The effect of the capital asset charges accounting adjustment is that the impairment cost is reversed out of the HRA in the Movement on HRA Statement as this is not a cost that is to be borne by the HRA tenants. For 2021/22 the impairment charge is £4.225m.

6. Debt Management Expenses

This is now shown against 14 HRA Interest and Investment Income.

7. Movement in the Allowance for Bad Debts

Contributions towards the HRA Allowance for Bad Debt amounted to £1.320m compared with £1.176m in 2020/21. £0.080m of debt was written off compared with £0.091m in 2020/21.

Cumulative provisions for uncollectable debts are as follows:

Cumulative provisions for uncollectable debts	£'000	%
31 March 2021	9,833	90.00
31 March 2022	11,073	90.00

Rent Arrears are analysed below:

2020/21 £'000		2021/22 £'000
5,210	Current Tenants Arrears	6,102
5,269	Former Tenants Arrears	5,749
447	Overpaid Housing Benefit	442
10,926	Total Arrears	12,293

8. Dwelling Rents

This is the total income due for the year after allowing for rent lost on void properties. In 2021/22 the void property rent loss was 1.90% compared with 2.37% in 2020/21.

9. Stock Numbers and Valuations

The opening stock at 1 April 2021 was 21,575 properties, with a closing stock at 31 March 2022 of 21,448. The movements in stock are as follows:

	2020/21	2021/22
Opening Stock	21,676	21,575
Disposals		
Right to Buys	-132	-167
Conversions	0	-2
Pending Demolition / Demolished	-74	-1
Re-classified Dwellings (as Surplus Assets)	0	-9
Total Disposals	-206	-179
New Additions		
New Build / Acquisitions / Returned to Stock	105	35
Assets Under Construction	0	17
Total Additions	105	52
Closing Stock	21,575	21,448

The balance sheet value for HRA assets is as follows:

	1.4.21 £'000	31.3.22 £'000
Property, Plant and Equipment – Dwellings	713,291	793,925
Property, Plant and Equipment – Other Land and Buildings	4,880	4,965
Property, Plant and Equipment – Assets Under Construction	5,206	16,667
Depreciation on Property, Plant and Equipment – Plant and Equipment	0	0
Property, Plant and Equipment – Surplus	756	1,792
Intangible Assets	0	0
Assets Held for Sale	158	814
Investment Property	374	378
Total HRA Assets	724,665	818,541

The dwelling values within the above table are on the basis of Social Housing Use.

The market value of HRA properties for 2021/22 was £1.871bn. The balance sheet value of the dwellings within the HRA is reduced to show the economic cost to Government of providing council housing at less than market rents.

10. Non-Dwelling Rents

This is rental income from garages.

11. Charges for Services and Facilities

Amounts charged to tenants in respect of items such as heating, lighting, caretaking, wardens etc.

12. Contributions towards Expenditure

Various contributions including:

- Tenants rechargeable repairs
- Settlement of insurance claims

13. Interest Payable and Similar Charges

This is interest payable on the HRA debt outstanding.

Interest charges have increased from £13.493m in 2020/21 to £13.553m in 2021/22. As at 31 March 2022 the amount of HRA debt outstanding was £316.428m.

14. HRA Interest and Investment Income

This comprises interest on cash balances and interest from HRA mortgage loans. The cost of managing the HRA debt portfolio for 2021/22 was £51k.

15. Adjustment between Accounting Basis and Funding Basis under statute

This comprises of the reversal of the charge for impairment, revaluation of assets and the capital grants credited to the HRA Statement.

16. Funding the 2021/22 HRA Capital Expenditure

	£'000
Capital Expenditure 2021/22	
Funded by:	
Contributions from the Major Repairs Reserve	24,682
Borrowing	5,000
Revenue Contributions to Capital Expenditure	0
Usable Capital Receipts	1,134
Other Grants and Contributions	2,815
Total Funding 2021/22	33,631

The total Capital Grants received in 2021/22 was £2.815m which has been used in full for works completed in 2021/22. £873k of retained Right to Buy receipts were used towards building affordable homes, leaving a balance of £10.221m in retained receipts for future building projects.

Summary of Capital Receipts 2021/22

	£'000
Disposal of Dwellings (Right to Buy)	-7,862
Disposal of HRA Land & Other Receipts	-260
Total Capital Receipts 2021/22	-8,122

17. Transfer to / from Capital Adjustment Account

No voluntary debt repayments were made in 2021/22.

18. Transfer to / from Major Repairs Reserve

This transfer from the Major Repairs Reserve is in respect of depreciation on non-dwelling assets.

Major Repairs Reserve Movements 2021/22

	£'000
Opening Balance at 1 April 2021	-24,034
Transfers into the MRR 2021/22	-26,065
Expenditure charged to the MRR in 2021/22	24,682
Revenue Provision on legacy debt from the MRR in 2021/22 to the HRA	3,542
Closing Balance at 31 March 2022	-21,874

This is a statutory reserve maintained to show how the HRA Major Repairs Allowance funding has been used. The reserve commenced the financial year with a balance of -£24.034m.

In 2021/22 funding of -£26.065m was received, which was used in part during the financial year to pay for major refurbishment works to Council dwellings & debt repayments. The reserve has a -£21.874m balance to carry forward to 2022/23.

19. Surplus at 31 March 2022

£9.599m was required from reserves to balance the HRA account as at 31 March 2022. The accumulated HRA surplus as at 31 March 2022 of -£15.297m is carried forward into 2022/23 for use in future years.

THE COLLECTION FUND STATEMENT FOR YEAR ENDED 31 MARCH 2022

The Collection Fund reflects the statutory requirement for billing authorities to establish and maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and Non-Domestic Rates (NDR). There is no requirement for a separate Collection Fund balance sheet, however the relevant transactions are incorporated into the Council's balance sheet.

The transactions of the Collection Fund are wholly prescribed by legislation. Billing authorities have no discretion to determine which receipts and payments are accounted for within the fund and which outside.

Business Rates 2020/21 £'000	Council Tax 2020/21 £'000	Total 2020/21 £'000		Business Rates 2021/22 £'000	Council Tax 2021/22 £'000	Total 2021/22 £'000
			Income			
0	146,895	146,895	Council Tax Receivable	0	155,539	155,539
0	3,432	3,432	Council Tax Section 13A 1 c Discounts Transferred to General Fund	0	29	29
44,184	0	44,184	Income from Business Ratepayers	70,984	0	70,984
0	0	0	Contribution towards previous years Collection Fund deficit	42,325	328	42,653
44,184	150,327	194,511		113,309	155,896	269,204
			Precepts, Demands and Shares			
81,732	121,320	203,052	Wigan Council	82,227	126,707	208,934
0	19,205	19,205	Greater Manchester Mayoral – Police and Crime Commissioner	0	20,215	20,215
826	6,104	6,929	Greater Manchester Mayoral – Fire Service	831	6,130	6,961
0	2,282	2,282	Greater Manchester Mayoral – Mayor	0	2,292	2,292
1,553	0	1,553	Transitional Protection Payments	736	0	736
1,673	350	2,023	Contribution towards previous years Collection Fund surplus	0	0	
85,784	149,261	235,044		83,794	155,344	239,137
			Charges to Collection Fund			
4,657	4,170	8,827	Increase / Decrease in Bad Debt Provision	3,907	1,101	5,008
2,896	0	2,896	Increase / Decrease in Provision for Appeals	3,603	0	3,603
-2,209	0	-2,209	RV List Amendments charged to Provision	-1,743	0	-1,743
369	0	369	Cost of Collection	369	0	369
5,714	4,170	9,883		6,138	1,101	7,238
-47,313	-3,104	-50,416	Surplus / Deficit (-) arising in the year	23,377	-549	22,828
1,675	-513	1,162	Surplus / Deficit (-) b/fwd 1 April	-45,638	-3,616	-49,254
-45,638	-3,616	-49,254	Surplus / Deficit (-) c/fwd 31 March	-22,261	-4,165	-26,426
			Allocated to:			
-45,182	-2,949	-48,131	Wigan Council	22,038	3,371	25,409
0	0	0	Central Government	0	0	0
0	-470	-470	Greater Manchester Mayoral – Police and Crime Commissioner	0	546	546
-456	-143	-600	Greater Manchester Mayoral – Fire Service	223	171	394
0	-54	-54	Greater Manchester Combined Authority	0	77	77
-45,638	-3,616	-49,254		22,261	4,165	26,426

NOTES TO THE COLLECTION FUND

1. Council Tax

Collection Fund deficits or surpluses declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting authorities in the subsequent financial year. The precepting bodies are the Police and Crime Commissioner for Greater Manchester, Greater Manchester Fire and Rescue Authority and Greater Manchester Combined Authority (Mayor).

For 2021/22, the proportions were as follows:

	%
Wigan Council	81.57%
Police Crime and Commissioner for Greater Manchester	13.01%
Greater Manchester Fire and Rescue Authority	3.95%
Greater Manchester Combined Authority	1.47%

Council Tax charges are calculated by estimating the amount of income required from the Collection Fund by the Council and precepting authorities for the forthcoming year and dividing this by the Council Tax base (i.e. the number of Band D equivalent dwellings).

The Council Tax base for 2021/22 was 92,600 (92,200 in 2020/21) calculated as follows:

Tax Base

Council Tax Bands (No. of Properties)			
Band	Number of chargeable dwellings	Multiplier	Band D equivalent dwellings
A	44,753	6/9	29,835
B	27,107	7/9	21,083
C	21,198	8/9	18,842
D	11,448	9/9	11,448
E	6,293	11/9	7,692
F	1,816	13/9	2,624
G	618	15/9	1,030
H	23	18/9	47
Total Band D Equivalent	113,256		92,600

The average Council Tax for Band D dwellings for the Council and major precepting authorities was £1,688.76.

2. Non-Domestic Rates

The Council collects NDR for its area based on local rateable values provided by the Valuation Office. The Rateable Value is multiplied by a multiplier rate set by Central Government. From 2017/18, the Council will retain 99% of Business Rates collected locally (previously 49%) as part of the 100% Business Rate Retention Pilot. The increased rates are in lieu of Revenue Support Grant and Public Health Grant.

The total non-domestic rateable value at the year-end was £211,225,252.

The national multipliers are as follows:

	2020/21	2021/22
Standard Business rate	51.2p	51.2p
Small Businesses rate	49.9p	49.9p

Wigan Council is part of the Greater Manchester 100% business rates pilot. Authorities receive 99% of their business rates income in lieu of Revenue Support Grant and Public Health Grant. The Business Rates shares payable for 2021/22 were estimated before the start of the financial year as £82.227m to Wigan Council (99%), £0.831m to Greater Manchester Fire (1%) and £0 to Central Government.

Any year end surplus or deficits will be shared between the two bodies in the proportions mentioned above and taken into account in their budget processes in the following year.

3. Contributions to Collection Fund Surpluses and Deficits

The Council under statute has to prepare an estimate each January of the surplus or deficit expected to arise at the end of the financial year. In January 2021, it was estimated that the following amounts would arise at the end of 2020/21 and therefore be due from the preceptors in 2021/22.

	Estimated Deficit Council Tax £'000	Estimated Deficit NDR £'000
Wigan Council	267	41,902
Greater Manchester Mayoral – Fire Service & Mayor	18	423
Greater Manchester Mayoral – Police and Crime Commissioner	42	0
Total	327	42,324

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director Finance and Legal (Section 151 Officer).
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- to consider and if agreeable approve the Statement of Accounts.

In accordance with the decision of the Audit, Governance and Standards Committee held on 10th November 2022 where delegated authority was given, I hereby approve the accounts for Wigan Council for the year ended 31 March 2022.

Councillor Charles Rigby
Audit Committee Chair
1st May 2024

The Director Finance and Legal (Section 151 Officer) Responsibilities

The Director of Finance and Legal (Section 151 Officer) is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

In preparing this Statement of Accounts, the Director of Finance and Legal (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
- kept proper up to date accounting records
- taken reasonable steps for the prevention and detection of fraud and other irregularities
- dated the Statement of Accounts, to the effect that it presents fairly the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2022.

I certify that the Responsibilities for the Statement present a true and fair view of the financial position of Wigan.

A Clarke (CPFA)
Director of Finance and Legal (Section 151 Officer)
1st May 2024

GLOSSARY

A

ACCRUALS

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

ACCUMULATED ABSENCES

Leave, Flexi-time and Time in Lieu that has not been taken at the end of the financial year.

ACTUARY

An actuary is a business professional who deals with the financial impact of risk and uncertainty.

AGENCY ARRANGEMENTS

Services performed by or for another Authority or public body, where the agent is reimbursed for the cost of the work done.

AMORTISATION

The measure of the consumption or other reduction in the useful economic life of an intangible asset, whether arising from use, passage of time or obsolescence through technological or other changes.

B

BUDGET

A statement defining in financial terms the Authority's plans over a specified period. The budget is prepared as part of the process of setting the Council Tax.

C

CAPITAL ADJUSTMENT ACCOUNT

This provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital control system.

CAPITAL EXPENDITURE

Expenditure on the acquisition of fixed assets such as land, buildings, vehicles and equipment which are of long term value, or expenditure which adds to and not merely maintains the value of existing fixed assets.

CAPITAL FINANCING COSTS

Each service is charged with an annual capital charge to reflect the cost of fixed assets used in the provision of services.

CAPITAL FINANCING REQUIREMENT

This measures the underlying need to borrow to finance capital expenditure.

CAPITAL RECEIPTS

Money received from the sale of capital assets such as land, buildings and vehicles which may be used to repay outstanding debt or to finance new assets.

COLLECTION FUND

The Collection Fund is a separate statutory fund which details the transactions in relation to Non-domestic Rates and the Council Tax and the distribution to preceptors and the General Fund. The Collection Fund is consolidated with the other accounts of the Authority.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core is concerned with the costs of corporate policy making and member based activities. Other costs relate to the general running of the Authority including corporate management, public accountability and treasury management.

CORPORATE GOVERNANCE

This is concerned with the Council's accountability for the stewardship of resources, risk management and relationship with the community. It also encompasses policies on whistle blowing, fraud and corruption.

COUNCIL TAX

This is a banded property tax levied on domestic properties in the Borough. The banding is based on estimated property values.

CREDITORS

Amounts owed by the Authority for work done, goods received or services rendered but for which payment has not been made at the balance sheet date.

D

DEBTORS

Amounts owed to the Authority for work done, goods received or services rendered but for which payment has not been received at the balance sheet date.

DEFERRED LIABILITIES

These are liabilities which are payable beyond the next year and are primarily mortgage repayments and transferred debt.

DEFINED BENEFIT PENSION SCHEME

A defined benefit pension scheme is one where retirement benefits are determined independently of the investments of the scheme and employers have obligations to make contributions where assets are insufficient to meet employee benefits. The Local Government scheme is classified as a defined benefit scheme.

DEPRECIATION

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

DONATED ASSETS

Assets transferred at nil value or acquired at less than fair value.

F

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.

FINANCIAL INSTRUMENTS

This is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another. The term covers both financial assets (e.g. loans receivable) and financial liabilities (e.g. borrowings).

FUNDED PENSION SCHEME

A funded pension scheme is one in which the future liabilities for pension benefits are provided for by the accumulation of assets held externally to the employer's business.

H

HERITAGE ASSETS

These are held by the Council principally for their contribution to knowledge and culture.

HOUSING REVENUE ACCOUNT

The Housing Revenue Account is a statutory account maintained separately from General Fund services. It includes all revenue expenditure and income relating to the provision, maintenance and administration of Council Housing and associated areas.

I

IMPAIRMENT

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

INTANGIBLE ASSETS

These are assets that have no physical substance, for example computer software licences.

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)

Defined Accounting Standards that must be applied by all reporting entities to financial statements in order to provide a true and fair view of their financial position and enables a standardised method of comparison with the financial statements of other entities.

L

LOCAL AUTHORITY (SCOTLAND) ACCOUNTS ADVISORY COMMITTEE (LASAAC)

Is an independent committee that develops and promotes proper accounting practice for Local Government

M

MEDIUM TERM FINANCIAL PLAN (MTFP)

A financial plan detailing projected expenditure and available resources over a period of three years.

MINIMUM REVENUE PROVISION (MRP)

This is the minimum amount which must be set aside from revenue as provision for debt repayment. For this Authority it is currently 2.5% of the internal and external debt outstanding at the start of the year.

N

NON-DOMESTIC RATES (NDR)

These are often referred to as Business Rates and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines the national rate poundage and Local Authorities collect the sums due, with distribution made in accordance with rules governing the Business Rates retention scheme.

NET-BOOK VALUE

The amount at which fixed assets are included in the balance sheet, either at historical cost or current cost less cumulative depreciation.

NET REALISABLE VALUE

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

NON-DISTRIBUTED COSTS

Costs incurred by the Authority which are excluded from service costs. These include past service costs relating to changes in pension regulations, the costs associated with unused shares of IT facilities and impairment losses relating to assets under construction.

P

POOLED BUDGETS

Where services provided are closely linked, for example health and social care, partnership agreements are set up whereby the service provision is funded jointly by two or more partner organisations.

PRECEPTS

An amount of money levied by one authority (the precepting authority), which is collected by another authority (the collecting authority) as part of the council tax.

PRIVATE FINANCE INITIATIVE (PFI)

A partnership between the private and public sectors which uses private sector financing to provide public sector assets. The partnership has to meet certain criteria in order to qualify for Central Government subsidy.

PROVISIONS

An amount set aside to provide for a liability which is likely to be incurred but the exact amount and date it will arise is uncertain.

PRUDENTIAL BORROWING

The set of rules governing local authority borrowing in the UK. Under prudential borrowing, the amount of debt and other liabilities most local authorities can incur is no longer capped by an upper limit. Instead borrowing must conform to the Prudential Code which (among other things) requires that borrowing be affordable and prudential.

R

RESERVES

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

REVALUATION RESERVE

This records unrealised gains made by the Council arising from increases in the value of Property, Plant and Equipment.

REVENUE EXPENDITURE

This is the day to day running costs the Authority incurs in providing the service.

REFCUS

Revenue expenditure funded by capital under statute.

S

SECTION 106

A legally binding agreement or planning obligation with a landowner in association with the granting of planning permission.

U

UNFUNDED PENSION SCHEME

This is one in which liabilities for pension benefits are charged to the employer's revenue account in the year in which they arise and are not financed from investments held.

V

VOLUNTARY REVENUE PROVISION (VRP)

The VRP is a voluntary revenue contribution for the repayment of debt. It recognises the shorter life span of a number of assets i.e. vehicles that would become obsolete before the original debt has been repaid.

TERMS OF REFERENCE

REGULATORY BODIES, OTHER BODIES AND REGULATORY FRAMEWORK

C

Chartered Institute of Public Finance and Accountancy (CIPFA)

The leading professional body for public sector accounting which sets accounting standards for the public sector. CIPFA advises central government and other bodies on local government and public sector finance matters.

<https://www.cipfa.org/>

Code of Practice on Local Government Accounting in the United Kingdom 2021/22

Detailed guidance on the proper accounting treatment to be used in the preparation of local authority statement of accounts.

Department for Levelling Up Homes and Communities (DLUHC)

DLUHC issues government lead initiatives on issues such as fire prevention, emergency planning and training. CLG is also a major funding source.

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government>

D

Department for Education (DFE)

UK government department with responsibility for infant, primary and secondary education.

<http://www.education.gov.uk/>

Department for the Environment, Food and Rural Affairs (DEFRA)

This government department integrates environmental, social and economic objectives. DEFRA promotes sustainable development as the way forward for Government.

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>

Department for Work and Pensions (DWP)

UK government department with responsibility for welfare and pension policy.

<https://www.gov.uk/government/organisations/department-for-work-pensions>

G

Greater Manchester Combined Authority (GMCA)

The ten authorities in Greater Manchester are the first in the country to develop a statutory Combined Authority which will co-ordinate key economic development, regeneration and transport functions. The Greater Manchester Combined Authority (GMCA) was established on the 1 April 2011.

<https://www.greatermanchester-ca.gov.uk/>

H

Her Majesty's Revenue and Customs (HMRC)

HMRC is the body with the legal responsibility for collecting the bulk of tax revenue.

<http://www.hmrc.gov.uk/>

Homes England (HE)

The HE is the national housing and regeneration delivery agency for England and also has regulatory responsibility for social housing providers.

<https://www.gov.uk/government/organisations/homes-and-communities-agency>

Home Office (HO)

The Home Office is the lead government department responsible for immigration and passports, drugs policy, crime, counter-terrorism and police.

<https://www.gov.uk/government/organisations/home-office>

I

International Accounting Standards Board (IASB)

The independent standard setting body that are responsible for the development and publication of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

O

Office for Standards in Education, Children's Services and Skills (OFSTED)

Inspects and regulates educational services in the UK and promotes educational, economic and social well-being of children, young people and adult learners.

<http://www.ofsted.gov.uk/>

P

Public Works Loan Board (PWLB)

This is a government agency which provides long-term loans to public bodies at more economical rates than what would be obtained commercially.

<https://www.dmo.gov.uk/responsibilities/local-authority-lending-pwlb/about-pwlb/>

R

Royal Institute of Chartered Surveyors (RICS)

Accrediting body for the surveying profession. Surveyors who value our properties must be RICS accredited.

<http://www.rics.org/uk/>

S

Society of Local Authority Chief Executives and Senior Managers (SOLACE)

SOLACE is the representative body for senior strategic managers working in the public sector. The society promotes effective local government and provides professional development for its members.

<http://www.solace.org.uk/>

T

Teachers Pension Agency (TPA)

The agency administers the Teachers pension scheme in England and Wales on behalf of the Department for Education.

<https://www.teacherspensions.co.uk/>

V

Valuation Office Agency (VOA)

The VOA is an executive agency of HM Revenue & Customs (HMRC) who provide the Government with the valuations and property advice required to support taxation and benefits. They also deliver a range of statutory and non-statutory valuation and surveying services to public sector bodies.

<http://www.voa.gov.uk/>

FUNDING

D

Dedicated Schools Grant (DSG)

The Council's expenditure on schools is funded primarily by grant monies provided by the DfE. DSG is ring-fenced and can only be applied to meet expenditure included in the schools budget, as defined in the School Finance (England) Regulations 2012.

N

Non-Domestic Rate (NDR)

The operation of NDR follows a similar process to Council Tax where an assessment of the receipts which can be raised will be forecast by the Council and this will be shared between the Council, The Greater Manchester Combined Authority and Greater Manchester Mayor for Police and Fire Services. Any year end surplus or deficits will be shared between the three bodies and taken into account in their budget processes in the following year.

S

SCHEMES

Local Government Pension Scheme (Greater Manchester Pension Fund)

This is a defined benefit scheme meaning that the authority and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pension liabilities with investment assets. This scheme is administered by Tameside Council on behalf of the authority and other public sector organisations in Greater Manchester.

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by the Teachers' Pension Agency (TPA). It provides teachers with defined benefits upon retirement and the council contributes towards those costs by making contributions based on members' pensionable salaries.

NHS Pension Scheme

The Scheme provides these staff with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

OTHER TERMS OF REFERENCE

C

CCG (Clinical Commissioning Group)

Clinical Commissioning Groups are authorised to provide healthcare services for their communities following the transition from the PCTs (Primary Care Trusts) on 1 April 2013. The Wigan Borough Clinical Commissioning Group is the statutory body responsible for commissioning local health services in Ashton, Leigh and Wigan.

L

LMS (Local Management of Schools)

Under this programme, the schools within the authority have the responsibility of effectively managing their own bank account.

S

SEN (Special Educational Needs)

There are a number of SEN projects running across the Council. The ultimate aim of the schemes is to ensure that every child with special educational needs reaches their full potential in school and can make a successful transition to adulthood. The Council does this by promoting the welfare and interests of disabled children and offering advice for parents, teachers and other professionals working with children with special educational needs.