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**TRAFFORD
COUNCIL**

AGENDA PAPERS FOR ACCOUNTS AND AUDIT COMMITTEE

Date: Wednesday, 5 February 2025

Time: 6.30 pm

**Place: Committee Rooms 2 and 3, Trafford Town Hall, Talbot Road, Stretford,
M32 0TH**

A G E N D A	PART I	Pages
1. ATTENDANCES		
To note attendances, including Officers and any apologies for absence.		
2. DECLARATIONS OF INTEREST		
Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.		
3. QUESTIONS FROM MEMBERS OF THE PUBLIC		
A maximum of 15 minutes will be allocated to public questions submitted in writing to Democratic Services (democratic.services@trafford.gov.uk) by 4 p.m. on the working day prior to the meeting. Questions must be within the remit of the Committee or be relevant to the items appearing on the agenda and will be submitted in the order in which they were received.		
4. MINUTES		1 - 8
To receive and if so determined, to approve as a correct record the Minutes of the meeting held on 21 st November 2024.		
5. EXCLUSION RESOLUTION		
Motion (Which may be amended as Members think fit):		
That the public be excluded from this meeting during consideration of the first item on the agenda, because of the likelihood of disclosure of		

“exempt information” which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

6. STRATEGIC RISK UPDATE: CYBER SECURITY

To consider a report from the Chief Digital Officer. 9 - 24

7. STAR PROCUREMENT UPDATE 25 - 36

To receive a report from the Director of Procurement STAR.

8. 2023/24 ANNUAL GOVERNANCE STATEMENT 37 - 76

To receive a report from the Senior Democratic Support Officer.

9. 2023/24 AUDITOR'S STRATEGY MEMORANDUM AND AUDIT COMPLETION REPORT 77 - 124

To receive a report from the External Auditor, FORVIS MAZARS.

10. 2023/24 ACCOUNTS 125 - 316

To receive a report from the Director of Finance and Systems.

11. TREASURY MANAGEMENT ANNUAL STRATEGY REPORT

To receive a report from the Director of Finance and Systems.

12. BUDGET MONITORING 2024/25 - PERIOD 8 317 - 378

To receive a report from the Director of Finance and Systems.

13. 2024/25 AUDIT AND ASSURANCE SERVICE UPDATE REPORT - OCTOBER TO DECEMBER 2024 379 - 392

To receive a report from the Audit and Assurance Manager.

14. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2024/25 393 - 396

To consider a report of the Audit and Assurance Manager.

15. URGENT BUSINESS (IF ANY)

Any other item or items which by reason of special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

SARA TODD

Chief Executive

Membership of the Committee

Councillors B. Brotherton (Chair), J. Lloyd (Vice-Chair), J.M. Axford, J. Brophy, G. Carter, M.J. Welton, Platt, S. Zhi, O.J. Baskerville and M. Cordingley.

Further Information

For help, advice and information about this meeting please contact:

Stephanie Ferraioli, Democratic Officer

Email: stephanie.ferraioli@trafford.gov.uk

This agenda was issued on **Tuesday, 28 January 2025** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall; Talbot Road, Stretford, Manchester, M32 0TH

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The whole of the meeting will be filmed, except where there are confidential or exempt items.

If you make a representation to the meeting you will be deemed to have consented to being filmed. By entering the body of the Committee Room you are also consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you do not wish to have your image captured or if you have any queries regarding webcasting of meetings, please contact the Democratic Services Officer on the above contact number or email democratic.services@trafford.gov.uk

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ACCOUNTS AND AUDIT COMMITTEE

21 NOVEMBER 2024

PRESENT

Councillors: B. Brotherton (Chair), J. Lloyd (Vice-Chair), J. Axford, O. Baskerville, J. Brophy, G. Carter, M Cordingley, M. Welton.

In attendance

Jeannie Platt	Independent Member
Alastair Newall	External Auditor
Graeme Bentley	Director of Finance and Systems
Dave Muggeridge	Head of Financial Management
Frank Fallon	Strategic Finance Manager
Mark Foster	Audit and Assurance Manager
Stephanie Ferraioli	Democratic Officer

1. ATTENDANCE

An apology for absence was received from Councillor Zhi.

2. DECLARATION OF INTEREST

No declaration was disclosed against any of the items on the Agenda.

3. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions from members of the public were received.

4. MINUTES

RESOLVED – That the Minutes of the meeting held on 25 September 2024 be noted as a correct record.

5. 2022/23 AUDIT COMPLETION REPORT- FORVIS MAZARS

The Council's External Auditor updated the Committee on the audit work completed to date, stating that there was no significant issues to report on, other than two classification amendments the Council made on the report: one an internal control recommendation and one related to the valuation of Property, Plant and Equipment; however, these are not a matter for concern.

He stated that the Value for Money arrangements work is completed and section 4 of the report identifies one weakness relating to the Council's financial sustainability which is a reflection of the challenges the Council is facing with limited resources in the current financial climate.

However, the valuations and group accounts are two large and complex areas of the audit work requiring more time to be completed and an update on both areas will be available at the meeting in February.

Members enquired about the increase in asset value for the Stretford Mall and the partnership with Bruntwood over the acquisition of the precinct area.

RESOLVED – That the report update be noted.

6. 2022/23 ACCOUNTS

The Director of Finance and Systems explained the update report on the 2022/23 accounts was for noting and once approved by the Committee and signed off then they can be considered complete.

The difficulties in achieving the completion of the audits work due to the changing national deadlines, has been challenging and has a reputational impact on the Council.

Members enquired whether it was possible to obtain further funding through grants in the future.

RESOLVED:

- 1) That the Committee approve the 2022/23 Accounts
- 2) That the report update be noted.

7. TREASURY MANAGEMENT 2024/25 MID-YEAR PERFORMANCE REPORT

The Strategic Finance Manager reported on the activities and performance related to the Treasury Management function. He reminded the Committee of the changes in regulations that came into effect back in April 2024 and informed of the amended Minimum Revenue Provisions (MRP).

RESOLVED:

- 1) That the Committee note the amended Minimum Revenue Provision (MRP) as per Appendix C of the mid-year report.
- 2) That the Treasury Management 2024/25 report update be noted.

8. ANNUAL INSURANCE REPORT 2024

The Head of Financial Management provided an overview of the Annual Insurance report guiding Members to page 277 of the report where a complete list of the type of insurance and liability covered can be found and informing of the Insurance activities for 2023/24.

Concerns were expressed about Tree claims and the damage to residents' walls particularly if the damage was caused by highway trees and the resulting claims.

Tree claims are brought under the Tort of nuisance and therefore, strict liability applies. In short, the owner (or controller) of a tree whose roots can be shown to have encroached on neighbouring land/property is liable to the owner of that property for the resultant damage.

Trafford undertook a tree liability review in 2020/21 and this led to revisions of policy and investment into new software to support risk mitigation. The Council is aware that external factors such as extreme weather, now being experienced in the UK, and climate change will always contribute to an increase in risk exposure.

The Committee discussed the recent report that speed limits imposed in Wales had shown a reduction in insurance claims with the insurance company Esure seeing a 20% fall in claims for car accidents in Wales since the 20mph speed limit was introduced.

However, the report does not refer to a correlation to lower speed limits and lower insurance payments made by Welsh Local Authorities for third party damage caused by highway defects. The Council's Actuary evaluates our current financial risks only and has made no reference to potential reductions in insurance liability as a result of policy decisions on changes to speed limits.

Members also expressed concerns over the possibility of residents tripping over EV chargers across pavements and queried whether there was an appropriate model recommended by the Council.

Trafford Council collaborated with BE.EV supplier who provides a service across the borough and beyond and are working to increase the number of on-street charging options such as through connections to lamp posts.

Trafford Council does not provide trail cables across the footway or footpath nor recommends a specific type: -

- It is the users' responsibility to ensure it is done safely and that they consider legislation.
- It is advised that the user contacts their home insurer to confirm that any existing policy covers trailing cables to their car.
- Trailing cables can cause obstruction problems for all – the Council can remove cables that are inappropriately used.
- Any liability for trailing a cable is the users responsibility.
- Users should deploy a fit for purpose cable protector, robust enough to take the weight of any cross-over movements which can easily be demarked from the footway (e.g. inclusive of yellow strips). Note – these can still cause a tripping hazard and obstructions.
- Consideration must be given by the user to ensure its safe deployment.

Semi-permanent options – such as cable gullies

- The Council does not permit cable gullies at present.
- If any position is approved any licensing agreement would have to be agreed prior.

RESOLVED – That the update report be noted.

9. BUDGET MONITORING REPOT 2024/25 - PERIOD 6

The Director of Finance and Systems ran through the mid-year projection of the Council's budget position highlighting key parts: the main table on page 282 of the report showing the projected overspend for the year at £3.6m and the table on page 283 listing the items that contributed to the position which have been previously reported to Committee, such as the continued pressures on Children's placements, Adults Social Care demands increasing again and the cost of temporary accommodation.

The Director of Finance and System explains that in particular, the cost of temporary accommodation is a cause for concern. Although this is a common factor for most authorities, it does present a challenge for Trafford Council.

Senior Leadership and the Finance and Change Board are monitoring the spending and identifying ways to mitigate the position.

In terms of the school budgets as can be seen on page 291 of the report, there are huge pressures forecasted at year end with a deficit of £20m and the team is working with other authorities and the DfE around mitigation strategies.

Members expressed concerns relating to the possibility of recovering the forecast £3.6 m overspend in years to come and were informed that conversations are already ongoing for the children's budget for 2025/26 with measures in place to mitigate costs.

Concerns were expressed relating to the lower than expected income for Trafford Leisure. However, the Leisure income is largely in line with budget. Trafford Council and Trafford Leisure are aware of competing offers and the ability to maintain business continuity and membership levels whilst also considering the disruption and displacement of activity during our leisure investment programme. Informed by phasing of the Leisure Investment programme, competing offers and using latest budget positions, an independent Leisure Consultant has now completed a 5-year business plan across the leisure estate which helps forecast the income and expenditure across Trafford Leisure estate.

It was reported that some complex mental health needs in adults are costing a much higher proportion than other mental health needs.

The costs for extremely complex mental health needs can be excessively high and at present Trafford Council has only one such case and work is being carried out with colleagues in Public Health to assess eligibility for Health Funding.

Members queried the transitioning costs from Children's Placements and were informed that each transition from Children's Services is managed under the Preparing For Adulthood workstream and that the Directorates work closely together to ensure a smooth transition into Adult Social care. Each transition is managed on a case by case basis and there are individual agreements on the cost share between the Directorates depending on what is right for the individual.

Members also queried whether there were any plans to close Sale Waterside Town Hall with staff moving from Sale to Trafford Town Hall to reduce property costs and whether the plans to close the Trafford Town Hall on Fridays as discussed previously were still being considered, especially given that a lot of employees work from home on occasion.

The utilisation of Sale Waterside and Trafford Town Hall is being reviewed with Passive Infrared Sensors installed across both buildings that will provide a clearer picture on

capacity requirements by the end of December. The data gathered will inform decisions about the amount of space that is occupied.

Sale Waterside is financed through a PFI contract which does not end until 2028. This impacts on the savings that can be achieved in the short term. The Council is however looking at short term options to reduce costs at Sale Waterside including the consolidation of staff onto fewer floors to reduce utility costs.

The use of Trafford Town Hall on Fridays was also reviewed. Front line services utilise the Town Hall, including NHS staff which are not able to work fully remotely and therefore closing the building on a Friday would have a material impact on service delivery.

RESOLVED:

- 1) That a detailed report on the cost of temporary accommodation be provided at a future meeting.
- 2) That the update report be noted.

10. STRATEGIC RISK REGISTER – NOVEMBER 2024 UPDATE

The Audit and Assurance Manager updated the Committee on key changes to the Risk Register based on information collated from officers during the month of October and November 2024.

Risk 1, we can see this has increased to 25 mostly due to pressures from increasing demand in areas including Children's placements and temporary accommodation. Risk 5 covering Information Governance has reduced due to progress within the team now fully staffed.

The Audit and Assurance Manager informed that the register has been reviewed to reflect the new corporate priorities and further updates will be shared at future meetings.

RESOLVED: That the update be noted.

11. 2024/25 AUDIT AND ASSURANCE SERVICE UPDATE REPORT - JULY TO SEPTEMBER 2024

The Audit and Assurance Manager provided an update on the internal audit work during the period from July to September 2024 with the focus on a number of final audits issued across several areas.

In terms of the opinion levels all audits were either the highest or second highest opinions with one “substantial” and the others were “reasonable” opinions. All recommendations from final audit reports issued in the quarter were accepted.

The Audit and Assurance Manager informed that the team continues to work on the National Fraud Initiative which is based on a two year cycle and the new cycle is about to start. This will see a series of data matching exercises to be set out to investigate and an update on progress will be available at the next meeting.

In section 9 of the report, Members can find a summary of the upcoming work relating to Budgetary Control and Building Control.

He reminded of the upcoming changes in the internal audit standards by CIPFA which are to come into effect in April 2025.

RESOLVED – That the report update be noted.

12. ACCOUNTS AND AUDIT COMMITTEE – WORK PROGRAMME 2024/25

The Audit and Assurance Manager explained that there have been some updates to the work programme and informed Members that an update on Cyber Security will be provided at the meeting in February as previously stated, the climate change update is expected for the meeting in March and the Treasury management training is being arranged and Members will be invited to attend via a TEAMS invite.

RESOLVED – That the report update be noted.

13. URGENT BUSINESS (IF ANY)

Following debate with Members the Chair agreed to set future pre-meetings via TEAMS to allow for informal discussions ahead of the Accounts and Audit Committee meetings.

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Trafford Account and Audit Committee
5th February 2025
STAR/Trafford Update

Nichola Cooke, Asst. Director (Development)
Michael Sellors, Asst. Director (Delivery)

Agenda:

STAR 23/24 Performance

Trafford Q2 24/25 Performance

Social Value Performance Q3 24/25

2024/25 added value

New Business Plan

What's Next 2025 onwards

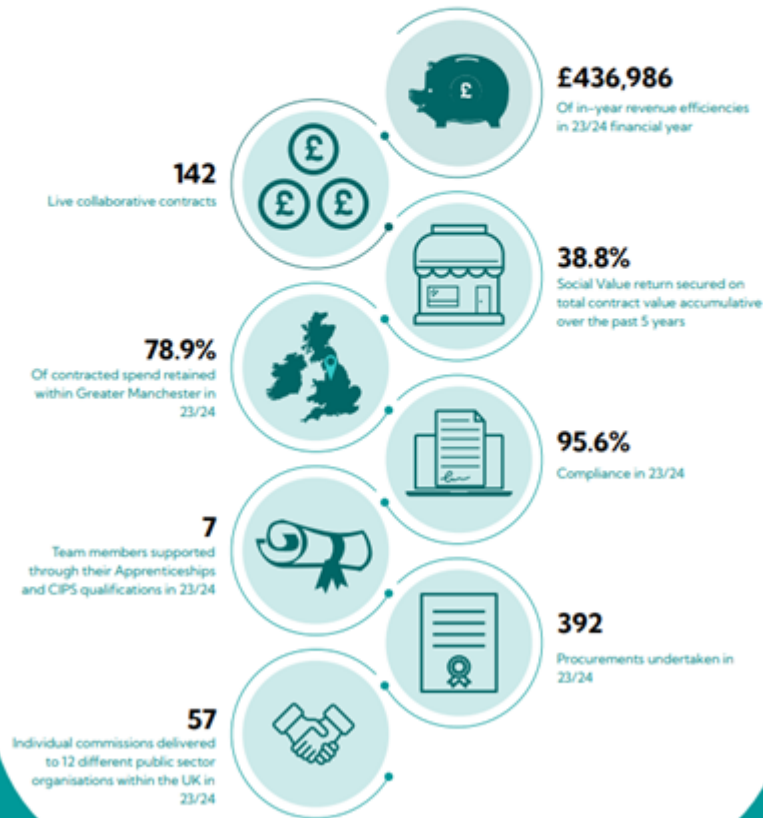
Questions

STAR

Leading transformation through procurement and cooperation

STAR Achievements

As at 2023 / 2024



**Revenue
Efficiencies**

**Collaborative
Contracts**

**Non-verified
Spend**

**Social Value
Targets against
Contract Value**

Local Spend

Social Value

£54.62m
Secured Social Value

£17.54m
Delivered Social Value



Jobs

£14m

of Social Value



Growth

£3.3m

of Social Value



Social

£115k

of Social Value



Environment

£17k

of Social Value



Innovation

£32k

of Social Value

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Trafford
Council
Validated
Social Value
delivery as of
15 January
2025



Employing locally

**500 Full-Time
Equivalent jobs** **£13.5**
Of Social Value



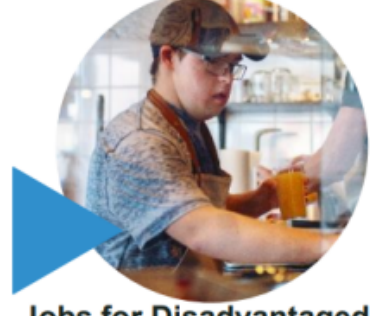
Training Opportunities

**718 weeks of
training delivered** **£181k**
Of Social Value



Apprenticeship

**418 weeks of
apprenticeship
delivered** **£92k**
Of Social value



Jobs for Disadvantaged People

**10.6 FTE jobs for
disadvantaged People** **£165k**
(LTU, NEETs & Disabled) Of Social Value



Career Support Sessions

792 Hours * **£80k**
Attendees of Career Of Social Value
Support Sessions



Staff Support

**630 Hours of
Staff Support
provided** **£62k**
Of Social Value



Community Support

**£65k invested in
community
support** **£65k**
Social Value



Spending locally

**£4.6m spent in
definitions of
local on projects** **£3.2m**
Of Social Value

- **TUPE staff** – embedded into STAR, development etc. and resilience
- Data Review
- **Contract criticality tool** – supports risk management
- Readiness for the **Procurement Act 2023** – Go Live 24th February 2025
- Improved **relationships**
- **CPRs** aligned
- Support with **Social Value**
- **Digital Roadmap** and systems review undertaken
- **Efficiencies** - income and balanced budget
- New STAR **Business Plan**

- Market Engagement Protocol
- Main STAR Meet the Buyer held in Stockport – 3rd October 2024
- 300 Delegates attended (even spread across all 6 partners)
- Exhibits By 20 different organisations
- Presentations and workshops held throughout the day
- Excellent feedback from attendees
- **New Nomia local spend pilot**

New: STAR Business Plan 2025-2028

Vision

STAR will be market leading procurement service that supports our partners and customers to maximise outcomes for our people, places and planet

Objectives

Protect

- Drive social value impact
- Ensure equality
- Reduce carbon
- Engage with SME/VCFSE
- Increase local spend
- Diverse supply chain



Pioneering

- Innovation
- New ways of working
- Technology
- Marketing/comms
- Continuous improvement
- Market leaders



Prosperity

- Efficiencies
- Income
- Productivity
- Commercialisation
- Performance management



Professional

- Compliance
- Governance
- Risk management
- Data analysis and management
- Doing the basics well
- Consistency
- Quality assurance



Partnership

- Collaboration across STAR/city regions
- Place based partnerships (boroughs/regions)
- Sustainable growth
- Working with our local communities to deliver impactful outcomes



People

- Leadership
- Workforce development
- Training/coaching
- Talent management
- Relationships
- Diversity



What's Next 2025 Onwards: Key Workstreams -

1. Launch new Business Plan
2. Responsible Procurement Strategy
3. Performance Management Framework
4. Strategic Delivery Plan
5. Category Strategies
6. Income Strategy
7. Workforce Strategy
8. Implementation of Digital Roadmap and introduction of a new contract management system
9. Launch 'Nomia' low value/local spend pilot
10. Social Value Review
11. Focus on Collaboration and Efficiencies
12. Communications and Marketing Strategy

Any Questions

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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 5th February 2025
Report for: Approval
Report of: Director of Legal and Governance and Monitoring Officer

Report Title

Annual Governance Statement – 2023/24

Summary

The preparation and publication of an Annual Governance Statement (AGS) is necessary to meet the statutory requirement set out in the Accounts and Audit Regulations 2015. This report provides the final version of the 2023/24 AGS.

The Committee previously received a report in June 2024 setting out the Draft AGS. Draft versions of the AGS had also previously been shared and reviewed by the Corporate Leadership Team.

Since the draft version was presented to the Accounts and Audit Committee on 26th June 2024 the significant issues for 2024/25 have been updated. Any further issues arising in 2024/25 impacting on governance and developments in relation to governance issues reported to date will be considered as part of the process for compiling the 2024/25 AGS.

Once the AGS has been approved by the Accounts and Audit Committee, subject to the completion of the 2023/24 audit, and approval of the Final Statement of Accounts by the Accounts and Audit Committee, the 2023/24 Annual Governance Statement will be signed by the Chief Executive and Leader and published on the Council's website.

Recommendation

The Accounts and Audit Committee is asked to approve the 2023/24 Annual Governance Statement.

Contact person for access to background papers and further information:

Name: Harry Callaghan – Senior Democratic Support Officer

Background Papers: None



TRAFFORD COUNCIL

ANNUAL GOVERNANCE STATEMENT 2023/24

Executive Summary

Governance is about how local government bodies ensure that they are doing the right things in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. This includes complying with legislation, making evidence-based decisions within a clear framework, displaying a healthy culture, behaviour and values, whilst ensuring transparency, equity and accountability, engaging with and where appropriate, leading their communities.

Trafford Council is committed to improving the lives of all residents and creating opportunity and prosperity for local people and businesses. This commitment is set out in the council's Corporate Plan and describes Trafford Council's strategic vision, outcomes, and priorities for the borough, with the priorities being key to its delivery. It includes an overview of what the Council will do and how we will work with our residents, communities, businesses, and other partners to deliver sustainable change to Trafford in line with these commitments.

The Annual Governance Statement (AGS) is a public report by the council on the extent to which it complies with its governance code, legislation, directives and regulations and its performance and effectiveness of its governance arrangements during the year, and any planned changes in the coming period following assessment by external bodies including auditors, other regulators and peers.

The council expects all members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the Officer and Member Code of Conduct, Constitution, Corporate Vision and Values, and Corporate Priorities as well as applicable statutory requirements.

This document describes our governance arrangements and their effectiveness. This document is drawn from a number of assurance mechanisms which includes external audits of accounts and funding arrangements, our overall governance and decision-making framework, the Scrutiny function, the work of advisors and regulators, the Governance and Audit Committee and the Internal Audit Function.

The AGS shows that in many areas the Council has very effective arrangements in place. We will continue to review, streamline, and improve our processes to ensure these arrangements remain effective, now and into the future to reflect the ever-changing needs of the organisation.

1. Scope of Responsibility

- 1.1 Trafford Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. The Council are also responsible for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. Trafford Council has a duty under the Local Government Act 1999 to make arrangements to continuously improve how its functions are exercised, with regards to a combination of economy, efficiency and effectiveness.
- 1.2 This overall responsibility requires Trafford Council put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 Trafford Council has approved and adopted a corporate governance code, consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the Authority's code is available at: <http://www.trafford.gov.uk/about-your-council/budgets-and-accounts/downloadable-documents.aspx>. This statement explains how Trafford Council has complied with the code and meets the requirement of Accounts and Audit (England) Regulations 2015, regulation 6, that all relevant bodies have to prepare an annual governance statement.

2. Purpose of the Governance framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled. The framework covers the Council's activities through which; it is accountable to, engages with, and leads its communities. It also enables the Authority to monitor performance against strategic objectives and evaluate whether those objectives are fit for purpose.
- 2.2 The system of internal control forms a significant part of the framework and is designed to manage risk. However, it can only reduce risk of failure and provide reasonable, not absolute, assurance of effectiveness. The system of internal control is an ongoing process designed to identify and prioritise risks to the achievement of Trafford Council's policies, aims and objectives. The system also ensures that identified risks are evaluated, according to their likelihood and potential impact, and managed efficiently, effectively, and economically.

2.3 The governance framework has been in place at Trafford Council for the year ending 31 March 2024 and up to the date of approval of the statement of accounts.

3. The Governance Framework

3.1 The Authority has adopted a local governance framework consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016 edition. Trafford Council's Corporate Governance Code details how the Authority meets the requirements of the framework and is aligned to the principles of good governance in local government set out in the CIPFA framework: Good Governance in the Public Sector (CIPFA, IFAC, 2014):

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of leadership and the individuals within it
- Managing risk and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

3.2 The Annual Governance Statement sets out how the Authority has complied with the Code and meets with the Accounts and Audit Regulations 2015 (as amended). The Authority also meets the requirements of the Accounts and Audit Regulations in relation to the publication of a statement on internal control through the publication of the Annual Governance Statement. It is subject to detailed review by the Accounts and Audit Committee when they consider the final Statements of Account but before they approve the Statement of Accounts.

3.3 The Authority's financial management arrangements are consistent with a number of the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). The key principles for which there is compliance are that the Chief Financial Officer (Corporate Director of Finance and Systems):

- is actively involved and is able to bring influence on the Authority's financial strategy;
- leads the whole Authority in the delivery of good financial management;
- directs a fit for purpose finance function; and
- is professionally qualified and suitably experienced.

In addition, the Statement requires that the Chief Finance Officer should report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to others.

The Corporate Director of Finance and Systems (the Chief Finance Officer and designated Section 151 officer) is a member of and attends the meetings of the Corporate Leadership Team.

- 3.4 The key elements of the system and processes that comprise the Authority's governance framework are outlined in this Annual Governance Statement. The Statement demonstrates the effectiveness of the Council's governance arrangements during 2023/24 in line with the seven governance principles.

CIPFA SOLACE Principle A.	Key Elements of Trafford Framework
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<ul style="list-style-type: none"> • Constitution • Members Code of Conduct • Register of Interests • Standards Committee • Corporate Governance Code • Employee Code of Conduct • Disciplinary Policy • ICT Acceptable Use Policy • Anti-Fraud & Corruption Strategy • Confidential Reporting Code
How we demonstrated effectiveness in 2023/24	
<p>During the 2022/23 Municipal year a review of Councillors' remuneration, covered in Part 6 of the Constitution, was undertaken by an independent remuneration panel. The outcomes of the review were submitted and agreed at the Annual Council Meeting held Wednesday 24th May 2023. These recommendations were implemented during 2023/24 and the Constitution was updated accordingly.</p> <p>The Council's IT policies were updated during 2023 including the Trafford Council Acceptable Use Policy; M365 Acceptable Use Policy; Information Security Policy; Multifactor Authentication Policy; and Network Security Policy. The policies are awaiting SIRO sign off and will be shared with the workforce via a series of communications. The intention is to bring the policies to life and raise awareness with high-risk areas via engaging bulletins and the IT Security training modules. A similar approach has been successful with raising awareness on phishing e-mails.</p> <p>The Council's Disciplinary policy was reviewed and amended in April 2023. There was a particular focus around our approach to suspending employees. This was in response to new guidance from ACAS and developing case law. Any possible suspension should be fully considered, and alternatives explored. Where employees are suspended, we need to ensure the need is reviewed during the investigation and appropriate support is put in place.</p> <p>The Council continued to undertake counter fraud work, in line with the Council's Anti-Fraud and Corruption Policy, Strategy and supporting guidance. The 2022/23 Annual Report for the Counter Fraud Team was presented to Accounts and Audit Committee on 27 September 2023 outlining fraud prevention and detection activities and further planned work in 2023/24. During 2023/24, the Council's Counter Fraud</p>	

team have continued to undertake investigation in to suspected fraud and irregularities. These includes cases relating to council tax, business rates and social care finance. A report on work for the year is due to be provided by the Council's Counter Fraud Manager to the Accounts and Audit Committee in June 2024.

The Council continued to participate in the National Fraud Initiative (NFI) data matching exercise. An update was provided by the Audit and Assurance Service to the [Accounts and Audit Committee on 7th February 2024](#) setting out work undertaken and outcomes from work completed in 2023/24. A further update will be included in the 2023/24 Annual Head of Internal Audit Report.

The Council's Corporate Governance Code which outlines how the Authority meets the requirements of the CIPFA/SOLACE framework is recognised as requiring a refresh. There are plans for this to have an update over the 2024/25 Municipal year.

CIPFA SOLACE Principle B.	Key Elements of Trafford Framework
<p>Ensuring openness and comprehensive stakeholder engagement</p>	<ul style="list-style-type: none"> • Decision Making Protocols • Access to Information Procedure Rules • Consultation, including Budget Consultation • Trafford Partnership Board & Strategic Boards • Trafford Locality Board • Public Service Reform Board & Operational Group • Trafford VCFSE Strategy • Joint Strategic Needs Assessment • Trafford Provider Collaborative Board • GMCA
<p>How we demonstrated effectiveness in 2023/24</p>	
<p>Consultation and engagement were undertaken on a number of key strategic documents and policy changes during the course of the year.</p> <p>Following the successful consultation on the facility mix for Altrincham leisure centre, in May 2023 consultation commenced on the refurbishment of Partington Sports Village. Final details of the facility mix were approved by the Executive in February 2024, and a planning application will be submitted early in the 2024/25 civic year.</p>	

Following extensive formal and informal consultation over a ten-year period, a planning enquiry and consultation on main modifications, the Council along with eight GM authorities adopted Places for Everyone, the strategic planning document for Greater Manchester (excluding Stockport) on the 21st March 2024. Places for Everyone sets the planning framework alongside the Council's Local Plan.

In July 2023 consultation commenced on the Council's Design Code, which is designed to improve the quality of new buildings in the Borough. The Council received £160,000 from the Office for Place in the Department for Levelling Up, Housing and Communities to produce model design codes, that can then be used by other authorities to develop their own local codes.

Through 2023 the Council undertook a number of consultations in relation to active travel schemes on Talbot Road, the A56 and in Flixton and Davyhulme. Following these consultations work has commenced on Talbot Road with one phase complete and two others underway.

Specific consultation with key stakeholders, most notably social care providers, was undertaken when setting the updated fee rates for care providers for 2024/25 and this fed into the Council's budget setting process.

Trafford Locality Board brings together a range of expertise from senior leaders for the NHS (primary, secondary, community and mental health), local authority and the VCFSE (Voluntary, Community, Faith & Social Enterprise) to a collaborative forum/committee whereby more united voices can strengthen the achievement of shared visions for the benefit of Trafford residents. The role of Board members is to collaborate and actively support the delivery of shared priorities within the Trafford Together Locality Plan and, by working together successfully, improve health, wellbeing and care for the population of Trafford including tackling health inequalities across the borough.

The Board incorporates three elements/'forums' and thus carries out three distinct roles: A consultative forum; A Section 75 Committee; GM Integrated Care Board (ICB) Committee. The purpose of the Board is, therefore, to exercise those functions delegated to it by the Greater Manchester ICB and any other party and the duties contained within the agreed Section 75.

The Locality Board provides stewardship for the Trafford provider Collaborative Board (TPCB) which has its collectively owned delivery plan and priorities, of which the Council are an integral partner. The TPCB has supported the Trafford health and

care system, including the Council, to enhance its collaborative efforts to plan, design and deliver health and care services, resulting in the achievement of our Locality Plan aspirations.

The Trafford Partnership was reformed in July 2023, bringing key stakeholders across the Public, Private, and VCFSE Sectors together for the mutual benefit of Trafford. The Partnership agreed 4 pillars of activity to focus in on over the next year or two - Sustainable Growth, Climate, Poverty and Cost of Living, and Inequalities and Health. The Partnership meets at least twice a year to focus in on one of the Pillars, with events being held in October 2023 and February 2024 to update partners on activity and to develop cross-partnership actions. Across these events, 164 participants across 65 partner organisations have been involved. The Partnership links in with appropriate Partnership Boards, such as the Poverty Action Group, Trafford Employment, Enterprise, and Skills Board, and the Trafford Climate Network. The establishment of new Partnership Task and Finish Groups has been undertaken, including one focusing in on Communications and Branding, and another on Industry and Learning. As the Trafford Partnership evolves, so will its focus and governance arrangements.

The Trafford VCFSE Strategy 2022-2027 replaced the former Building Stronger Communities Strategy to provide a more dedicated approach to strengthening the VCFSE sector in Trafford and creating a foundation for a sustainable sector. Developed in partnership with the sector, with a dedicated partnership group, a 2023-24 action plan was delivered between partners, including Trafford Council, Thrive Trafford, Trafford Community Collective, L&Q, and the Trafford Community Hubs. The Strategy has 5 aims and a wider delivery group will set out to help deliver the strategy and ensure alignment with the ambitions for the sector at a GMCA level.

Trafford is represented at GMCA Public Service Reform Executive to ensure that as the GM Strategy refresh evolves Trafford's corporate plan, delivery strategy and associated initiatives are aligned to the direction of travel for PSR.

There are also a number of associated fora where Trafford Officers represent the voice of the Council in shaping solutions for how public services can reform and evolve to ensure we are work collaboratively and in partnership with stakeholders and strategic partners.

A comprehensive Trafford Drugs and Alcohol Joint Strategic Needs Assessment was completed in May 2024, with stakeholder engagement in 2023/4. The Trafford Alcohol, Substance Misuse and Gambling Partnership (TASMGP) brings together

over 20 stakeholders every two months to share learning, challenges and drive progress on a partnership action plan. Following initial discussions with TASMGP, further stakeholder engagement took place including the four neighbourhood networks, youth network, front-line teams from adult services, mental health, children's services. The Poverty Truth Commission lived experience panel was also consulted and a Healthwatch survey conducted with the general public. The recommendations and findings have been shared in senior boards and will be published and shared through TASMGP with staff teams to action.

The GM Strategic leads meeting is supported to ensure Trafford's participation in GM Strategy development.

CIPFA SOLACE Principle C	Key Elements of Trafford Framework
Defining outcomes in terms of sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Corporate Plan • Trafford Local Plan • Trafford Locality Plan • Physical Activity Vision • Medium Term Financial Strategy • Trafford Recovery Plan • Investment Management Strategy

How we demonstrated effectiveness in 2023/24

The Corporate Plan, supported by individual Service Business Plans, the work of the GMCA, and the Trafford Locality Plan set out the immediate and long-term vision of the Council. The 2023/24 budget delivered within the agreed resource allocation, supported this vision. The establishment of the 2024-27 Corporate Plan is being formulated currently and will be published in the 2024/25 Municipal Year.

The Trafford Locality Plan 2019-24 sets out one plan and one ambition for sustainable health and care in Trafford. The Plan forms the core work programmes of the Trafford Locality Board and Trafford Provider Collaborative Board, and delivery of the outcomes within are monitored and progressed through a set of shared priorities, achieved by working together successfully improve health, wellbeing and care for the population of Trafford including tackling health inequalities across the borough. A Locality Scorecard has been developed to support the monitoring and measurement of these outcomes.

The Plan presented outcomes with associated milestone plans for work that we agreed to take forward to 2024. The aim of the Locality Plan milestones was to ultimately enable our Trafford health and care system to increase collaboration,

enhance the public voice, and address our known challenges and inequalities which will result in the achievement of our agreed aspirations. These outcomes can be found below;

- Better connected communities
- Better wellbeing for our population
- Better lives for our most vulnerable population.

The commitment to refresh and update our Locality Plan was agreed by the Trafford Locality Board and Trafford Health Wellbeing Board in January 2024 with this work taking place throughout 2024 calendar year.

The Trafford Local Plan passed a significant milestone with the adoption of the Places for Everyone Plan – a joint development Plan between nine of the ten districts in Greater Manchester. Places for Everyone forms the central document of the Council's Local Plan and includes two strategic allocations in Trafford – New Carrington and Davenport Green.

The financial position of the Council has continued to be challenging during 2023/24. Despite projecting a small underspend of £1.6m in the period 10 budget monitoring report presented to Executive in March 2024 this needs to be tempered by the fact that in setting a balanced budget for 2023/24 over £7m of reserves were required to achieve this position. Therefore, a significant level of Council reserves will still be required to support the budget in 2023/24 and the Executive are acutely aware this is a position that cannot be sustained in future years.

To achieve the long-term financial targets, the Council set a budget for the financial year 2024/25 at its meeting on 21 February 2024, which was supported by an appropriate assessment of risk by the Director of Finance and Systems. A full risk assessment and robustness review was undertaken during the budget process. Measures to address the budget gap of £17.80m and deliver a balanced budget for 2024/25 included a rise in the level of council tax by 4.99% (generating an estimated £6.0m in revenue), a one-off use of reserves of £5.6m, and a savings programme of £6.2m. A Finance and Change Board was established during the 2022/23 financial year with a dedicated focus on closing the budget gap. The risk assessment undertaken as part of the budget setting process reflected the uncertainty high levels of inflation were having on council budgets, which included energy, fuel, and food inflation as well as construction costs.

The financial resilience of the Council was supported by the agreed Reserves Policy, which is subject to regular review underpinning the long-term financial resilience of the Council. The reserves and balances available to the Council to support its

immediate financial resilience are therefore important in the context of managing a period of potential significant financial turbulence.

The Council adopted an Asset Investment Strategy in July 2017. The strategy sets out the Council's plans to enable economic regeneration and provide a sustainable income stream to support the Council's budget. The strategy is kept under regular review to ensure it remains aligned with Corporate priorities and the latest guidance, and an updated Strategy was agreed at Budget Council in February 2024. The Investment Objective is "to promote TBC's strategic priorities while creating a sustainable income stream to support local services", and the strategy has supported investment in our town centres, the Civic Quarter and Altrincham, and supported the development of residential properties, office space and commercial units in Trafford and the sub-regional economic area.

There are a number of building blocks to enable residents to move more, and these have been the focus for the majority of 23/24.

- Underpinning Trafford Moving - the Council's Leisure Investment Strategy has led the way, ensuring that the leisure estate is transformed from tired and dated centres into more sustainable hubs of local activity and movement. This accompanies the development of an Operating Agreement between the Council and Trafford Leisure, enabling the principles of place-based activity to be realised. The operating agreement sets out the responsibilities of each organisation, ensuring that outcomes relating to services and activities are achieved across the leisure estate. This place-based approach to leisure programming reflects local need and supports the development of the place-based activity plans. These place-based plans are further enhanced by a range of activity across the borough across 2023/24 including...
- Playing Pitch Strategy & Local Football Facilities Plan – greater emphasis on developing facilities that create opportunities for sustainability.
- Long Term Security of Tenure – empowering community sports clubs to with greater ownership of the sites they use through long leases.
- Holiday Activities and Food – Commissioned locally, with a focus on localities with highest number of benefits-related free school meals.
- UK Shared Prosperity Fund - Outdoor gyms in localities where inactivity is high, alongside activation from Trafford Leisure.
- Major Sporting Events – Hosted and facilitated a number of local regional and international events –across rugby, running, football. Large scale events with

<p>legacy programmes going back into local communities. Data and insight are being collated from a number of sources and informs development of these plans. The plans are being developed by local Move More partnerships, in collaboration with Trafford LCO (TLCO) as part of the neighbourhood programme. There are seven communities where inactivity is typically higher, and each will have a Move More partnership established.</p>	
CIPFA SOLACE Principle D	Key Elements of Trafford Framework
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Modernisation Programme • Corporate Plan • Medium Term Financial Plan • Efficiency Plan • Capital Investment Programme • Social Value Framework • Equality Strategy • Children’s Services Ambitions Plan • SEND Ambitions plan
How we demonstrated effectiveness in 2023/24	
<p>The Council’s capital strategy and capital programme were approved at the Budget Council meeting on 21 February 2024. The capital strategy set out the principles that underpin the programme, aligned to the Medium-Term Financial Strategy, statutory service delivery, and the corporate objectives. The three-year capital programme included investment of £152m into the Council’s assets. The programme is funded through a combination of external resources, including government grants and developer contribution, capital receipts, and prudential borrowing.</p> <p>The capital programme is developed through the submission of business cases to an internal bidding process. Proposals are assessed based on deliverability and alignment with the capital programme priorities and are approved by CLT and the Executive. The total level of funding available is determined in line with the MTFs.</p> <p>A Capital Programme Board was established in 2022/23, with the Corporate Director of Place as chair and the Director of Finance and Systems as vice-chair, to improve delivery of the current programme and development of future years schemes.</p> <p>Bi-monthly updates are provided to the Executive on delivery against programme and scheme variations as part of the Finance update.</p>	

Trafford created a Social Value (SV) Charter in 22/23 which was signed off on [24th October 2022 by Trafford Executive](#). Trafford has a steering group which is driving SV improvement.

Trafford's Corporate **Equality Strategy (2021 – 2025)** was first published in 2021 and outlines four equality objectives of: inclusive leadership, improving the representativeness of our workforce, reducing health inequalities, and reducing hate crime.

We have adopted a system wide approach to addressing health inequalities in Trafford, through our Fairer Health in Trafford Partnership. LA, NHS, VCFSE and wider partners are working collectively to identify, co-ordinate and monitor action on health inequalities across the borough. Our three priorities are reducing the impact of health inequalities on people with learning disabilities, people with serious mental health and unpaid carers.

Ofsted conducted a 3-week inspection in November and December 2022 under the Inspection of Local Authority Children's Services Framework (ILACS). The inspection took 3 weeks with the first week being held offsite which involved data and evidence submission by the Council. The onsite process involved meeting with practitioners and some managers. The inspection team also spoke with parents, carers, and to some children and young people, as well as some teachers. The inspectors looked at partnership working through the evidence presented by the Council but primarily through children's records and what the team could see about interventions and their effectiveness. The inspection covered every aspect of Children's Social Care from Early Help to Adoption.

The overall outcome of the inspection was that Trafford requires improvement to be good across all areas. The inspectors provided the Council with more detailed feedback which highlighted strengths and weaknesses with the report identifying the following six areas where the Council needed to improve.

- The quality of out-of-hours service provision to offer a more comprehensive and timely service for children.
- The support for homeless children over 16.
- The support to children in care to help them understand their entitlements and how they can influence the shaping and developing of children's services.
- The use of direct work and life-story work to gain the voice of the child and to support children's understanding of their life history.
- The support for care leavers in preparing for their transition to independence.

- The quality and frequency of supervision.

Other than the improved rating the main positive to be taken from the review was that each of the six areas identified were already known to the Council with plans in place for improvement, as demonstrated within the Ambitions for Children plan. The feedback from Ofsted has reaffirmed the Council's concerns and helped to focus efforts to achieve the desired improvement. In response to the report detailed action plans have been laid out to address the areas highlighted by Ofsted. Following the improved rating Trafford moved out of intervention but established an Ambitions for Children Board during 2023/24 (chaired by the Leader of the Council) to replace the Improvement Board which will help the Council to maintain the current level of improvement, and which will hopefully lead to further improvement culminating in the attainment of Trafford's ambitions for our children. A full update on the inspection, its findings, and the Council's next steps was delivered to the Children and Young People's Scrutiny Committee on the 14th [February 2023](#)

Ofsted conducted a Local Area Special Educational Needs & Disability inspection in October 2023. This inspection was conducted under the new Area SEND Inspection Framework introduced in January 2023, by a team of Inspectors from both Ofsted and the Care Quality Commission (CQC) reflecting the system wide approach to SEND.

The inspection took 3 weeks with the first week being held offsite which involved data and evidence submission by both the Council and the Integrated Care Board (ICB). The onsite process involved meeting with practitioners and some managers from across Education, Health and Social Care as well as parents, carers, and to some children and young people. The inspectors focused on whether:

- Children and young people's needs are identified accurately & assessed in a timely & effective way.
- Children, young people and their families participate in decision-making about their individual plans and support.
- Children and young people receive the right help at the right time; children and young people are well prepared for their next steps and achieve strong outcomes; children and young people are valued, visible and included in their communities.

The overall outcome of the inspection was that Trafford's, "local area partnership's arrangements led to inconsistent experiences and outcomes for children and young people with SEND." Inspectors recognised the strengths and the positive work that

is making a difference to our children and young people, but clearly recognises that there is more to do.

Whilst the inspectors provided the Council and ICB with more detailed feedback which highlighted strengths and weaknesses, the report identified the following areas where improvements are required:

- Leaders across the partnership should ensure that the SEND strategy is fully embedded across health, education and social care. They should tighten their strategic oversight so that all workstreams have equal clarity in how they are mapped out and organised. This is to reduce the disconnect and to improve accountability between strategy and practice.
- Leaders across the partnership should improve transitions for children and young people between children's and adults' services and within health, education and social care. They should improve their strategy and timeliness in relation to preparing young people with SEND for adulthood.
- Leaders across the partnership should develop, deliver and embed a clear approach to address how they will support children and young people with a range of mental health and neurodiverse needs. This includes identification, assessment and support for children and young people, with or without a diagnosis.
- Leaders across the partnership should increase the opportunities for children and young people's voices to be heard and acted on both at a strategic and individual level. They should also develop the range of, and access to, social opportunities for children and young people in order to reduce the current inequality across some areas within Trafford.

It is of particular significance that the Inspection team were clear that leaders from across the partnership were ambitious for children and young people with SEND and much work had taken place to strengthen the planning and governance to drive forward improvement. This, coupled with confirmation that as an Area Partnership we know ourselves well and this is reflected in our strategic planning, means that we are well placed to make further improvement. The Local Area Improvement Plan is detailed through the SEND Ambitions Plan and can be found on the Local Offer <https://www.trafford.gov.uk/residents/children-and-families/SEND-inspection.aspx>

An independent Chair has strengthened the Strategic SEND Partnership Board which maintains the oversight of the delivery of the improvement priorities. A full update on the inspection, its findings, and the Local Area's next steps was delivered to the [Children and Young People's Scrutiny Committee on 23rd January 2024](#).

CIPFA SOLACE Principle E	Key Elements of Trafford Framework
Developing the entity’s capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> • People Strategy • Member Development • Members’ Induction Process • Employee Training & Development Plan • Corporate Induction Procedure • EPIC Check in • Health & Wellbeing Strategy • Health & Safety
<p>How we demonstrated effectiveness in 2023/24</p> <p>In late 2022 and throughout 2023 the Council started work on the refresh of the people strategy. To date this has comprised of collating intelligence and data alongside a period of engagement with Directorate Management Teams, Staff Forum Groups, Trade Union Members, Staff, and Executive Members. The outputs of this work will support the delivery of a refreshed strategy which is due to be launched in August 2024.</p> <p>During 2023/24 the Council offered a full calendar of learning events to all staff. The calendar included mandatory role specific training alongside optional learning sessions and courses to support colleagues with their personal and professional development in areas such as presentation skills, leading personal change, and digital upskilling. The council’s EPIC Manager programme continued to run throughout 2023 and 2024 with 26 cohorts having completed the programme to date. In total we have delivered 166 sessions and upskilled 210 managers in subjects ranging from managing and leading change to health and wellbeing and leading and motivating your team.</p> <ul style="list-style-type: none"> ▪ In addition to the EPIC manager programme Trafford’s wider learning offer is supported through the e-learning platform Me-learn. In 2023/24 a total of 23,474 e-learning courses were completed by Trafford colleagues and partners. ▪ The learning and development team work closely with Heads of Service to deliver a calendar of training that supports colleagues with their on-the-job training and that also focuses on any legal and/or statutory training required to undertake their roles. There is a full calendar of events available to colleagues in Adults and Children’s Services. ▪ The council also provides staff with opportunities to gain a fully funded professional qualification through the upskill and apprenticeship programmes. In 2023/2024 we enrolled 74 Council colleagues on apprenticeship 	

programmes in a range of areas including project management, coaching, digital and technical and business and administration.

The council runs several internal programmes related to supporting aspiring and established managers to succeed in their roles. The Leap into Management (L3) programme, which is delivered in partnership with Salford College, is on its fourth cohort and a Level 5 in-house programme (Leap into Leadership) was launched in March 2023 and is now on its second cohort. We have also enrolled four colleagues on the Level 7 Senior Leadership Apprenticeship. The Council also facilitates programmes on coaching and offers the social work degree apprenticeship. The social work degree is an option for staff within Children's and Adults Services. Children's Services are starting their sixth cohort in September 2024 supporting a further 5 colleagues to undertake their social work degree Apprenticeship and Adult Services will be recruiting to their fifth cohort starting in March 2025.

All staff have access to the EPIC check-in process and should have an EPIC check in at least once every 6 months. The EPIC Check ins are designed to support discussions and conversations around colleague wellbeing, performance targets, values, as well as to support their personal, professional, and career development. Managers and staff are supported to have productive conversations through EPIC Check in Training, alongside a range of online support tools and guidance documents. A key supportive tool we have in place is the working well passport. This is a living document that travels with colleagues as they move jobs/roles within the authority to support their wellbeing and avoid them having to re-apply for support during their career with the Council. The passport and check in tools are all promoted and signposted through the virtual check in training sessions.

The Council offers a coaching service to all colleagues and managers. Colleagues can access one to one coaching with a professional internal coach to support their development and/or to support their wellbeing. A total of 62 colleagues have accessed this service to date.

A succession planning strategy is in place to ensure key skills are retained and staff are upskilled to enable them to take on higher graded roles. Successors have been identified at senior manager level and targeted development initiatives provided to ensure that the Council's workforce is equipped to meet new and emerging demands. The Council has developed several career graded posts to support managers in attracting, developing, and retaining talent for difficult to fill roles where specific skills/qualifications are required such as trading standards and project management.

The Council continued to deliver quarterly Let's Talk Engagement sessions for managers and colleagues. The face-to-face events offered staff and leaders the opportunity to hear from and engage with the Chief Executive, the Leader of the Council and the Corporate Leadership Team. The events also provided staff with the opportunity to network with other colleagues and to share their thoughts and feedback on key subject areas.

The Council continued the delivery of the Health & Wellbeing Strategy 'EPIC You', which comprises of initiatives and activities aimed at improving organisational effectiveness and is organised around four key themes.

- Healthy Lifestyle
- Mental wellbeing
- Focus on Musculoskeletal (MSK) Health
- Health & Safety

The new internal health and safety initiative to focus and engage with services on the fundamentals of safety and wellbeing 'Your Safety, Your Wellbeing', continued to be promoted. As well as the dedicated intranet resource pages, the campaign was promoted at Operational Services for Education seminars and staff and leader 'Let's Talk' sessions including focus on computer workstation health and wellbeing. A programme of service self-assessments and subsequent health and safety auditing is now underway.

Work has been undertaken to improve the safety and wellbeing of colleagues in Council buildings from volatile and aggressive behaviour displayed by visitors and service users. We also introduced a 'Zero Tolerance' approach to inappropriate behaviour towards any staff working for us.

During 2023/2024 the Council delivered several initiatives to further support staff members with their safety and wellbeing. Events were hosted by our Learning and Development Team and supported by our internal network of Mental Health First Aiders. These events include, but are not limited to, celebrating national walking month, volunteering week, national carers week, stress awareness month and our own EPIC Wellbeing Day. The Staff Active Travel Group continues to encourage staff to use more active and sustainable travel through participation in campaigns and by hosting local cycling/walking activities for staff.

Absence Management - a robust approach to managing employee absences including sickness absence is in place and the Corporate Leadership Team monitor

levels monthly. The HR Operations team support services in dealing with more complex cases in line with Council policies and guidance.

The contract for our Occupational Health provider and our Employee Assistance Programme was due to end in March 2024. We engage these providers via a Greater Manchester collaborative contract and a joint re-tendering exercise was undertaken towards the end of 2023. The contracts were awarded to the existing providers. During 2023 we arranged a session with our Employee Assistance provider to promote the scheme to staff – so they fully understand this benefit. Staff can access a free independent confidential helpline 24 hours a day, 365 days of the year. They can also have several counselling sessions without any need for referral.

The Member Development Steering Group continued to meet in 2023 and 2024, and progressed items relating to Councillors’ development needs. A dedicated learning and development intranet page houses resources and learning materials for executive members alongside advertising any internal/external learning and development opportunities/events.

The programme of continuous professional development (CPD) has continued throughout 2024/25 with increased focus on improving the key skills of Councillors in Planning and Licensing. Members have continued to make use of resources from the Local Government Association (LGA) alongside a blended approach also including Northwest Employers.

CIPFA SOLACE Principle F	Key Elements of Trafford Framework
<p>Managing risks and performance through robust internal control and strong public financial management</p>	<ul style="list-style-type: none"> • Financial Procedure Rules • Contract Procedure Rules • Treasury Management Strategy • Scrutiny Committees and Protocols • Risk Management Strategy & Policy Statement • Strategic Risk Register • Internal Audit Strategy • Accounts & Audit Committee
<p>How we demonstrated effectiveness in 2023/24</p>	
<p>Two new Authorities joined STAR in October 2023. They are in the process of adopting the standard Contract Procedure Rules (CPRs). The CPRs were recently reviewed and updated to incorporate The Health Care Services (Provider Selection Regime) Regulations 2023 which came into force in January 2024. It is anticipated</p>	

that further changes will be needed later in the year as a result of the introduction of the new Procurement Act 2023, which is expected to come into force in October 2024. This work has already begun, and a review is initially being undertaken by STAR and Trafford Legal Services.

The Council monitors and regularly reviews its Strategic Risk Register to ensure key risks are being managed. Update reports were presented through the year to the Corporate Leadership Team and the [Accounts and Audit Committee](#).

By the end of March 2024, the highest risks in the strategic risk register related to uncertainty over the Council's medium term financial position; addressing the climate change emergency; risks in relation to information governance; and risks in relation to delivering Leisure Services across the Borough. The strategic risk reports highlighted current risks and action being taken and planned to manage the risks identified.

The Internal Audit Plan 2023/24 incorporated coverage of various key financial systems and other business risks. Updates of work undertaken were provided to the Corporate Leadership Team and the [Accounts and Audit Committee](#) during the year. The Annual Report of the Head of Internal Audit for 2023/24 stated that based on findings from audit reviews undertaken during 2023/24, at least reasonable levels of assurance have been gained that the systems, procedures and controls in place to manage risks and deliver objectives are operating to a satisfactory standard.

There has been a range of audit work undertaken during the year across each of the main areas of the Audit Plan. Given ongoing developments, such as the implementation of new systems, at the request of relevant services, some planned audit work was rescheduled with the aim of providing assurance during 2024/25 and this has been reflected in subsequent audit plans. Outcomes from follow-up internal audit work of areas previously reviewed demonstrates that progress has been made in improving levels of control in those areas. This includes audits where previously limited levels of assurance were provided. Further improvement action was highlighted for some areas reviewed which will be subject to follow-up in 2024/25.

Given the above, based on assurance gathered during 2023/24, the Internal Audit Opinion is that, overall, a reasonable level of assurance can be given that the control environment encompassing internal control, risk management and governance, is operating to a satisfactory standard.

CIPFA SOLACE Principle G	Key Elements of Trafford Framework
Implementing good practices in transparency, reporting and audit to deliver effective accountability	<ul style="list-style-type: none"> • Council Website • Freedom of Information Publication scheme • Trafford Partnership Data Lab • Marketing and Communications Team • Annual Financial Statements • Annual Governance Statement • Annual Scrutiny Report • Corporate Plan
How we demonstrated effectiveness in 2023/24	
<p>Information on the Council’s decision making is open and transparent and continues to be published on the Council website. This includes publishing and extending the breadth of open data through the Council’s website, data.gov.uk and the Trafford Data Lab's website (trafforddatalab.io). Work has progressed with improving the quality of information the Council publishes via digital channels and the user experience. A revised set of digital content design principles form the basis of these improvements ensuring information and services are accessible and easy to use.</p> <p>As the Council’s External Auditors, Mazars LLP provided regular updates to the Accounts and Audit Committee through the year. The External Auditor’s Annual Report for 2021/22 was presented to the Accounts and Audit Committee by Mazars in November 2023. The report confirmed that an unqualified opinion was given on the financial statements for 2021/22. Work had been completed on reviewing the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources and no significant weaknesses in those arrangements had been identified.</p> <p>The Council’s 2022/23 draft accounts were published in November 2023 and Mazars reported at the March 2024 Accounts and Audit Committee that the 2022/23 audit would commence after considering the outcome of the government consultation regards proposals to clear the national backlog of local government audits. In addition, it is the aim that work on assessing the Council’s value for money arrangements for both 2022/23 and 2023/24 would be covered at the same time. The Accounts and Audit Committee will be advised during 2024 of the agreed approach.</p> <p>CIPFAs external assessment of Internal Audit, reported to the Accounts and Audit Committee in 21 June 2023, concluded that the Internal Audit function operates in general conformance with the Public Sector Internal Audit Standards.</p>	

Trafford Council's Communications and Marketing Team has been at the forefront of getting key messages out to residents, businesses and partners about what the Council is doing to help improve lives in the borough.

The last 12 months saw the Communications and Marketing produce internal and external communications about a wide range of services being provided including education for our children, care for the homeless and other vulnerable groups, safer streets, more affordable housing and food hygiene.

There was a priority on making sure communications around services were in plain English so the messages to residents and other key stakeholders were easily understood.

There was an emphasis on communicating the three corporate priorities especially around supporting people out of poverty as the cost of living continues to adversely affect thousands of people. Communications focussed on the help that was available to people who were struggling to make ends meet.

A dedicated communications campaign was launched to ensure transparency around the setting of the budget, so people knew the financial difficulties faced by the Council and the reasoning behind the decisions on how money was to be spent.

The team continued to produce reports outlining its work for the Corporate Leadership Team and for the Executive so its work can be properly scrutinised to make sure it remains in line with the Council's key corporate objectives. This has included analytics of its media coverage, whether that has been positive or negative, and engagements levels with social media output.

There is now a standing item on Executive briefing around communications to ensure key messages for the public and businesses are agreed at a senior level. This is supported by a weekly communications grid which contains the planned communications in the next seven days and highlights any potential issues that may face the Council.

The team will continue to work hard to ensure key stakeholders see for themselves the transparent nature of the work the Council does.

The council has a Freedom of Information Publication Scheme that sets out the classes of documents that are routinely published - [Classes of information \(trafford.gov.uk\)](https://trafford.gov.uk)

The Council also publishes Open Data to increase transparency - [Open data \(trafford.gov.uk\)](https://trafford.gov.uk) Some information here is in need of updating (e.g. Parking Spaces last updated June 2022)

We have considered publishing all responses to Freedom of Information Act and Environmental Information Regulations requests with the personal data removed and will continue exploring this in the coming year.

The corporate plan is available on the Councils website and quarterly updates are prepared and shared to show progress on the plan.

4. Review of effectiveness

4.1 Trafford Council's Corporate Governance Code sets out the Authority's responsibility to undertake a review of the effectiveness of its governance framework on an annual basis. The review is informed by the work of the Council's executive managers, the Head of Internal Audit's annual report, by the external auditor's comments, and the results of reviews and inspections.

4.2 The processes applied, the sources of assurance obtained in maintaining and reviewing the effectiveness of governance arrangements, and, as part of that, the systems of internal control include the following:

Management Controls	Independent Assurance	External Assurance
<ul style="list-style-type: none">• Financial Management• Programme Management• Performance Management• Risk Management• Legal	<ul style="list-style-type: none">• Internal Audit• Scrutiny• Health & Safety	<ul style="list-style-type: none">• External Audit• Other inspectorate e.g., OSTED, CQC• Sector led improvement e.g., LGA.

4.3 These governance functions are described in more detail within the Council's Corporate Governance Code and specific assurances or improvements delivered during 2023/24 are detailed in Sections 3 and 5 of this Statement.

4.4 The review of the effectiveness of the governance framework by the Accounts and Audit Committee concluded that the arrangements continue to be fit for purpose in accordance with the governance framework. The areas which have been addressed and those which are to be addressed with new actions are set out in Section 5.

5. Significant Governance issues

- 5.1 The Council takes its responsibilities and duties seriously with regard to ensuring continuous improvement in the way that its functions are exercised and in the consideration of economy, efficiency and effectiveness.
- 5.2 In the 2022/23 Annual Governance Statement a number of significant governance issues were identified. Below are the details of those significant governance issues followed by the action that the Council has taken in 2023/24 to address them.

2022/23 Significant Issues	Action Taken 2023/24
<p>Climate Change Emergency</p> <p>The Council is committed to meeting net zero by 2038, has an adopted carbon neutral action plan, and a multi-agency Climate Change and Air Quality commission. Two reports on greening Trafford Park were completed during the year, setting out a pathway to significantly reduce carbon emissions from the Park, improving the environment, enabling active travel, whilst maintaining economic output. Developing proposals to implement these plans will be a key focus of 2023/24. A new post of Head of Climate Change has been established to provide greater focus on this key priority, with additional posts also established to focus on Trafford Park.</p>	<p>With nearly half of Trafford’s carbon emissions coming from Trafford park alone, industrial and business decarbonisation is a key priority for Trafford. Working with GMCA and the Growth Company, the Council has set up the Bee Net Zero Trafford Park partnership, providing free decarbonisation support to businesses on the park.</p> <p>Good progress has been made on electric vehicle charging infrastructure through the Be.EV programme. Trafford’s Sale Water Park has now opened its state-of-the-art EV charging hub, equipped with 16 ultra-rapid charging bays. Work has started on detailed project design for a potential low carbon heat network in Trafford’s Civic Quarter.</p> <p>Refurbishment work has started on Altrincham Leisure Centre, which will include solar PV and replacing gas boilers with air source heat pumps.</p>

2022/23 Significant Issues	Action Taken 2023/24
	<p>A programme of work on active travel schemes also is underway, including new infrastructure, bike libraries, school street trials and TfGM funding for businesses for cargo bikes and adapted bikes.</p> <p>Trafford became one of the first local authorities in the country to install solar hybrid streetlights after five columns were installed on Woodbridge Road in Urmston.</p> <p>Programme of urban tree planting and woodland creation agreed with City of Trees for the 23/24 planting season under Defra and Forestry Commission funded programmes including Northern Forest, Trees for Climate and Grow Back Greener.</p>
<p>Medium Term Financial Position</p> <p>Despite setting a balanced budget for 2023/24 significant budget gaps of £7m and £10m exist for 2024/25 and 2025/26 respectively. It will be imperative that the Finance and Change programme continues in the short and medium term with a dual focus and supporting the delivery of the already identified savings programme whilst also focussing on new ideas that will be required if the Council is to have a sustainable financial position in the future. Reserve balances are at a low level and reliance cannot be placed on these to support the budget position. A large element of the savings programme in 2023/24 is comprised of “corporate” related</p>	<p>During 2023/24 the Council has continued to be faced with expenditure pressures in some key areas of the budget and most notably children’s placements and home to school transport. These areas are projecting a combined overspend of £3.9m, based on the latest in-year monitoring and this position necessitated significant additional investment being incorporated in the 2024/25 budget. During 2023/24 several mitigating management actions have been introduced to help offset this pressure such that the latest projection is showing an overall net underspend of £1.6m. Also, and on a positive, note the majority of the in-year savings programme has been</p>

2022/23 Significant Issues	Action Taken 2023/24
<p>savings which to a large extent have been exhausted and will not be an answer to balance future budget pressures with the focus likely to fall on front line services.</p>	<p>delivered. This overall position has meant that at this stage there is unlikely to be any unplanned use of Budget Support Reserve beyond the levels agreed by Council in February 2023.</p>
<p>Information Governance</p> <p>Two IT and Digital Cyber Security Officers are in place and are making good progress on improving the council's cyber security posture. There is a considerable backlog of improvement required but significant progress is planned for 23/24. Progress has been made and there is an action plan in place to resolve the unsupported software issue within the Council. This was the only aspect of the submission for the 2023 NHS Data Security and Protection Toolkit which was not met, resulting in the Council approaching standards with an improvement plan in place to address this. The Council is expecting to achieve all of the mandatory requirements and to meet the standard towards the end of 2023.</p> <p>The Council plans to introduce a new Training IT system in May 2024, which will enable compliance to be more accurately monitored and promoted.</p> <p>The service redesign is continuing and in 2023/24 the Council will undertake recruitment activity to address the current lack of capacity. The project team will continue to develop the review of the IG team function and to explore the creation of IG champions</p>	<p>The Council was successfully assessed as meeting standards for the NHS Data Security and Protection Toolkit as of October 2023 after submission and progress made with the improvement plan. Discussion and preparation have commenced with key stakeholders across the Council to assess the requirements and ensure prompt submission for 2024 and it is anticipated the Council will continue to meet standards.</p> <p>Good progress has been made with the service redesign. Recruitment activity is in the final stages for the information governance team and once complete this will stabilise the team and introduce resource at senior and administrative levels. Once the new structure of the team is embedded, a review will be completed, and a full programme plan developed to make improvements across the service and Council.</p> <p>Information Governance is aligning with the Insights & Intelligence Service in the implementation of the Data Strategy and exploring the possibility of forming a joint board rather than reestablishing the IAB. We have also worked</p>

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2022/23 Significant Issues	Action Taken 2023/24
<p>across the Council to emulate the function of the IAB and the merits of its reestablishment.</p>	<p>closely with IT and Digital to support with the governance around the implementation of Microsoft 365, and on key policies and retention.</p> <p>The new training system is on track to be rolled out in the coming months.</p>
<p>Demand for School Places</p> <p>Primary Places:</p> <p>In the normal admissions round for entry into reception and in September 2022 there were sufficient places for our residents with surplus places in all areas. The admission round for September 2023 is still being finalised but there are sufficient places in all areas.</p> <p>However, the surge of in-year applications continues to have an impact on primary places and has created pressure in the secondary sector as children move up.</p> <p>Secondary Places:</p> <p>In the normal admissions round for entry into Y7 in September 2023 there was just enough capacity to offer a place to everyone who applied. However, 191 Trafford children, predominantly resident in Altrincham and Sale, could not be allocated places at any of their preferred schools and were allocated places at the nearest school with a vacancy. 110 of these places were in other areas of Trafford. At the end of the allocation every secondary school in Trafford was</p>	<p>The Council has a statutory duty to provide sufficient places in schools and early years settings. To support the achievement of this duty, and to meet any risks in relation to school conditions and access, the Council has received Basic Need capital funding (for expansion of pupil places) of nil for 2024/25 and £19.177m for 2025/26.</p> <p>Demand for school places is influenced by a broad range of social, economic and demographic factors, reflecting wider trends within community and society at a given point in time. The selective education system in Trafford creates additional complexities, with a unique pattern of pupils in upper year groups in the primary phase moving into the area in preparation for applying for our grammar schools. Additionally, Trafford is not the Admission Authority for 18 of our 19 secondary schools where this responsibility lies with the school's governing body because they are an academy or faith school. Due to this complexity, providing a place for every Trafford resident child has not been easy to achieve but</p>

2022/23 Significant Issues	Action Taken 2023/24
<p>full and many schools allocated places above their published capacity.</p> <p>Projects have been completed or are planned over the course of 2023/24 to deliver:</p> <ul style="list-style-type: none"> • 60 College places per year group from September 2024. • 30 additional Primary places per year group from February 2023. • 45 additional infant/primary school places per year group from September 2023. • 135 temporary additional places in Y5 and Y6. • 30 temporary additional places in Y4 • 30 temporary additional places in Y2 <p>In addition to securing extra capacity, the Council will also:</p> <ul style="list-style-type: none"> • Continue to update and review the most recent GP registration data, • Annually review catchment areas for primary schools to ensure that the available places are targeted most effectively. • Implement EYES Schools Admission module for enhanced monitoring and reporting on in-year applications and impact of inbound migration. • Hold regular meetings with DfE Place Planning Teams to monitor sufficiency and impact of inbound migration. • Explore provision of a new secondary school in Sale/Altrincham area. 	<p>Trafford continues to meet the statutory duty despite the challenges.</p> <p>In the 2023 admission round there were sufficient reception places in all areas. On national offer day (17 April 2023) every applicant was offered a place, with 94% of Trafford resident on-time applicants allocated their first preference school and 99% allocated one of their top three preferences. All primary in-year applications received in the 2023 autumn term, where residency has been confirmed, were also allocated a school place.</p> <p>In order to meet the demand for the growth in primary school places that were required, a number of both permanent and temporary expansions and developments were implemented, using the Basic Need capital funding.</p> <p>The unprecedented surge in demand for primary school places has gone on to have a significant impact on admissions into secondary school. However, on national offer day in 2023, all year 7 applicants achieved a school place. Work continues to achieve an expansion at Altrincham College to create additional places in the south of the borough.</p> <p>In addition, a Priority School Rebuild bid to rebuild two blocks at Sale High School was submitted to the DfE and was</p>

2022/23 Significant Issues	Action Taken 2023/24
<p>Deliver tailored application advice for Altrincham and Sale parents in the transfer cohort for September 2023 to help secure Y7 places for Trafford residents and develop a robust communication strategy.</p>	<p>successful. The project has been allocated to the second phase of the programme which is provisionally expected to enter delivery from April 2025 with an expected three-year project timeline.</p>
<p>Leisure Services</p> <p>The Council will ensure refurbishment continues at Altrincham Leisure Centre, scheduled to re-open in late 2024. The Council will also ensure that public consultation continues throughout 23/24 at each stage of the design process for Partington Sports Village. Independent scrutiny and validation of the business plans for each centre will be provided by a leading leisure consultant to support the Council in ensuring that investment in its Leisure estate provides value for money and delivers the Council's Strategic Objectives, as set out in the Strategic Objectives Planning Model (SOPM) and the Councils Corporate Plan. The Operating Agreement between the Council and Trafford Leisure will provide a robust governance and reporting framework against agreed service standards, asset management and financial and legal agreements. Following approvals, the Operating agreement is being developed for agreement and implementation in 2024.</p>	<p>Altrincham Leisure Centre has been under construction throughout 23/24, and due for completion at the end of 2024. It is currently forecasted in line with budget parameters agreed with executive. The works will include a full refurbishment of the centre as well as the removal of gas from the building and the inclusion of air source heat pumps and solar panels.</p> <p>Partington Leisure centre – In 23/24 a series of key milestones have been achieved in the redevelopment of this centre and surroundings. RIBA stage 2 and 3 have been completed for the Leisure Centre. An additional third generation Astro turf pitch has been delivered on site and is now live as well as the resurfacing of the current pitch. A series of public engagement and consultation sessions have also been delivered.</p> <p>Operating Agreement – a service specification has been developed and agreed in 23/24 as well as a performance management framework and set of KPIs which are currently being implemented. Support has</p>

2022/23 Significant Issues	Action Taken 2023/24
	<p>been provided to Trafford Leisure as they progress work on their internal governance including work towards achieving Sport England's tier 3 governance framework.</p> <p>Business cases – business cases have been developed for each leisure centre and have been aligned to the approval processes. A 5-year business case has been developed which recognises the work across the leisure investment programme so that a clearer understanding of the short- and medium-term revenue position will be of Trafford Leisure.</p>
<p>Economic Uncertainty</p> <p>The Government target is to half inflation by the end of 2023, though it remained above 10% in April 2023. The prospect of further increases in interest rates threaten to remain a brake on the housing sector with house prices remaining generally static, which could see a slowdown in development activity. The economic outlook remains uncertain with predicted growth low, though unemployment rates also remain low. The Council believes that it has an important role to maintain confidence in the Trafford economy and to continue to enable inward investment. The regeneration of our town centres will continue, with works starting on the King Street and Kingsway in Stretford, the completion of the Foundations development in the Stamford Quarter alongside the</p>	<p>The UK saw two consecutive quarters of negative growth at the end of 2023, though the economy saw a return to positive growth in the first quarter of 2024. Despite this challenging background the Council continued to promote Trafford as place to develop, do business and invest. The Inclusive Economy Delivery Plan, approved by the Executive in February 2023 sets out the Council's overall approach to delivering an inclusive economy.</p> <p>These plans are supported by the utilisation of £1.76m of funding from the UK Shared Prosperity Fund, with a key focus on town centres, supporting businesses, social value, and arts and culture.</p>

2022/23 Significant Issues	Action Taken 2023/24
<p>public realm improvements, and a new masterplan for Urmston being Commissioned.</p> <p>The Council will also continue to use its' Investment Strategy to support appropriate development. Subject to the final consultation on Main Modifications required following the Examination in Public, the anticipated adoption of Places for Everyone will establish the planning policy basis to enable development in our strategic locations alongside investment in critical infrastructure. Working with partners in GM the Council will ensure it maximises the potential of the Trailblazer devo deal to deliver inclusive economic growth for all our communities.</p>	<p>Investment into the Council's town centres, and key regeneration sites has been maintained. Work is progressing on the new King Street and Kingsway regeneration projects in Stretford, the Foundation development has completed in the Stamford Quarter in Altrincham, and development of the Lumina Village site has commenced.</p> <p>Places for Everyone was adopted in March 2024, setting out the development plan for GM (excluding Stockport), delivering housing and economic growth across nine GM LA's. Two key strategic development sites are in the borough, New Carrington and Davenport Green.</p>
<p>Amey Contract</p> <p>The seven-year review will complete in 2023/24, establishing an updated contractual basis for the contract, alongside revised governance arrangements and amended performance management framework. Work will also be progressed on Microsoft Dynamics, the new CRM system, which should improve the customer journey of reporting service requests. Maintaining and improving the uplift in performance will enable greater focus on service change, maximising the potential benefits of the partnership to support investment in infrastructure and green spaces.</p>	<p>The seven-year review process completed, with the agreed contractual changes to be formally signed in 2024/25. This sets out a new performance management framework and governance arrangements, alongside opportunities to enhance the partnership to deliver new commercial opportunities and investment in infrastructure in Trafford, supporting delivery of new development.</p>

Significant Governance Issues 2024/25

5.3 The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to ensure the effective delivery of its objectives and manages its resources to meet the ongoing financial challenges being faced. Detailed below are significant governance issues and actions planned to address these in 2024/25.

<p>Medium Term Financial Position</p>	<p>Whilst balanced budget proposals for 2024/25 have been agreed by Council in February 2024 there is still a significant structural deficit in the budget with gaps of £15m and £14m in 2025/26 and 2026/27 respectively. It will be crucial for the Finance and Change Board and supported by the Executive to continue to look to identify and deliver on further income generation opportunities and service transformation and productivity initiatives that can help achieve sustainable budget proposals for future years. At the same time the Board will need to keep a close eye on the delivery of the savings programme for 2024/25.</p> <p>In addition to the risks posed by the growing demand for social care, inflationary factors, particularly how they impact of future pay growth (affecting both Council staff and providers) and other macro-economic factors could have an impact on the budget position and will need to be closely monitored. Also, there are a number of other key financial risks that the Council will need to closely monitor, including the risks associated with the Asset Investment Strategy, the growing financial deficit on the school's high needs block and the volatility in the level of funding the budget is reliant on from business rates.</p>
<p>Climate Change Emergency</p>	<p>Work has commenced to provide support to businesses on Trafford Park to decarbonise. What is needed is governance arrangements to support collaboration not just between businesses on the park but also with potential technology providers, experts, investors and so on. Discussions are ongoing about how the Council can best support such collaboration.</p>

	<p>Increasing the pace of emissions reductions from the Council's own estate and operations requires collaboration with various teams across the Council, including Estates, Schools, Leisure, Waste and the One Trafford Partnership, This collaboration is being taken forward through a Climate Crisis Officers Group and through regular one-to-ones between these teams and the Climate Change and Sustainability team. A first quarterly newsletter has been sent out (December 2024) to businesses on the park and other partners interested in the decarbonisation of Trafford Park. But more will be needed to bring relevant partners together to develop a pipeline of investable projects, and to seek funding.</p> <p>More work is needed to increase awareness of climate risks in Trafford and how to increase climate resilience. Work is being carried out at the GM level, led by the Greater Manchester Combined Authority (GMCA) and supported by all 10 districts and other key stakeholders, to develop a climate change strategy and action plan for the city region.</p> <p>The planned Civic Quarter Heat Network had been successful in receiving Government grant and is now moving to the commercialisation phase. But further work will also be needed to assess the scope for low carbon heat networks elsewhere in Trafford covered by proposed heat zones – this includes other areas of North Trafford (e.g., Trafford Park, Wharfside, Stretford) but also in Trafford's two allocations under Places for Everyone (Pfe) – New Carrington and Davenport Green.</p> <p>The Public Sector Decarbonisation Scheme, which has already funded decarbonisation work in Trafford such as Altrincham Leisure Centre, has now been devolved to the GMCA to administer. This provides an opportunity for Trafford Council to work collaboratively with the GMCA to understand further opportunities to fund decarbonisation work on public sector buildings.</p> <p>On the issue of nature and biodiversity, there are some key questions around funding of biodiversity-related work that will need resolving. One is the Government's proposal for a new</p>
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	<p>approach to developed contributions for discharging environmental obligations. The other is the Council's approach to Biodiversity Net Gain (BNG). If the Council wishes to use BNG money to fund biodiversity projects then it will need to assess the scope for setting up habitat banks in Trafford.</p>
Information Governance	<p>The Council has maintained the current compliance rates for Freedom of Information Act and Environmental Information Regulations requests and Subject Access Requests over the last 12 months, but further improvement is required. The increased capacity in the team following the recruitment exercise will allow much more proactive work to be carried out in ensuring that deadlines are met. We have also identified that many of the SAR requests that we are unable to respond to within timescales are those for care experienced individuals as these are often complex and voluminous. We are implementing plans to provide a streamlined bundle in these cases, this will improve outcomes for the individuals involved and make workloads more manageable and increase the number of subject access requests that we are able to respond to within the statutory timeframes.</p> <p>There is an ongoing risk around retention of records and records management. The Council now has an up-to-date retention schedule in place; however, work is planned to create a Trafford specific retention schedule and policy, which will be developed in conjunction with the information collated for the SharePoint migration. We will also be considering the best options for the Council with regard to storage of hard copy records and a high-level business case has been drafted regarding this.</p> <p>We continue to be alert to data breaches and consideration of how we can minimise the risks of incidents occurring. In the next year we will be implementing specific targeted training for service areas, we will reinstate reporting of incidents at board level and ensure that regular root cause analysis is conducted. Audit Work has also been planned in this area for Q3/Q4 of 2024/25.</p>

Leisure Services	<p>The Council is working to reduce the ongoing subsidisation of Trafford Leisure through developing a revised operating agreement that will ensure the necessary governance and reporting mechanisms are in place including, legal and financial agreements, property leases and service standards. Service outcomes will be aligned to the wider strategic objectives of the Council.</p> <p>Work to progress the full Operating Agreement is ongoing with engagement of TL board. In November 2023, HMRC issued revised guidance on the status of VAT for Leisure Services. To ensure that the Council can fully realise any benefits from these changes, legal and finance services have commissioned expert external advice to consider the legal, contractual, procurement and subsidy implications.</p> <p>A key risk across the investment period has been the financial impact on Trafford Leisure and the ability to maintain business continuity of service provision during the works through a robust displacement programme. With phasing on the Leisure Investment programme now confirmed and using the 24/25 agreed budget position, an independent Leisure Consultant (Max Associates) have completed a 5-year business plan across the leisure estate. This will help provide assumptions on the subsidy required over this period.</p>
Economic Uncertainty affecting residents and businesses.	<p>The Trafford Inclusive Economy Delivery Plan (approved by the Executive in February 2023) is a focused and longer-term plan to complement Corporate and Directorate Priorities. The actions contained within the Plan are ultimately aimed at delivering the Council's Strategic Vision i.e., 'Trafford – where all our residents, businesses and communities prosper.' The Plan has been produced to clearly set out a number of key themes and related projects/activities in a delivery orientated approach. The Plan contains six themes as follows:</p> <ul style="list-style-type: none"> • Business Support • Town Centres -Regeneration-Shared Prosperity Fund

	<ul style="list-style-type: none"> • Employment and Skills • Communities, Social Value and VCFSE Support • Climate Change/Green Economy • Development Framework <p>To support delivery of the Plan, the Council was awarded c£1.8m of UK Shared Prosperity fund monies (to utilise by March 2025) which is a cross-Council approach to support communities and businesses in the borough. The areas of activity include:</p> <ul style="list-style-type: none"> • Inclusive and Vibrant Town Centres • Greening Trafford Park • Social Value Co-ordination • Creative Trafford • Active Trafford • Cycle Hubs • Trafford Heritage Programme • Public Health in Art • Libraries Community Engagement Programme <p>The focus continues on delivery of the IEDP, and the UK SPF projects which are monitored on a monthly basis. Employment and skills initiatives to support residents are being delivered, such as through the comprehensive job clubs programme and digital inclusion project.</p>
<p>Reducing health inequalities</p>	<p>The Fairer Health for Trafford Partnership was established in March 2024 and is accountable to Trafford’s Health and Wellbeing Board. The partnership is taking a tactical approach to</p>

	understanding, co-ordinating action to reduce the impact of, and monitoring health inequalities. An action plan is currently under development.
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The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to ensure it delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Councillor Tom Ross
Leader of the Council

Sara Todd
Chief Executive



Audit Strategy and Completion Report

Trafford Metropolitan Borough Council – Year ended 31 March 2024

February 2025

Members of the Accounts and Audit Committee
Trafford Metropolitan Borough Council
Town Hall
Talbot Road Stretford
M32 0TH

5 February 2025

**forvis
mazars**

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

Dear Accounts and Audit Committee Members,

Audit Strategy and Completion Report – Year ended 31 March 2024

We are pleased to present our Audit Strategy and Completion Report for Trafford Metropolitan Borough Council for the year ended 31 March 2024. The purpose of this document is to summarise our audit and to explain how the statutory backstop arrangements introduced by the Accounts and Audit (Amendment) Regulations 2024, have affected the completion of our work and the reporting consequences. We consider two-way communication with you to be key to a successful audit and particularly important in the context of the backstop arrangements as it facilitates:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities; and
- providing you with constructive observations arising from the audit process even though this has been curtailed by the backstopped arrangements.

We would usually report the results of our planning work, including the significant risks identified and our planned procedures, in our Audit Strategy Memorandum. The results of our audit, including significant matters identified would usually be reported to you in our Audit Completion Report. As a result of the backstop arrangements, we have determined that the most appropriate way to communicate each of the matters required under auditing standards, in this single Audit Strategy and Completion Report.

As it is a fundamental requirement that an auditor is, and is seen to be, independent of audited bodies, section 8 of this document summarises our considerations and conclusions on our independence as auditors.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods. We will report further details to you on the rebuilding process in the coming months. In line with the guidance issued by the National Audit Office, as endorsed by the Financial Reporting Council, we hope to return to a standard audit cycle where we are able to obtain sufficient, appropriate evidence in order to issue an unmodified audit opinion in as short a period as practicable.

I would like to express our thanks for the assistance of your team during the course of our audit. If you would like to discuss any matters in more detail then please do not hesitate to contact me on +44 (0)161 238 9243.

Yours faithfully

Alastair Newall

Forvis Mazars LLP

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Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.



01

Our audit and the implications of the statutory backstop

Our audit and the implications of the statutory backstop

We are appointed to perform the external audit of Trafford Metropolitan Borough (the Council) for the year to 31 March 2024. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>.

Our audit of the financial statements

The detailed scope of our work as your appointed auditor for 2023/24 is set out in the National Audit Office's (NAO) Code of Audit Practice ('the Code'). Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 ("the 2014 Act").

We are appointed to audit the financial statements in accordance with International Standards on Auditing (UK), and under normal circumstances our objectives would be to form and express an opinion on whether the financial statements present a true and fair view of the Council's financial affairs for the year and whether they have been prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

Government has recently introduced measures intended to resolve the local government financial reporting backstop. Amendments to the Accounts and Audit Regulations require the Council to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. In accordance with the Code, we are required to provide our audit report on those financial statements in sufficient time to enable the Council to meet these responsibilities, whether the audit is completed or not.

As a result of the backstop arrangements, we have determined that there is insufficient time to complete our audit procedures so as to obtain sufficient appropriate evidence, and, in our view, the effects of the resulting lack of evidence is material and pervasive to the financial statements as a whole. As a result, we intend to issue a disclaimer of opinion on the Council's financial statements. We have included our proposed audit report in Appendix B. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements. Members will note that the form and content of this report differs substantially from the report which they will have seen in previous years. We provide more details on this in section 5.

Further information on the procedures we have undertaken in order to issue a disclaimer of opinion in advance of the backstop date is provided in section 3.

Responsibilities in respect of fraud and internal control

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both Those Charged With Governance and management. This includes establishing and maintaining internal controls over compliance with relevant laws and regulations, and the reliability of financial reporting. As part of our audit procedures in relation to fraud we are required to inquire of Those Charged with Governance and including key management include Internal audit, other key individuals where relevant as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks.

Management is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. Section 5 sets out any internal control recommendations we have made and any misstatements identified in the draft financial statements and how these have been addressed by management.

Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers under the 2014 Act. No such correspondence from electors has been received.

Value for Money arrangements

The amendments to the Accounts and Audit Regulations do not affect our responsibilities in relation to the Council's Value for Money arrangements. We are responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work and our findings further in section 6 of this report.

Whole of Government Accounts

As a result of the backstop arrangements and our intention to issue a disclaimer of opinion on the Council's financial statements, we anticipate reporting to the NAO that we are unable to complete the mandatory audit procedures specified in their Group Audit Instructions. We are awaiting confirmation of when and how this should be reported to the NAO.

02

Your audit team

Your audit team



Alastair Newall

Audit Director

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Our audit approach

Our audit approach

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements. Our audit of the financial statements has been conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. We have also had regard to the Local Audit Reset and Recovery Implementation Guidance ('LARRIG') issued by the National Audit Office and endorsed by the Financial Reporting Council in delivering our audit in the context of the backstop arrangements introduced by the 2024 amendments to the Accounts and Audit Regulations.

Our approach to the audit of the financial statements

In the absence of the backstop arrangements, our audit would be risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. After completing our detailed risk assessment work and developing our audit strategy, we would design and complete audit procedures in response to the risks identified.

The conditions created by the imposition of the backstop arrangements mean that we have not carried out all of the work necessary to issue a detailed audit plan and to complete all the required audit procedures to provide an opinion on the financial statements. The approach we have taken to carrying out the Council's audit has been designed so that we can comply with International Standards on Auditing (UK) and issue our audit report to allow the Council to meet the backstop date of 13 December 2024 for publishing the financial statements and other relevant information.

We summarise below, the work we have undertaken to inform our audit strategy and our determination that it is necessary to issue a disclaimer of opinion on the Council's financial statements. As we have not completed all our planning procedures, including all risk assessment work, we do not include a summary of significant and enhanced risks as part of this report.

Area of the audit	Summary of our procedures
Acceptance and continuance	We have carried out all acceptance and continuance procedures including consideration of: <ul style="list-style-type: none">• The financial reporting framework adopted by the Council and the existence of any unusual or controversial accounting policies• The form, timing and expected content of our communication with Those Charged with Governance• Any actual or potential threats to our independence• The existence of any other factors that indicate we should not continue as the Council's auditor
Understanding the entity	We have carried out audit procedures to understand and document our understanding of the Council across a range of areas, including but not limited to: <ul style="list-style-type: none">• The Council's structure, including its wider group• Key accounting policies• Accounting estimates• The use of experts
Control environment assessment	We have documented our consideration of the Council's control environment. We carry out this work to inform both our work on the financial statements and as an element of our Value for Money arrangements risk assessment work.

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Our audit approach

Area of the audit	Summary of our procedures
Fraud	We have carried out work on identifying potential fraud risks and made specific inquiries of management and Those Charged with Governance in respect of actual, potential or suspected fraud.
Materiality	We have considered the application of materiality for the audit of the Council's financial statements. Further details on the materiality thresholds determined, is included later in this section of our report.
Laws and regulations	We have obtained an understanding of the legal and regulatory framework applicable to the Council and made specific inquiries with management and Those Charged with Governance in respect of any instances of noncompliance with laws and regulations.
Written representations	We have requested certain written representations from management in accordance with ISA (UK) 580. The draft management letter of representation is provided in Appendix A.
Completion, review and reporting	<p>We have undertaken sufficient review procedures to ensure our audit complies with the requirements of ISA (UK) 230. This includes specific work to document our consideration of the implications of the backstop arrangements on our audit and the reporting implications.</p> <p>We have also considered whether any matters have come to our attention that we deem should be reported to Those Charged with Governance or that may be relevant to our auditor's report. Such matters may include misstatements identified in the draft financial statements or internal control recommendations.</p> <p>As we intend to issue a disclaimer of opinion, additional quality and risk management processes have also been followed.</p>

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Our audit approach

Group audit approach

The Council prepares Group accounts and consolidates the following bodies:

- Trafford Leisure CIC Limited—a 100% owned subsidiary of the Council- This subsidiary is accounted for on an acquisition basis and consolidated on a line-by-line basis, writing out inter-group transactions
- Trafford Bruntwood LLP, Trafford Bruntwood (Stamford Quarter) LLP and Trafford Bruntwood (Stretford Mall) LLP- 50% owned joint ventures- These are accounted for on an equity basis in the group accounts.
- As the Council’s external auditor, Forvis Mazars LLP audits 98% of the total group expenditure at the surplus/deficit on provision of services level. Further detail on our approach to the Group audit is set out below:

Entity	Classification	Statutory auditor	Group audit strategy if the backstop did not apply
Trafford Metropolitan Borough Council	Significant	Forvis Mazars LLP (group auditor)	Full scope audit of the Council
Trafford Leisure CIC	Significant	Mitchell Charlesworth	Group auditor to undertake specific procedures on balances and transactions
Trafford Bruntwood LLP	Significant	Deloitte	Group auditor to undertake specific procedures on balances and transactions
Trafford Bruntwood (Stamford Quarter) LLP	Significant	Deloitte	Group auditor to undertake specific procedures on balances and transactions
Trafford Bruntwood (Stretford Mall) LLP	Significant	Deloitte	Group auditor to undertake specific procedures on balances and transactions

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Materiality

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Materiality

Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.

Our approach to determining materiality

Although we intend to issue a disclaimer of opinion on the financial statements as a result of the backstop arrangements, we are required to determine materiality and communicate this to the Accounts and Audit Committee.

We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to entity. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to the Accounts and Audit Committee.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.

An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities, and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented, and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and
- Will make reasonable economic decisions based on the information in the financial statements.

We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors. When planning our audit, we make judgements about the size of misstatements we consider to be material.

The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Materiality

Our approach to determining materiality (continued)

For the group and single-entity financial statements, we consider that Gross expenditure is the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

We have set a materiality threshold of 2% of gross expenditure at the surplus/deficit on provision of services level for the Council's Group and the Council single entity financial statements.

Based on the 2023/24 draft financial statements overall Group materiality for the year ended 31 March 2024 is £14m for the Group (£12.65m in the prior year), and Group performance materiality is £9.8m (£9.49m in the prior year).

For the single entity statements, overall materiality for the year ended 31 March 2024 is £13.8m (12.5m in the prior year), and performance materiality is £9.66m (£9.38m in the prior year).

Group financial statements	2023/24 £'000s	2022/23 £'000s
Overall materiality	£14,000	£12,650
Performance materiality	£9,800	£9,488
Clearly trivial	£420	£380

Single entity financial statements	2023/24 £'000s	2022/23 £'000s
Overall materiality	£13,800	£12,500
Performance materiality	£9,660	£9,375
Clearly trivial	£414	£375
Specific materiality		
Disclosure in respect of Senior Officer Remuneration	£25	£5

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Significant findings

Significant findings

Background and modification of the audit opinion

As a result of the backstop arrangements, we have not been able to complete sufficient audit procedures to enable us to provide an unmodified opinion on the Council's financial statements. As we have determined that the effects, or potential effects on the financial statements of the lack of sufficient appropriate evidence are material and pervasive, we will be issuing a disclaimer of opinion. This means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report which explains the basis of our disclaimer of opinion being the introduction of the backstop arrangements which require the Council to publish its audited 2023/24 financial statements by 28 February 2025.

Members will note that the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

Wider responsibilities

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

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

We have not exercised any of these powers as part of our 2023/24 audit.

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

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- Implications of the backstop arrangements

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Council's compliance with laws and regulations. We have not undertaken any further work in these areas and do not provide any assurance that the financial statements are free from material error .

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

Our observations on internal control

As part of our planning procedures, we obtained an understanding of Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to inform our audit strategy. Although our audit was not designed to express an opinion on the effectiveness of Council's internal controls, we are required to evaluate any deficiencies in internal control that come to our attention, even though we intend to issue a disclaimer of opinion.

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/or correct misstatements in the financial statements on a timely basis is missing.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified through the audit procedures we were able to complete before the backstop date. If we had performed more extensive procedures on internal control, we might have identified more other matters to report. Our comments in this section should not be regarded as a comprehensive report of all deficiencies that may exist or improvements that could be made.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency are of sufficient importance to merit the attention of the Accounts and Audit Committee.

We have not identified any significant deficiencies in the Council's internal controls as at the date of this report.

Other observations on internal control

We also report to you, our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We do not have any other internal control observations to bring to your attention as at the date of this report.

Whether internal control observations merit attention by the Accounts and Audit committee and/or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Summary of amendments to the financial statements

The Council's S151 Officer authorised the Council's draft financial statements for issue on 29 November 2024.

Although we intend to issue a disclaimer of opinion, we still report any amendments which management have made to the draft financial statements, identified either through the audit procedures that we have undertaken, or separately by management.

This information is provided to the Accounts and Audit committee for information and to support it to discharge its responsibilities. It is important for members to note that, given we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments that have been made to the draft financial statements which are summarised in this section.

Amendments to the financial statements

Management has processed the amendments set out in the table below which exceed the trivial threshold. .

Details of amendment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Cr Property, plant and equipment				19,832
Dr Unusable reserves- revaluation reserve			16,598	
Dr Expenditure	3,234			
Adjustment posted to amend obsolescence for updated rate factors on operational building assets.				
Aggregate effect of amendments	3,234		16,598	19,832

Unadjusted misstatements

When we issue a disclaimer of opinion as a result of the backstop arrangements, auditing standards require us to consider whether we are aware of any matter that would have otherwise required a modification to our opinion. Such matters may include, for example, material misstatements that have been identified which have not been amended by management in the final financial statements. We confirm that no such matters have come to our attention.

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Value for Money arrangements

Value for money arrangements

The framework for Value for Money arrangements work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

2023/24 is the fourth audit year where we are undertaking our value for money (VFM) work under the 2020 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Council has proper arrangements in place and to report in the audit report and/or the audit completion certificate where we identify significant weaknesses in arrangements. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report. The introduction of the backstop arrangements does not alter our responsibilities in relation to Value for Money arrangements work.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

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

Our approach

Our work falls into three primary phases as outlined opposite. We need to gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.

Planning and risk assessment	Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources include: <ul style="list-style-type: none">• NAO guidance and supporting information;• information from internal and external sources including regulators;• knowledge from previous audits and other audit work undertaken in the year; and• interviews and discussions with officers and Members.
Additional risk-based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements. This will form part of the Auditor's Annual Report. Our commentary will also highlight: <ul style="list-style-type: none">• significant weaknesses identified and our recommendations for improvement; and• emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

Value for money arrangements

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2024 and have identified one continuing significant weakness in arrangements and have made associated recommendations. We provide further details on the identified significant weaknesses and our recommendations within this section of our report.

Our draft audit report at Appendix B confirms that we have matters to report in respect of significant weaknesses. Our commentary on the Council's arrangements will be provided in the Auditor's Annual Report in February 2025 however we have included our draft commentary within this report below.

Follow up of previously-reported significant weaknesses in arrangements

In November 2024 we reported one significant weakness to the Council. As part of our work in 2023/24, we followed up the progress made by the Council against the recommendations made, and determined whether the significant weakness remained during the year.

Significant weakness in arrangements	Financial Sustainability	Governance	Improving the 3Es	Work Undertaken and Conclusions Reached
<p>Page 97</p> <p>Financial sustainability</p> <p>Significant weakness The Council has not identified savings and income generation plans to address the underlying deficit within its budget and has relied on the unsustainable use of reserves to balance the budget.</p> <p>This is evidence of a significant weakness in the Council's arrangements for financial sustainability.</p> <p>Recommendation The Council should develop sustainable financial plans to ensure services can be provided within available resources.</p>	<p>●</p>			<p>Progress against the recommendation The outturn for 2023/24 shows the Council has made progress in delivering £11.8m of savings and additional income in line with budget plans, however £7.4m of reserves were still needed to support the budget.</p> <p>The budget for 2024/25 was balanced through the planned use of £5.6m of reserves and required £6m of savings and additional income.</p> <p>The updated Council's Medium Term Financial Strategy (MTFS) presented in February 2024 for 2025/26 to 2026/27 reported a budget gap of £29.6m.</p> <p>The Council has £10.5m of General Fund reserves and £11.1m of reserves earmarked for MTFS Budget Resilience and Change at 31 March 2024. The Council forecasts the 'MTFS Budget Resilience and Change' reserve to reduce to £8.7m by 31 March 2026.</p> <p>Conclusion In our view the significant weakness relating to the Council's financial sustainability remains for 2023/24.</p>

VFM arrangements commentary

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

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VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability

Background to the Council's operating environment in 2023/24

During 2023/24 the Council continued to face significant challenges, against a backdrop of an adverse national economy and a cost-of-living crisis, the Council continued to see significant increase in demand for its services. The financial impact of the pandemic on the Council continues to feature with loss of income and additional costs. The Council has continued to work to understand the longer-term impact of the pandemic, and to adapt its financial plans over the medium term.

In response to these pressures it is essential the Council has timely and accurate financial reporting to members and senior management, and decision makers make prompt decisions to maintain the financial sustainability of the Council.

2023/24 Financial Performance

We have undertaken a high-level analysis of the financial statements, including the Movement in Reserves Statement and the Balance Sheet.

The Council's balance sheet saw significant movements from 2022/23. Overall, the Council's net assets decreased from £752m to £685m at 31 March 2024. The most significant changes in the balance sheet relate to the Council's Local Government Pension Scheme being a net liability for 2023/24 after previously being a net asset, and increases of £55m in the value of the Council's property, plant and equipment compared to the prior year. The material movements in the net pension position is consistent with other local authorities and is related to the pension ceiling adjustment. The movements in property values are reflective of the Council's capital programme, and changes as a result of asset revaluations.

The Council's useable reserves have increased from £101m at 31 March 2023 to £125m at 31 March 2024. Significant movements include the following:

Contributions to Reserves:

- £8.3m to the Business Rate Risk Reserve
- £3.6m to the Budget Support Reserve from the distribution from Greater Manchester Combined Authority
- £1.9m to the Strategic Investment Reserve
- £2m to the Interest Rate Smoothing Reserve

Contributions from reserves:

- £7.4m from the Budget Support Reserve
- £1.2m from the Business Rate Risk Reserve and Council Tax Smoothing Reserve
- £1m from the Inflation Risk Reserve

The movements in earmarked reserves are consistent with the reserves policy set by the Council in year. The Council's reserves policy identifies the purpose of each reserve, for example whether the reserve is linked to the Council's strategic priorities or to support budget resilience. The policy also sets out the approval process for drawing down reserves. The approval process is determined by the type of reserve and involves officers of sufficient seniority in the decision to draw down the reserve.

Financial planning and monitoring arrangements

The budget for 2023/24 was approved at the 15 February 2023 Council meeting. It set a net budget requirement of £209.4m. The initial budget for 2023/24 identified an overall gap of £24.9m. The Council addressed this gap through a combination of the following:

- additional funding of £5.7m from council tax income
- use of reserves of £7.4m
- service savings and income generation of £11.8m .

Throughout the year the Council regularly updated and presented its budget monitoring reports to members. Budget information and performance monitoring through the year remained up-to-date despite the challenging environment and allowed the Council to identify emerging pressures during the year in a timely way.

We have reviewed the Council's budget setting papers for 2023/24 and confirmed the budget is linked to the updated Medium Term Financial Strategy (MTFS) approved at the same meeting. It included details of key underlying assumptions including levels of inflation and pay increases alongside known changes to levies charged from GMCA.

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability- continued

During the year, the Council reported its Budget Monitoring Report to the Executive on a regular basis, and the Accounts and Audit Committee received the reports three times during the year. We have reviewed a sample of the reports presented to members. These contained appropriate detail of the significant variances against budget and provided an update on the delivery against savings targets. They also contained appropriate information on the delivery of the approved capital programme, including explanations for both over and under spends against the budget profile. Emerging pressures were explained and potential impacts noted.

The outturn for 2023/24 was an underspend of £0.89m. The Council continued to incur budget overspends relating to additional demand for childcare placements and children's home to school transport. The effect of this increase in demand was offset by favourable investment returns due to higher interest rates, an underspend on staff costs from managing recruitment and lower than budgeted energy costs.

The outturn position also highlighted the continued pressure on the Dedicated School Grant (DSG) budget with a deficit of £8.2m in 2023/24 leaving the cumulative deficit on the DSG at £9.7m. The deficit is heavily impacted by demand pressures particularly for high needs placements. The Council has developed a DSG deficit management plan which identifies mitigations such as strengthening effective commissioning and sufficiency management to lower the reliance on more costly external placements. The pressures the Council faces are not unique to Trafford and follows similar trends seen at other Local Authorities. The DSG override mechanism has been extended to 31st March 2026 giving the Council further time to address the underlying deficit.

Arrangements for the identification, management and monitoring of funding gaps and savings

The Council's Medium Term Financial Strategy (MTFS) is a three-year plan which frames the choices the Council needs to make about the services it delivers and how it will deliver them. The MTFS underpins the organisational delivery of the Corporate Plan and helps to ensure decision making gives consideration to the future shape of the Council and its ongoing financial sustainability by setting out the resources available to deliver the Council's priorities.

A key part of the MTFS is to highlight the budget gaps that need to be addressed by the Council in each of the years covered. The Council did this by forecasting the level of available resources and budget pressures, relating to both capital and revenue spending. It also provided information on the adequacy of reserves to support the future delivery of Council services.

The budget cycle commenced in June/July with an update to the MTFS. Regular workshops were held (August, September, October, December and January) with Corporate Leadership Team (CLT) and Members to present the gap and to develop savings programmes for the short and medium term. Budget ownership is devolved so managers are engaged early in the process of identifying savings plans. Challenge to the process was provided by the Service Delivery Group (a sub-group of senior managers) and Strategic Finance Managers to ensure it is sufficiently robust. Saving plans were consulted on with the public and scrutinised by relevant Scrutiny Committees. Details of how the budget gap was planned to be closed was presented in the MTFS as part of the draft and final budget reports.

Although the budget for 2023/24 and the updated MTFS included a series of planned savings and efficiencies, they were not at a sufficient level to avoid the use of reserves to deliver current level of services. The table below outlines the level of savings made and use of reserves to support the budget in 2022/23 and 2023/24. It demonstrates that the use of reserves played a significant role in bridging the funding gap in 2022/23 and 2023/24. Using reserves to bridge funding gaps is unsustainable and exposes the Council to the risk that services cannot continue to be delivered at the current level with the resources available.

	2022/23 (£000)	2023/24 (£000)
Planned saving proposals	5,320	11,760
Savings delivered	3,820	11,730
Planned use of reserves to support budget	11,430	7,400
Actual use of reserves to support budget	11,430	7,400

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability- continued

The Council engaged CIPFA to complete a financial resilience review. The review focussed on the financial position and governance arrangements the Council has in place for financial management and addressing its financial challenges. CIPFA issued their report and findings in January 2025. The report recognises the well-established and robust governance and financial management arrangements the Council has in place. CIPFA outlined eleven key recommendations within the report to strengthen arrangements.

The report reflects on the challenges the Council faces in securing financial resilience and sustainability, and there is recognition that the current use of reserves is unsustainable in the medium to long term.

Arrangements and approach to 2024/25 financial planning and the Medium Term Financial Strategy

The arrangements for the 2024/25 budget setting process have largely followed the arrangements in place for 2023/24.

The budget for 2024/25 and MTFS for the period 2025/26 to 2026/27 was approved at the 21 February 2024 Council meeting. The MTFS for the period identified a gross budget gap for the three years, before applying policy choices, of £53.1m of which £17.8m related to 2024/25.

Using the methodology described above, the Council was able to close this gap and to set a balanced budget for 2024/25 at £217.8m. The Council addressed the gap through a combination of the following:

- additional funding of £6m from council tax income
- use of budget support reserves of £5.6m
- service savings and income generation of £6.2m.

After applying policy choices a residual budget gap of £29.6m remained of which £15.38m related to 2025/26 and £14.22m to 2026/27. We have reviewed the 2024/25 budget papers and confirmed the budget assumptions appear realistic and properly applied based on the circumstances at the time the budget was set.

The MTFS also referenced a number of other financial challenges and areas of uncertainty. The Council highlights the funding available to the Council is insufficient to deliver sustainable services and that if this is not addressed the Council will struggle to deliver services and achieve a balanced budget. The report also mentions the potential national reset of the business rate retention scheme baseline which is now expected in

2026/27. This has potential to give rise to significant financial turbulence because of the high level of reliance on funding generated through the business rate retention schemes. Furthermore, recent economic uncertainty, demand pressures and potential higher inflation present risks to the MTFS.

The most recent forecast outturn for 2024/25, at month six, was a projected overspend of £3.56m as the Council continued to deal with additional demand particularly for childcare placements and increased housing benefits costs. Additionally, savings are forecast to be £1.1m below its target which adds additional pressure to the financial position.

The 2024/25 budget and MTFS report presented to Council recognises that the use of reserves to balance the budget is unsustainable in the medium term. The Council has limited reserves left to be able to support the budget in the medium term and absorb the impact of financial risks. The table below outlines the residual budget gap over the MTFS period against reserves as outlined in the budget reports. As the table shows, the Council forecasts its 'MTFP Budget Resilience and Change' reserve to be £8.76m by the end of the MTFS period. This reserve is the primary reserve available to support the budget and is insufficient to support the remaining MTFS budget gap of £29.6m. While the Council does have other useable reserves, these are earmarked for specific purposes for example to support strategic priorities and specific risks, and are less likely to be able to support the Council's overall medium-term financial position. Based on the Council's MTFS analysis the continued use of reserves is unsustainable, and further action is required to deliver Council services within the available resources.

	2023/24 budget (£000)	2024/25 budget (£000)
Residual budget gap over MTFS period	17,080	29,600
Available reserves:	Actual at year end (31/03/24)	Estimate- end of MTFS period (31/03/26)
General fund	10,500	10,500
MTFP Budget Resilience and Change reserve	11,140	8,760
Other earmarked reserves	58,260	20,660

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability- continued

The Council has not addressed the underlying deficit within its budget through its saving and income generation plans, and has relied on the continued use of reserves and one-off measures to balance the budget. This unsustainable use of reserves to bridge the budget gap is evidence of a significant weakness in the Council's arrangements for financial sustainability (how the Council plans to bridge its funding gaps and identify achievable savings).

Based on the above considerations we have identified a continuing significant weakness in the Council's arrangements in relation to financial sustainability.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

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VFM arrangements – Governance

Overall commentary on Governance

Risk management and monitoring arrangements

The Council has an established risk management system in place, which is embedded into the governance structure of the organisation. The Accounts and Audit Committee are responsible for ensuring that risk management arrangements are in place and are regularly reviewed to ensure they are working effectively.

Each directorate maintained and updated its own risk register, which fed into the strategic risk register at the organisation level. We have reviewed an example register and confirmed it is sufficiently detailed to allow for effective risk management, with each risk having an assigned risk owner and a risk score based on a probability and impact matrix. Where mitigating actions were identified they were assigned a risk owner and due date to provide accountability and allow for effective oversight of the risk. Each risk register is accompanied by a dashboard providing an 'at-a-glance' view of the risk activities within the function.

The corporate risk register provides the Council's senior leadership team with oversight of the key risks faced by the organisation. Regular updates to it were taken to the Accounts and Audit Committee. From our attendance at these meetings, we have seen Members challenge the scores and key risk management activities to gain assurance about the effectiveness of the arrangements in place.

In order to provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud, the Council has a team of internal auditors, led by the Head of Internal Audit and a Counter Fraud and Enforcement Team. The annual Internal Audit plan was agreed with management at the start of the financial year and reviewed by the Accounts and Audit Committee prior to final approval. The 2023/24 Internal Audit plan was approved by the Accounts and Audit Committee on 14 March 2023.

The annual audit plans were based on an assessment of the risks the Council faces and were determined to ensure there was assurance over the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control. We have reviewed the Internal Audit Plans for 2023/24 and confirmed work is planned on a risk-based approach. The risk rating of each audit area determines the frequency of audit, with key areas such as Financial Systems, Governance, Schools, Other Business Risks being subject to annual audit procedures.

Internal Audit progress reports were presented to each Accounts and Audit Committee meeting including follow up reporting of recommendations not fully implemented by agreed due dates. This allowed the

Committee to effectively hold management to account. At the end of the financial year the Head of Internal Audit provided an opinion on the overall adequacy and effectiveness of the Councils framework of governance, risk management and internal control environment. For 2023/24 the Head of Internal Audit concluded that a reasonable level of assurance can be given that the Council's control environment encompassing internal control, risk management and governance, is operating to a satisfactory standard.

We have attended all Accounts and Audit Committee meetings. Through attendance at these meetings we have confirmed that the committee received regular updates on both internal audit progress and risk management in the form of risk registers. We have seen active member engagement from the audit committee who challenge the papers and reports which they receive from officers, internal audit and external audit.

We have also reviewed meeting minutes from both Council and Executive meetings which evidence an appropriate level of member engagement and challenge.

Arrangements for budget setting and budgetary control

The Council has an approved set of budget principles which were used during the budget setting process. The key budget principles are:

- Budget Holders are defined as the Chief Executive, Corporate Directors, Directors, Heads of Service and Strategic Leads, together with any other Officer with the relevant delegated authority to control and monitor budgets. Budget Holders are consulted in the preparation of the budgets for which they are responsible and held accountable;
- Budget Holders are responsible for the day-to-day control of income and expenditure against a set budget for a cost centre, or group of cost centres that make up the area for which they have operational responsibility;
- As part of the monitoring process, Budget Holders must review regularly the effectiveness and operation of revenue budget preparation and ensure that any corrective action is taken.

VFM arrangements – Governance

Overall commentary on Governance- continued

Saving proposals and/or additional resources (i.e. income generation) were identified by services to balance the budget. Proposals were consulted on and scrutinised by the Scrutiny Committee prior to Executive approval for inclusion in the budget as part of balancing the budget. Proposals were informed by and aligned to the Council Plan and MTFS. Government announcements linked to the Council's future funding were a key part of the process. This included Government Spending Reviews, national budget announcements and Local Government Finance Settlement announcements. In addition, Executive decided on an appropriate level of Council Tax increase, taking all of the above into account, as well as the impact this has on residents to support the balancing of the Council's budget. We have reviewed the budget assumptions which are appropriate and are consistently applied.

The Council operated within an annual budget allocation, approved when setting the overall budget. To ensure that the Council in total did not overspend, each service was required to manage its own expenditure and income within the budget allocated to it (i.e. controllable budget). For the purposes of budgetary control by Budget Holders, their budget was split into controllable and non-controllable for a service area or cost centre, with the service managers being held accountable for the controllable elements of the budget.

Following approval of the budget, progress against targets were monitored on a regular basis including the preparation of monthly management reports and challenge on key variances to agreed budgets. Reports were taken to CLT and Executives (bi-monthly), and to CLT on high risk areas monthly. We have reviewed a sample of the finance reports that were prepared throughout 2023/24 which evidence that an appropriate level of detail is included to keep Directors, the CLT and members informed of any actual or potential overspends, including detail on how these areas were being managed.

Budgetary control was a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provided the mechanism to call to account managers responsible for defined elements of the budget. By continuously identifying and explaining variances against budgetary targets, the Council was able to identify changes in trends and resource requirements at the earliest opportunity, enabling remedial action to be taken, where necessary.

In addition to the above the Council's Director of Finance & Systems undertook regular reviews of the Council's Reserves Policy. In 2023/24 a key focus of the reserves policy was to support the resilience of the Council's MTFS and transformation. We have reviewed the Council's reserves policy and confirmed it is

based on appropriate assumptions.

Decision making arrangements and control framework

The Council has an established governance structure in place which is set out within its Annual Governance Statement. This is supported by the Council's Corporate Governance Code, the Governance Framework, the Constitution and scheme of delegation.

The Code of Corporate Governance sets out the key principles which the Council is committed to, and which is the framework for the Council to conduct its business. It allocates corporate governance roles and responsibilities to key officers. In doing this, the framework sets out clearly the lines of accountability.

The constitution sets out that a decision is defined as a key decision if it is likely to require expenditure or savings that are significant in the context of the Council's budget or the services provided or if it is likely to have a significant effect on communities living or working in an area comprising of two or more Council wards. Key decisions can be taken by the Executive, and Executive Member or an officer in accordance with the scheme of delegation.

The Council has an agreed Anti-Fraud and Corruption Policy and Strategy, Fraud Response Plan and Whistleblowing Policy. Details of how to report suspected fraud are included in the Council's Statement of Accounts and Annual Governance Statement. We reviewed these documents as part of our audit and confirmed they were consistent with our understanding of the Council's arrangements in place.

The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures set out within the Council's Constitution. A review of The Finance Procedure Rules is undertaken annually as part of the update of the Council's Constitution. Control is based on regular management information, management supervision, and a structure of delegation and accountability. If there are fundamental failures in internal control these are subject to investigation.

VFM arrangements – Governance

Overall commentary on Governance- continued

Regulator reviews

We reviewed the regulatory reports issued in respect of the Council, including by OFSTED and the Care Quality Commission (CQC).

The CQC conducted an 'Area SEND inspection of the Trafford Local Area Partnership' in October 2023. The findings of inspection were published in October 2023 and concluded '*The local area partnership's arrangements lead to inconsistent experiences and outcomes for children and young people with special educational needs and/or disabilities (SEND). The local area partnership must work jointly to make improvements.*'

The report highlights areas in which the partnership is effective but made recommendations for improvement. In response to the recommendations the Council has developed an action plan. We have reviewed the action plan and it includes a comprehensive list of actions against the recommendations in the report including timescales, responsible individuals, and defined success metrics. Progress is tracked through the Council's Children and Young People's Scrutiny Committee, with monthly updates.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to governance.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness

Performance management

The Corporate Plan describes the Council's vision and priorities for the Borough. It includes an overview of the strategies which provide the detail of what the Council will do and how it will work with communities and partners to deliver its ambitions for Trafford. The Corporate Plan 2021-2024 focusses on three overarching strategic priorities intended to help the Borough recover being 'Reducing health inequalities', 'Supporting people out of poverty' and 'Addressing our climate crisis'

Performance indicators to support the achievement of strategic priorities are identified and included in the Corporate Plan. The plan provides clarity about the specific tasks and performance indicators so staff know what they have to achieve and how they contribute to the overall aims of the Council.

There was regular reporting of performance against the indicators so that the CLT and Members had a good understanding of how the Council was performing. We have reviewed the annual performance report and a sample of the quarterly Corporate Plan reports and are satisfied these contain adequate detail to support performance management.

Arrangements for effective partnership working

The Council has a number of partnership and joint venture arrangements in place to support it in delivering services and achieving its priorities.

The Council is a partner in the Greater Manchester Integrated Care System. Through this system the Council works closely with local healthcare commissioners and providers to plan and operate local health and social care services. Following the formation of integrated care boards in 2022, the Council has continued to work constructively with the wider "system". The establishment of the Trafford Locality Board, chaired by the Leader of the Council, focuses on delivering the Trafford Locality plan.

The Council has a major strategic partnership with Amey. This has been in place since 2015 when the Council's grounds maintenance, highways and street lighting services, together with some professional services were transferred to Amey as part of the "One Trafford Partnership". The Council identified Key Performance Indicators for each of the areas within the contract, including minimum acceptable performance levels and target performance levels. Actual performance was monitored and reported on a regular basis in

2023/24. There are contractual mechanisms available to the Council to impose financial penalties where performance falls below acceptable levels and these were used in previous years.

The Council also has a strategic partnership with Trafford Leisure CIC for the provision of services from Council owned facilities. The Council remained committed to the service and agreed some significant investments in the facilities in line with its leisure strategy. The capital programme was updated and the programme of investment commenced.

The Council has three formal joint ventures in place to support regeneration activities. These include the redevelopment of the former Kelloggs headquarters site in line with the Civic Quarter Masterplan and the redevelopments of Stretford Mall and Stamford Quarter in line with the Town Centre Masterplan.

As part of its Asset Investment Strategy the Council has an investment portfolio of investment loans, equity investments and investment property. The Council's Asset Investment Strategy is linked to the Council's corporate plan and outlines the investment requirements needed for the Council to be able to make an investment. The investment strategy is reviewed and approved each year by Executive and Council as part of the budget setting process.

The Investment Management Board is the Council's board that sets the strategic direction and has oversight of the investment strategy. Their responsibilities include the approval of the investment strategy and investment opportunities, performance monitoring, and risk management. This process is supported by an independent external advisor who provide advice on each investment decision and monitoring reports on performance.

The Council has put in place a clear governance framework for overseeing these arrangements. This includes risk and performance management so the Council can be actively engaged in decisions on a timely basis.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness- continued

Arrangements for commissioning services

The Council is open to considering all options to deliver services. This means it commissions from other organisations where it is appropriate, and where it can achieve the same or better outcomes at reduced cost. The Council actively seeks to commission jointly with other public service agencies where possible.

The Council has a well-developed Procurement Strategy and approach which ensures that it complies with all legal and regulatory requirements as well as achieving best value in procurement processes. A Procurement Policy is in place which is available to all staff via the intranet.

The Council actively seeks partnerships with other local authorities in procurement activities and awards joint contracts where appropriate. The Council is a member of STAR Procurement which is a shared procurement service with Rochdale, Tameside, Stockport, St Helens and Knowsley Councils. STAR reported back to the Council on a regular basis and we have seen evidence that this approach is delivering financial savings and social value requirements.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

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Confirmation of our independence

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Confirmation of our independence

We are committed to independence and confirm that we comply with the FRC's Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration.
- All new partners and staff are required to complete an independence confirmation and complete annual ethical training.
- Rotation policies covering audit engagement partners and other key members of the audit team.
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

Prior to the provision of any non-audit services, Alastair Newall will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our independence as auditor.

There is one matter to report to the Committee. Through our internal annual declarations process we became aware that one of our employees was a governor at a community school in the Borough. In our view this is a technical breach of the FRC's ethical standards. We have confirmed the employee is not within the audit service, and has had no involvement in the audit of the Council. Consequently, no safeguards have been necessary to mitigate the inherent independence risks. Nonetheless, to ensure strict compliance with the ethical standards the employee will be resigning as a school governor. If you have any questions regarding independence matters please contact the Key Audit Partner, Alastair Newall.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Key Communication points

Appendix A: Draft management representation letter

Dear Alastair,

Trafford Metropolitan Borough Council - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Trafford Metropolitan Borough Council the Council and Group for the year ended 31 March 2024. I note that you intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

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

My responsibility for the financial statements and accounting information

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

My responsibility to provide and disclose relevant information

I have provided you with:

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

I confirm as s151 officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

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

Accounting records

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

Appendix A: Draft management representation letter

Accounting policies

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

Accounting estimates, including those measured at current and fair value

I confirm that the methods, significant assumptions and the data used by the Council and Group in making the accounting estimates, including those measured at current and fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

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

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

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

There are no contingent gains which should be disclosed.

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

Laws and regulations

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

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

Appendix A: Draft management representation letter

Fraud and error

I acknowledge my responsibility as s151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

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

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

Related party transactions

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

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

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Council and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Council and Group's has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Appendix A: Draft management representation letter

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Council and Group's service concession arrangements that you have not been made aware of.

Subsequent events

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

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

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note 8 to the financial statements fairly reflects that assessment

Covid-19

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note 8 to the financial statements fairly reflects that assessment.

Brexit

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the disclosure in the Annual Report fairly reflects that assessment.

Going concern

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

Appendix A: Draft management representation letter

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council Group’s risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Council and Group’s financial and operating performance over the period covered by the financial statements.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Signature

Date

Yours faithfully,
Graeme Bentley
s151 officer

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Appendix B: Draft audit report

Independent auditor's report to the members of Trafford Metropolitan Borough Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Trafford Metropolitan Borough Council ("the Council") and its subsidiaries ("the Group") for the year ended 31 March 2024, which comprise the Council and Group Comprehensive Income and Expenditure Statement, the Council and Group Balance Sheet, the Council and Group Movement in Reserves Statement, the Council and Group Cash Flow Statement, the Collection Fund, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We cannot express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 28 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Council to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

Responsibilities of the Director of Finance and Systems for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Director of Finance and Systems is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and for being satisfied that they give a true and fair view. The Director of Finance and Systems is also responsible for such internal control as the Director of Finance and Systems determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Appendix B: Draft audit report

The Director of Finance and Systems is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Finance and Systems is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's and Group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weakness in the Council's arrangements for the year ended 31 March 2024.

Appendix B: Draft audit report

In November 2024 we identified a significant weakness in relation to financial sustainability for the 2022/2023 year. In our view this significant weakness remains for the year ended 31 March 2024:

Significant weakness in arrangements – issued in a previous year	Recommendation
<p>The Council has not identified savings and income generation plans to address the underlying deficit within its budget and has relied on the unsustainable use of reserves to balance the budget.</p> <p>This is evidence of a significant weakness in the Council's arrangements for financial sustainability.</p>	<p>The Council should develop sustainable financial plans to ensure services can be provided within available resources.</p>

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Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Council's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Appendix B: Draft audit report

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report

This report is made solely to the members of Trafford Metropolitan Borough Council as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.

[Signature]

Alastair Newall, Key Audit Partner
For and on behalf of Forvis Mazars LLP

Appendix C: Key communication points

We value communication with The Audit and Accounts committee as a two way feedback process at the heart of our client service commitment. ISA (UK) 260 *Communication with Those Charged with Governance* and ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Our Audit Strategy and Completion Report; and
- Our Auditor's Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate. We have taken the decision to report to you all of the matters which we would usually report in our Audit Strategy Memorandum and Audit Completion Report, within this single Audit Strategy and Completion Report given the nature of the backstop arrangements and the impact upon our audit.

Key communication points at the planning and completion stage of our audit communicated our Audit Strategy and Completion Report

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit and the effects of the backstop arrangements;
- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements;
- Fees for audit and other services.
- Significant deficiencies in internal control;

- Significant findings from the audit including any significant matters discussed with management and significant difficulties, if any, encountered during the audit;
- Summary of misstatements and other corrections made to the draft financial statements;
- Management representation letter; and
- Our proposed draft audit report.

Contact

Forvis Mazars

Alastair Newall

Audit Director

Telephone: +44 (0)161 238 9243

Email alastair.newall@mazars.co.uk

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Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

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TRAFFORD COUNCIL

Report to: Accounts & Audit Committee
Date: 5th February 2025
Report for: Decision
Report of: Director of Finance and Systems

Report Title

Approval of the Final Accounts 2023/24 (Accounts 2024)

Summary

The pre-audited 2023/24 accounts were approved by the Director of Finance and Systems on 26th July 2024. They were submitted immediately to the Council's external auditors, Mazars, and placed on deposit for subsequent public inspection for 30 working days.

The backlog in publication of audited accounts within local government has grown significantly in recent years and as a result Government has introduced backstop dates in an attempt to clear the backlog. Amendments to the Accounts and Audit Regulations require the Council to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025.

As a result of the backstop arrangements, the Council's external auditor has been unable to complete sufficient audit procedures to enable them to provide an unmodified opinion on the Council's financial statements and a disclaimer of opinion has been issued. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and no assurance is therefore provided on the financial statements.

Attached are the redrafted Final Accounts for 2023/24 with any changes made during the audit highlighted.

The following issues have also been identified during the audit and further details can be found in the Audit Completion Report (ACR) 2023/24, Item 9 on this Agenda:

Internal control recommendations (Section 5)

- There has been no identified deficiencies in the Council's internal controls as at the date of this report

Summary of Misstatements (Section 5)

- One item has been adjusted due to updated rate factors becoming available impacting the obsolescence rate applied to the revaluation of operational building assets. This adjustment has impacted the value of Property Plant and Equipment on the balance sheet.
- There have been no unadjusted errors in the accounts
- Several "disclosure" amendments have been made to improve readability and to correct typographical errors.

Value for Money conclusion (Section 6)

- The auditor is required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The auditor has completed their work in respect of the Council's arrangements for the year ended 31 March 2024. Due to the budget pressures the Council faces they have identified one significant weakness in arrangements to deliver financial sustainability and have made an associated recommendation to develop sustainable financial plans. This position is recognised by the Council and work continues to deliver a balanced and robust financial plan. The position is also recognised in the Strategic Risk Register with the highest risk weighting given to this. The Council continues to put in place measures to improve sustainability including:
 - maintaining close control of in year monitoring
 - effective monitoring of in year savings
 - review and mitigate where possible developing pressures
 - generate maximum level of capital receipts
 - identify opportunities for further savings
 - an external assurance review by CIPFA
 - continuing to lobby Central Government to address the level of funding and its distribution across local government.

Recommendation

- a) Members are requested to review and note the Accounts as they currently stand.
- b) Members are requested to approve the Final Accounts for 2023/24

Contact person for access to background papers and further information:

Name: Nikki Royle, Strategic Finance Manager, Financial Accounting.
 Extension: 4333

Background Papers: None

CORPORATE PRIORITIES AND GOVERNANCE CONSIDERATIONS	
The Best Start for our Children and Young People	Non arising out of this report
Healthy and Independent Lives for Everyone	Non arising out of this report
A Thriving Economy and Homes for All	Non arising out of this report
Address the Climate Crisis	Non arising out of this report
Culture, Sport and Heritage for Everyone	Non arising out of this report
Relationship to GM Policy or Strategy Framework	Non arising out of this report
Financial Considerations	Failure to approve the accounts in a proper format would be contrary to the Accounts and Audit Regulations.
Legal Implications:	None arising out of this report

Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable
Socioeconomic duty Implications	Not applicable

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TRAFFORD
COUNCIL

Statement of accounts



2023/24

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Narrative Report

This document provides the detail behind the Council's financial performance for the year 1 April 2023 to 31 March 2024.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015. The regulations require the accounts to be prepared in accordance with proper accounting practices and these primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom in 2023/24 (the Code), which are supported by International Financial Reporting Standards (IFRS).

The Department for Levelling Up Housing and Communities (DLUHC) introduced the Accounts and Audit (Amendment) Regulations 2022 which reinstated the date by which draft accounts are required for public inspection to the first 10 working days of June and brought forward the date for final completion to 30th September 2024.

There's been a national audit backlog caused by a number of factors which has prompted the government to review the timescales of the completion of Local Government Audits and the concept of a backstop date where limited audit opinions would be issued in order to clear the backlog subject to legislation being passed. The 2022/23 audit has commenced and it is expected that the audit will be completed by the initial draft backstop date of 30th September 2024.

The national audit backlog along with the continued inherent complexity and disclosure requirements of local government financial reporting has contributed to the delayed production of the draft statements for 2023/24 and public inspection will now commence on 26th July for 10 working days.

In complying with the requirements and standards of the Chartered Institute of Public Finance and Accountancy (CIPFA) in preparing the accounts, they aim to provide all stakeholders including partners, elected councillors and residents of the Borough and other interested parties with an understanding of the financial position of the Council in 2023/24, confidence that public money has been accounted for correctly and that the financial position of the Council is robust.

This Narrative Report provides information about Trafford, its objectives and achievements whilst also providing a summary of the financial position at 31 March 2024 and key issues that have affected the accounts during the year.

Trafford the Borough

Trafford Council is one of ten local authorities in Greater Manchester and covers an area of approximately 40 square miles to the south-west of the region.

'Service and efficiency' is the motto inscribed in the stained-glass window in the main stairwell of Trafford Town Hall. It sums-up our outlook. This is a 'can-do' place. Business-like. Focused. A home to makers. Innovators. Problem-solvers.

Trafford is home to the first industrial park in the world - and one of the most famous football clubs on the planet.

We are a borough of contrasts. Urban and rural. Small villages and populous towns. Industrial and cultural. Historic and forward thinking.

Trafford was created as a metropolitan district on 1 April 1974 when we received a Royal Borough Charter. But our history goes a lot further back.

In the late 19th Century, Trafford Park was created. The site, still the largest industrial estate in the world, quickly became a hive of industry, employing as many as 75,000 workers by the 1940s. An example of its industrial might, the Rolls-Royce engines that powered the Spitfire and Lancaster World War Two planes were built at Trafford Park.

Located on Manchester's immediate westward flank, the borough of Trafford stretches southwards into north Cheshire and includes our five main urban areas: Altrincham, Stretford, Urmston, Partington and Sale. Each has its own identity. Altrincham has been transformed from a town with the worst vacancy rate in the UK to

an award-winning high street. Now it's the opportunity for the regeneration of Partington, Sale, Urmston and Stretford through their own plans which build on the uniqueness of the centre of each town and village.

We have a robust economy with approximately 14,000 businesses, ranging from cutting edge digital and creative companies to advanced manufacturing and green technology. The population of circa 230,000 is one of the most highly skilled and educated in the North West of England with those qualified at NVQ4 and above being significantly higher compared to the North West Average.

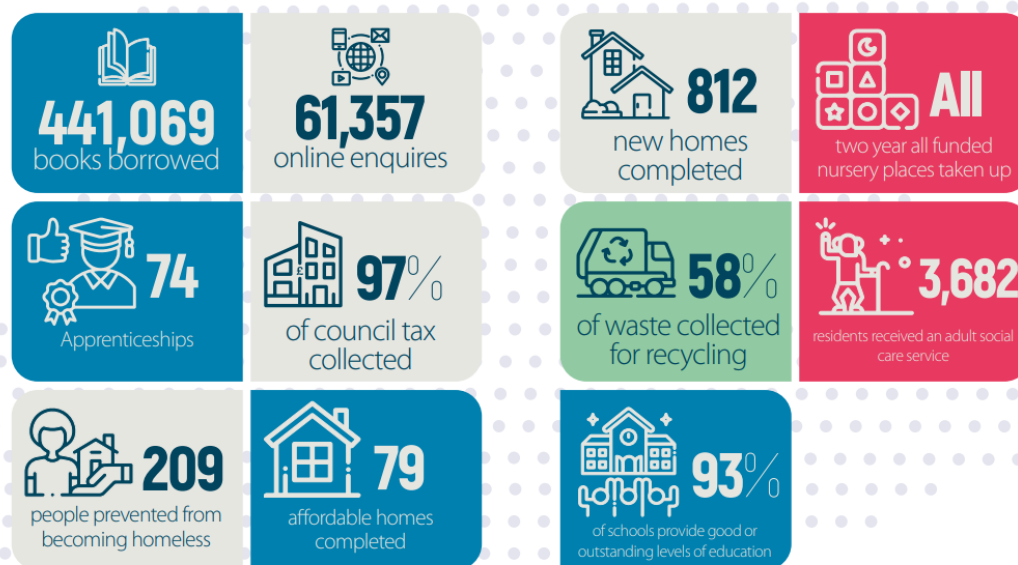
We have a significant number of visitors per year, mainly due to the prestigious attractions that reside here including the Trafford Centre, one of the largest indoor shopping centres in the UK and visited by over 40 million people per year. Trafford Wharfside is a leading visitor destination, home to Manchester United FC, Lancashire County Cricket Club, Coronation Street and the award winning Imperial War Museum North.

As a Council, we are ambitious for our residents. We pride ourselves on being a low-cost high performing Council. We are responsive to the needs of our diverse communities and efficient in how we meet them. Although many parts of the borough are prosperous by Greater Manchester's standards, people in some areas face hardship in their daily lives. We are there for them and will continue to raise living standards and life expectancy.

The Council's Corporate Plan (see later for details) is a prime document setting out the Council's strategic vision, outcomes and priorities for the borough, with the focus being centred around three key outcomes of **Reducing Health Inequalities, Support People out of Poverty and Addressing our Climate Crisis.**

Some of the key achievements worthy of note during the year are:

Our key achievements in 2023-24



On Reducing Health Inequalities

The falls prevention service provided by Age UK Trafford and Trafford Leisure has supported over 200 older people to improve their strength and balance through specialist classes.

We commissioned Beat the Street to support children and families in Stretford, Gorse Hill and Old Trafford to walk, wheel and cycle more around their local community to earn points (and prizes) for their school.

We worked with partners to identify and address inequalities in immunisation uptake, specifically focusing on MMR vaccination.

We established multi-agency sexual health network to drive improvements in sexual health in Trafford.

Inequalities in very overweight reception age children have levelled out according to 2022/23 data in Trafford. In 2022/23, 7.1% of children living in our most deprived communities were very overweight, compared to 6% of children in the least deprived areas.

On Supporting People Out of Poverty

Our 2023-2025 Trafford Poverty Strategy continues to be delivered through the Trafford Poverty Action Group, with actions embedded into our continued work to reduce poverty. The Trafford Poverty Action Group is comprised of over 20 different partners from the private, public and VCFSE sectors and facilitates greater partnership working between organisations.

One of the four recommendations from the Poverty Truth Commission's final report was that we need to improve how residents access services; so we launched a 'One Stop Shop' with Stretford Public Hall in February 2024.

We have used the Household Support Fund to support households in the most need with food, energy, and utility bills as well as for other wider essential costs. The fund has been disbursed to families with children eligible for free school meals to support with food during the school holiday periods, and via Trafford's six Community Hubs who offer support to vulnerable residents within our communities.

- 12,363 households were supported with the Household Support Fund between April 23 and March 24. Spend amounted to £2.8m
 - 4,098 of these households were supported with food
 - 3,700 with energy and water costs.
 - 4,355 of these households are eligible for free schools meals and were supported with food provision during schools holidays
- We are nearing completion of bringing a long-term empty property, Lindow Court, back into use which has been funded by the Trafford Affordable Housing Fund.
- 812 new homes have been delivered in 2023/24, including 79 affordable homes.
- Trafford has been awarded funding from the Rough Sleeper Accommodation Programme to deliver 12 new build units in partnership with MSV Housing.
- 8 families have been assisted into accommodation since the launch of the Afghan Relocations and Assistance Policy scheme.
- 221 households (389 individuals) have been assisted into accommodation via the Homes for Ukraine scheme.

On climate change

We are continuing to make progress with measures that will support the borough as well as reducing our own operational carbon footprint - putting us on a pathway to carbon neutrality by 2038. In doing so, we will help to improve the health and wellbeing of our communities, our environment and our economy. The impact of climate change affects us all but the most disadvantaged communities are often those that are most vulnerable and most severely impacted.

Our commitment to address the climate crisis saw us lead on a number of strategic activities to help reduce carbon emissions. This included completion of feasibility studies for a Net Zero Trafford Park and a delivery plan is now being developed and a Local Area Energy Plan which sets out a high-level blueprint for transforming the borough towards Net Zero.

- The Council has strengthened its resources to tackle climate change with increased officer support and a new Climate Change and Sustainability Service.
- A Strategic Partnership, Bee Net Zero Trafford Park, has been established between Trafford Council, the Growth Company, Energy Innovation Agency, MIDAS and the GMCA to support the decarbonisation of Trafford Park Businesses.

- We became one of the first local authorities in the country to install solar hybrid streetlights after five columns were installed on Woodbridge Road in Urmston.
- A project team consisting of Public Health, Highways and TfGM has been established to create and deliver the Talbot Road infrastructure improvements which will create safer crossing and cycle lanes.
- Funding from TfGM secured for three further bike libraries to be established in Trafford – Stretford Leisure Centre, Our Sale West, and Woodsend Library. Residents can loan a bike, helmet, lock, and lights free of charge.

Town Centres

Our plans for the redevelopment of our town centres are progressing well, with work well underway with our development partners, Bruntwood, on the transformation of The Stamford Quarter in Altrincham and Stretford's King Street. The Stamford Quarter is reshaping the high street by blending retail, leisure, commercial and residential space in a bid to encourage more people to come into the town centre. March 2024, witnessed the completion of Foundation, a 75,000 sq ft dynamic and collaborative workspace on the previous Rackham's site with an innovative new workspace, communal areas and fitness studio now open.

Stretford's King Street - the first phase of the wider Stretford Masterplan is progressing at pace, which includes reinstating the historic King Street as a vibrant high street, where existing businesses will be joined by new shops, cafes and bars, including independent and well known brands. A new covered market hall is also planned, which will provide a home for retailers and eateries, bar areas and outdoor seating to boost the local evening economy.

Trafford Wharf

Exciting and ambitious plans to regenerate an area neighbouring MediaCity and surrounding Manchester United's Old Trafford football stadium were consulted on by Trafford Council in February 2024. The Council's draft Trafford Wharfside masterplan offers a vision for the Trafford Wharfside area as a key emerging neighbourhood over the next 15 years. The Trafford Wharfside Development Framework has been prepared by the Council in discussion with major landowning partners including Peel, Manchester United and Salford City Council.

Trafford Council the Organisation

Trafford is made up of 21 wards each comprising of three councillors with a political make up at the start of 2024/25 as follows:-

- 41 Labour
- 10 Conservative
- 6 Liberal Democrats
- 6 Green Party

The Council's political structure is that of a Leader and Executive model, with the Leader of the Council having responsibility for Members of the Executive, the allocation of portfolios and the delegation of executive functions. A system of scrutiny also exists to hold Members to account.

The management structure, headed by the Corporate Leadership Team was last reviewed in April 2022 and comprises the Chief Executive (the Head of the Paid service), a Deputy Chief Executive and three corporate directors and two directors:

- Deputy Chief Executive and Corporate Director, Strategy and Resources
- Corporate Director, Place
- Corporate Director, Children's Services
- Corporate Director, Adults & Wellbeing
- Director of Legal & Governance (Monitoring Officer)
- Director of Finance and Systems (S151 officer)

Trafford is one of the lowest spending councils in the UK and is proud to be delivering effective high quality services through both direct service delivery and effective partnership working.

The Council provides a broad range of services including schools, children's and adult's social care provision, economic regeneration, environmental and highway services and leisure and cultural services. A number of different delivery vehicles are used to supply some council services for example leisure centres are run by Trafford Leisure, a wholly owned Community Interest Company, some services are delivered through collaborative working, e.g. a shared service for the delivery of some back-office functions whilst others are contracted out to external providers for example waste collection, street cleansing and highway maintenance.

As at April 2023 the Council employed 1,933 full time equivalent staff (excluding school based staff); this had increased to 1,960 by 31 March 2024. Employee health and well-being is a key priority and during the year the Employee Health and Wellbeing Strategy organised numerous on-line events to support workforce wellbeing and work life balance. Performance and development reviews and an appropriate range of blended learning and development opportunities supported our staff to undertake their roles throughout the year.

The Corporate Plan

At the heart of the Council's vision, as set out in The Corporate Plan, is a common cause and long term vision to make Trafford a better borough; **"a place where all our residents, communities & businesses prosper"**.

The corporate plan, "Our Trafford, Our Future" describes Trafford Council's strategic vision, outcomes and priorities for the borough, with the priorities being key to its delivery. It includes an overview of what the council plans to do and how it will work with our residents, communities, businesses and other partners to deliver change to Trafford in line with these commitments.

As an overarching plan, it shapes activity within the council, helps prioritise resources and assists our financial planning. Importantly, the success of the plan is monitored through target setting and outcomes that can be measured.

It is also intended as a guide for our partner organisations to help identify shared objectives so we can work together more effectively to achieve far more for Trafford than we ever could working alone.

Through our vision we will meet the opportunities and challenges that lie ahead and work together to deliver for our residents, communities, businesses and partners.

To achieve this we are focused on three outcomes:

1. All our residents will have access to quality learning, training and jobs
2. All our communities will be happy, healthy and safe
3. All our businesses and town centres will be supported to recover and flourish in an inclusive way

This focus on outcomes, rather than just on the services we provide, helps the Council and our partners work together towards shared goals, rather than as individual service providers.

We focus on three priorities to help us achieve these outcomes, these priorities set out our ambitions for our people, place and communities.

The refreshed priorities covered in the plan for 2021-2024 are described as 'better health, better jobs, greener future' as outlined below:

1. **Reducing Health Inequalities**
 - o *Working with people, communities, and partners, particularly in deprived areas, to improve the physical and mental health of our residents.*
2. **Supporting people out of poverty**
 - o *Tackling the root causes to prevent people from falling into poverty and raising people out of it.*
3. **Addressing our Climate Crisis**
 - o *Leading the way in our region's response, reducing our carbon footprint and tackling the impact of climate change.*

Progress against the Corporate Plan is reported on a quarterly basis to the Executive and the Corporate Leadership Team and an Annual Report is presented to Executive which summarises key achievements during the year.

Key performance indicators monitor outcomes related to the three priorities and also include some general performance indicators for council services. The indicators cover a number of economic, social and environmental measures including, but not limited to, housing completions, affordable housing, healthy life expectancy, apprenticeships, waste/recycling, residential/nursing care, homelessness, planning applications and council tax collected.

The Annual report for 2023/24 is now available on our website at [Report \(trafford.gov.uk\)](https://trafford.gov.uk/reports).

Performance Dashboard

A dashboard of the three corporate priorities measures is available and can be accessed on the Trafford Data Lab website: <https://trafforddatalab.shinyapps.io/corporate-plan/>.

The dashboard visualises a range of indicators relating to each of the three strategic priorities. These show trend data for Trafford compared to the average of other similar Local Authorities (in terms of statistical characteristics) and, where possible, to England. The list of similar authorities used can be found in the Introduction tab on the dashboard. Some indicators also include different visualisations with the data broken down by, for example, ward or sex to highlight inequalities within the borough.

The existing Corporate Plan runs until this year, 2024, with the three strategic priorities. Given the changing landscape and other emerging themes, including the Poverty Truth Commission, Business Rates Devolution Trailblazer and the growth agenda to highlight a few, the time is right for a review of the plan as we seek to ensure the plan responds to the changing conditions and needs of the residents in our borough. The new plan is planned to be released over the summer of 2024.

Risk Management and Opportunities

The Council's corporate approach to risk management ensures that we have robust processes in place to support the delivery of our strategic goals. Ongoing risk management is undertaken to identify the risks that could affect the delivery of key priorities and objectives, determining appropriate ways of mitigating the risk. A Strategic Risk Register (SRR), which articulates the risk, quantifies its likelihood and potential impact, names the responsible officer who owns the risk, and articulates how the risk is managed and any mitigating actions.

The SRR is updated on a quarterly basis and was considered by the Accounts and Audit Committee at their meeting held on 19th March 2024 for the 2023/24 financial year. By the end of 2023/24 there were 17 risks which was an increase of one from 2022/23, the new risk relates to rising thresholds of acute population health needs (e.g. mental health, BMI etc).

Risk levels were reduced in two areas from High to Medium Risk, in relation to the delivery of services/savings through the One Trafford Partnership reflecting the improved relations between the Council and Amey and the Demand for School Places as a result of various mitigations and the declining birth rate.

The key issues with the greatest impact that will affect the operational and financial environment of the Council are:

- The continuing uncertainty regarding the Council's medium term financial position – this risk represents one of the highest for the Council and represents financial uncertainty arising from issues regarding the continuing uncertainty regarding the Council's medium term financial position given the reliance that exists on support from Central Government, cost pressures within the existing budget (compounded by the current high levels of inflation). Major changes that are planned concerning the reform of local government funding (Review of Relative Needs and Resources previously Fair Funding) and the review of the business rate retention system with a planned reset potentially in 2026/27.

- The impact of climate change is considered to have a very high likelihood, in that all available indicators suggest that climate change is already occurring and will, if anything, become more prominent. Climate change can be addressed firstly through adaptation - actions that are designed to promote greater resilience to more extreme weather events. Secondly it can be addressed through mitigation – actions that are intended to slow or avoid the more severe climatic impacts by reducing our greenhouse gas emissions. It should be noted that the UK accounts for around 2% of global emissions and Trafford will be a small fraction of that. Alone Borough actions cannot possibly hope to affect Climate change – however our effectiveness will come via influencing and leadership to affect wider change. There are also a host of other co-benefits from climate action, such as lower air pollution levels, healthy and active lifestyles, more comfortable homes, reduced energy bills
- The appropriate handling of personal/sensitive and commercial data to comply with legal and regulatory requirements, avoid reputational and financial damage has been highlighted as a significant risk. Existing controls focus on reviewing physical storage, retention of electronic records, investment in digital technology, staff training and awareness and focused recruitment to address backlogs in Subject Access Requests and Freedom of Information requests.
- Leisure Services - The provision of Leisure services operated by Trafford Leisure Community Interest Company has been challenging over the last number of years, initially due to the prolonged closures due to the pandemic and more recently the energy crisis and the knock on impact on trading caused by the major refurbishment programme of several buildings. The revenue budget includes support to Trafford Leisure (CLC), for a full range of leisure provision for 2023/24 and over the medium term. This also includes the identification and funding of revenue costs to support business disruption during the leisure centre refurbishment programme. In February 2022 Executive approved £52.1m into the capital programme to cover the costs of the proposed refurbishment of Altrincham, Sale and Stretford Leisure Centres. The investment in centres being the subject of individual business cases. A key risk across the investment period has been the financial impact on Trafford Leisure and the ability to maintain business continuity of service provision during the works through a robust displacement programme. With phasing on the Leisure Investment programme now confirmed and using the 23/24 agreed budget position, an independent Leisure Consultant (Max Associates) have completed a 5-year business plan across the leisure estate. This will help provide assumptions on the subsidy required over this period.
- Economic Uncertainty – The uncertainty regarding the fragile state of the wider economy and impact this can have on the wider business community and communities is recognised as a major risk in progressing the three new corporate policy themes. As such there has been a requirement to amend the Inclusive Economy and Recovery Plan to reflect the new Corporate Priorities. The new Plan maintains the Council’s commitment to support businesses to grow and for communities to develop and become resilient. The new Plan has a strong focus on addressing the causes and effects of poverty on residents and seeks to strengthen support for the VCFSE Sector in their support for the most vulnerable residents. To support delivery of the Plan, the Council was awarded c£1.8m of UK Shared Prosperity fund monies (to utilise by March 2025) which is a cross-Council approach to support communities and businesses in the borough.
- Rising acute population needs - There is a risk that rising thresholds of acute population health needs (for example mental health, BMI etc) lead to system efforts being increasingly focussing on short term presenting need. This detracts from protecting proportionate investment on embedding and sustaining longer term, more cost-effective approaches for early intervention and prevention to improve population health and wellbeing outcomes. Risk mitigation includes ringfencing investment of Public Health grant for early intervention and prevention work and not diverting it for reactive service provision. Working collegiately (across the system) to protect investment in and evaluation of the impact of workstreams that are aiming to bolster early intervention and prevention such as Neighbourhood Networks, Community Hubs, social prescribing.

Governance

Each year the Council prepares an Annual Governance Statement which is approved annually at the same time as these Accounts and is available on the Council's website. The Annual Governance Statement sets out how the Authority has complied with the systems and processes, culture and values in the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' and also how it meets the Accounts and Audit Regulations.

The effectiveness of the Governance Framework is also required to be undertaken on an annual basis. The review is informed by the work of the Council's executive managers, the Head of Internal Audit's annual report, by the external auditor's comments, and the results of reviews and inspections. The Accounts and Audit Committee considered the draft annual Governance Statement for 2023/24 at their meeting on 26th June 2024.

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled. The framework covers the Council's activities through which; it is accountable to, engages with, and leads its communities. It also enables the Authority to monitor performance against strategic objectives and evaluate whether those objectives are fit for purpose.

Key Governance themes in the AGS included demonstrating how the Council discharges its responsibilities relating to public engagement and consultation sessions, particularly surrounding the refurbishments of Altrincham Leisure Centre and Partington Leisure centre developments and the impact these centres will have on their surroundings and meeting the Council's strategic objectives.

Financial Governance was also in focus, given the significant structural deficit in the budget. The Finance and Change Board continued to provide support to the Executive to identify and deliver on further income generation opportunities and service transformation and productivity initiatives that can help achieve sustainable budget proposals for future years. At the same time the Board will need to keep a close eye on the delivery of the savings programme for 2024/25.

In addition to the risks posed by the growing demand for social care, inflationary factors, particularly how they impact of future pay growth (affecting both Council staff and providers) and other macro-economic factors could have an impact on the budget position and will need to be closely monitored.

Also, there are a number of other key financial risks that the Council will need to closely monitor, including the risks associated with the Asset Investment Strategy and the role played in its Governance by the Asset Investment Board, the growing financial deficit on the school's high needs block and the volatility in the level of funding the budget is reliant on from business rates.

The Annual Governance Statement can be found on the Council's website [Downloadable documents \(trafford.gov.uk\)](https://trafford.gov.uk)

The Budget Process 2023/24

On 15 February 2023 the Executive recommended the Council approve an overall net revenue budget of £209.38m. This was adjusted during the year to £209.81m following a late announcement to the Government settlement. When preparing the Council's Medium Term Financial Strategy (MTFS) the Council makes provisional spending plans for future financial years ensuring these are balanced against the expected funding from Government, Council Tax payers and Business Rate payers. The MTFS is a three year incremental process that builds on the work and achievements of previous years, taking into account demographic, legislative and other pressures; mitigated by a series of savings proposals to ensure a balanced budget can be achieved in the coming year, and that there is financial sustainability for future years. To meet the needs of the community, the budget is divided into a number of key service areas as shown in Table 2 below.

In determining the budget for 2023/24 an overall budget gap of £24.86m was addressed by a combination of additional funding from Council Tax of £5.69m, use of reserves of £7.41m and £11.76m of service savings and additional income. This means that since 2010 the Council has addressed an overall budget gap over the period of £288m.

There was a 2.99% increase in Council Tax in April 2023 for Trafford services and a 2% increase was made in respect of the adult social care precept specifically to support adult social care costs. This increased the Band D Council Tax to £1,525.51. Band D Council Tax increased to £1,876.76 when precepts for the GMCA Mayoral

Police and Crime Commissioner and GMCA Mayoral General Precept (including Fire Services) are added; ensuring Trafford had one of the lowest council tax levels in the country.

At the time of setting the budget for 2023/23 the overall gross budget gap for the next three years stood at £51.05m taking into account rising demand for adult and children’s social care services and updated funding announcements.

The major factors contributing to the future budget shortfall continue to be the uncertainty in the wider economy and inflationary pressures, the impact of the business rate baselines and cost pressures which include demographic pressures in social care and national living wage. In addition, the downturn in the aviation sector, initially triggered by the pandemic and subsequently compounded by uncertainty in the wider economy has resulted in a significant loss of dividend income from investments in Manchester Airport Holdings.

The Council has successfully delivered a balanced budget in previous years by prioritising an approach of growth in new funding and income streams which have reduced the requirement to make savings through reshaping services. Local income sources from council tax and retained business rates have remained relatively buoyant despite the economic uncertainty and cost of living crisis and have helped to support the budget in recent years through a continued focus on economic regeneration. This approach will be a key component of our budget strategy in future years. Despite this the future requirement to make savings remains a major issue particularly in the context of the savings made since 2010. As a consequence the continuing uncertainty regarding the Council’s medium term financial position remains a key risk within the Council’s strategic risk register.

Overall Performance

This section provides details on the:-

- a) Performance Monitoring
- b) The management accounts position
- c) The statutory accounts

Performance Monitoring

There are many wide-ranging and existing strategies and programmes of work underpinning the Corporate Plan and strategic priorities and all of these work together to deliver for the benefit of the residents and businesses of Trafford. The Council’s Corporate Plan focuses on Reducing Health Inequalities, Supporting People out of Poverty and Addressing Our Climate Crisis. Work was also continued on the delivery of a number of other key areas including the Inclusive Economic Recovery Plan, Equalities Strategy, Carbon Neutral Action Plan, Economic Growth Framework, Poverty Strategy, and Trafford Locality Plan amongst others.

Each of the three strategic priorities has a number of key performance indicators (KPIs) with annual and/or quarterly targets which are monitored and reported, using performance dashboards at a service directorate and council priority level, some examples are given below in Table 1. In addition, Council Service metrics are also included in the regular reports, as although they are not included in the priorities, they provide a performance update for a range of services the Council provides.

Table 1

Priority Area	Sample Measure
Reducing Health Inequalities	Reduce the under 75 mortality rate from causes considered preventable (per 100,000 population)
	Reduce the proportion of five-year-old children with experience of visually obvious dental decay
Supporting People Out of Poverty	Number of people prevented from becoming homeless
	Reduce % of households fuel poverty levels
Addressing Our Climate Crisis	Percentage of household waste which is collected for recycling

	Reduce Corporate CO2 emissions (tonnes)
General Council Services	Number of Libraries loans (physical)
	Percentage of council tax collected
	Maintain rate of admissions to permanent residential nursing in over 65+

Performance is monitored by individual service directorates, the Corporate Leadership Team, Executive Members and Scrutiny Committee.

Any performance concerns are shared by Corporate Directors with Executive Members and where necessary a detailed improvement plan is put in place to address these.

A red-amber-green (RAG) direction of travel rating is provided to give an indication of whether performance is improving or declining based on the target although some indicators do not have a target (for example, due to being a new indicator developed under the new Corporate Plan outcomes) and therefore have no target RAG rating.

In addition to the measurable outcomes, the Council has incorporated case studies in its performance reports and updates to the Corporate Plan showing how the outcomes of the Corporate Plan are making a real difference to resident's lives. An example of which includes the launch of a One Stop Shop in February 2024, now named the Stretford Advice Hub. This in-person service is available to all residents on a Tuesday on a weekly basis. It is attended by Welfare Advice officers, Housing Options, Energyworks, digital support officers and English as Second Language (ESOL) classes, and more.

Of the key performance indicators, the majority were met to a satisfactory level, however a number fell below our expectations such as a shortfall in the number of affordable housing completions, with only 79 affordable units have been completed in 2023/24 which is a significant reduction on last year's figure of 254. Site viability and the ability for developers and Registered Providers to provide affordable housing is proving more difficult with increased costs in the consultation industry including land values.

There are however good examples where Trafford has maintained a good standard of performance, such as an increase in the number of people prevented from becoming homeless and the percentage take up of funded childcare and early education places for 2-year-olds being significantly higher than the national average.

Full details of the quarterly reports can be found on the Council's website. An interactive dashboard of the three corporate priorities and associated targets is also available and can be accessed on the Trafford Data Lab website: <https://trafforddatalab.shinyapps.io/corporate-plan/>

Performance against budget

The Council's revenue budget underspent by £892k in 2023/24, consisting of an underspend of £2.39m on service budgets, offset by a shortfall in funding budgets (business rates) of £1.5m. A specific report on the outturn position is available on the Council's website, which contains more details on the financial performance against budget.

It is fair to say that projecting the financial outturn during the year was challenging with the uncertainty in the economy from the conflict within Ukraine, the escalating conflict in the Middle East and the continuing high levels of inflation. Despite this there was a favourable outturn which reflects the effectiveness of our financial management practices and those additional controls put in place to contain the forecast adverse outturn anticipated earlier in the year.

The revenue outturn against budget is summarised in Table 2 and a reconciliation between the revenue outturn (also known as the management accounts) and the statutory accounts is shown in a later section.

Table 2

Revenue Budget	Budget £m	Actual Exp £m	Variance £m	%
Children's Services	49.056	51.780	2.724	5.55%
Adult Services (excl. Public Health)	60.855	58.725	(2.130)	(3.50)%
Public Health	13.374	13.374	0	0.00%
Place	38.356	37.930	(0.426)	(1.11)%
Strategy and Resources	10.605	10.234	(0.371)	(3.50)%
Finance & Systems	9.671	9.546	(0.125)	(1.29)%
Legal and Governance	3.575	3.862	0.287	8.03%
Directorate Budgets	185.492	185.451	(0.041)	(0.02)%
Council-wide Budgets	24.314	21.963	(2.351)	(9.67)%
Net Service Expenditure Outturn	209.806	207.414	(2.392)	(1.14)%
Financed by:				
Business Rates	(81.482)	(79.982)	1.500	1.84%
Council Tax	(120.920)	(120.920)	-	
Reserves	(7.404)	(7.404)	-	
Funding variance	(209.806)	(208.306)	1.500	0.71%
Net Revenue Outturn	-	(0.892)	(0.892)	(0.43)%

With regard to the net outturn position, the following issues are worthy of being highlighted:

Favourable Outturn Movements

- **Treasury Budget** - The interest rate since setting the budget has increased significantly which has generated additional investment income of **£2.65m above budget**.
- **Staffing budgets net underspend of £2.64m** due to delays in recruitment, service restructures and vacancy management controls.
- **Market Sustainability and Improvement Fund** - The Council was awarded an additional allocation of £1.438m after the budget was set. **£1.125m** of the grant has been used to offset the costs of provider uplifts and on schemes including overtime for social workers to reduce a backlog of assessments.
- **Adults demand – £389k underspend**. This budget remains high in complexity and volatility as it is in part driven by wider system pressures in health in addition to direct adult social care demands.
- **Energy costs** - The property energy budget was increased in 2023/24 to address the escalating costs of inflation. There is a **favourable outturn of £1.826m** which indicates the new contract, energy saving measures and additional resources were sufficient to manage the ongoing impact of energy price increases.

Adverse Outturn Movements

- **Inflation** – The escalating levels of inflation caused significant pressure in the 2022/23 financial year and continued to be an area of concern during 2023/24. The earmarked Inflation Risk Reserve was

bolstered during the 2022/23 closedown for this purpose and **£964k was drawn down** in 2023/24 to neutralise the impact of the over budget Local Government pay award and inflation on Foster Parent payments.

- **Strategic Investment Programme** – The Strategic Investment Property Portfolio has an adverse outturn of **£623k** due to slower than anticipated use of agreed debt facilities with income being rephased into 2023/24.
- **Home to School Transport** pressures have increased to **£758k** due to the continued increase in demand in passenger numbers, additional costs for fuel and complexity of cases.
- **Children’s placements - £2.053m** overspend due to an increase in the number and complexity of cases. Savings of £1.0m included in the budget have been achieved in full.
- **Housing Benefit - £497k overspend.** At least £400k of the underlying pressure is caused by an increase in the number of tenants requiring to be housed in emergency/temporary accommodation which attracts a lower subsidy from the Government. This overspend was neutralised by a draw down from the Housing Benefit Risk Reserve.
- **Planning Income - £681k** overspend due to a shortfall in planning applications.
- **Running costs – S17 payments (Childrens) - £772k overspend** largely due to an extensive support package for a child living at home costing the service £249k.
- **Other net adverse movements of £1.06m across all areas.** There is a general service budget capacity/efficiency target of £1.0m across all service areas. This efficiency target was increased in the 2023/24 budget to reflect a general expectation that services will underspend in all areas as a result of vacancy management and reductions in general administration such as travel and stationery supplies. Additionally, there is a £200k overspend relating to a continuing increase in demand for Trafford Assist.
- **Funding** - Pressures relating to funding of £1.5m were largely related to uncertainty in rates income due to delays in major retail refurbishments at the Trafford Centre.

Reserves

Useable reserves have increased from a balance brought forward of £154.18m to a closing balance of £101.11m. The table below shows the movements by category with details of all reserve movements shown in Note 10:

Usable Reserves	Opening Balance 1/4/2023 £m	Closing Balance 31/03/2024 £m	Change £m
Budget Support Reserve	13.24	11.14	(2.10)
Smoothing and Business Risk	21.94	26.79	4.85
Strategic Priority	10.77	17.91	7.14
Corporate	1.88	0.69	(1.19)
Corporate - General Reserve	9.50	10.50	1.00
Service Area Priorities	16.38	12.87	(3.51)
Earmarked Reserves (exc COVID-19)	73.71	79.90	6.19
COVID-19 Accounting Reserves	(8.41)	0.00	8.41
Capital Related Reserves	22.72	29.19	6.47
School Related Reserves	13.09	15.61	2.52
Total Usable Reserves	101.11	124.70	23.59

The key movements relating to earmarked reserves excluding COVID-19 of £6.19m include contributions to Reserves of £19.04m and contributions from Reserves of £12.85m.

Contributions to Reserves of £19.04m includes:

- **£8.33m** to the **Business Rate Risk Reserve** – largely as planned to hold benefits released in 2023/24 (release of appeals provision) to support future budget and smooth timing issues/risk of reinstatements.
- **£3.55m** to the **Budget Support Reserve** from the distribution of surplus waste reserves from Greater Manchester Combined Authority. This has been used to support the 2023/24 budget and included in plans for 2024/25 budget.
- **£1.87m** to the **Strategic Investment Reserve** largely from a release of historic long term liabilities.
- **£2.04m** to **Interest Rate Smoothing Reserve** from the savings made in the treasury budget due to delayed borrowing to cover potential higher borrowing costs over the medium term.
- **£854k** to **Leisure Centre Risk Reserve** to support trading over the medium term as the leisure investment programme progresses.
- **£500k** to replenish **Budget Support Reserve** as planned.
- **£513k** to **Waste Levy Reserve** due to lower than expected trade waste tonnages in year.
- **£892k** Favourable Outturn to **Budget Support Reserve**.
- Other contributions of **£0.5m**.

Contributions from Reserves of £12.85m includes:

- **£7.40m** from **Budget Support Reserve** to support the budget as planned.
- **£1.21m** draw down from the **Business Rate Risk Reserve** and **Council Tax Smoothing Reserve** to smooth the impact of timing differences.
- **£964k** from **Inflation Risk Reserve** to neutralise the impact of over budget Local Government pay award and Foster Parent payments.
- **£497k** from **Housing Benefit Risk Reserve** to offset 2023/24 overspend.
- **£440k** from the **Insurance Reserve** to help partially offset the significant increase in provision as a result of several high value claims.
- Other drawdowns of **£0.98m**

Capital Investment

The Capital Programme for 2023/24 was initially approved at the Council meeting of 15th February 2023 and provided the framework within which the Council's capital investments plans were to be delivered. Capital resources are allocated based on a process which affords priority to:

- Supporting the Medium-Term Financial Strategy (MTFS) with emphasis on delivering future savings and income streams;
- Supporting investment that attracts additional external funding.
- Protect the Council's asset base including ICT infrastructure;
- Ensure schemes of a health and safety nature are delivered;
- Statutory implications/impact on service delivery;
- Council objectives and priorities;
- Capacity to deliver the volume of work included in the programme;
- Availability of resources

The value of the three-year Capital Programme, covering 2023/24 to 2025/26, was set at £388.42m in February 2023. Of this, £200.58m was originally programmed for 2023/24, consisting of £91.49m for the General Programme and £109.09m for the Asset Investment Portfolio.

Financing of the investment proposals was made up of grants and contributions of £118.89m relating to specific areas of investment, e.g. schools and highways, a requirement for capital receipts of £14.77m generated from the disposal of assets, revenue and reserves contributions £1.57m, and prudential borrowing of £253.19m which is only undertaken where the investment is linked to revenue savings or the asset investment programme and it is affordable and sustainable to do so. In setting the 3-year programme all potential resources were fully utilised and the Programme included £3.52m of over-programming

Investment across the 3 years included addressing specific Council priorities:

- Leisure Centre Strategy;
- Investment in Highways;
- Cycling and Walking Initiatives;
- School places and condition works;
- One Public Estate, particularly relating to new health related provision and best use, including rationalisation of public sector assets;
- Decarbonisation of Council Buildings;
- Affordable Housing and Local Authority Housing Fund investment
- Regeneration of Strategic Locations including, Stretford Civic Quarter, Sale Town Centre and the development of the Stretford Town Centre Masterplan;
- Major infrastructure schemes to support new housing development, including Carrington Relief Road - A1 Route;
- Asset Investment Strategy, including the acquisition of commercial properties, provision of senior development or investment debt and direct development of council owned sites.
- Protecting our ICT infrastructure

In October 2018 the Council approved an updated Investment Strategy. The objective of this being to stimulate economic development and to support the Council's financial resilience over the next few years, whilst offering an alternative solution that can be used to address future budget gaps. An increase to the Fund was made in February 2020 of £100m meaning that the total Fund is £500m, supported by prudential borrowing.

By the end of 2023/24 a total amount of £380.1m had been made or committed to by the Investment Management Board, leaving a balance for further investment of £119.9m. This investment has provided a net benefit to support the revenue budget in 2023/24 of £5.46m, which is £0.62m less than the budgeted target for the year.

- To mitigate the risks of the approach, nationally recognised investment advisors are being used as part of the due diligence process with emphasis placed on securing investments in low-risk assets;
- As part of this Strategy, the Council has set up three joint ventures with Bruntwood Development Holdings Ltd. These entities will be responsible for the ownership and redevelopment of three key sites in Trafford; the Stretford Mall, Stretford, the Stamford Quarter, Altrincham, and Lumina Village, Old Trafford. These entities form part of the Council's group accounts.

The Council spent £106.74m on its Capital Programme in 2023/24 compared to a significantly rephased programme with a revised budgeted spend of £197.28m. The capital expenditure incurred during the year and financing of this expenditure is shown in the table below.

Capital Programme	Budget 2023/24 £m	Actual Exp 2023/24 £m	Variance £m
Schools Investment	18.34	9.82	(8.52)
Supporting Infrastructure	2.27	2.14	(0.13)
Housing Services	3.56	3.68	0.12
Regeneration Projects	15.82	11.39	(4.43)
Highways / Transport Improvements	22.87	12.65	(10.22)
Social Services	3.58	4.01	0.43
ICT Investment	2.02	1.58	(0.44)
Recreation & Culture	19.73	13.42	(6.31)
General Programme	88.19	58.69	(29.50)
Investment Programme	109.09	48.05	(61.04)
Total Programme	197.28	106.74	(90.54)
FINANCED BY:			
Grants and Contributions	(63.60)	(41.09)	(22.51)
Capital Receipts	(5.29)	(1.00)	(4.29)
Earmarked Reserves	(1.28)	(0.27)	(1.01)
Borrowing	(127.11)	(64.38)	(62.73)
	(197.28)	(106.74)	90.54

The variance between the budgeted capital expenditure and the final outturn for the year was £90.54m and this will require re-profiling into 2024/25 and later years along with the associated financing.

More details of the variance can be found at: <https://www.trafford.gov.uk/about-your-council/budgets-and-accounts/downloadable-documents.aspx>.

Treasury Management

The Council proactively manages long term loans and long and short-term investments to minimise the interest payable on external borrowing and to generate as high an income level as possible on cash deposits commensurate with the risk to the principal invested.

Throughout 2023/24 the Council complied with its legislative and regulatory requirements, including compliance with all treasury management prudential indicators.

Debt - at 31 March 2024 the Council's total external level of debt was £332.8m compared to £318.2m at 1 April 2023. The increase of £14.6m mainly comprises one new £34m PWLB loan and the repayment of one PWLB loan £(4.2)m from natural maturity, and an option exercised to repay two LOBO loans £(15.0)m.

The Council continues to maintain a deliberate policy of being under borrowed, debt interest continues to be saved as a result of this action.

The external rate of interest payable at the end of the year was 2.67%, which compares with 2.63% at the start of the year. The following table provides further details.

	as at 31.3.23	as at 31.3.24
Average weighted maturity of long term loans (in years)	32.56	29.88
Number of loans	23	21
Value of loans (Principal)	£318.2m	£332.8m
Loan rate	2.63%	2.67%

Investments

The Council operates its own trading function for the investment of any temporary surplus cash. The Council's money market investments, excluding cash at bank, totalled £47.8m as at 31 March 2024 and this compares to £70.4m as at 31 March 2023. In 2023/24 an average investment rate of 5.12% was achieved, which is 0.09% above the average 1 month SONIA rate of 5.03% in the same period, which is used by the Council as a benchmark. For 2022/23, the equivalent average return of the Council's investments was 2.28%.

Statutory Accounts

The following key matters are listed to quickly identify and summarise the salient features of the Accounts.

Comprehensive Income & Expenditure Statement (CIES):

- The deficit on the provision of services on the CIES is £4.29m (deficit of £16.91m at 22/23). However, the management accounts declare an outturn underspend of £0.89m (2022/23 £1.056m underspend). The differences between these two statements of financial performance relate to the differences in accounting practices applied, which are adjusted for in the MiRS, and a summary reconciliation between the two outturns is provided later in the Narrative Report;
- The total balance on the CIES has moved from a surplus of £395.31m to £66.75m deficit. The movement in the CIES of £462.06m primarily relates to;
- Changes in pension charges of £(477.7)m;
- A net gain on financial assets measured at fair value of £25.3m largely due to the positive valuation change in the shareholding in MAH Group (Manchester Airport)
- Net gains on asset revaluations of PPE £9.6m;
- Increases in Other Operating Expenditure of £0.80m largely relating to increase in Transport and Waste Levies.;
- A net change in financing and investment income and expenditure between of £4.5m, mainly relating to reductions in the fair value of financial assets.;
- A net increase in tax and non-specific grant income £15.8m largely related to expected annual increases in Council Tax £7.35m and Non-Domestic Rates of £362k, increase in capital grants received of £10.45m and a reduction in non-ringfenced grants £2.4m, further analysis can be seen in note 40;
- A change in the cost of services of £29.6m, which includes a reduction in charges related to pension charges of £20.3m.

Balance Sheet:

Net assets have decreased from £751.80m to £685.05m, a decrease of £66.75m equivalent to 9% with the key movements being:

Long Term Assets – A decrease of £31.74m from £1.062bn to £1.031bn.

Property Plant and Equipment - There has been a significant increase in Property Plant and Equipment of £55.22m largely due to upward revaluations and an increase in Assets Under Construction as several capital schemes are still being delivered at year end. There also has been an increase in Infrastructure Assets of £6.93m.

Investment Property - The value of our Investment Properties has reduced by £(12.54)m primarily due to the sale of a large investment.

Long Term Investments - An increase has been seen in the value of our equity investments in the Manchester Airport Holdings of £26.30m. The value of our holding in the strategic investments in our Joint Ventures and the CCLA property fund has increased by £2.25m.

Long Term Debtors – an increased by £2.19m mainly due to increase in interest debtors on Capital Investment loans.

Pension Asset - Following actuarial assessment, the pension asset of £111.62m has swung to a liability of £32.02m now shown under Long Term Liabilities. A movement of £143.64m.

Current Assets - A reduction in current assets of £25.70m from £179.95m to £154.08m.

Short Term Investments and Cash & Cash Equivalents - A £24.00m reduction in Short Term Investments and Cash and Cash Equivalents as internal cash balances have been directed towards managing the cash flow impacts of the Capital Programme, Asset Investment Programme (AIP) and the Revenue Budget.

Short Term Debtors - decreased by £5.73m partly due to the repayment of some short term loans. Expected Credit Losses for NNDR and Council Tax decreased by £1.42m to reflect current debt levels.

Current Liabilities - A reduction in current liabilities of £23.92m from £135.98m to £112.06m.

Short Term Borrowing – a reduction in of £3.96m following the planned maturity of a PWLB loan.

Provisions - Following a review of business rate appeals the NNDR appears provision reduced by £2.61m.

Short Term Creditors - a reduction of £17.58m including reductions in Sundry Creditors, Capital Creditors and NNDR Creditors.

Grants Receipts and Income In Advance and Income - A £2.0m reduction in Capital and Revenue grants received in advance. £2.14m reduction in NNDR and Council Tax prepayments.

Long Term Liabilities - An increase in long term liabilities of £46.97m from £354.44m to £387.68m

Pension Liability – a net increase of £18.29m following actuarial assessment.

Long Term Borrowing - increased by £18.83m largely due to a new PWLB loan.

Usable and Unusable Reserves - The bottom part of the balance sheet reflects a decrease in reserves of £(66.75)m mirrored by the change in net assets above.

Usable Reserves - increased by £23.59m from £101.11m to £124.7m. The largest movements relate to an £8.81m increase to the Strategic Property Reserve and £7.34m increase to Business Rate Risk Reserve. Details of reserve movements are shown in Note 10.

Unusable Reserves - reduced by £90.34m from £650.69m to £560.35m of which the largest movement relates to the reduction in the Pension Reserve of £129.92m relating to the increase in the Pension Liability as mentioned above. In addition, an increase in the Revaluation Reserve of £36.82m representing the changes in property revaluations as described above and £26.1m in the Financial Instrument Revaluation Reserve reflecting the increase in the valuation of shareholding in Manchester Airport Holdings.

Collection Fund – Council Tax

The Council collected Council Tax in 2023/24 on behalf of itself, the Greater Manchester Combined Authority (Mayoral, Police and Fire), Partington, Carrington and Warburton Parish Town Councils.

Details of the Collection Fund can be found on page 153, which shows there was an in-year surplus of £(1.091)m (deficit £1.917m in 2022/23) of which £30k related to the distribution of prior years' balances (£2.535m distributed in 2022/23), leaving a surplus of £(1.120)m relating to 2023/24 (£(618)k surplus in 2022/23).

Trafford's share of the surplus relating to 2023/24 consisted of:

- £(1.282)m improvement in cash collection - The collection of debt for both in year and prior year was better than expected, largely due to a release from the amount set aside for the expected credit loss.

- £885k shortfall in tax base income. Increasing trends in claims for discounts and reliefs e.g., Single Person Discount and delays in new properties coming online placed further pressure resulting in a shortfall in the core tax base.
- £(514)k positive variance over budget due to lower take up of the Local Council Tax Support Scheme.

The in-year surplus of £(1.091)m was added to a brought forward accumulated surplus balance of £(175)k, to arrive at a year-end accumulated surplus balance of £(1.265)m.

This accumulated surplus is apportioned to the Council, the GMCA Mayoral Police and Crime Commissioner and the GMCA Mayoral General Precept (including Fire Service) on a proportionate basis. Trafford's share of the surplus is £(1.029)m (£(144)k surplus in 2022/23) which will be distributed over the next two financial years in line with Government regulations.

Collection Fund - Business Rates

The Council collected business Rates in 2023/24 on behalf of itself and the Greater Manchester Combined Authority (including Fire Services).

Details of the Collection Fund can be found on page 153, which shows there was an in-year deficit of £18.784m (surplus £(56.337)m in 2022/23).

The 2023/24 surplus was largely due to :-

- a shortfall in gross rates of £14.6m largely due to the temporary removal of several large redevelopments at the Trafford Centre and delays in new sites being registered on the rating list.
- a significant reduction in the amount of reliefs, resulting in a benefit of £7.9m to the Collection Fund when compared to budget.
- A benefit of £8.4m of accounting adjustments, predominantly due to the release of historic business rates appeals provision, following settlement of cases relating to the 2017 rating list.

The overall outturn position on the Non Domestic Rates element of the Collection Fund is an in year deficit of £18.784m against a surplus of £59.337m in 2022/23. The deficit of £18.784m includes £20.357m collection of prior years' deficit balance, leaving a surplus of £1.573m relating to 2023/24.

This accumulated surplus is apportioned to the Council and the GMCA Mayoral General Precept (including Fire Service) on a proportionate basis of 99% and 1% respectively. Trafford's share of the surplus of £(1.233)m will be distributed over the next two financial years in line with Government regulations.

The Council continues to participate in the 100% business rates pilot, along with the remaining GM districts. The pilot results in the Government's share of business rates growth being retained within Greater Manchester, the current sharing agreement enables the Council to retain 75% of the benefit of its growth with 25% going to Greater Manchester Combined Authority.

Reconciliation between Statutory Accounts and Management Accounts

The Council's management accounts outturn position is an underspend of £(0.892)m (analysed above), whereas the (Surplus)/Deficit on the Provision of Services in the CIES on pages 31 shows an overspend of £16.9m.

The differences between the CIES and the Council's management accounts are adjusted for in the Movement in Reserves Statement (MiRS) (pages 34 to 35) and further analysed in the Expenditure and Funding Analysis (page 37). The MiRS statement reconciles the surplus on provision of services in the CIES to the movement in the General Fund and Earmarked Balances (first two columns of the MiRS, with detail in note 9).

The net increase in the General Fund and Earmarked Reserves is £8.0m, as detailed below:

CIES account reconciled to outturn	£m
CIES Account (Surplus)/Deficit on Service Provision	1.1
Accounting adjustments in MiRS:	
- Capital charges and Capital Grants	3.1
- Pensions	5.1
- Collection Fund and Other Adjustments	(18.0)
Total Accounting adjustments	(9.8)
Net Transfers to/(from) reserves	
-Net transfer to/(from) schools reserves	2.5
-Net transfer to/(from) schools DSG Deficit reserve	(8.2)
-Net transfer to/(from) Other earmarked reserves	12.7
-Net transfer to/(from) General Reserve	1
Total Net transfers to/(from) earmarked reserves	8.0
Total Management Outturn (under)/Overspend	(0.9)

Schools

At the end of 2023/24 the Council maintained 50 primary schools, 5 secondary schools, 3 special schools and 1 Pupil Referral Unit (59 in total) for which the year-end balances were included within the Council's balance sheet. Seven of the Council's schools carried over deficit revenue balances at the end of the year. Schools may carry forward any surplus/deficit in expenditure for the year from one financial year to the next. School revenue balances for 2023/24 increased by £2.524m when compared to 2022/23, from £(13.044)m to £(15.568)m. School capital balances decreased by £19k from a surplus of £(63)k to a surplus of £(44)k. Other deficit balances of £18k have now been amalgamated with the £(15.568)m above.

Schools with balances that exceed the recommended maximum (8% primary and special schools, 5% secondary schools) are requested to submit information detailing how they have accrued balances and how they intend to utilise them. One school transferred to Academy status, an infant and a junior school amalgamated into a primary and a pupil referral unit converted to cheque book status during 2023/24.

The net DSG position at the end of 2023/24 was a deficit of £9.719m (a deficit of £1.475m in 22/23). The DSG deficit is included within the Movement in Reserves Statement as an unusable reserve. This is the result of the introduction on 29 November 2020 of a new Statutory Instrument to amend the Local Authorities (Capital Finance and Accounting) Regulations 2003 by establishing new accounting practices in relation to the treatment of schools' budget deficits. The aim is to ensure that DSG deficits are ringfenced and held separately from General Fund resources so that specific measures can be put in place to address the deficits without placing pressure on resources required for other essential services.

Outlook

The pressures on the Council and its finances remain challenging with the consequences of the pandemic being replaced by the impact of the cost of living crisis and the ongoing high levels of inflation. In recent months, there have been several positive messages regarding the economy, such as the downward trajectory in the rate of inflation, an expectation that interest rates will start to be cut during the year and the UK economy recording growth following a brief recession, however this sentiment must be managed alongside a significant budget gap in the Council's Medium Term Financial Plan.

The Government direction on local government finance has been unclear for some time, largely due to major policy decisions originally being delayed due to the pandemic and then the cost of living crisis, such as the resetting of the business rates retention schemes and the fair funding review of the relative need of authorities, which will result in a redistribution of resources nationally through updated baseline funding levels.

Single year settlements have been issued for the last four years, with resources being redirected to front line services such as the hospital discharge programme, enabling patients to be routinely discharged into a home environment and releasing hospital capacity, as well as resource to stabilise the care market to reflect the higher costs needed to attract and retain staff.

The financial sustainability of local government has never been more challenging with 2023/24 seeing several high-profile local authorities declaring S114 notices and the financial landscape suggests there will be significantly more over the next twelve months.

The fact that there is a new Government, adds yet further uncertainty to the short term fiscal strategy. Given the size of the public debt, it is unlikely that there will be room for manoeuvre and a roll over financial settlement must be assumed.

There also remains a great deal of uncertainty regarding the next Business Reset and the mechanism how the accumulated benefits will be tapered down. This is a particularly high risk to the Council given the approximate £10.0m of benefits above baseline it receives. The Spring Budget 2023, set out a commitment to allow local authorities to retain 100% of business rates growth and announced details of devolution deals with Greater Manchester and West Midlands Combined Authorities to set the blueprint for deeper devolution across the rest of England. As part of the deals, government has committed to give Greater Manchester and West Midlands Combined Authorities additional business rates through Growth Zones which will be retained locally.

Trafford, like many Councils is experiencing significant pressure within the High Needs Block of the Dedicated School Grant. The Department for Levelling Up, Housing and Communities (DLUHC) has made regulations which ring-fence DSG deficits from councils' wider financial position in their statutory accounts. DSG deficits can no longer be paid off from general funds without requesting permission from the Secretary of State. As it stands, this ring-fence is due to end on 1st April 2026, at which point LAs will need to demonstrate their ability to cover DSG deficits from their future available reserves. Discussions are continuing with the Department for Education on a deficit management plan, however it is increasingly becoming apparent that resources are insufficient to meet the escalating level of high needs demand.

Future Budgets

The Authority approved its budget for 2024/25 at the Full Council Meeting on 21 February 2024. The scale of the challenges faced by the Council in managing demand within the available resources remains the single biggest strategic risk for the Council.

Whilst I, the Director of Finance and Systems, made it clear in the budget report that the proposals can secure a robust budget for 2024/25, supplemented by the short-term use of one-off reserves, the use of reserves to balance the budget is not sustainable and cannot be used to avoid the requirement for permanent savings.

I also expressed my concern that the budget gap of £29.6m over the next two financial years with £15.4m in 2025/26, cannot be addressed through transformational savings alone and will also need a rebalancing of the Council's overall funding position. During 2023, work was commissioned to seek external advice of the Council's funding position which concluded that Trafford is one of the lowest funded authorities in the country and that this funding gap is widening each year. Further, that this rebalancing will only be achieved through Government intervention which could come from either a restructure of Local Government finance or additional flexibility to increase Council Tax above the referendum level.

In August 2023 the Institute of Fiscal Studies published a report on the variations across the country between an authority's assessed need to spend compared to the level of funding available. This identified Trafford to have a shortfall in funding of £148 per head, equivalent to a funding disparity of £35m when compared to national averages and other similar authorities and £25m compared to other Greater Manchester districts.

The Council embarked on a bold and ambitious Finance and Change Programme in 2022 to identify substantial and permanent savings and investment in further transformational delivery of our services. Significant savings of £11.76m were identified as part of the 2023/24 budget and a further £6.5m proposed in 2024/25. It must also be noted that most significant savings made over recent years have been delivered from corporate budget areas, namely from a review of Treasury Management activities and Strategic Investment Income. This leaves little capacity for further corporate savings to be made in the future and it is likely that going forward emphasis will need to be placed on service based savings and income generation.

To support the Finance and Change Programme, the Executive gave approval to engage with the Chartered Institute of Public Finance and Accountancy to conduct an external assurance review as a prudent next step to look at the Council's financial management and governance arrangements. This review is due to commence in July 2024.

Further information on the planned future expenditure and the financial environment of the Council can be found in the Council's 2024/25 Budget and 2024/27 Capital Investment Programme and Prudential Indicators Reports, which can be found on the Council's website.

Receipt of Further Information

If you would like to receive further information about these accounts then please do not hesitate to contact me at Financial Management, Finance and Systems Directorate, Trafford Council, Town Hall, Talbot Road, Stretford M32 0TH.

Graeme Bentley CPFA

Director of Finance and Systems

26th July 2024

Explanation of the Financial Statements

Please note that a glossary of terms can be found on page 177.

A description of the responsibilities of the Council regarding the Accounts 2024 is provided at page 27, and the Audit Report can be found on page 28.

The Accounts are drawn from systems which in themselves must operate satisfactorily in order for the figures to be true and dependable. More information on the effective operation of the Council's systems, governance arrangements and control environment can be found in the Annual Governance Statement (AGS). The AGS does not form part of the Accounts, but it is published alongside so that it can be read in conjunction.

There can be choices in accounting conventions and/or treatment that would be more practical for a given organisation in order for it to show a truer reflection of economic activity or value. The Council's choices are outlined in detail in the Accounting Policies (note 3) on pages 48 to 64.

The main financial statements that make up the Accounts (pages 31 to 36) are: the Comprehensive Income and Expenditure Statement (CIES); Balance Sheet; Movement in Reserves Statement (MiRS) and, Cash Flow Statement. These are explained in summary below, with a full explanation included with each statement in the main accounts.

The Comprehensive Income and Expenditure Statement (page 31) shows the Council's financial performance for the year, measured in terms of the resources consumed and generated, as defined in the Code, over the period 1 April 2023 to 31 March 2024. However, the Council is required to set its budget and raise Council Tax on a different accounting basis than the Code, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the assets are consumed (e.g. cash is paid out when an asset is purchased, however it is charged to CIES as it depreciates);
- Regulation and the Council's management accounts make distinction between capital and revenue income. Under the Code all income is treated the same and is accounted for in the CIES where required;
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned and become committed.

The variations in accounting treatment between the Council's management accounts and (financial) Accounts 2024 are adjusted for within the Movement in Reserves Statement on pages 34 to 35, with more detail in note 9 on pages 70 to 77. A summary reconciliation between the CIES net gain and the management accounts net declared underspend position is provided in the narrative report.

The MiRS (pages 34 to 35) also shows the movements in reserves of the Council for the year split between usable and unusable reserves. Unusable reserves relate to accounting adjustments for the differences between management and financial accounting treatment and are not 'cash backed' and cannot be used to support service activity.

The total net worth of the Council, total assets less total liabilities, as a statement of value is listed on the Balance Sheet on pages 32 to 33.

The Cash Flow statement (page 36) provides summary figures on the total movements in cash for the year and how it has been applied on three types of financial activity: inflows and outflows caused by core business operations, changes in equipment, assets or investments related to investing activities and changes in debt, loans or dividends from financing activities.

Explanatory notes to the primary statements are provided on pages 37 to 159. These notes expand on the figures, providing greater detail and information as prescribed or as necessary. Included within these notes is a statement on 2023/24 capital expenditure and how this was financed on pages 132 to 132.

The Council has the responsibility for collecting all Council Tax due in the Borough on behalf of itself, the GMCA Mayoral Police and Crime Commissioner, the GMCA Mayoral General Precept (including Fire Services) and Parish Councils. It also has the responsibility for collecting all Non-Domestic Rates (Business Rates) on behalf of itself and the GMFRA. The financial activity relating to local taxation is contained in the Collection Fund statement, pages 153 to 154.

Main Changes to the Core Statements and Significant Transactions in 2023/24

Pension Valuation

At 31 March 2024 the Council had a net liability of £32.02m, which compares with a net asset of £97.89m at 31 March 2023, a decrease of £129.91m.

The pension movements shown within the CIES are £39.91m in Cost of Services, £4.66m Financing and Investment Income and Expenditure and £48.31m in Other Comprehensive Income and Expenditure. These significant charges are the result of changes in the financial assumptions related used by the pension fund Actuary (Hymans-Robertson). These assumptions are determined by the Actuary and represent 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.

New Debt and purchase of investment properties

In October 2018 the Council agreed an updated investment strategy with the objective of supporting the Council's resilience over the next few years, offering an alternative solution to address future funding gaps, while investing in opportunities which support the Council's Priorities. This strategy was reviewed in February 2020, and it was agreed for the Council to continue to grow its investment with the fund value limit increased to a potential £500m. During 2023/24 a number of new investments were made, in addition to a continuation of funding for existing investment assets, at a total value of £48.40m. In addition a number of investments were repaid in year, with a total value of £49.3m. Total net investments at 31st March 2023 had a value of £264.6m.

MAH shares valuation

A firm of financial experts and valuers have been engaged by the Council to provide an independent valuation which includes reviewing the financial performance, stability and business assumptions of the Manchester Airport Holdings. As at 31 March 2024 the Council's valuers advised of an increase of £26.3m in the fair value Council share from £24.4m to £50.7m which has been reflected in the financial statements.

There are two elements to the valuation as follows:

- The main shares in MAH have been revalued upwards by £26.2m from £20.1m to £46.3m;
- An equity investment in Manchester Airport Car Park (Project Apollo) made by the Council (along with the other nine Greater Manchester District Councils) who have each invested £5.61m which was used to assist in funding the capital build of a car park in return for the issue of 3 C Shares in Manchester Airport Car Park Limited. An initial payment of £1.87m was made in 2019/20 and further payments totalling £3.74m made in 2020/21. No further payments have been made. The shares are valued on an annual basis and in 2023/24 there was an upward revaluation of £0.1m from £4.30m to £4.40m.

MAH Interest on Loans

Along with the MAH shareholdings mentioned above, the Council also holds a number of investment loans which were advanced over a number of years to support the long-term development of the airport.

All MAH loans attract interest which is included in the CIES under Financing and Investment Income and Expenditure. Interest of £3.5m has been accrued for 2023/24. Since 2020, due to the impact of the pandemic, the collection of all interest payments has been reduced in previous years with the accumulated interest held as a Long Term Debtor with a balance of £9.14m as at 31st March 2024.

Land and Property Revaluations

There has been a significant increase in Property Plant and Equipment of £55.22m largely due to revaluations upwards. There has been a significant increase in the Building Cost Information Service (build rates index which is an average of 3.1% reflecting increases in material and labour costs) that are applied to the valuations that represent the current market conditions. In addition, certain areas within the borough there has been a more active disposals market which has given better comparable land values which where relevant have been applied.

Borrowing

At 31 March 2024 the Council's total external level of debt was £332.8m compared to £318.2m at 1 April 2023. The increase of £14.6m comprises one new £34m PWLB loan and the repayment of one PWLB loan £(4.2)m from natural maturity, and an option exercised to repay two LOBO loans £(15.0)m.

Academy School Transfer of Assets

One school transferred to Academy status during 2023/24.

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 Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

Responsibilities of the Chief Finance Office

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and the Update to the Code and Specifications for Future Codes for Infrastructure Assets (Nov 22).

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification

By the Chief Finance Officer

I certify that the Statement of Accounts set out on the following pages gives a true and fair view of the financial position of Trafford Borough Council at 31 March 2024, and its expenditure and income for the year ended 31 March 2024.

Graeme Bentley CPFA

Director of Finance and Systems

26th July 2024

Audit opinion

Independent auditor's report to the members of Trafford Metropolitan Borough Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Trafford Metropolitan Borough Council ("the Council") and its subsidiaries ("the Group") for the year ended 31 March 2024, which comprise the Council and Group Comprehensive Income and Expenditure Statement, the Council and Group Balance Sheet, the Council and Group Movement in Reserves Statement, the Council and Group Cash Flow Statement, the Collection Fund, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Council to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

Responsibilities of the Director of Finance and Systems for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Director of Finance and Systems is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and for being satisfied that they give a true and fair view. The Director of Finance and Systems is also responsible for such internal control as the Director of Finance and Systems determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance and Systems is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Finance and Systems is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's and Group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied

with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weakness in the Council's arrangements for the year ended 31 March 2024.

In November 2024 we identified a significant weakness in relation to financial sustainability for the 2022/2023 year. In our view this significant weakness remains for the year ended 31 March 2024:

<p>The Council has not identified savings and income generation plans to address the underlying deficit within its budget and has relied on the unsustainable use of reserves to balance the budget.</p> <p>This is evidence of a significant weakness in the Council's arrangements for financial sustainability.</p>	<p>The Council should develop sustainable financial plans to ensure services can be provided within available resources.</p>

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Council's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report

This report is made solely to the members of Trafford Metropolitan Borough Council as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.

[Signature]

Alastair Newall, Key Audit Partner
For and on behalf of Forvis Mazars LLP

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

About this Statement

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 statutory requirements; 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.

2022/23			Year ended 31 March		2023/24		
Gross Exp £000	Gross Inc £000	Net Exp £000	Service	Note	Gross Exp £000	Gross Inc £000	Net Exp £000
258,722	(192,802)	65,920	Children's Services		281,602	(204,629)	76,973
128,013	(53,515)	74,498	Adults Services		145,211	(71,311)	73,900
62,419	(19,266)	43,153	Place		60,723	(17,703)	43,020
4,348	(746)	3,602	Legal and Governance		4,968	(858)	4,110
16,984	(4,560)	12,424	Finance and Systems		17,037	(4,659)	12,378
18,634	(7,779)	10,855	Strategy and Resources and Traded Services		17,486	(7,184)	10,302
51,356	(47,833)	3,523	Council-wide		53,507	(50,917)	2,590
540,476	(326,501)	213,975	Cost of Services		580,534	(357,261)	223,273
37,564	(5,494)	32,070	Other Operating Expenditure	11	51,306	(18,364)	32,942
47,332	(48,063)	(731)	Financing and Investment Income and Expenditure	12	65,521	(73,278)	(7,757)
-	(228,404)	(228,404)	Taxation and Non-Specific Grant Income and Expenditure	13/31	-	(244,172)	(244,172)
		16,910	(Surplus) or Deficit on Provision of Services				4,286
			Items that will not be subsequently classified in the Deficit on Provision of Services				
		(374,624)	Re-measurement of Net Defined Pension Asset Benefit / Liability	22(v)			134,971
		(36,596)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	14			(46,212)
			Items that will be subsequently classified in Deficit on Provision of Services				
		(1,000)	(Surplus) or deficit on financial assets measured at fair value through other comprehensive income	22(ii)			(26,300)
		(412,220)	Other Comprehensive (Income) and Expenditure				62,459
		(395,310)	Total Comprehensive (Income) and Expenditure				66,745

BALANCE SHEET

About this Statement

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. 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 March 2023 £000		Notes	31 March 2024 £000
471,298	Property, Plant & Equipment	14	526,513
181,368	Infrastructure Assets	14a	188,300
973	Heritage Assets	15	967
107,166	Investment Property	16	94,627
4,904	Intangible Assets		4,455
70,351	Long Term Investments	16	98,898
114,586	Long Term Debtors	17	116,775
111,624	Net Pension Asset	37	-
1,062,270	Long Term Assets		1,030,535
22,423	Short Term Investments	16	67
2,010	Assets Held for Sale		3,278
94	Inventories		106
100,252	Short Term Debtors	17	97,280
55,175	Cash and Cash Equivalents	18	53,528
179,954	Current Assets		154,259
(5,994)	Short Term Borrowing	16	(2,036)
(97,600)	Short Term Creditors	19	(78,242)
(18,436)	Short Term Provisions	20	(15,824)
(4,625)	Grants Receipts in Advance (Revenue)	31	(3,938)
(9,326)	Grants Receipts in Advance (Capital)	31	(12,017)
(135,981)	Current Liabilities		(112,057)

Balance sheet (continued)

31 March 2023 £000		Notes	31 March 2024 £000
(36)	Long Term Creditors		-
(9,666)	Provisions	20	(9,519)
(314,606)	Long Term Borrowing	16	(333,439)
(113)	Capital Grants & Contributions – Long-Term Receipts in Advance (Funding of REFCUS)	31	(180)
(10,228)	Grant Receipts in Advance (Capital)	31	(7,931)
(13,731)	Other Long-Term Liabilities – Pensions	37	(32,023)
(6,063)	Other Long-term Liabilities – Deferred	19	(4,592)
(354,443)	Long Term Liabilities		(387,684)
751,800	Net assets		685,053
(9,500)	General Fund Balance	10	(10,500)
(69,890)	Earmarked General Fund Reserves	10	(86,008)
(629)	Capital Receipts Reserve	MIRS	(1,425)
(461)	Revenue Grants Unapplied (Funding of REFCUS)		(693)
(20,632)	Capital Grants Unapplied	21	(26,074)
(101,112)	Usable Reserves	21	(124,700)
(650,688)	Unusable Reserves	22	(560,353)
(751,800)	Total Reserves		(685,053)

Graeme Bentley CPFA

Director of Finance and Systems

26th July 2024

Accounts 2024

MOVEMENT IN RESERVES STATEMENT

About this Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Movement in Reserves Statement shows how the movements in year of the authority'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 for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance as at 31 March 2023	(9,500)	(69,890)	(79,390)	(629)	(461)	(20,632)	(101,112)	(650,691)	(751,800)
MOVEMENT IN RESERVES DURING 2023/24									
(Surplus) or deficit on the provision of services	4,287	-	4,287	-	-	-	4,287	-	4,287
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	62,459	62,459
Total Comprehensive Income and Expenditure	4,287	-	4,287	-	-	-	4,287	62,459	66,745
Adjustments between accounting basis & funding basis under regulations (note 9)	(13,163)	-	(13,163)	(796)	(232)	(5,443)	(19,634)	(19,634)	-
Net (Increase)/Decrease before transfers to Earmarked Reserves	(8,877)	-	(8,877)	(796)	(232)	(5,443)	(15,347)	82,093	66,745
Transfers (to)/from Earmarked Reserves (note 10)	7,877	(16,122)	(8,245)	-	-	-	(8,245)	8,245	-
(Increase)/Decrease in 2023/24	(1,000)	(16,122)	(17,122)	(796)	(232)	(5,443)	(23,593)	90,338	66,745
Balance as at 31 March 2024	(10,500)	(86,012)	(96,512)	(1,425)	(693)	(26,074)	(124,705)	(560,352)	(685,057)

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance as at 31 March 2022	(9,500)	(123,041)	(132,541)	(403)	(360)	(20,885)	(154,190)	(202,302)	(356,493)
MOVEMENT IN RESERVES DURING 2022/23									
(Surplus) or deficit on the provision of services	16,910	-	16,910	-	-	-	16,910	-	16,910
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	(412,220)	(412,220)
Total Comprehensive Income and Expenditure	16,910	-	16,910	-	-	-	16,910	(412,220)	(395,310)
Adjustments between accounting basis & funding basis under regulations (note 9)	37,648	-	37,648	(227)	(101)	254	37,575	(37,575)	-
Net (Increase)/Decrease before transfers to Earmarked Reserves	54,558	-	54,558	(227)	(101)	254	54,485	(449,795)	(395,310)
Transfers (to)/from Earmarked Reserves (note 10)	(54,558)	53,151	(1,407)	-	-	-	(1,407)	1,407	-
(Increase)/Decrease in 2022/23	-	53,151	53,151	(227)	(101)	254	53,078	(448,388)	(395,310)
Balance as at 31 March 2023	(9,500)	(69,890)	(79,390)	(629)	(461)	(20,632)	(101,112)	(650,691)	(751,800)

CASH FLOW STATEMENT

About this Statement

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.

2022/23 £000	Year Ended 31 March	2023/24 £000
16,910	Net (surplus) or deficit on the provision of services	4,287
(32,546)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 23a)	(43,581)
36,365	Adjustments for items included in the net surplus or deficit on the provision of services that are investing or financing activities (Note 23b)	43,518
20,729	Net cash flows from Operating Activities	4,223
(21,960)	Investing Activities (Note 24)	4,550
7,881	Financing Activities (Note 25)	(7,126)
(14,321)	Cash flows from Advanced Pension Contribution (Note 23d)	-
(7,671)	Net (increase) or decrease in cash and cash equivalents	1,647
47,505	Cash and cash equivalents balance at the beginning of the reporting period	55,175
55,175	Cash & cash equivalents at the end of reporting period (Note 18)	53,529

Notes to the accounts

1. Expenditure and Funding Analysis

About this Statement

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the authority (i.e. 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 [services or departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

1. (a) Expenditure and Funding Analysis

2023/24	As reported for Management Accounts Outturn £000	Adjustments to arrive at the net amount chargeable to the General Fund (note 1b) £000	Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis (note 1b) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children's Services	51,774	5,883	57,657	19,315	76,972
Adults Services	71,683	1,604	73,287	614	73,901
Place	37,894	2,870	40,764	2,256	43,020
Legal and Governance	4,081	56	4,137	(27)	4,110
Finance and Systems	9,471	1,715	11,186	1,191	12,377
Strategy and Resources and Traded Services	10,414	(1,310)	9,104	1,199	10,303
Council-wide	22,096	(23,394)	(1,298)	3,888	2,590
Net Cost of Services	207,413	(12,576)	194,837	28,436	223,273
General Fund Financing	(208,306)	208,306	-	-	-
Other Operating Expenditure	-	32,703	32,703	239	32,942
Financing & Investment Income & Expenditure	-	(16,371)	(16,371)	8,615	(7,756)
Taxation and Non-Specific Grant Income	-	(220,046)	(220,046)	(24,126)	(244,172)
Total Other Income and Expenditure	(208,306)	4,592	(203,714)	(15,272)	(218,987)
(Surplus) or Deficit	(893)	(7,984)	(8,877)	13,164	4,287

The table below shows the comparative information for 2022/23

2022/23	As reported for Management Accounts Outturn £000	Adjustments to arrive at the net amount chargeable to the General Fund (note 1b) £000	Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis (note 1b) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children's Services	46,074	2,452	48,526	17,394	65,920
Adults Services	69,289	2,680	71,969	2,528	74,497
Place	34,489	(568)	33,920	9,232	43,152
Legal and Governance	3,003	335	3,338	264	3,602
Finance and Systems	8,340	1,573	9,913	2,512	12,425
Strategy and Resources and Traded Services	9,049	118	9,168	1,687	10,855
Council-wide	21,272	(22,215)	(942)	4,465	3,522
Net Cost of Services	191,516	(15,624)	175,892	38,083	213,975
General Fund Financing	(191,572)	191,572	0	0	0
Other Operating Expenditure	0	31,580	31,580	490	32,070
Financing & Investment Income & Expenditure	0	(10,091)	(10,091)	9,360	(731)
Taxation and Non-Specific Grant Income	0	(142,823)	(142,823)	(85,581)	(228,403)
Total Other Income and Expenditure	(191,572)	70,238	(121,334)	(75,730)	(197,064)
(Surplus) or Deficit	(56)	54,615	54,558	(37,648)	16,910

The table below reconciles between the opening and closing balances of the General Fund (including earmarked reserves). Additional information on the movement in General Fund balances can be found on the Movement in Reserves Statement.

Movement in General Fund	2022/23 £000	2023/24 £000
Opening General Fund as at 1 April	(132,541)	(79,390)
(Surplus) or Deficit on the General Fund in year	53,151	(17,122)
Closing General Fund as at 31 March	(79,390)	(96,512)

1. (b) Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund balance to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

2023/24 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Levies and Precepts reported at Directorate Level/ GF Financing £000	Interest Payable, receivable, Other Investment Income and Trading profit reported at Directorate Level £000	Tax and Non Specific Grants and general funding reported at Directorate Level/ GF Financing £000	Investment Property Income and Expenditure reported at Directorate Level £000	Reserve Movements reported at Directorate Level/ GF Financing £000	Total Adjustments to arrive at the net amount chargeable to the General Fund £000
Children's Services	-	-	54	-	5,829	5,883
Adults Services	-	-	136	-	1,469	1,605
Place	(15,748)	12,162	52	7,101	(697)	2,870
Legal and Governance	-	-	-	-	56	56
Finance and Systems	-	-	1,047	-	668	1,715
Strategy and Resources and Traded Services	-	(944)	-	-	(367)	(1,311)
Council-wide	(16,851)	(1,948)	2,224	-	(6,819)	(23,394)
Net Cost of Services	(32,599)	9,270	3,513	7,101	139	(12,576)
General Fund Financing	(104)	-	216,533	-	(8,123)	208,306
Other Operating Expenditure	32,703	-	-	-	-	32,703
Financing & Investment Income & Expenditure	-	(9,270)	-	7,101	-	(16,371)
Taxation and Non-Specific Grant Income	-	-	(220,046)	-	-	(220,046)
Total Other Income and Expenditure	32,599	(9,270)	(3,513)	7,101	(8,123)	4,592
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	-	-	-	-	(7,984)	(7,984)

Adjustments between Accounting Basis and Funding Basis 2023/24				
2023/24 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments for capital purposes £000 (i)	Net change for pension adjustment £000 (ii)	Other differences £000 (iii)	Total adjustments between accounting & funding basis £000
Children's Services	19,806	(736)	245	19,315
Adults Services	754	(175)	35	614
Place	2,337	(108)	27	2,256
Legal and Governance	(5)	(28)	5	(28)
Finance and Systems	1,291	(109)	10	1,192
Strategy and Resources and Traded Services	1,294	(100)	4	1,199
Council-wide	3,028	860	1	3,889
Net Cost of Services	28,505	(396)	327	28,436
General Fund Financing	-	-	-	-
Other Operating Expenditure	239	-	-	239
Financing & Investment Income & Expenditure	13,274	(4,659)	-	8,615
Taxation and Non-Specific Grant Income	(41,837)	-	17,710	(24,127)
Total Other Income and Expenditure	(28,324)	(4,659)	17,710	(15,273)
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	181	(5,055)	18,037	13,163

2022/23 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Levies and Precepts reported at Directorate Level/ GF Financing £000	Interest Payable, receivable, Other Investment Income and Trading profit reported at Directorate Level £000	Tax and Non Specific Grants and general funding reported at Directorate Level/ GF Financing £000	Investment Property Income and Expenditure reported at Directorate Level £000	Reserve Movements reported at Directorate Level/ GF Financing £000	Total Adjustments to arrive at the net amount chargeable to the General Fund £000
Children's Services	-	(33)	51	-	2,434	2,452
Adults Services	-	-	136	-	2,545	2,680
Place	(15,275)	8,150	38	6,243	276	(568)
Governance and Community Strategy	-	-	-	-	335	335
Finance and Systems	-	-	1,597	-	(23)	1,573
Strategy and Resources and Traded Services	-	(598)	-	-	716	118
Council-wide	(16,206)	(3,671)	4,095	-	(6,432)	(22,215)
Net Cost of Services	(31,481)	3,848	5,916	6,243	(150)	(15,624)
General Fund Financing	(99)	-	136,907	-	54,764	191,572
Other Operating Expenditure	31,580	-	-	-	-	31,580
Financing & Investment Income & Expenditure	0	(3,848)	-	6,243	-	(10,091)
Taxation and Non-Specific Grant Income	0	0	(142,823)	0	-	(142,823)
Total Other Income and Expenditure	31,481	(3,848)	(5,916)	(6,243)	54,764	70,238
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	-	-	-	-	54,614	54,614

2022/23 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments between Accounting Basis and Funding Basis 2022/23			
	Adjustments for capital purposes £000 (i)	Net change for pension adjustment £000 (ii)	Other differences £000 (iii)	Total adjustments between accounting & funding basis £000
Children's Services	6,755	10,587	52	17,393
Adults Services	216	2,497	(185)	2,528
Place	7,741	1,542	(50)	9,233
Governance and Community Strategy	3	401	(141)	264
Finance and Systems	1,021	1,559	(69)	2,512
Strategy and Resources and Traded Services	199	1,508	(20)	1,687
Council-wide	2,679	1,787	(1)	4,465
Net Cost of Services	18,614	19,882	(414)	38,083
General Fund Financing	-	-	-	-
Other Operating Expenditure	490	-	-	490
Financing & Investment Income & Expenditure	2,498	6,862	-	9,360
Taxation and Non-Specific Grant Income	(31,381)	-	(54,200)	(85,581)
Total Other Income and Expenditure	(28,393)	6,862	(54,200)	(75,730)
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	(9,778)	26,744	(54,613)	(37,648)

(i) Adjustments for Capital Purposes

Depreciation, impairment charges and revaluation gains and losses are included within the net cost of services. In addition,

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
- **Finance and investment income and expenditure** – the statutory charges for capital financing, i.e. Minimum Revenue Provision (MRP) and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices (GAAP);
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under GAAP. Revenue grants are adjusted from those receivable during the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied within the year.

(ii) Net Change for Pension Adjustments

The removal of pension contributions and the addition of the IAS 19 *Employee Benefits* pension related expenditure and income are reflected as follows:

- **For the net cost of services** – the removal of the employer pension contributions made by the Council as determined by statute and their replacement with current service costs and past service costs;
- **For financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement (CIES).

(iii) Other Differences

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute are set out below:

- **For financing and investment income and expenditure** - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts;
- **For taxation and non-specific grant income** - the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates that was forecast to be received at the start of the year, and the income recognised under GAAP. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.
- **For the movement of Dedicated Schools deficit** – the other difference column recognises the adjustment to earmarked reserves in recognition of statute requiring Dedicated Schools deficit to be included in a separate unusable reserve

2. Expenditure and Income Analysed by Nature

The authority's expenditure and income is analysed as follows:

	2022/23 £000	2023/24 £000
Expenditure		
Employee benefit expenses	213,575	207,628
Other service expenses	303,534	339,400
Depreciation, amortisation & impairment	23,367	33,505
Interest and investment expenditure	13,692	25,613
Precepts and levies	31,580	32,703
Loss on the disposal of assets	490	239
Pension interest costs	32,077	39,908
Change in fair value of investment property	1,563	-
Total expenditure	619,878	678,996
Income		
Fees, charges and other service income	(43,227)	(50,149)
Interest and investment income	22,848	27,348
Income from Council Tax and Business Rates	191,106	198,822
Government grants and contributions	(302,784)	(330,015)
Other grants and contributions	17,788	22,446
Change in fair value of investment property	-	(1,363)
Pension expected return on assets	(25,215)	(44,567)
Total income	602,968	674,710
(Surplus) or Deficit on the Provision of Services	16,910	4,287

3a. Accounting Concepts

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end 31 March 2024. The Council is required to prepare an Annual Statement of Accounts by the Accounts and Audit Regulations 2015 which 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 2023/24 (The Code) and the Update to the Code and Specifications for Future Codes for Infrastructure Assets (Nov 22). These are issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 21(2) of the Local Government Act 2003.

As local authorities need to reflect statutory conditions, specific statutory adjustments are complied with so that the Council's accounts present a true and fair view of the financial position and transactions of the Council. All accounting policies are disclosed where they are material.

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.

Underlying Assumptions

Going Concern

The Accounting Code, (standard IAS 1) requires management to make an assessment of an entity's ability to continue as a going concern and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The authority discloses that the accounts have been prepared on a going concern basis and that the functions of the authority will continue in operational existence for the foreseeable future.

This assumption is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising at the discretion of central government). If an authority were in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. The Code is clear that transfers of services under combinations of public sector bodies (such as local government reorganisation) do not negate the presumption of going concern.

Primacy of Legislation Requirements

In accordance with the Code, where an accounting treatment is prescribed by law then it has been applied, even if it contradicts accounting standards. The following are examples of legislative accounting requirements which have been applied when compiling these accounts:

- Capital receipts from the disposal of property, plant and equipment are treated in accordance with the provisions of the Local Government Act 2003.
- The Local Government Act 2003 requires the Council to set aside a minimum revenue provision.

3b. Accounting Policies

(A) Accruals of Income and Expenditure

Economic activity is accounted for in the year that it relates, not simply when cash payments are made or received. In particular:

- Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient. Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue;
- 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.

(B) Accounting for Non Domestic Rates (NDR) and Council Tax

Non Domestic Rates (NDR)

- Retained Business Rate income included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued income.
- Tariff Payments included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued expenditure.

Council Tax

- Council Tax income included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued income. Both NDR and Council Tax income will be recognised in the Comprehensive Income & Expenditure Statement in the line Taxation & Non-Specific Grant Income. As a billing authority the difference between the NDR and Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund shall be taken to the Collection Fund Adjustment Account and reported in the Movement in Reserve Statement. Each major preceptor's share of the accrued NDR and Council Tax income will be available from the information that is required to be produced in order to prepare the Collection Fund Statement. The income for Council Tax and NDR is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the authority, and the amount of the revenue can be measured reliably.

- Revenue relating to such things as Council Tax and NDR 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 Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Accounting for Business Improvement District

- A Business Improvement District (BID) scheme applies to Altrincham Town Centre from 1 April 2016. The scheme is funded by a BID levy paid by Business Rates ratepayers. The Council acts as an agent for the scheme. It collects the BID levy on behalf of the scheme and pays this to the BID body, without bearing any of the risks or rewards of the scheme.

(C) Cash and Cash Equivalents

Cash is represented by cash in hand and demand deposits with financial institutions repayable without penalty on notice of **3 months or less from date of acquisition**. Demand deposits will include accounts where additional funds may be deposited and withdrawn at any time without prior notice e.g. a bank current account.

Cash equivalents are investments instantly repayable to the Council on demand which are readily convertible to known amounts of cash with insignificant risk of change in value. These will be balances held in Call Accounts and Money Market Funds with associated accrued interest.

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.

(D) Exceptional Items

When exceptional items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are due to an understanding of the Council's financial performance.

(E) 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.

(F) Charges to Revenue for Non-Current Assets

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

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

Charges are based on the opening balance sheet value of the asset. Where assets are revalued during the year charges are based on the revaluation amount.

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

(G) 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 benefits such 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 the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements 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. Termination Benefits are charged on an accrual basis to the appropriate service line within Cost of Services in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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

Post-Employment Benefits

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

- the Teachers' Pension Scheme, administered nationally by Capita plc on behalf of the Department for Education (DfE);
- The Greater Manchester Pensions Fund (part of the Local Government Pension Scheme), administered by Tameside Metropolitan Borough Council.

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

However, the arrangements for the Teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. These schemes are therefore accounted for as if they are a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Greater Manchester Local Government Pension Scheme is accounted for as a defined benefits scheme.

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

Liabilities are discounted to their value at current prices, using a discount rate of 2.7% (based on the indicative rate of return on a basket of high quality corporate bonds, Government gilts and other factors).

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

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- Property – market value.

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

Service cost comprising:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Council Wide Costs;

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

Remeasurement comprising:

- the return on plan assets –excluding amounts included in net interest on the net defined benefit liability –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses –changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Greater Manchester Pension Fund:

- cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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.

(H) Events After the reporting Period

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 event can be identified:

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

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

(I) Financial Instruments

Financial Liabilities (Debt and Interest Charges)

Financial liabilities are recognised on the Balance Sheet when the authority 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 (CIES) 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 authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

For stepped Lender Option Borrower Option loans the effective interest rate has been calculated over the life of the loan. This is an average and differs from the amounts actually paid in the year. The difference between the calculated interest charge and the interest paid has been adjusted in the carrying amount of the loan and the amount charged in the Comprehensive Income and Expenditure Statement is the effective interest rate for the life of the loan rather than the amount payable per the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The authority 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 CIES 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.

Financial Assets

Financial assets e.g. investments (excluding those in companies included in the Council's group accounts) are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

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

Where the authority's business model is to hold investments to collect contractual cash flows the Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument), i.e. where assets are held to sell or receive dividends.

Financial Assets Measured at Amortised Cost

Financial assets, including simple deposits, treasury bills and gilts, money market funds, measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the

amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

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

Expected Credit Loss Model

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

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

The authority has grouped the loans into four groups for assessing loss allowances:

Loans

- Group 1 – the Council has previously made three loans to Manchester Airport Holdings
 - £8.7m in 2009/10 set to expire in 2055,
 - £11.3m in 2018/19, in two tranches of £5.6m for repayment in 2056 and 2057, and
 - £9.7m in 2020/21 set to expire in 2058.
- Group 2 – Loans made under Investment Strategy – The scope of the Council’s investment strategy covers direct investment in properties (see policy covering investment property) as well as loans made to third party developers. The Council has made a number of developer loan advances in respect of redevelopment purposes. Loss allowances for this type of loan will be assessed on an individual basis using common industry-related risk characteristics and the financial health of the companies.
- Group 3 – Town Centre Loans – The Council offers an interest-free loan scheme for businesses that want to occupy ground floor, vacant premises in Altrincham, Sale, Urmston or Stretford town centres to part-fund works, overheads and marketing costs that are needed to bring a vacant unit back into use. The loans are advanced in two instalments and the first instalment is made within Long Term Debtors and Prepayments. Once the second instalment is made, the debt is transferred into our debtor collection system and appears in Short Term Debtors. Due to the immaterial value of these loans, Credit losses will be calculated under the simplified approach adopted for all Trade Debtors.
- Group 4 - Homestep Loans – these are loans provided to first time buyers to assist key workers to purchase a home. The amount advanced has been included as a long-term debtor and is repayable when the property is sold. Credit losses are considered, but the council has assessed there to be no potential loss implications.

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

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

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction

between market participants at the measurement date. The fair value measurements of the financial assets are based on the following techniques:

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

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

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

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

The Council has one investment, the CCLA Property Investment Fund, which is currently classified as Fair Value through Profit and Loss. Subsequently, any Fair Value gains and losses should be recognised as they arrive in the Surplus or Deficit on the Provision of Services, thus impacting on the Council's General Fund balance. However, investments in CCLA property funds fall under the category of "pooled investment funds" as defined in Statutory Instrument SI 2018/1207. This means that until 31 March 2024, English Local Authorities are prohibited from charging to a revenue account fair value gains or losses, unless the gain or loss relates to an impairment or the sale of the asset.

The Statutory override will allow the gain or losses to be reversed via the Movement in Reserves to the Financial Instruments Revaluation Reserve.

Fair Value through Other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

The Council has a number of equity instruments, which by definition would automatically fall under the category of FVPL, meaning that changes in fair value would impact on the General Fund.

Due to the strategic and regional economic development nature associated with the following non-tradeable equity holdings, the Council elected to designate them as FVOCI.

- Manchester Airport Holding Limited - Main Shareholding
- Manchester Airport Holding Limited Class - C Shareholding (used to part fund a new car parking facility).

The impact of this election in relation to these equity instrument is to post gains/losses in fair value to other comprehensive income to the Surplus or Deficit on the Provision of Services as they arise with such movements being reversed via the Movement In Reserve account and accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss would be transferred to the General Fund Balance.

(J) Government Grants and Contributions

Government grants and other contributions are accounted for on an accruals basis and are recognised 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.

The grants are recognised in the Comprehensive Income and Expenditure Statement once any conditions, which stipulate how the grant is to be used to avoid repayment, are satisfied. Where they have not been satisfied they are carried on the Balance Sheet as creditors. Where grants are recognised in the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where a grant has yet to be used to finance capital expenditure it is posted to the Capital Grants Unapplied Reserve, or Revenue Grants Reserve where they support revenue expenditure funded from capital under statute. Where it has been applied it is posted to the Capital Adjustment Account.

Where capital expenditure is classified as Revenue Expenditure Funded from Capital under Statute then any related grants or contributions are transferred to the service account in the Comprehensive Income and Expenditure Statement.

(K) Heritage Assets

Heritage assets are assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical value. They are therefore held by the Council in relation to the maintenance of heritage. The Council's separate policy on Heritage Assets includes details of the records maintained by the Authority of its collection of assets.

Heritage Assets are recognised and measured in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The de-minimis threshold for a heritage asset is set at £10,000 in order to remain consistent with the Council's capitalisation policy. Where valuations or historic cost figures are available, the assets will be recognised on the Balance Sheet.

As there are no council-owned museums or galleries, the majority of the Council's heritage assets are retained for historical and cultural importance but not for public display. The heritage assets held by the Council include silver, paintings, furniture, statues, civic regalia, artefacts, sculptures and historic buildings. Where it is disproportionately expensive to obtain valuations, the Code allows authorities to exclude such items from the Balance Sheet. Many of the assets are therefore not recognised on the Balance Sheet as valuations are not cost effective.

Trafford Town Hall Collection

The collection of silver, statues, paintings, furniture and other miscellaneous items are held at Trafford Town Hall due to their historical and cultural importance. These items are reported in the Balance Sheet at insurance valuations provided by Vivienne Milburn FRICS (Independent Antiques Valuer and Auctioneer) in July 2011. These assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Historic Buildings

The historic buildings were valued by the Council's Asset Manager – Estates and Valuations who is a member of the Royal Institute of Chartered Surveyors as part of the five year rolling programme. These buildings are non-operational and held for their cultural and historical value.

Depreciation on historic buildings will be charged in accordance with the Council's policy on property, plant and equipment.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, 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. Proceeds from the disposal of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Heritage Assets not reported on the balance sheet

Trafford owns 25 listed assets that have heritage status per the National Planning Framework, e.g. Trafford Town Hall, Stretford Public Hall and numerous war memorials. Listed buildings like the Town Hall are used in the delivery of services and as such are included in the balance sheet as Property Plant and Equipment. In respect of other listed assets e.g. war memorials no valuation is available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements; those assets have not been included on the balance sheet.

(L) Interests in Companies and Other Entities

The Council owns minority interests in a small number of companies, mainly arising from the dissolution of the former Greater Manchester County Council. In the Council's accounts, the interest in companies and other entities are recorded as financial assets at cost, less any provisions for losses.

In addition, one community interest companies (CIC's) was established during 2015/16 for the provision of leisure.

Trafford Council also has interests in three Joint Venture Companies, Trafford Bruntwood LLP is a Joint Venture Company with K Site Ltd (a wholly owned Subsidiary of Bruntwood Development Holdings Ltd) and Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter) are joint venture companies with Bruntwood Development Holdings Ltd with each investor owning a 50% share in each of the companies.

In the Council's single-entity accounts the interests in Trafford Leisure CIC and the three joint ventures are recorded as long term investments at cost.

As a subsidiary, Trafford Leisure CIC Ltd. has been consolidated on a line by line basis with all intra-group transactions and balances removed.

As Joint Ventures, Trafford Bruntwood LLP, Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter) have been consolidated on an equity basis with the group accounts. The investment is shown under a separate line in the group balance sheet and adjusted by the Council's share (50%) in the joint venture's net asset movement since acquisition. The Council's share of the joint venture's operating results for the year is included within the group income and expenditure account.

(M) Investment Property

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. Statutory arrangements do not allow any gains or losses from a change in fair value to have an impact on the General Fund Balance and are therefore reversed out through the Movement in Reserves Statement to the Capital Adjustment Account.

The same treatment is applied to gains and losses on disposal.

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

(N) Joint Ventures

On 20 March 2018 the Council set up a joint venture with Bruntwood (K Site Ltd) called Trafford Bruntwood LLP. The entity will deliver a new university campus on the former Kelloggs headquarters site at Talbot Road Stretford. From 2018/19 the entity forms part of the Council's group accounts and will be treated as a Joint Venture and consolidated on an equity basis.

On 4th July 2019 the Council set up two more joint venture companies with Bruntwood Development Holdings Ltd called Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter) as part of its master plans for town centre regeneration. From 2019/2020 these entities form part of the Council's group accounts and will be treated as a Joint Venture and consolidated on an equity basis.

(O) Leases

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

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

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Leases and lease-type arrangements have been reviewed. No reclassification has been required under the Code. The Council has no finance leases.

The Council as Lessee

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or

equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

Operating Leases

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

(P) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service. The main basis of apportionment is by estimation of time spent on the various services. The cost of administrative buildings has been recharged on the basis of floor area occupied. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

(Q) Property, Plant and Equipment (PPE)

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 in excess of £10k on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Expenditure on assets is capitalised, provided that the item yields benefits to the Council for a period of more than one year and can be measured reliably. Routine repairs and maintenance of PPE are charged direct to service revenue accounts.

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.

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

- infrastructure, community and assets under construction – 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;
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use.

Depreciated replacement cost is used as an estimate of current value when there is no market based evidence of current value because of the specialist nature of the asset.

Assets are revalued with sufficient regularity by a qualified valuer to ensure that the carrying amount is not materially different from their current value at year end and as a minimum at least every five years. Increases in asset value are matched by a credit to the Revaluation Reserve to represent the unrealised gain. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement for a particular asset where the Comprehensive Income and Expenditure Statement have previously been charged with an impairment loss for that asset. Losses on revaluation are written off to the Revaluation Reserve, or if no Revaluation Reserve exists for that asset, charged to the Comprehensive Income and Expenditure Account.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment with a finite useful life, which can be determined at the time of acquisition or revaluation, according to the following policies:

- Freehold land, Investment Properties and Assets Held For Sale are not depreciated;
- newly acquired assets are not depreciated in the year of acquisition, and assets in the course of construction are not depreciated until they are brought into use.

For all other assets depreciation is calculated using the straight line method over the estimated useful life of the asset and are as follows:

- vehicles, plant and equipment between 3 and 8 years;
- all other property, including infrastructure and community assets between 10 and 120 years;

Where an asset value exceeds £1m a review is undertaken to determine whether any major components comprising plant, equipment and services exist and these components are depreciated separately.

Revaluation and Impairment Losses

Assets are reviewed annually at each year end for any impairment or revaluation loss. Where a loss has occurred on an asset used by the service these are written off to the Revaluation Reserve, where a balance exists, or charged to the service revenue account where there is no remaining balance on the Revaluation Reserve.

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.

Any charges for the use of Property, Plant and Equipment with the exception of external interest payments have a neutral impact on the amount to be raised from local taxation and are reversed from service revenue accounts through the Movement in Reserves Statement to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that an asset will be sold then it is reclassified as an Asset Held for Sale. These assets are then carried at a value of the lower of its carrying amount and current value less costs to sell.

When assets are disposed of or decommissioned the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal and matched against any capital receipt from the disposal. Any revaluation gains on the asset held in the Revaluation Reserve are transferred to the Capital Adjustment Account. Resultant gains or losses following the transfer of schools to academy status are included under financing and investment income and expenditure.

Individual asset disposal proceeds in excess of £10,000 are categorised as capital receipts.

Capital Receipts

Capital receipts from the disposal of assets are treated in accordance with provisions of the Local Government Act 2003. They can be used to fund capital expenditure in the year, to meet debts or other liabilities, or used to cover payments to the Secretary of State under receipts pooling arrangements.

(R) Schools

In accordance with the Code of Practice the Council includes all maintained schools under its control in the single entity accounts and where control exists includes all income, expenditure, assets, liabilities, reserves and cash-flows is recognised in the Council's single entity accounts. Other assets and funds under the control of the school such as school funds are also included in the Council's accounts where material.

Community and Foundation schools are owned by the Council and are recognised on the balance sheet.

Voluntary aided and controlled schools are owned by the respective diocese with no formal rights to use the assets passed onto the school or governing body, therefore these are not included on the balance sheet.

(S) Private Finance Initiative (PFI) and Similar Contracts

PFI contracts are agreements to receive services where the responsibility for making available the assets 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 the Council controls the residual interest in the asset at the end of the contract, the Council carries the assets used under the contract on the Balance Sheet.

The Council has entered into a Private Finance Initiative (PFI) contract for the provision of new office and community facilities in Sale Town Centre. The contract commenced in October 2003 with the initial period ending in 2028/29.

The original recognition of these assets was balanced by the recognition of a liability for the amounts due to the scheme operator to pay for the assets.

Assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

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

- current value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement;

- finance cost - an interest charge on the outstanding Balance Sheet Liability, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- contingent rent - increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator;
- lifecycle replacement costs - recognised as Property, Plant and Equipment on the Balance Sheet.

(T) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. Provisions are charged to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up on the balance sheet. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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 in the future by events not wholly within the control of the Council. Contingent liabilities can also arise where it is either not probable economic benefits will flow out from the Council or the obligation cannot be measured reliably.

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

Contingent Assets

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

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

(U) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. In line with the Code, expenditure is charged to revenue and not directly to any reserve.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

Insurance

The Council essentially self-insures on its major risk areas and operates with significant excess levels, for example liability insurance policies carry an excess of £0.275m and property insurance £0.250m. A provision is maintained to cover costs for which it is responsible for liability claims and a reserve is maintained for property related costs. Further details can be found in note 10 and 20.

(V) Revenue Expenditure Funded from Capital Under Statute (REFCUS)

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

(W) VAT

VAT payable is included as an expense only to the extent that it is irrecoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

(X) Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity 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:

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

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority 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 valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

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

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

Level 3 – unobservable inputs for the asset or liability.

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

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2023/24 Code.

Changes that will be introduced by the 2024/25 Code are:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021; and
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

The Council is working on implementing these changes to the code with the full impact of these changes is yet unknown. However, these changes are not expected to have a material impact on the Council's single entity statements or group statements.

5. Critical Judgements in Applying Accounting Policies

In applying the accounting policies the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- Leases - lease agreements have been reviewed and a determination made on whether these are finance or operating leases. This judgement has been based upon the degree to which the lease transfers the risks and rewards of ownership to the Council in accordance with IAS 17. It has been determined that all current lease arrangements are operating leases, with the exception of the PFI arrangements for Sale Waterside.
- Group accounts - arrangements with partners and third party bodies have been reviewed to assess the extent to which the Council is able to influence decisions or exert control over their operations. The CIPFA Code of Practice requires that where a Council has material financial interests and a significant level of control over one or more entities, it should prepare Group Accounts. From October 2015 the services provided by Trafford Community Leisure Trust were transferred into a Community Interest Company (CIC), Trafford Leisure CIC Ltd, wholly owned by the Council. Due to the material size of the CIC turnover, the Council has produced Group Accounts from 2016/17. Please see pages 160 to 168 for the core group statements and relevant disclosure notes. The Council has entered into three joint ventures, with Trafford Bruntwood, and all entities forms part of the Council's group accounts and have been consolidated on an equity basis. Whilst two of the joint ventures could be excluded from the consolidation on the ground of immateriality, the Council has included them as part of the group accounts for completeness.
- Accounting for Schools – Balance Sheet Recognition of Schools - The Council recognises schools in line with the provisions of 'the Code'. It states that property used by local authority maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. The Council recognises the school's land and buildings on its Balance Sheet where it directly owns the assets, the school

or school Governing Body own the assets or rights to use the assets that have been transferred from another entity.

Where the land and building assets used by the school are owned by an entity other than the Council, school or school Governing Body then it is not included on the Council's Balance Sheet.

The Council has completed a school by school assessment across the different types of schools it controls within the Borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets. The types of schools that have been assessed are shown below:

Type	Number
Community schools	34
Voluntary Controlled (VC) schools	1
Voluntary Aided (VA) schools	20
Foundation schools	3
Sub-Total Maintained Schools	58
Academies	29
Total Number of Schools	87

All Community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet.

Foundation schools were created to give greater freedom to the Governing Body responsible for school staff appointments and who also set the admission criteria. For a Foundation school, the school Governing Body has legal ownership of the land and buildings and thus are included on the Council's Balance Sheet.

The legal ownership of Voluntary Controlled, Voluntary Aided and Academy schools buildings belong to a charity. This is normally a religious body or Trust in the case of Academy schools and therefore the Council does not recognise these non-current assets on the Balance Sheet. However, the adjoining school playing fields remain in Council ownership and are therefore included on the Council's Balance Sheet.

- Investment properties have been assessed using the identifiable criteria under the international accounting standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation to determine if there is an operational reason for holding the property such as regeneration.

The Council has a 3.22% shareholding in Manchester Airport Holdings Limited (MAHL) and an equity investment relating to strategic car park infrastructure developments at the airport. 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 shareholdings are 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.

6. 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, especially in the current climate, certain estimates cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. Treasury management risk is considered in note 40.

The following items are considered in further detail as potential risk:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions liability	<p>The pensions liability is based on assumptions relating to discount rates used, future changes in salaries, changes in retirement ages, mortality rates and expected returns on pension fund assets. These assumptions are reviewed regularly. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>Changes in liability are actuarially measured every three years, and increases in contributions spread over the following three years. The pension contribution is a key financial assumption in the medium term financial plan. During 2023/24 the net pension surplus had increase by £53.37m to a surplus position of £151.26m. In line with the Code of Practice, the Council requested the actuary provide an Asset Ceiling calculation. The Asset Ceiling was calculated to be less than the net pension asset and therefore the full asset ceiling has been applied resulting in a net liability of £32.02m has been included in the Council's balance sheet.</p>
Long Term Assets – Manchester Airport Holdings	<p>The Council's shareholding in the Manchester Airport Group is 3.22% as at 31 March 2024. The asset is valued using the earnings based method resulting in the asset being valued at fair value rather than historic cost, therefore requiring an annual valuation. A firm of financial experts and valuers have been engaged by the Council to provide an independent valuation which includes reviewing the financial performance, stability and business assumptions of the MAHL. The valuation provided is based on estimations and assumptions and therefore should the Council sell its shareholding the value held in these statements may not be realised.</p> <p>The Council also holds a 10% holding in Manchester Airport Car Park (1) Limited which is valued on the updated financial forecast. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights.</p>	<p>As at 31 March 2024 the Council's valuers advised of a increase of £26.3m in the fair value of the Council's share from £24.4m to £50.7m which has been reflected in the financial statements.</p>

<p>Investment Property</p>	<p>The valuation of the fair value of the Council's investment properties has been based on the market approach using comparable market data, including income streams, tenure, lease terms and other relevant information for similar assets in the local authority area. As such all of the Council's directly held investment assets have been assessed as Level 2 in the fair value hierarchy.</p>	<p>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.</p> <p>As an example, the impact of a 10% change in the market values of the council's investment property (carrying value as of 31 March 2024 - £94.63m) would be £9.46m. Note 15, Investment Property, to the accounts sets out the council's approach to valuation of its Investment Property.</p>
<p>Property, Plant and Equipment</p>	<p>The valuation of the council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. This includes Community Assets, Other Land and Buildings and Surplus Assets. The council's valuer uses a combination of methodologies to value these operational assets for example, Depreciated Replacement Cost (DRC). These methods can cause estimation uncertainty due to the indices and inputs that must be used to applying valuations. 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.</p>	<p>As an example, the impact of a 10% change in the valuation of the council's PPE (carrying value as of 31 March 2024 – £526.51m) would be £52.65m. Note 14, Property, Plant and Equipment, to the accounts sets out the council's approach to valuation of its PPE.</p>

7. Material Items of Income and Expense

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement.

There are some significant items in the Comprehensive Income and Expenditure Statement related to revenue expenditure funded from capital under statute (REFCUS); these items are detailed within Note 33 Capital Expenditure and Capital Financing.

There are no material items of income and expense not otherwise disclosed in the financial statements or accompanying notes.

8. Events After the reporting Period

The Director of Finance and Systems authorised The Statement of Accounts for issue on 26th July 2024. Events taking place after this date are not reflected in the financial statements or notes. Events taking place before this date where information about conditions existed at 31 March 2024, are adjusted in all material aspects in the financial statements and notes. There are no non-adjustment events after the Balance Sheet date.

9. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year (see following tables). This is in accordance with proper accounting practice to the resources that are specified by statutory provision as being available to the Council to meet future capital and revenue expenditure.

2023/24	Usable Reserves 2023/24							2023/24
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT:								
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:								
Charges for depreciation, impairment, downward revaluations of non-current assets and movement in fair value of Capital Loans	(37,546)	-	(37,546)	-	-	-	-	37,546
Revaluation losses on Property, Plant & Equipment.	(10,411)	-	(10,411)	-	-	-	-	10,411
Movements in the fair value of Investment Properties.	1,363	-	1,363	-	-	-	-	(1,363)
Revenue expenditure funded from capital under statute.	(1,128)	-	(1,128)	-	-	-	-	1,128
Amounts of non-current assets and current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(239)	-	(239)	(18,146)	-	-	-	18,385
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:								
Statutory provision for the financing of capital investment.	21,498	-	21,498	-	-	-	-	(21,498)
Voluntary provision above MRP	33,740	-	33,740	-	-	-	-	(33,740)
Capital expenditure charged against the General Fund balance.	266	-	266	-	-	-	-	(266)

9. Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2023/24	Usable Reserves 2023/24 (continued)							2023/24
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustments primarily involving the Capital Grants Unapplied Account:								
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	41,837	-	41,837	-	-	-	(41,837)	-
Application of grants to capital financing transferred to the Capital Adjustment Account.	-	-	-	-	-	(232)	36,394	(36,162)
Adjustments primarily involving the Capital Receipts Reserve:								
Use of the Capital Receipts Reserve to finance new capital expenditure.	-	-	-	4	-	-	-	(4)
Use of the Capital Receipts Reserve to repay Debt.	(50,087)	-	(50,087)	17,346	-	-	-	32,741

9. Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2023/24	Usable Reserves 2023/24 (continued)							2023/24
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENT PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS REVALUATION RESERVE:								

	Usable Reserves 2023/24 (continued)							2023/24
2023/24	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements.	711	-	711	-	-	-	-	(711)
ADJUSTMENTS INVOLVING THE FIRR								
Gain/loss on revaluation of Financial Instruments charged to FVPL	(185)	-	(185)	-	-	-	-	185
ADJUSTMENTS PRIMARILY INVOLVING THE PENSION RESERVE:								
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 37).	(15,304)	-	(15,304)	-	-	-	-	15,304
Employer's pension contributions and direct payments to pensioners payable in the year.	20,359	-	20,359	-	-	-	-	(20,359)
ADJUSTMENTS PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT:								
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements: Council Tax	885	-	885	-	-	-	-	(885)
NDR	(18,595)	-	(18,595)	-	-	-	-	18,595

9. Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

	Usable Reserves 2023/24 (continued)							2023/24
2023/24	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT:								
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(327)	-	(327)	-	-	-	-	327
Total Adjustments	(13,163)	-	(13,163)	(796)	-	(232)	(5,443)	19,634

9. Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2022/23	Usable Reserves 2022/23							2022/23
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT:								
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:								
Charges for depreciation, impairment, downward revaluations of non-current assets and movement in fair value of capital loans	(20,616)	-	(20,616)	-	-	-	-	20,616
Revaluation losses on Property, Plant & Equipment.	(2,751)	-	(2,751)	-	-	-	-	2,751
Movements in the fair value of Investment Properties.	(1,563)	-	(1,563)	-	-	-	-	1,563
Revenue expenditure funded from capital under statute.	(139)	-	(139)	-	-	-	-	139
Amounts of non-current assets and current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(490)	-	(490)	(5,475)	-	-	-	5,965
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:								
Statutory provision for the financing of capital investment.	4,272	-	4,272	-	-	-	-	(4,272)
Voluntary provision above MRP	17,428	-	17,428	-	-	-	-	(17,428)
Capital expenditure charged against the General Fund balance.	238	-	238	-	-	-	-	(238)

9. Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2022/23	Usable Reserves 2022/23 (continued)							2022/23
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustments primarily involving the Capital Grants Unapplied Account:								
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	31,381	-	31,381	-	-	-	(31,381)	-
Application of grants to capital financing transferred to the Capital Adjustment Account.	-	-	-	-	-	(101)	31,635	(31,534)
Adjustments primarily involving the Capital Receipts Reserve:								
Use of the Capital Receipts Reserve to finance new capital expenditure.	-	-	-	4,920	-	-	-	(4,920)
Use of the Capital Receipts Reserve to repay Debt.	(17,756)	-	(17,756)	328	-	-	-	17,428

9. Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2022/23	Usable Reserves 2022/23 (continued)							2022/23
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENT PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS REVALUATION RESERVE:								
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements.	710	-	710	-	-	-	-	(710)
ADJUSTMENTS INVOLVING THE FIRR								
Gain/loss on revaluation of Financial Instruments charged to FVPL	(935)	-	(935)	-	-	-	-	935
ADJUSTMENTS PRIMARILY INVOLVING THE PENSION RESERVE:								
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 37).	(46,633)	-	(46,633)	-	-	-	-	46,633
Employer's pension contributions and direct payments to pensioners payable in the year.	19,889	-	19,889	-	-	-	-	(19,889)
ADJUSTMENTS PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT:								
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements: Council Tax	(1,575)	-	(1,575)	-	-	-	-	1,575
NDR	55,774	-	55,774	-	-	-	-	(55,774)

9. Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2022/23	Usable Reserves 2022/23 (continued)							2022/23
	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT:								
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	414	-	414	-	-	-	-	(414)
Total Adjustments	37,648	-	37,648	(227)	-	(101)	(254)	(37,575)

10. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24.

	Balance as at 1 April 2022 £000	Movements Out 2022/23 £000	Movements In 2022/23 £000	Balance at 31 March 2023 £000	Movements Out 2023/24 £000	Movements In 2023/24 £000	Balance at 31 March 2024 £000
General Fund	(9,500)	-	-	(9,500)	-	(1,000)	(10,500)
Earmarked Reserves:							
Balances held by schools under a scheme of delegation	(14,304)	14,322	(13,107)	(13,089)	13,283	(15,805)	(15,612)
Other Earmarked Reserves:							
Synthetic Pitch Replacement Reserve							
This will be used towards replacing one synthetic pitch within the Borough.	(108)	-	(15)	(123)	-	(15)	(138)
Insurance Reserve							
Funds earmarked for future claims and to carry out various risk management initiatives.	(1,539)	-	(161)	(1,700)	640	-	(1,060)
Delegated Service Budgets							
Revenue budget under/overspends to be carried forward as part of the Council's Medium Term Financial Plans.	(7,086)	2,559	(4,037)	(8,564)	3,759	(2,077)	(6,881)
ICT Development							
Investment in new ICT to improve efficiency Council-wide.	(1,259)	697	(796)	(1,358)	800	(733)	(1,291)
Dedicated Schools Grant (DSG)							
Government grant specifically for the funding of schools and schools' related services.	-	97	(97)	-	-	-	-

10. Transfers to/from Earmarked Reserves (continued)

	Balance as at 1 April 2022 £000	Movements Out 2022/23 £000	Movements In 2022/23 £000	Balance at 31 March 2023 £000	Movements Out 2023/24 £000	Movements In 2023/24 £000	Balance at 31 March 2024 £000
Elections Reserve							
To smooth the elections budget across the 4 year Municipal cycle.	(263)	159	(1)	(105)	105	-	-
Transformation Reserve							
Moneys set aside to pump prime the achievement of the next stage of efficiencies through the Transformation Programme.	(306)	235	-	(71)	70	-	(1)
Interest Rate Reserve							
To smooth the effect on the Council's budget of volatile movements in interest rates.	(2,567)	-	(540)	(3,107)	-	(2,033)	(5,140)
Waste Levy Reserve							
To smooth the effects on the Council's budget of movements in the waste levy over the medium term.	(1,351)	-	(133)	(1,484)	483	(513)	(1,514)
Long Term Accommodation Decant Reserve							
To cover the cost of accommodation changes arising from the Long Term Accommodation Project.	(760)	152	(116)	(724)	466	(209)	(467)
Employment Rationalisation Reserve							
To cover the cost of rationalising the employment of staff by the Council.	(800)	-	-	(800)	200	-	(600)

10. Transfers to/from Earmarked Reserves (continued)

	Balance as at 1 April 2022 £000	Movements Out 2022/23 £000	Movements In 2022/23 £000	Balance at 31 March 2023 £000	Movements Out 2023/24 £000	Movements In 2023/24 £000	Balance at 31 March 2024 £000
Capital Reserve							
Investment in disabled facilities schemes.	(1,000)	-	-	(1,000)	-	-	(1,000)
Winter Maintenance Reserve							
To provide emergency funds to cover the costs of highway & footway maintenance during periods of adverse weather conditions.	(120)	-	-	(120)	120	-	-
Economic Development Reserve							
Reserve set aside to earmarked grant specifically for economic development related projects (previously held within Service Earmarked Reserve).	(1,438)	543	(799)	(1,694)	755	(266)	(1,205)
Budget Support Reserve							
To smooth out potential volatility in Revenue Budget funding and the significant level of savings required over the medium term.	(11,651)	5,336	(6,929)	(13,244)	9,892	(7,791)	(11,143)
Business Rates and NDR deficit Reserve							
The business rate risk reserve was established to be used to offset any fluctuation in the significant level of business rate income that will be supporting the budget in 2018/19 and later years. It is also used to meet Trafford's share of the NDR Deficit.	(44,088)	50,333	(2,313)	(3,932)	5,785	(22,839)	(13,122)
Transformation Fund Reserves							
Monies allocated from Greater Manchester Health and Social Care Partnership for the transforming of health and social care services, in addition to monies set aside by the Council to match fund expenditure in the Transformation Fund.	(1,824)	237	-	(1,587)	214	-	(1,373)
Strategic Investment Property Risk Reserve							

	Balance as at 1 April 2022 £000	Movements Out 2022/23 £000	Movements In 2022/23 £000	Balance at 31 March 2023 £000	Movements Out 2023/24 £000	Movements In 2023/24 £000	Balance at 31 March 2024 £000
Capital Reserve							
The strategic investment property risk reserve was established to be used to offset any fluctuations in investment property	(6,309)	1,683	(379)	(5,005)	1,917	(8,222)	(11,310)
Council Tax Risk Reserve							
Reserve to manage risk of shortfall in Council Tax Income due to uncertainty in take up of LCTSS/Hardship	-	-	(500)	(500)	-	-	(500)
COVID-19 General Reserve							
New Reserve created to support local COVID-19 pressures	(7,097)	7,097	-	-	-	-	-
Council Tax Collection Fund Reserve							
To smooth the timing difference in Trafford's shortfall of estimated Council Tax Surplus	-	-	(940)	(940)	940	-	-
Bus Reform Reserve							
Potential contribution to the Bus reform	(1,500)	-	-	(1,500)	-	-	(1,500)
Other Reserves							
Other amounts earmarked for specific purposes.	(13,269)	3,927	(4,864)	(14,206)	5,949	(2,491)	(10,749)
SALE PFI RESERVE							
Reserve set aside to fund the final bullet payment	(1,232)	-	(87)	(1,319)	-	(87)	(1,406)
Council Tax Income Guarantee Grant COVID-19 reserve							
75% Tax income guarantee grant used to offset the deficit over the next 3 financial years	(509)	257	-	(252)	258	(6)	-
Business Rates Tax Income Guarantee Grant COVID-19 reserve							
75% Tax income guarantee grant used to offset the deficit over the next 3 financial years	(2,660)	1,330	-	(1,330)	1,330	-	-
Total Other Earmarked Reserves	(108,737)	74,642	(22,707)	(56,801)	33,683	(47,282)	(70,401)
Total Earmarked Reserves (incl. Schools)	(123,041)	88,964	(35,814)	(69,890)	46,968	(63,087)	(86,013)
Total Reserves	(132,541)	88,964	(35,814)	(79,390)	46,965	(64,087)	(96,513)

11. Other Operating Expenditure

2022/23 £000	Other Operating Expenditure	2023/24 £000
99	Parish council precepts	104
31,479	Levies (i)	32,597
5,965	Amount written off on disposal of non-current assets	18,167
(5,492)	Sale proceeds from disposal of non-current assets	(18,144)
19	Cost of disposal of non-current assets	218
32,070	Total	32,942

(i) Included are levies as follows:

2022/23 £000	Levies	2023/24 £000
151	Flood Defence	154
15,273	Waste Disposal Authority	15,746
16,055	GM Combined Authority	16,697
31,479	Total	32,597

12. Financing and Investment Income and Expenditure

2022/23 £000		2023/24 £000
8,941	Interest payable and similar charges	8,543
(25,215)	Interest income on plan assets (pensions)	(44,567)
32,077	Interest cost on defined benefit obligation (pensions)	39,908
(5,169)	Interest receivable and similar income (i)	(6,273)
(4,680)	Income and expenditure in relation to investment properties and changes in their fair value	(8,464)
935	Gains and losses arising from the derecognition of financial assets measured at a mortised cost	185
598	Residual (Surplus)/deficit on trading undertakings	944
(8,218)	Other investment income	1,967
731	Total	(7,757)

(i) During 2023/24 the average amount invested in the money market was £67.3m, at an average interest rate of 5.16%. Investment interest generated for the year was £7.24m, including £3.14m of interest receivable from Manchester International Airport following the renegotiation of loan debt held by each of the Greater Manchester Authorities in February 2010 and additional loan debt issued in 2018. For 2022/23 the average amount invested was £119.6m at an average rate of 2.27%, producing £6.237m of investment interest, including £3.14m from the Airport.

13. Taxation and Non-Specific Grant Income

2022/23 £000		2023/24 £000
(113,358)	Council Tax income	(120,712)
(77,749)	Non domestic rates*	(78,111)
(5,916)	Non ring-fenced government grants*	(3,513)
(31,381)	Capital grants and contributions*	(41,837)
(228,404)	Total	(244,173)

* Further detail on grants is shown in note 31.

14. Property, Plant and Equipment Movements on Balances 2023/24:

	Other land & buildings £000	Vehicles, plant & equipment assets £000	Community assets £000	Surplus assets £000	Assets under construction £000	Total £000
Cost or valuation						
As at 1 April 2023	445,446	26,863	26,105	24,269	30,585	553,268
Additions	9,933	752	1,672	-	31,372	43,729
Disposals (incl. adj. for academy school transfers)	(2,109)	-	(903)	-	-	(3,012)
Accumulated depreciation and impairment written out on revaluation a dj.	(20,054)	-	-	-	-	(20,054)
Reclassification to Assets Held for Sale	(458)	-	-	(700)	-	(1,158)
Other Reclassifications	5,018	-	208	5,610	(12,557)	(1,721)
Revaluation increases/(decreases) recognised in the revaluation reserve	40,374	-	-	3,786	-	44,160
As at 31 March 2024	478,150	27,615	27,082	32,965	49,400	615,212
Depreciation and impairment						
As at 1 April 2023	(47,230)	(22,173)	(6,790)	(5,776)	-	(81,969)
Depreciation charged to CIES (ii)	(15,847)	(932)	(421)	-	-	(17,200)
Revaluation downwards charged to CIES	(9,865)	-	-	(545)	-	(10,410)
Disposals	828	-	-	-	-	828
Accumulated depreciation and impairment written out on revaluation a dj.	20,054	-	-	-	-	20,054
As at 31 March 2024	(52,060)	(23,105)	(7,211)	(6,321)	-	(88,697)
Net Book Value						
Balance Sheet amount as at 31 March 2024	426,090	4,510	19,871	26,644	49,400	526,515
Nature of Asset Holding:						
Owned	419,253	4,510	19,871	26,644	49,400	519,678
PFI (i)	6,837	-	-	-	-	6,837
Total	426,090	4,510	19,871	26,644	49,400	526,515

(i) Analysis of movement in the value of the PFI asset is as follows:

2022/23 £000	Movement in PFI Asset Value	2023/24 £000
11,792	Opening Value 1 April	6,046
225	Additions	39
(249)	Less Depreciation	(111)
(5,722)	Less Impairment	
-	Plus Revaluation	863
6,046	Closing Value 31 March	6,837

(ii) Depreciation is provided for on all non-current assets, with the exception of freehold land, investment property and assets held for sale. New assets are not depreciated in the year of acquisition and assets under construction are not depreciated until they become operational.

All other assets, including components, are written down using the straight line method over the estimated useful life of the asset, or in the case of intangible assets (software licences), the length of the licence.

The estimated useful lives of the assets are shown below:

Asset Category	Useful Life
Vehicles, plant and equipment	Between 3 and 8 years
Intangibles	Between 5 and 20 years
Infrastructure and Community assets	Between 10 and 40 years
Buildings	Between 15 and 60 years

There are no changes to depreciation methods used between 2022/23 and 2023/24.

Comparative Movements in 2022/23

	Other land & buildings £000	Vehicles, plant & equipment assets £000	Community assets £000	Surplus assets £000	Assets under construction £000	Total £000
Cost of Valuation						
As at 1 April 2022	413,121	25,160	23,889	24,166	12,284	498,620
Additions	6,806	875	2,185	2	21,232	31,100
Disposals (incl. adj. for a cademy school transfers)	(619)	(19)	-	-	-	(638)
Accumulated depreciation and impairment written out on revaluation adj.	(11,634)	-	-	-	-	(11,634)
Other Reclassifications	1,277	847	31	-	(2,931)	(776)
Revaluation increases/(decreases) recognised in the revaluation reserve	36,495	-	-	101	-	36,596
As at 31 March 2023	445,446	26,863	26,105	24,269	30,585	553,268
Depreciation and Impairment						
As at 1 April 2022	(42,107)	(21,384)	(6,418)	(5,774)	-	(75,683)
Depreciation charged to CIES (ii)	(14,135)	(795)	(372)	-	-	(15,302)
Disposals	127	6	-	-	-	133
Accumulated depreciation and impairment written out on revaluation adj.	11,634	-	-	-	-	11,634
Revaluations	(2,749)	-	-	(2)	-	(2,749)
As at 31 March 2023	(47,230)	(22,173)	(6,790)	(5,776)	-	(81,969)
Net Book Value						
Balance Sheet amount as at 31 March 2023	398,216	4,690	19,315	18,493	30,585	471,299
Nature of Asset Holding						
Owned	392,170	4,690	19,315	18,493	30,585	465,253
PFI (i)	6,046	-	-	-	-	6,046
Total	398,216	4,690	19,315	18,493	30,585	471,298

Valuation of Non-Current Assets held at current value

This statement shows the progress of the Council's rolling programme for the revaluation of non-current assets. The valuations were carried out by Nigel MacDonald MRICS, Registered Valuer. The basis for

	Other land & buildings £000	Vehicles, plant & equipment £000	Community assets £000	Surplus assets £000	Total £000
Held at historic cost		4,510	19,871		24,381
Valued at current value in:					
Current year (31 March 2024) *	386,379			26,644	413,023
Previous year (31 March 2023)	19,955				19,955
Two years ago (1 April 2022)	4,854				4,854
Three years ago (1 April 2021)	5,049				5,049
Four years ago (1 April 2020)	9,853				9,853
Total	426,090	4,510	19,871	26,644	477,115

valuation is set out in the statement of accounting policies.

* Surplus assets - All surplus property has been valued in accordance with IFRS13 under the fair value hierarchy which has been based on the market approach using comparable market data, including income streams, tenure, lease terms, sales prices and other relevant information for similar assets in the local authority area. As such all of the Council's directly held surplus assets have been assessed as Level 2 in the fair value hierarchy. Additionally, there have been no transfers between levels during the year.

Assets have been revalued within a five-year period by the Council's internal valuation service, except for the valuation of land at Manchester Airport which has been provided by the valuation service of Manchester City Council. All assets are reviewed during the year to ensure that the carrying amount of the asset on the balance sheet does not differ materially from that which would be determined using the current value at the end of the reporting period.

Significant commitments under capital contracts as at 31 March 2024

As at 31 March 2024 the Council was contractually committed to capital expenditure which amounted to approximately £12.57m. Major contracts included the following schemes:

	£000
Altrincham Leisure Centre	9,055
Mayors Challenge Fund – Cycling and Walking	3,512
Total at 31 March 2024	12,567

14a. Infrastructure Assets

In accordance with the temporary relief offered by the update to the Code on Infrastructure Assets introduced through the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position of the Council to the users of the financial statements.

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

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

Net Book Value (modified historic cost)	2022/23 £000	2023/24 £000
Balance at 1 April	174,193	181,367
Additions	11,183	12,174
Depreciation	(4,783)	(5,242)
Transfers	776	-
Net Book Value Balance at 31 March	181,367	188,300

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis. Useful lives of the various parts of the highways network are assessed by the Chief Highways Engineer using industry standards where applicable.

Asset description	Useful Life
Highways - Primary Route Network	40
Highways – Non-Primary Route Network	60
Street Lighting	40
Bridges	120
Traffic Management & Road Safety	20
Culverts & Watercourses	25
Landfill Gas	25
Highways - Maintenance Works	20

15. Investment Properties

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

	2022/23 £000	2023/24 £000
As at 1 April 2023	108,873	107,166
Subsequent expenditure	11	-
Disposals	(155)	(14,260)
Net gains / (losses) from fair value adjustments	1,563	1,363
Transfers (to) / from Property, Plant & Equipment	-	358
As at 31 March 2024	107,166	94,627

The fair value for the investment properties has been based on the market approach using comparable market data, including income streams, tenure, lease terms and other relevant information for similar assets in the local authority area. As such all of the Council's directly held investment assets have been assessed as Level 2 in the fair value hierarchy. Additionally, there have been no transfers between Levels during the year.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement:

	2022/23 £000	2023/24 £000
Rental income from investment property	(9,461)	(8,590)
Direct operating expenses arising from investment property	3,218	1,489
Net (gain)/loss	(6,243)	(7,101)

16. Financial Instruments

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

Financial Assets

	Long Term				Short Term				Total 31 March 2024 £000
	Investments		Debtors		Investments		Debtors		
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	
Fair value through profit and loss									
Church Commissioner Local Authority Fund - Principal	4,739	4,554	-	-	-	-	-	-	4,554
Sub-total – Fair value through profit and loss	4,739	4,554	-	-	-	-	-	-	4,554
Amortised Cost									
Other Investments									
Principal (i)	-	-	-	-	21,999	-	-	-	-
Accrued Interest (i)	-	-	-	-	366	-	-	-	-
Cash and cash equivalent:									
Cash at Bank	-	-	-	-	23,842	22,374	-	-	22,374
Principal	-	-	-	-	31,280	30,930	-	-	30,930
Accrued interest	-	-	-	-	53	224	-	-	224
Other Financial Instruments									
MAH Loans (included within Long term debtors)	-	-	29,650	29,650	-	-	-	-	29,650
MAH Loans (included within Long term debtors)- Accrued Interest	-	-	9,160	9,142	-	-	-	-	9,142
Homestep Loans (included within Long term debtors)	-	-	544	354	-	-	-	-	354
Capital Loans (included within Long term debtors)	-	-	61,039	75,245	-	-	59,303	39,523	114,768
Treasury Asset Investments (included within Long term debtors)	-	-	11,934	-	-	-	-	11,934	11,934
Trafford Leisure CIC	-	-	1,180	1,180	-	-	-	-	1,180

Accounts 2024

	Long Term				Short Term				Total
	Investments		Debtors		Investments		Debtors		
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	
Trafford Leisure CIC Accrued Interest	-	-	67	142	-	-	-	-	142
Section 106 debtors (included within Short term debtors)	-	-	-	-	-	-	1,850	908	908
Trade Debtors (included within Short term debtors)	-	-	-	-	-	-	13,036	12,053	12,053
Church Commissioner Local Authority Fund – Accrued Interest	-	-	-	-	58	67	-	-	67
Sub-total – amortised cost	-	-	113,573	115,713	77,598	53,595	74,189	64,418	233,726
Fair value through other comprehensive income –designated equity instruments									
Manchester Airport Holdings (MAH) Shareholding (See note on “Interest in Companies”)	20,100	46,300	-	-	-	-	-	-	46,300
Manchester Airport Holdings (MAH) Shareholding Car Park (iii)	4,300	4,400	-	-	-	-	-	-	4,400
Sub-total – Fair value through other comprehensive income	24,400	50,700	-	-	-	-	-	-	50,700
Total financial Instruments (included in Financial Assets)	29,139	55,254	113,573	115,713	77,598	53,595	74,189	64,418	288,980
Other Financial Assets:									
Investments included in Group Accounts (ii)									
Equity - Trafford Bruntwood LLP	41,212	43,645	-	-	-	-	-	-	43,645
Sub-total – amortised cost	41,212	43,645	-	-	-	-	-	-	43,645
Total Financial Assets	70,351	98,899	113,573	115,713	77,598	53,595	74,189	64,418	332,625

- (i) There are no short term investments for the financial year 2023/24.
- (ii) The Equity Investment in Trafford Bruntwood LLPs is not classified as a financial instrument under IFRS9 on the basis that the investment is included in the authority' group accounts.
- (iii) The MAH shareholding has been designated at cost to Fair Value through Other comprehensive Income on the basis that the MAH Shareholding is regarded as a Strategic investment and is not held for trading purposes. The shares originated through a policy initiative with the other Greater Manchester authorities to promote economic generation and tourism.

Financial Liabilities

	Long Term				Short Term				Total
	Borrowings		Creditors		Borrowings		Creditors		
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	
Amortised Cost									
Principal	(313,837)	(332,687)	-	-	(4,331)	(149)	-	-	(332,836)
Accrued Interest	-	-	-	-	(1,663)	(1,887)	-	-	(1,887)
Market loans EIR adjustments	(769)	(752)	-	-	-	-	-	-	(752)
Trade Creditors (included within short term creditors)	-	-	-	-	-	-	(14,898)	(9,321)	(9,321)
Sub-total amortised cost - (per balance sheet)	(314,606)	(333,439)	0	0	(5,994)	(2,036)	(14,898)	(9,321)	(344,796)
Market loans EIR adjustments	-	-	-	-	(16)	(17)	-	-	(17)
PFI and finance lease liabilities	(3,753)	(3,379)	-	-	(351)	(375)	-	-	(3,754)
Sub-total – Other (included in long term liabilities and short term creditors)	(3,753)	(3,379)	-	-	(367)	(392)	-	-	(3,771)
Total financial liabilities	(318,359)	(336,818)	0	0	(6,361)	(2,428)	(14,898)	(9,321)	(348,567)

Under accounting requirements the carrying value of the financial instruments is shown in the balance sheet which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an effective interest rate calculation) including accrued interest. Accrued interest is shown separately in current assets or liabilities where the payments or receipts are due within one year. The effective interest rate (EIR) is effectively accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price. The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2023/24		2022/23	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net gains/losses on:				
Financial assets measured at fair value through profit or loss				
- CCLA share revaluation	185		935	
- CCLA Interest	(265)		(236)	
Investments in equity instruments designated at fair value through other comprehensive income				
- MAH Share revaluation		(26,200)		(1,500)
- MAH Shares (project Apollo)		(100)		500
- MAH Share dividend		(323)		0
Total net (gains)/losses	(80)	(26,623)	699	(1,000)
Interest revenue:				
Financial assets measured at a mortised cost				
- Investment interest	(3,151)		(2,261)	
Total interest revenue	(3,151)		(2,261)	
Interest expense				
Financial assets measured at a mortised cost				
- Loan interest payable	7,818		8,610	
Total interest expense	7,818		8,610	

Fair values

IFRS 13, paragraphs 76–90 stipulates that the Council must ensure consistency and comparability in the way it reports its Financial Assets and Liabilities and in order to be able to do so the following 3 techniques have been used:

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

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

Level 3 Inputs – unobservable inputs for the asset or liability.

Fair Value of Financial Assets

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

Financial assets measured at fair value				
Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/3/24 £000	As at 31/3/23 £000
Church Commissioners Local Authority Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	4,554	4,739
Manchester Airport Holdings	Level 2	Earning Based	46,300	20,100
Manchester Airport Holdings	Level 2	Initial investment at cost	4,400	4,300
Total			55,254	29,139

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

	Other significant observable inputs (Level 2) £000	Total £000
31 March 2024		
Financial liabilities		
Financial liabilities held at amortised cost:		
- PWLB	208,520	208,520
- Non-PWLB	20,770	20,770
- Trade Creditors	9,321	9,321
PFI and finance lease liability	3,176	3,176
Total	241,787	241,787
Financial assets		
Financial assets held at amortised cost:		
- Investments	31,221	31,221
- Cash at Bank	22,374	22,374
MAH loans	29,650	29,650
Homestep loans	354	354
Capital Loans	114,516	114,516
Treasury Asset Investment	11,934	11,934
Trafford Leisure CIC	1,180	1,180
Trade debtors	13,036	13,036
Total	224,265	224,265

Comparator year

31 March 2023	Other significant observable inputs (Level 2) £000	Total £000
Financial liabilities		
Financial liabilities held at a mortised cost:		
- PWLB	175,558	175,558
- Non-PWLB	36,419	36,419
- Trade Creditors	14,898	14,898
PFI and finance lease liability	3,307	3,307
Total	230,182	230,182
Financial assets		
Financial assets held at a mortised cost:		
- Investments	54,111	54,111
- Cash at Bank	23,842	23,842
MAH loans	29,649	29,649
Homestep loans	544	544
Capital Loans	117,496	117,496
Treasury Asset Investment	11,934	11,934
Trafford Leisure CIC	1,180	1,180
Trade debtors	13,036	13,036
Total	251,792	251,792

The fair value for financial liabilities and financial assets that are not measured at fair value included in Level 2 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

The fair value for financial liabilities and financial assets that are not measured at 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, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

Equity shareholding

Manchester Airport Holdings & Car Park shareholding: shares in this company originated through a policy initiative with other Greater Manchester Local Authorities to promote economic generation and tourism. In addition to this on 28 January 2019 the Council committed to a further equity investment of £5.61m relating to strategic car park infrastructure developments at the airport (project Apollo). The shares for these 2 holdings are not traded in an active market and their fair value has been calculated on an analysis of the assets and liabilities in the Company's latest audited accounts by an independent accountancy firm BDO to be £46.3m and £4.4m respectively. The method involves the application of a price earnings ratio to maintainable or prospective earnings or post tax profits and draws on data from comparable quoted companies. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. These unobservable inputs have been developed using the best information about the assumptions that the market participants would use when pricing the asset.

The valuation has been made using annual audited accounts of Manchester Airport Holdings for 2019, 2020, 2021, 2022 and 2023 along with interim 6 month reports and accounts for the period ending 30 September 2019, 2020, 2021, 2022, and 2023. These shares are subject to an annual valuation and in 2023/24 increased in value by £26.20m for the main shareholding and £1.0m for the car park shareholding (project Apollo).

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.

Trafford Bruntwood LLP

Ksite: Trafford Council has a 50% equity shareholding in Trafford Bruntwood LLP with the remaining 50% being held by Bruntwood (K Site Ltd). The entity holds assets in the form of the former Kelloggs headquarters site at Talbot Road, which was purchased in April 2018 for £11.9m. The site has been redeveloped in line with the Civic Quarter Masterplan and hosts the University of Lancaster and Education 92 Limited (UA92). The shares in this company are not traded in an active market and for the financial year 2023/24 the fair value of the shares is £9.91m compared to £11.83m in 2022/23. The fair value of these shares has been calculated based on the initial price of the land and building plus an uplift based on the expenditure incurred on the building refurbishment up to 31st March 2024, with a reduction to account for a capital repayment in 2023/24 of £2.51m

Trafford Bruntwood (Stretford Mall) LLP

The Council owns a 50% equity shareholding in Trafford Bruntwood (Stretford Mall) LLP which was set up to purchase the Stretford Mall. This LLP holding is key in the Council's regeneration masterplan for the town of Stretford due to the Mall's importance and prime location. Redevelopment is currently underway to aid with the redevelopment of the area, as part of the Stretford Masterplan. The shares in this company are not traded in an active market and for the financial year 2023/24 the fair value of the shares are £9.30m, compared to £9.30m in 2022/23. The fair value of these shares has been calculated based on the initial price of the land and building plus an uplift based on the expenditure incurred on the site redevelopment up to 31st March 2024.

Trafford Bruntwood (Stamford Quarter) LLP

The Council owns a 50% equity shareholding in Trafford Bruntwood (Stamford Quarter) LLP which was set up to purchase the Stamford Quarter and Clarendon House in Altrincham. The Council deems these assets important for the continued regeneration of Altrincham Town Centre. The shares in this company are not traded in an active market and for the financial year 2023/24 the fair value of the shares is £23.93m, compared to £200.0m in 2022/23. The fair value of these shares has been calculated based on the initial price of the land and building plus an uplift based on the expenditure incurred on the site redevelopment up to 31st March 2024.

Transfers between Levels of the Fair Value Hierarchy

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

Changes in the Valuation Technique

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

Fair value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets are carried on the balance sheet at amortised cost (in long term assets / liabilities with accrued interest in current asset / liabilities). Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures as these are considered the most appropriate basis. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price.
- For investments the prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;

- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the principal outstanding or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Liabilities							
	31 March 2023		31 March 2024				
	Carrying Amount £000	Fair Value £000	Principal £000	Add EIR adjustment £000	Add accrued Interest £000	Carrying Amount £000	Fair Value £000
Financial Liabilities (Long and Short Term) – Measured at amortised cost							
PWLB	283,588	175,558	311,837	-	1,816	313,653	208,520
Market	35,473	36,419	21,000	(752)	71	21,823	20,770
Trade creditors (included within short term creditors)	14,898	14,898	9,321	-	-	9,321	9,321
Sub total	333,959	226,875	342,158	(752)	1,887	344,797	238,611
PFI & finance lease	4,104	3,307	3,754	-	-	3,754	3,176
Sub total	4,104	3,307	3,754	-	-	3,754	3,176
Total	338,063	230,182	345,912	(752)	1,887	348,551	241,787

Assets						
	31 March 2023		31 March 2024			
	Carrying Amount £000	Fair Value £000	Principal £000	Add accrued Interest £000	Carrying Amount £000	Fair Value £000
Loans & Receivables						
Cash & Cash equivalents						
- Cash at bank	23,842	-	22,374	-	22,374	-
- Deposits	31,333	31,333	30,930	224	31,154	31,154
Sub total	55,175	31,333	53,304	224	53,528	31,154
Financial Instruments						
Deposits under 1 year	22,366	22,366				
CCLA Property Fund	4,797	4,797	4,554	67	4,621	4,621
MAH Loans (included within Long term debtors)*	38,809	52,654	29,650	9,142	38,792	50,400
Homestep Loans (included within Long term debtors)	544	544	354	-	354	354
Capital Loans(included within Long term debtors)	120,342	119,881	124,910	4,058	110,458	122,795
Treasury Asset Investment (included within Long term debtors)	11,934	11,705	11,934	-	11,934	12,316
Trafford Leisure CIC	1,247	1,247	1,180	142	1,322	1,322
Trade Debtors (included within short term debtors)	13,036	13,036	13,036	-	13,036	13,036
Sub total	213,075	226,230	185,618	13,409	180,517	204,844
Other Financial Instruments						
MAH Shareholding	20,100	20,100	46,300	-	46,300	46,300
MAH Shareholding Car Park	4,300	4,300	4,400	-	4,400	4,400
Sub total	24,400	24,400	50,700	-	50,700	50,700
Total	292,650	281,963	289,622	13,633	284,745	286,698

The fair value is higher than the carrying amount because the Council's portfolio of liabilities and assets includes a number of fixed rate instruments where the interest rate payable and receivable are higher than the rates available for similar transactions in the market at the balance sheet date.

The authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. Should the Council choose to repay its loans, then the exit price including principal, accrued interest and the penalty charge or discount for PWLB loans would be £222.6m and for Market loans £22.4m.

17. Debtors

Long Term Debtors & Prepayments

2022/23 £000		2023/24 £000
38,809	Manchester Airport Holdings (i)	38,792
72,973	Capital Loans (ii)	73,012
2,803	Other	4,972
114,586	Total	116,776

- (i) the Council has made three loans to Manchester Airport Holdings, to finance capital expenditure, to a total value of £29.6m:
- £8.7m in 2009/10 set to expire in 2055,
 - £11.3m in 2018/19, in two tranches of £5.6m for repayment in 2056 and 2057, and
 - £9.7m in 2020/21 set to expire in 2058

Since 2020, due to the impact of the pandemic the collection of interest payments on all loans has been reduced with the accumulated interest held as a Long Term Debtor. The balance on the accumulated loan interest deferred debtor is £9.1m as at 31st March 2024 (£9.2m 2022/23).

- (ii) Capital loans – the 2023/24 balance reflects several developments that have now been repaid or are due to be repaid within the next 12 months and therefore now classified as short term. There has been a small number of new schemes entered into during 2023/24.

Short Term Debtors and Payments in Advance		
2022/23 £000	Amounts falling due within one year	2023/24 £000
9,396	Council Tax	10,256
11,053	Business Rates	9,598
10,949	Other Government Departments	13,500
5,998	Payments in advance	7,276
59,304	Capital loans (i)	51,458
28,658	Other (ii)	29,275
125,358	Sub Total	121,363
(25,106)	Less Impairment for Expected Credit Loss (iii)	(24,083)
100,252	Total	97,280

- (i) Capital Loans – the 2023/24 balance reflects development loans and deferred interest on four loan schemes, due for repayment in 2024/25. The reduction in capital loans from 2022/23 is due to early repayment of a loan scheme.
- (ii) Other Debtors – Includes Debtors relating to Housing Benefit Overpayment £3.6m, Adults Social Care Debtors £7.0m, General System Debtors and Manual Accruals £12m, Capital Debtors and Section 106 of £5.09m.
- (iii) Impairment for Expected Credit Loss – includes Expected Credit Loss for NNDR Debtors (£8.94m), Council Tax Debtors (£9.67m) and Housing Benefit Debtors (£3.55m)

18. Cash and Cash Equivalents

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

2022/23 £000		2023/24 £000
23,842	Cash held by the Council/Bank current accounts	22,374
31,280	Short-term deposits	30,930
53	Short-term deposits - Accrued Interest	224
55,175	Total Cash and Cash Equivalents	53,528

19. Creditors and Receipts in Advance

Long-Term Liabilities – Deferred		
2022/23 £000		2023/24 £000
(3,753)	Sale PFI – Finance Lease liability (i)	(3,378)
(2,310)	Other	(1,214)
(6,063)	Total	(4,592)

(i) This relates to the lease liability on the Sale Waterside PFI scheme (note 35).

Short Term Creditors		
2022/23 £000		2023/24 £000
(3,435)	HM Revenue and Customs	(3,737)
(17,991)	Other Government Departments	(9,175)
(51,773)	Sundry Creditors	(42,379)
(5,310)	Employees – accumulated absences	(5,637)
(4,412)	Receipts in Advance – Council Tax	(4,163)
(11,811)	Receipts in Advance – NDR	(9,923)
(2,868)	Other Receipts in Advance	(3,227)
(97,600)	Total	(78,241)

20. Provisions

The Council has the following total provisions at 31 March 2024:

Total Provision	Balance 1 April 2022 £000	Net Movement in Year £000	Balance 1 April 2023 £000	Net Movement in Year £000	Balance 31 March 2024 £000
Short Term Provisions					
NDR Appeals (ii)	(28,173)	11,301	(16,872)	2,669	(14,203)
Other	(1,252)	(312)	(1,564)	(57)	(1,621)
Subtotal - short term	(29,425)	10,989	(18,436)	2,612	(15,824)
Long Term Provisions					
Insurance (i)	(3,325)	534	(2,791)	(652)	(3,443)
NDR Appeals (ii)	(9,015)	3,391	(5,624)	890	(4,734)
Other	(984)	(267)	(1,251)	(91)	(1,342)
Subtotal – long term	(13,324)	3,658	(9,666)	147	(9,519)
Total	(42,749)	14,647	(28,102)	2,759	(25,343)

An element of the above provisions has been classified as short-term on the balance sheet based on the assumption that there is a high likelihood that they will be used within 12 months of the balance sheet date

- (i) Insurance £3.443m – The Council is effectively self-insured with high excesses on most insurance policies. The Council mitigates its insurance risk with the use of reserves, provisions and catastrophe cover from an insurance company, which for 2023/24 was primarily Zurich Municipal. The Council is therefore obliged to make a provision each year in respect of potential claims, most of which are received in future years. The level of provision is assessed annually. In 2023/24, from a starting balance of £2.79m net contributions of £1.47m were made to the provision, £0.6775m of claims were paid, leaving a balance on the provision of £3.443m which is deemed an appropriate balance to cover any outstanding liabilities. This balance includes the outstanding claims estimate under Municipal Mutual Insurance Scheme of Arrangement, as shown in note 38(a).
- (ii) In 2013/14, the administration of NDR changed following the introduction of a business rates retention scheme which aims to give Councils a greater incentive to grow businesses but also increases the financial risk due to volatility, caused by for example new appeals and changes in reliefs, and non-collection of rates. Authorities are expected to finance an element of appeals made in respect of rateable values as defined by VOA as at 31 March 2024. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. The total provision charged/(credited) to the collection fund for 2023/24 has been calculated at £3.56m.

21. Usable Reserves

Movement in the Council's usable reserves are detailed in the Movement in Reserves Statement and in note 9. The following additional information is provided relating to reserves held by schools.

2022/23 £000	Usable reserves	2023/24 £000
(9,500)	General Fund	(10,500)
(13,089)	Schools Reserves (i)	(15,612)
(56,801)	Earmarked Reserves (ii)	(70,396)
(629)	Capital Receipts Reserve (iii)	(1,425)
(461)	Revenue Grants Unapplied	(693)
(20,632)	Capital Grants Unapplied (iv)	(26,074)
(101,112)	Total Usable Reserves	(124,700)

(i) Reserves & Balances held by Schools under Delegated Schemes

In accordance with the Council's approved scheme for delegating budgets to schools, the amount of any budget not spent in the year is carried forward. These reserves are not available to the Council for general use, it is for each school to determine how they are spent. The net surplus revenue balances at 31 March 2024 were £(15.568)m (£(13.044)m at 31 March 2023).

At 31 March 2024 there were 7 schools with a deficit balance on their revenue reserves, amounting to £330k, whilst 52 schools had surplus balances amounting to £(15.898)m.

School capital balances were in surplus by £(44)k.

In addition, there are unspent devolved formula capital balances of £(959)k, which are included within Capital Grants and Contributions on the balance sheet (note 31).

(ii) Earmarked Reserves

Details of all earmarked reserves and movements are shown in Note 10. The balance at 31st March 2024 was £70.40m.

(iii) **Capital Receipts Reserve**

This reserve holds capital receipts the Council has received for the sale of Council assets which is held to meet new capital expenditure, debts or other liabilities. Movements within this reserve can be found in note 9.

(iv) **Capital Grants Unapplied**

2022/23 £000	Capital Receipts Unapplied Reserve	2023/24 £000
(6,198)	Schools Basic Need Programme	(8,451)
(2,569)	Schools Condition and Modernisation	(3,387)
(7,212)	Schools - SEND & High Needs Provision	(10,749)
-	Childcare Expansion Grant	(561)
(2,269)	Highways - Key Route Network	(308)
(486)	PFI Lifecycle Grant	(600)
(1,760)	Community Infrastructure Levy	(1,940)
(138)	Other Grants and Contributions	(78)
(20,632)	Capital Grants Unapplied Sub-total	(26,074)

22. Unusable Reserves

Total unusable reserves balances and movements are shown in the Movement in Reserves Statement and in note 9. The following notes give an explanation by individual reserve.

2022/23 £000	Unusable Reserves	2023/24 £000
(204,098)	Revaluation Reserve (i)	(240,918)
(8,315)	Financial Instruments Revaluation Reserve (ii)	(34,430)
(346,729)	Capital Adjustment Account (iii)	(348,943)
19,531	Financial Instruments Adjustment Account (iv)	18,820
(97,890)	Pensions Reserve (v)	32,023
(19,972)	Collection Fund Adjustment Account (vi)	(2,262)
1,475	DSG Adjustment Account (vii)	9,720
5,310	Accumulated Absences Account (viii)	5,637
(650,688)	Total Unusable Reserves	(560,353)

(i) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from the increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired;
- 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.

2022/23 £000	Revaluation Reserve	2023/24 £000
(174,552)	Balance as at 1 April	(204,098)
(206)	Adjustment for prior years accumulated impairment	-
(36,596)	Upward revaluation of assets	(46,212)
(211,354)	Sub-total	(46,212)
7,043	Difference between fair value depreciation and historical cost depreciation	8,564
213	Accumulated gains on assets sold or scrapped	828
7,256	Amount written off to the Capital Adjustment Account	9,392
(204,098)	Balance as at 31 March	(240,918)

(ii) Financial Instruments Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost;
- disposed of and the gains are realised.

In 2023/24 the Council revalued its shareholding in Manchester Airport which resulted in an increase in value from £24.4m to £50.7m and the original investment of £10.214m together with £5.61m in respect of the car park forms part of the Capital Adjustment Account balance.

The Council during 2015/16 invested £5m in the Church Commissioners Local Authority Property fund and this enabled 1,643,872 units to be purchased. The value of these units decreased from an opening position of £4.7m at 1 April 2023 to close at £4.5m at 31 March 2024 and it is expected that this investment will be in place for a minimum period of 5 years.

2022/23 £000	Financial Instruments Revaluation Reserve	2023/24 £000
(8,250)	Balance as at 1 April	(8,315)
(1,000)	Downward / (Upward) revaluation of investment - Airport	(26,300)
935	Downward / (Upward) revaluation of investment - CCLA	185
(8,315)	Balance as at 31 March	(34,430)

(iii) 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 Capital Adjustment Account contains amounts required by statute to be set aside from capital receipts and Government grants together with the amount set aside from revenue accounts for the repayment of debt. It also contains the amounts used from revenue, capital receipts and grants to finance the capital programme. The reserve is not available to supplement spending programmes of the Council. A credit balance on this account reflects that capital finance has been set aside at a faster rate than non-current assets have been consumed.

2022/23 £000	Capital Adjustment Account	2023/24 £000
(329,543)	Balance as at 1 April	(346,730)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
20,091	Charges for depreciation and impairment of non-current assets, and amortisation of capital loans	36,901
2,751	Revaluation losses on Property, Plant and Equipment	10,411
525	Amortisation of intangible assets	646
139	Revenue expenditure funded from capital under statute	1,128
5,965	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	18,385

2022/23 £000	Capital Adjustment Account	2023/24 £000
29,471		67,471
(7,256)	Adjusting amounts written out of the Revaluation Reserve	(9,392)
22,215	Net written out amount of the cost of non-current assets consumed in the year	58,079
	Capital financing applied in the year:	
(4,920)	Use of the Capital Receipts Reserve to finance new capital expenditure	(1,003)
(31,534)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(36,161)
(4,272)	Statutory provision for the financing of capital investment charged against the General Fund Balance	(21,498)
(238)	Capital expenditure charged against the General Fund Balance	(266)
(40,964)		(58,929)
1,562	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(1,363)
(346,730)	Balance as at 31 March	(348,943)

(iv) *Financial Instruments Adjustment Account*

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. Trafford uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the comprehensive income and expenditure statement when they are incurred, but reversed out of the general fund balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on council tax. In the authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

2022/23 £000	Financial Instruments Adjustment Account	2023/24 £000
20,242	Balance as at 1 April	19,531
(711)	Less an annual charge for premiums incurred in previous financial years and stepped loan EIR adjustment	(711)
19,531	Balance at 31 March	18,820

(v) *Pensions Reserve/Liability*

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

Any difference between the IAS19 values and the statutory pension fund contributions is accounted for in the Movement in Reserves Statement via a transfer to the Pensions Reserve. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2022/23 £000	Pensions Reserve	2023/24 £000
249,988	Balance as at 1 April	(97,893)
(374,624)	Re-measurements of the net defined benefit (liability)/asset	134,971
46,633	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	15,304
(19,890)	Employer's pension contributions and direct payments to pensioners payable in the year	(20,359)
(97,893)	Balance as at 31 March	32,023

(vi) Collection Fund Adjustment Account

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 tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2022/23 £000	Collection Fund Adjustment Account	2023/24 £000
34,227	Balance as at 1 April	(19,972)
1,575	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(887)
(55,774)	Amount by which non domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	18,595
(19,972)	Balance as at 31 March	(2,264)

(vii) Dedicated Schools Grant (DSG) Adjustment Account

On 6 November 2020, the Secretary of State for the Department of Levelling Up, Housing and Communities previously the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020. The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget relating to its accounts for a financial year beginning on 1 April 2020, 1 April 2021 or 1 April 2022, it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the Councils' General Fund for a period of three financial years. This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation is limited to the financial reporting periods 2020/21 to 2025/26 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit. This statutory override was extended and is due to end on 1st April 2026 and the deficit has worsened over this time. Work continues to take place on the DSG deficit management plan with proposals and options being discussed with the Department for Education. If the statutory override is not extended, the deficit will transfer back to the Council's total Earmarked Reserves, which has serious financial implications for the authority.

2022/23 £000	Dedicated Schools Grant Adjustment Account	2022/23 £000
68	Balance as at 1 April	1,475
1,407	In year DSG over/under spend	8,244
1,475	Balance as at 31 March	9,719

(viii) 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.

2022/23 £000	Accumulated Absences Account	2023/24 £000
5,724	Balance as at 1 April	5,310
(5,724)	Settlement or cancellation of accrual made at the end of the preceding year	(5,310)
5,310	Amounts accrued at the end of the current year	5,637
(414)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	327
5,310	Balance as at 31 March	5,637

23. Cash Flow Statement – Operating Activities

The cash flow from Operating Activities includes the following:

2022/23 £000		2023/24 £000
23a - Adjustments to net surplus or deficit on the provision of services for non-cash movements		
(22,842)	Depreciation/Impairment charged to I and E	(32,859)
(525)	Amortisation of Intangible Assets	(646)
-	Increase/(decrease) in impairment for bad debts	(16,479)
(2,761)	(Increase)/Decrease in Creditors	10,282
13,677	Increase/(Decrease) in Debtors	5,199
13	Increase/(Decrease) in Inventories	12
(26,744)	Pensions Liability	5,055
14,648	Contributions to/(from) Provisions	2,759
(5,965)	Carrying value on disposal of Property, Plant and Equipment, Investment Property and Intangible Assets	(18,385)
(1,563)	Investment Properties (Losses)/Gains	1,363
(484)	Other non-cash adjustments	118
(32,546)		(43,581)
23b - Adjustments for items included in the net surplus or deficit on the provision of services that are investing or financing activities		
31,218	Capital Grants credited to the surplus or deficit on the provisions of services	1,799
5,146	Proceeds from the sale of non-current assets	41,718
36,365		43,518
23c - The cash flows for operating activities include the following items:		
(5,417)	Interest received	(7,598)
8,625	Interest paid	8,337
-	Dividends received	(323)
23d - The cash flows relating to the Advanced Pension Contribution		
(14,321)	1/3 Drawn down	-
(14,321)		-

24. Cash Flow Statement – Investing Activities (page 36)

The cash flows for investing activities include the following items:

2022/23 £000		2023/24 £000
38,226	Purchase of property, plant and equipment, investment property and intangible assets	57,391
4,034	Purchase of short-term and long-term investments	2,433
26,930	Other payments for investing activities	11,594
(5,146)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,799)
(54,200)	Proceeds from short-term and long-term investments	(21,999)
(31,803)	Other receipts from investing activities – Capital Grants Received	(43,070)
(21,960)	Net cash flows from investing activities	4,550

25. Cash Flow Statement – Financing Activities

The cash flows for financing activities include the following items:

2022/23 £000		2023/24 £000
-	Cash receipts of short and long-term borrowing	(38,330)
328	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	351
4,156	Repayments of short and long-term borrowing	24,757
3,397	Other payments for financing activities – Net Cash inflow from NDR Agency arrangements	6,096
7,881	Net cash flows from investing activities	(7,127)

Reconciliation of liabilities arising from Financing Activities:

	BALANCE AT 1ST APRIL 2023	Financing Cash Flows	Non-cash Changes		BALANCE AT 31ST MARCH 2024
			Acquisition	Other non- cash changes	
	£000s	£000s	£000s	£000s	£000s
Long Term Borrowing	314,606	9,613	-	9,221	333,439
Short term borrowing	5,994	(3,958)	-	-	2,036
Deferred Liabilities:					
Sale PFI – Finance Lease liability	(3,753)	375	-	-	(3,378)
Environmental Surcharge Crematoria	(947)	(78)	-	-	(1,025)
Trafford Park Development Corporation	(50)	8	-	-	(42)
Commuted sums/S106 agreements	(1,313)	1,166	-	-	(147)
Total liabilities from financing activities	314,536	7,126	-	9,221	330,884
Comparator information					
	BALANCE AT 1ST APRIL 2022	Financing Cash Flows	Acquisition	Other non- cash changes	BALANCE AT 31ST MARCH 2023
Long Term Borrowing	318,952	(8,175)	-	3,828	314,606
Short term borrowing	5,949	44	-	-	5,994
Deferred Liabilities:					
Sale PFI – Finance Lease liability	(4,104)	351	-	-	(3,753)
Environmental Surcharge Crematoria	(839)	(108)	-	-	(947)
Trafford Park Development Corporation	(57)	7	-	-	(50)
Commuted sums/S106 agreements	(1,313)	-	-	-	(1,313)
Total liabilities from financing activities	318,589	(7,881)	-	3,828	314,536

26. Pooled Budgets

Learning Disability Pooled Budget

Trafford has operated a pooled fund for Learning Disability Services in conjunction with **NHS Greater Manchester Integrated Care Board (GM ICB)**. Trafford MBC acts as the lead accounting officer for the pooled fund, which is managed jointly by the Council and the ICB to support joint working arrangements. The pool provides a wide variety of services to Learning Disability adults in Trafford, including a joint community team, extensive specialist residential provision, a range of supported placements, support in the home and external and in-house day care.

The gross 2023/24 budget was £35.692m, which after grant income and fees of £2.800m left net planned expenditure of £33.162m to be funded jointly by the Council and the CCG. The net budget was underspent by £872k in year and is included in the Adults Services outturn figure.

As the Council acts as the lead role in making the key decisions regarding commissioning and service delivery, with minimal operational input from the ICB, the Council's accounts reflect the total pool expenditure with the contribution from NHS GM ICB shown as income.

	2022/23 £000	2023/24 £000
Funding provided to the pooled budgets:		
the Council	(29,125)	(32,063)
NHS GM ICB	(1,080)	(1,099)
Total funding	(30,205)	(33,162)
Expenditure met from the pooled budget:	28,223	32,290
Net (surplus)/deficit arising on the pooled budget during the year	(1,982)	(872)
Contribution (to)/from Service Outturn	(1,982)	(872)
Previous year's (surplus)/deficit carried forward	-	-
Contribution to Reserve	-	-
Balance to be carried forward	-	-

Better Care Pooled Fund Account

The Better Care Pooled Fund Account is a joint pooled account with **NHS GM ICB** and Trafford Council's Adult Care service to jointly commission services in line with Government requirements under section 75 of the Health Act 2006. The fund is hosted by **NHS GM ICB** and commenced on 1st April 2015. Trafford Council's accounts reflect only the Council's share of the overall budget and exclude the share(s) attributable to the ICB.

The Better Care Fund creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services. Locally, the primary aims of the fund are:

- Reducing non-elective admissions and reducing residential admissions by providing the right care and support within the community
- Facilitating earlier hospital discharge
- Supporting Carers in their caring role
- Supporting people to remain independent in the community

Financial performance in the year to 31st March 2024 was as follows:

	2022/23 £000	2023/24 £000
Total Allocation	(32,320)	(36,000)
Funding provided to the pooled budgets:		
Trafford Council	(11,483)	(14,375)
NHS GM ICB	(20,837)	(21,625)
Total Funding	(32,320)	(36,000)
Expenditure met from the pooled budget:		
Trafford Council	18,551	21,844
NHS GM ICB	13,769	14,156
Total Expenditure	32,320	36,000
Net (surplus)/deficit arising on the pooled budget during the year	-	-

27. Members' Allowances

The Council paid the following amounts to members of the council during the year.

	2022/23 £000	2023/24 £000
Basic Allowances	460	659
Special Responsibility Allowances	301	320
Expenses	1	0
Total	762	979

The Council consists of 63 elected Members (Councillors) and 7 co-opted/independent Members to whom £0.979m was paid in allowances in the year (£0.762m in 2022/23). It should be noted that an independent review was undertaken of the Trafford Members' Allowances Scheme in May 2023 and as a consequence the Basic Allowance and a number of Special Responsibility Allowances were increased.

28. Officers' Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 in 2022/23 and 2023/24 was:

2022/23		Remuneration Band	2023/24	
Schools Staff	Other Staff		Schools Staff	Other Staff
-	-	£110,000 - £114,999	-	2
-	1	£105,000 - £109,999	-	-
-	-	£100,000 - £104,999	2	1
1	6	£95,000 - £99,999	3	8
3	5	£90,000 - £94,999	2	1
2	1	£85,000 - £89,999	6	4
7	4	£80,000 - £84,999	8	2
6	7	£75,000 - £79,999	7	5
8	2	£70,000 - £74,999	5	11
8	8	£65,000 - £69,999	12	7
11	16	£60,000 - £64,999	20	21
23	18	£55,000 - £59,999	24	27
26	42	£50,000 - £54,999	38	62 (2)
95	110	Total	127	151 (2)

Note: The number of leavers included in the main figures are shown in (brackets).

Remuneration includes gross taxable pay, including expenses (chargeable to income tax), plus benefits in kind and compensation payments. It excludes employer's pension contributions.

The above table excludes employees from Academy, Foundation and Voluntary Aided Schools as these staff are not employed by the Council.

Senior Officers have been excluded from the above table as they are shown separately further in the note.

28. Officers' Remuneration (Continued)

The numbers of redundancy/early retirement (R&ER) packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

(a) R&ER package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of R&ER packages by cost band [(b) + (c)]		(e) Total cost of R&ER packages in each band £		(f) Number of pension strain costs agreed		(g) Total cost of pension strain in each band £	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
£0 - £20,000	-	2	15	11	15	13	87,849	77,156	4	-	17,441	-
£20,001 - £40,000	-	-	2	-	2	-	43,577	-	1	1	39,489	30,125
£40,001 - £60,000	-	-	-	-	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	1	-	1	-	70,050	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-	1	-	88,008	-
£100,001 - £120,000	-	-	-	-	-	-	-	-	-	-	-	-
£120,001 - £140,000	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	2	18	11	18	13	201,476	77,156	6	1	144,938	30,125

Pension Strain costs - occur where an employee is permitted by the employer to take pension benefits without actuarial reduction. This subsequently gives rise to the pension strain cost being met by the employer. The employee derives a benefit from the difference between the pension actually received and what the pension would have been had the actuarial reduction taken effect. The benefit therefore needs to be included in the R&ER packages disclosure above. However, these are **not payments to employees** but are costs written down against the Council's annual allowance for the early payment of pension benefits and are therefore shown separately in the above table. The numbers of pension strain costs agreed above relate to employees already included in the total number of R&ER packages shown in column (d) and are not in addition to them.

Senior Officers Remuneration

The following tables set out the remuneration disclosures for Senior Officers (**excluding** teachers), identified by job title, whose **salary** is:

- (i) £150,000 per year or more; or
- (ii) less than £150,000 but equal to or more than £50,000 per year and who meet at least one of the following criteria:
 - Statutory chief officers (per section 2(6) of the Local Government and Housing Act 1989 as amended), e.g. head of paid service, director of children’s services, section 151 officer etc.
 - a person who has responsibility for the management of the authority, to the extent that the person has power to plan, direct or control the major activities of the authority (in particular activities involving expenditure of money), whether solely or collectively, in accordance with accounting regulations .

Senior Officers Salary 2023/24 Postholder	Note	Salary, fees & allowances £	Compensati on for loss of office £	Expense allowances £	Employers Pension contributions £	Total £
S Todd, Chief Executive	1	190,446	-	125	36,566	227,137
S Saleh - Deputy Chief Executive & Corporate Director of Strategy and Resources	2	152,217	-	-	1,727	153,944
Director of Finance and Systems (Section 151 Officer)	3	115,000	-	138	22,118	137,256
Director of Legal and Governance Services (Monitoring Officer)	4	100,317	-	-	19,289	119,606
Corporate Director of Children’s Services	5	136,920	-	151	26,289	163,360
Corporate Director of Adults and Wellbeing	6	128,008	-	66	24,578	152,652
Corporate Director of Place	7	128,008	-	125	24,578	152,711
Director of Public Health	8	18,287	-	-	3,523	21,810
Director of Public Health	9	95,020	-	-	17,898	112,918

Notes:

- (1) The Chief Executive was also paid Returning Officer fees of £5,750 for the 4 May 2023 Local Election and £500 for the 2 November 2023 Bucklow-St Martins Ward By-Election.
- (2) The Deputy Chief Executive & Corporate Director of Strategy and Resources was also paid Deputy Returning Officer fees of £2,875 for the 4 May 2023 Local Election and £500 for the 2 November 2023 Bucklow-St Martins Ward By-Election.
- (3) The Director of Finance and Systems was also paid Lead Accountant fees of £1,400 for the 4 May 2023 Local Election and £150 for the 2 November 2023 Bucklow-St Martins Ward By-Election.

- (4) The Director of Legal and Governance Services was also paid Deputy Returning Officer fees of £2,875 for the 4 May 2023 Local Election and £500 for the 2 November 2023 Bucklow-St Martins Ward By-Election.
- (5) The Corporate Director of Childrens Services was also paid Deputy Returning Officer fees of £1,400 for the 4 May 2023 Local Election.
- (6) The Corporate Director of Adults and Wellbeing was also paid Deputy Returning Officer fees of £1,400 for the 4 May 2023 Local Election.
- (7) The Corporate Director of Place was also paid Deputy Returning Officer fees of £1,400 for the 4 May 2023 Local Election.
- (8) The previous Director of Public Health was also paid Count Assistant fees of £100 for the 4 May 2023 Local Election. They also retired from the Council on 31 May 2023.
- (9) The new Director of Public Health was appointed on 15 May 2023. They were also paid Count Supervisor fees of £200 for the 4 May 2023 Local Election.

Where individual Senior Officers were 'Acting' or 'Interim' during the year, the amounts shown represent the total remuneration received for the period they were acting in that capacity.

Senior Officers Salary 2022/23 Postholder	Note	Salary, fees & allowances £	Compensation for loss of office £	Expense allowances £	Employers Pension contributions £	Total £
S Todd, Chief Executive	10	182,527	-	61	37,436	220,024
S Saleh Acting Chief Executive/Deputy Chief Executive/Corporate Director of Strategy and Resources	11	147,070	-	-	-	147,070
Director of Finance and Systems (Section 151 Officer)	12	101,384	-	83	19,873	121,340
Corporate Director of Governance & Community Strategy (Monitoring Officer)	13	15,344	70,050	-	2,699	88,093
Director of Legal and Governance Services (Monitoring Officer)	14	92,439	-	-	18,939	111,378
Corporate Director of Children's Services	15	132,290	-	-	27,160	159,450
Corporate Director of Adults and Wellbeing	16	123,636	-	87	24,418	148,141
Corporate Director of Adults and Wellbeing	17	30,587	-	23	6,240	36,850
Corporate Director of Place	18	123,679	-	201	25,392	149,272
Director of Public Health	19	101,002	-	-	20,814	121,816

- (10) The Chief Executive was also paid Returning Officer fees of £5,040 for the 5 May 2022 Local Election and £5,750 for the 15 December 2022 Stretford & Urmston By-Election.
- (11) The Acting Chief Executive/Corporate Director of Strategy and Resources was appointed as the Deputy Chief Executive/Corporate Director of Strategy and Resources on 1/3/2023. They were also paid Deputy Returning Officer fees of £2,520 for the 5 May 2022 Local Elections and £2,875 for the 15 December 2022 Stretford & Urmston By-Election.
- (12) The Director of Finance and Systems was also paid Accountant fees of £625 for the 5 May 2022 Local Election and £400 for the 15 December 2022 Stretford & Urmston By-Election.
- (13) The Corporate Director of Governance & Community Strategy left the Council under the voluntary severance scheme on 7 May 2022. They were also paid Deputy Returning Officer Fees of £2,520 for the 5 May 2022 Local Election.

- (14) The Head of Governance was appointed to the new role of Director of Legal and Governance Services on 18 April 2022. They were also paid Deputy Returning Officer fees of £2,520 for the 5 May 2022 Local Elections and £2,875 for the 15 December 2022 Stretford & Urmston By-Election.
- (15) The Corporate Director of Childrens Services was also paid Operational Deputy Returning Officer fees of £625 for the 5 May 2022 Local Elections and Supervisor fees of £200 for the 15 December 2022 Stretford & Urmston By-Election.
- (16) The Corporate Director of Adults and Wellbeing was also paid Operational Deputy Returning Officer fees of £625 for the 5 May 2022 Local Elections and Supervisor fees of £200 for the 15 December 2022 Stretford & Urmston By-Election. They also retired from the Council on 7 April 2023.
- (17) The new Corporate Director of Adults and Wellbeing was appointed on 2 January 2023 in order to facilitate a two month handover period, whilst the previous Corporate Director was focusing on preparation for a Care Quality Commission Inspection.
- (18) The Corporate Director of Place was also paid Operational Deputy Returning Officer fees of £1,250 for the 5 May 2022 Local Elections and Supervisor fees of £200 for the 15 December 2022 Stretford & Urmston By-Election.
- (19) The Director of Public Health was also paid Supervisor fees of £200 for the 15 December 2022 Stretford & Urmston By-Election.

Where individual Senior Officers were 'Acting' or 'Interim' during the year, the amounts shown represent the total remuneration received for the period they were acting in that capacity.

29. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and statutory inspections provided by the Council's external auditors :

	2022/23 £000	2023/24 £000
Fees payable to Mazars with regard to external audit services carried out by the appointed auditor	112	421
Total	112	421

30. Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped by the Department to fund academy schools in the council's area. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2011. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school. Details of the deployment of DSG receivable for 2022/23 are as follows:

2022/23	Dedicated Schools Grant		2023/24		
			Central Expenditure £000	ISB £000	Total £000
(250,798)	A	Final prior year DSG before Academy and high needs recoupment			(264,261)
93,663	B	Academy and high needs figure recouped			100,256
(157,135)	C	Total DSG after Academy and high needs recoupment			(164,005)
-	D	Brought forward from prior year			-
-	E	Carry forward to next year agreed in advance			-
(157,135)	F	Agreed initial budgeted distribution	(32,993)	(131,012)	(164,005)
(135)	G	In year adjustments		83	83
(157,270)	H	Final budgeted distribution	(32,993)	(130,929)	(163,922)
32,956	I	Less: actual central expenditure	41,237	-	41,237
125,721	J	Less: actual ISB deployed to schools	-	130,929	130,929
-	K	Local authority contribution	-	-	-
1,407	L	In year carry forward to next year	8,244	-	8,244
-	M	Plus: Carry-forward to next year agreed in advance			-
-	N	Carry forward to next year			-
68	O	DSG unusable reserve adjustment at the end of prior year			1,475
1,407	P	Addition to DSG unusable reserve at the end of prior year			8,244
1,475	Q	Total of DSG unusable reserve at the end of year			9,719
1,475	R	Net DSG position at the end of year	-	-	9,719

- A. DSG unusable reserve adjusted at the end of 2022/23.
- B. Addition to DSG unusable reserve at the end of 2023/24.
- C. Total of DSG unusable reserve at the end of 2023/24.
- D. Net DSG position at the end of 2023/24.

31. Grant and Other Income

(i) Grant and Other Income included in the Comprehensive Income and Expenditure Statement

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

2022/23	Credited to Taxation and Non Specific Grant Income	2023/24
£000		£000
(113,359)	Council Tax	(120,712)
(113,359)	Council Tax Sub-total	(120,712)
(137,722)	Non-Domestic Rates Income	(145,143)
95,023	NDR Tariff Payment	93,971
10,669	GM Pool No Detriment Payment	7,799
(8,002)	GM Pool No Detriment Rebate	(5,849)
(305)	NDR Levy Rebate from GM Pool	(305)
11,628	CAP grant Tariff adjustment	19,414
(37,055)	Section 31 Compensation Grants	(46,357)
(83)	Renewable Energy Disregard	(83)
(55,774)	NDR Collection Fund (Surplus)/Deficit	18,595
43,954	Local Share Contribution to Accumulated Deficit	-
(1,855)	Local Share of Collection Fund Surplus	(21,926)
1,773	NDR 1/3 rd Deficit	1,773
(77,749)	Non-Domestic Rates Sub-total	(78,111)
(1,291)	New Homes Bonus	753
(551)	Housing Benefit Admin Grant	(550)
(286)	Lower Tier Service Grant	-
(136)	Local Reform & Community Voices Grant	(136)
(450)	NDR Cost of Collection Grant	(443)
(84)	DWP Housing Welfare Reform Grant	(54)
(127)	COVID-19 Support Grants	-
(2,990)	Other Grants	1,577
(5,915)	Revenue Grants Sub-total	(3,513)
-	Schools Basic Need Programme	(8,225)
(479)	Schools Devolved Formula Capital Grant	(750)
(2,477)	Schools Condition and Modernisation	(2,534)
(6,248)	Schools – SEND and Healthy Pupils Grants	(4,037)
-	Childcare Expansion Grant	(561)
(8,019)	Highway Structural Maintenance	(3,798)
(179)	Integrated Transport Grant – TfGM	(607)
(2,075)	Future High Streets Fund Grant	(9,962)
(1,075)	Greater Manchester Combined Authority	(4,944)
(4,313)	Public Sector Decarbonisation Grant	(822)
(97)	Levelling Up Fund	(1,509)

2022/23 £000	Credited to Taxation and Non Specific Grant Income	2023/24 £000
-	Local Authority Housing Fund	(3,272)
-	UK Shared Prosperity Fund	(5)
(6,419)	Other Grants and Contributions	(811)
(31,381)	Capital Grants Sub-total	(41,837)
(228,404)	Total Credited to Taxation & Non Specific Grant Income	(244,173)

2022/23 £000	Credited to Services within Cost of Services	2023/24 £000
(157,135)	Dedicated School Grant (DSG) incl. EY allocation	(162,921)
(40,279)	Rent Allowances and Rent Rebate Subsidy	(41,370)
(8,989)	Adult Social Care Grant	(14,573)
(8,148)	CCG Contributions	(8,568)
(8,863)	Improved Better Care Fund	(8,224)
(5,722)	Other Contributions	(8,120)
(1,466)	Learning Skills Council Grant	(1,823)
(10,625)	Other Grants	(7,198)
(7,765)	Covid Support Grant	(7,179)
(6,368)	Other Education Grants	(6,731)
(6,147)	School Grants	(6,078)
(1,014)	Section 117 Contributions	(5,826)
-	ASC Market Sustainability and Improvement Fund	(3,653)
-	Mainstream Schools Grant	(3,554)
(2,492)	Universal Infants Free School Grant	(2,796)
(1,363)	Housing Benefit contribution to rent	(2,068)
(1,078)	Continuing Health Care	(1,706)
(1,116)	Asylum Seeker Grant	(1,440)
(71)	Teachers Pay Grant	(1,358)
(284)	Early Years Grant	(1,288)
-	ASC Discharge Fund	(1,153)
(794)	Homelessness Prevention Grant	(987)
(1,000)	PE & Sport Grant	(982)
(707)	Tackling Troubled Families Grant	(811)
(658)	Sale PFI Grant	(658)
(447)	Domestic Abuse Services Grant	(443)
(301)	Community Safety Funding	(301)
(222)	Serious Violence Grant	(177)
(18)	Section 106 Other Capital Maintenance Grants	(168)
(1,660)	Adult Social Care Winter Grant	(25)
(237)	Local Council Tax Support Admin Grant	-
(361)	Independent Living Fund Grant	-

2022/23 £000	Credited to Services within Cost of Services	2023/24 £000
(275,330)	Revenue Grants Credited to Services Sub-total	(302,179)
(693)	Schools Capital Programme	(836)
(2,427)	Disabled Facilities Grants	(3,691)
(4,055)	Homes England - Trafford Waters	-
-	Other Grants and Contributions	(405)
(7,175)	Capital Grants Credited to services (Funding of REFCUS) Sub-total	(4,932)
(282,505)	Total Grants Credited to Services	(307,111)

(ii) Grant Income included in the Balance Sheet

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. These are included in the balance sheet at the year-end as follows:

2022/23 £000	Grants	2023/24 £000
Short Term Liabilities:		
Capital Grants & Contributions Receipts in Advance:		
(1,357)	Devolved Formula Capital	(958)
(1)	Personal Social Care Grant	-
(238)	S278 Contributions	(386)
(890)	Local Authority Housing Fund	(804)
(132)	PSDS - Leisure Centres	(132)
(798)	Brownfield Fund Grant	(3,338)
(4,092)	Future High Street Fund	(4,701)
-	Levelling Up Fund	(771)
-	UK Shared Prosperity Fund	(324)
(163)	Other Grants and Contributions	(20)
(7,671)	Total	(11,434)
Capital Grants & Contributions Receipts in Advance (funding of REFCUS):		
(86)	Schools Primary Capital Programme	(82)
(1,507)	Disabled Facilities Grant	(501)
(62)	Other Grants and Contributions	-
(1,655)	Total Funding of REFCUS	(583)
(9,326)	Total Capital Grants Receipts in Advance	(12,017)
Other Revenue Grants Receipts in Advance:		

2022/23 £000	Grants	2023/24 £000
(201)	Cyber Resilience Grant	(74)
(56)	Design Code Grant	(18)
(67)	Future High Street Fund Grant	(68)
(74)	Children in Need Grant	(25)
(105)	Homeless Prevention Grant	-
(52)	Custom Build Grant	-
(87)	Community Accommodation Service Grant	(33)
(106)	A Bed Every Night Grant	(108)
(306)	Homeless Families lease Grant	(283)
(485)	UK Shared Prosperity Fund	(39)
(1,958)	Homes for Ukraine Grant	(1,366)
-	Rough Sleeper Initiative	(180)
(1,128)	Other	(1,744)
(4,625)	Total Short Term Grants Receipts in Advance (Revenue)	(3,938)
Long Term Liabilities		
Capital Grants & Contributions Receipts in Advance:		
(10,228)	Section 106 and S278 Contributions	(7,931)
(10,228)	Total Capital Grants	(7,931)
Revenue Grants & Contributions Receipts in Advance (Funding of REFCUS):		
(113)	S106 & S111 Contributions	(180)
(113)	Total funding of REFCUS	(180)
(10,341)	Total Long Term Grants Receipts in Advance	(8,111)

The capital grants and contributions are used to assist in the financing of capital projects. They are carried forward until such time that they are required for specific schemes.

Included in the balance of Capital Grants & Contributions is £6.96m (£8.31m in 2022/23) of contributions received from developers, as part of their obligation under Section 106 of the Town & Country Planning Act 1990. The amounts are received as a result of the granting of planning permission where works are required to be carried out or new facilities provided as a result of that permission. The contributions are restricted to being spent only in accordance with the agreement concluded with the developer. The major balances of Section 106 receipts held by the Council during the year were as follows:

	Balance at 1 April 2023 £000	Receivable in year £000	Contributions applied £000	Balance at 31 March 2024 £000
Open Space schemes	1,508	147	(68)	1,587
Education Schemes	5	-	-	5
Affordable Housing schemes	2,094	336	(405)	2,025

	Balance at 1 April 2023 £000	Receivable in year £000	Contributions applied £000	Balance at 31 March 2024 £000
Highways/Transport schemes	4,707	75	(1,440)	3,342
Total	8,314	558	(1,913)	6,959

32) Related Parties

The Code requires the Council to disclose material transactions with related parties. These are organisations 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.

Central Government has effective control over the general operations of the Council. Details of transactions with Government departments are set out in note 31, with outstanding government debtors and creditors included in notes 17 and 19.

Members of the Council have direct control over the Council's financial and operating policies. All Members' pecuniary interests and non-financial interests which could conflict with those of the Council are available for public inspection and on the Council's website. There were no material transactions with any bodies where a Member has a controlling interest in the organisation. Similarly, there were no material transactions to disclose with respect to senior officers of the Council.

During the year a number of transactions were made to other public sector bodies. Payments to the Teachers' Pensions Agency and Tameside MBC in respect of pension contributions are disclosed in the notes to the accounts (notes 36 & 37) and precept payments are shown in the collection fund accounts.

The Council also has pooled budget arrangements with NHS GM ICB in relation to Learning Disability Services and the Better Care Fund (BCF). Transactions are detailed in Note 26.

A transport levy of £16.697m (£16.055m in 2022/23) and a waste levy of £15.748m (£15.275m in 2022/23) were paid to the Greater Manchester Combined Authority (GMCA).

There were no other material related party transactions with the Council. However, the following notes are provided for information purposes only.

The Council no longer provides services directly through its leisure centres. These leisure centres were leased to Trafford Community Leisure Trust (TCLT) who provided relevant leisure services direct to the public until September 2015. The Council made service payments to the Trust to help ensure the provision of some services at a discounted rate to particular population demographics of the community. From October 2015 the services provided by TCLT were transferred into a Community Interest Company (CIC), Trafford Leisure CIC Ltd, wholly owned by the Council. For the years 2019/20 and 2020/21, the Council made no service payments to the CIC. During 2019/20 and 2020/21 the Council has agreed a loan agreement with Trafford Leisure CIC to provide finance to mitigate liquidity issues experienced by the CIC due to trade deficits during the redevelopment of the leisure centre estate. To date a total of £1.278m has been advanced under this agreement.

Trafford Council also has interests in three Joint Venture Companies, Trafford Bruntwood LLP is a Joint Venture Company with K Site Ltd (a wholly owned Subsidiary of Bruntwood Development Holdings Ltd) and Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter) are joint venture companies with Bruntwood Development Holdings Ltd with each investor owning a 50% share in each of the companies.

The CIPFA Code of Practice requires that where a Council has material financial interests and a significant level of control over one or more entities, it should prepare Group Accounts.

The three Trafford Bruntwood Joint Ventures have been included in group accounts in 2023/24.

The Council has paid grants to voluntary organisations for 2023/24 as follows:

2022/23 £	Organisation	2023/24 £
2,098	Carrington Parish Council	2,430
5,845	Dunham Massey Parish Council	6,768
26,569	Partington Town Council	30,766
2,098	Warburton Parish Council	2,430
36,610	Total Grants	42,394

In addition to the above grants, as detailed in Note 11, the Council also collected and paid over a Parish precept for Partington TC of £90,810 (£86,885 in 2022/23). The Council also agreed to provide grant of £10,000 to Partington Town Council to support the 2023/24 precept, the same as in 2022/23, in addition to the Parish Council grant of £30,766 above.

The Council also collected and paid over a Parish precepts for Carrington TC of £4,440 (£4,320 in 2022/23), and for Warburton TC of £8,500 (£8,150 in 2022/23). There are no debtors or creditors relating to these transactions at year end or income received from these bodies by the Council.

The Council also made payments totalling £0.198m (£0.194m in 2022/23) to Trafford Centre for Independent Living, under a Service Level Agreement within Adult Social Services, for an advocacy service.

33) Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that is financed from borrowing. The CFR is analysed in the second part of this note.

	2022/23	2023/24
	£000	£000
Opening Capital Financing Requirement Capital Investment	376,353	412,022
Prior year correction (*)	-	4,212
Adjusted opening Capital Financing Requirement Capital Investment	376,353	416,234
Capital Investment:		
Property, Plant and Equipment	42,282	54,551
Investment Properties	11	-
Intangible Assets	962	186
Capital Debtors	46,611	41,276
Equity Shareholding	4,034	4,673
Revenue Expenditure Funded from Capital under Statute (REFCUS)	7,314	6,060
Sources of finance:		
Capital receipts	(4,920)	(1,004)
Government Grants and other Contributions	(38,709)	(41,094)
Sums set aside from revenue:		
Direct revenue contributions	(151)	(266)
MRP	(3,943)	(5,151)
Use of Capital Receipts to reduce CFR	(17,429)	(52,243)
Other Adjustments (including Probation)	(393)	(416)
Closing Capital Financing Requirement	412,022	422,806
Explanations of movements in the year:		
Increase/(decrease) in underlying need for borrowing (unsupported by government financial assistance)	35,669	10,784
Increase/(decrease) in Capital Financing Requirement	35,669	10,784

(*) Following an update to Code of Practice on Minimum Revenue Provision, a review of the Council's Capital Financing Requirement was carried out resulting in an adjustment to the opening balance to better reflect the values on the balancesheet.

34) Leases

Operating Leases

Council as Lessee

Vehicles, Plant, Furniture and Equipment - the Council uses vehicles financed under the terms of an operating lease. The amount charged under these arrangements in 2023/24 was £23,386 (£20,540 in 2022/23).

Land and Buildings - the Council leases numerous buildings which have been accounted for as operating leases. The rentals payable in 2023/24 were £54,648 (£54,648 in 2022/23).

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

	2022/23 £000	2023/24 £000
Not later than one year	61	76
Later than one year and not later than five years	210	201
Later than five years	1,273	1,227
	1,544	1,504

* The Council's grounds maintenance, highways and street cleaning services were transferred to Amey on 4th July 2015 as part of the One Trafford Partnership. As an interim measure, the Council continued to lease vehicles to maintain service provision until such point Amey had completed the implementation of their own fleet solution. Costs were recoverable from Amey and the final remaining vehicle leased by the Council associated with the One Trafford Partnership was terminated on 27 March 2019. Only a small number of vehicles are now leased for use directly by the Council.

Council as Lessor

The Council leases out property under operating leases for the following purposes:

- to assist organisations in the provision of services in support of the Council's policy objectives in respect of sports facilities, community centres, scout groups, and various third sector charitable and voluntary bodies.
- to generate rental income from assets held for investment.

The Council also has six lease agreements for commercial development schemes under which a "participation" rent is payable to the Council, determined annually by reference to the profitability of the investment asset. These rents are classed as contingent rents and are not included in the minimum lease payments receivable. In 2023/24 these rents were £0.356m (£0.367m in 2022/23).

Total rents receivable in 2023/24 were **£2.416m** (**£2.373m** in 2022/23).

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

	2022/23 £000	2023/24 £000
Not later than one year	1,983	2,021
Later than one year and not later than five years	7,343	7,336
Later than five years	107,280	107,923
	116,606	117,280

35) PFI and Similar Contracts

The Council occupies premises at Sale Waterside under a PFI arrangement. Annual rental payments are made to the private sector provider, ENGIE, and are partially offset by PFI grant from the Government.

The PFI grant received from MHCLG is £0.658m per annum, over 25 years. This income is included within the accommodation charges in the Net Cost of Services.

Under such arrangements the responsibility for operating the facilities rests with the private sector partner. A number of surplus assets were transferred to the private sector partner at the commencement of the scheme in 2003, the value of which contributed to a reduction in the annual Unitary Service Payment to ENGIE.

ENGIE can sell its interest to another company who can then seek to negotiate a new contract, subject to agreement with the Council.

An analysis of the payments due under the contract is shown in the table below. As all the payments under PFI & similar contracts are linked in full or in part to the Retail Price Index, the figures below are estimates of the cash amounts that will be paid. Lifecycle replacement costs have been included in the Service charges element

	Payment for services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
Payable in 2024/25	1,181	375	258	1,814
Payable within two to five years	4,435	3,379	755	8,569
Total	5,616	3,754	1,013	10,383

The estimated value of the remaining PFI payments is £9.892m. At the end of the initial period, the Council will have a number of courses of action available to it:

- walk away from the contract;
- take control of the facilities and purchase the building for a payment of £1.4m;
- negotiate with ENGIE for an extension to the contract.

The liability outstanding to pay any final sums to the contractor for capital expenditure is as follows:

	2022/23 £000	2023/24 £000
Balance outstanding as at start of year	(4,433)	(4,105)
Payments during the year	328	351
Adjustment for in year variation to contract	-	-
Balance outstanding at year-end	(4,105)	(3,754)
Split on Balance Sheet (see also note 19):		
Short term liability (creditor)	(351)	(375)
Long term liability – deferred	(3,754)	(3,379)
Balance outstanding at year-end	(4,105)	(3,754)

The fair value of the PFI liability is shown in note 16.

36) Pension Schemes Accounted for as Defined Contribution Schemes

Pension costs included in the Income & Expenditure Account

Teachers' Pensions 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 cost by making contributions based on a percentage of members' pensionable salaries.

The scheme is a multi-employer defined benefit scheme. Although the scheme is unfunded, the Department for Education use a notional fund as the basis for calculating the employers' contribution rate applied to all scheme employees. Valuations of the notional fund are undertaken every four years.

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

In 2023/24 the Council paid £12.961m (£12.348m in 2022/23) in respect of teachers' retirement benefits. This was based on 23.68% of the teachers' pensionable pay (23.68% in 2022/23).

In addition, the Council is responsible for added years and premature enhancement benefits which it has awarded to teachers at its discretion, together with the related annual increases. In 2023/24, these amounted to £1.282m, representing 2.34% of pensionable pay (£1.232m or 2.36% in 2022/23). These benefits are fully accrued in the pension liability described below.

The total contributions expected to be made to the Teachers' Pension Scheme by the Council in the year to 31 March 2025 are £16.26m.

37) Defined Benefit Pension Schemes

Other Employees

The majority of other employees of the Council participate in the Greater Manchester Pension Fund administered by Tameside Metropolitan Borough Council. The scheme provides its members with defined benefits relating to pay and service.

The actual contribution rates to maintain the solvency of the fund vary by employing authority, reflecting the differing profiles of members, and in Trafford's case are phased in over the three years the actuarial valuation relates to. The Council's employer's contribution rate was 19.2% in 2023/24 (19.3% 2022/23). In 2023/24, the Council paid an employer's contribution of £18.139m (£17.773m in 2022/23) into the Greater Manchester Pension Fund, representing 19.2% of pensionable pay (19.3% in 2022/23). The Council is also responsible for pension payments relating to the historic award of added years, together with related increases. In 2023/24 these amounted to £0.938m, which is 0.9% of pensionable pay (£0.884m or 0.9% in 2022/23).

Further information regarding the Pension Fund and its accounts can be obtained from the Pensions Office, Guardsman Tony Downes House, 5 Manchester Road, Droylsden, M43 6SF (Helpline: 0161 301 7000). www.gmpf.org.uk

Transactions Relating to Retirement benefits

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

2022/23 £000		2023/24 £000
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT		
Cost of Services:		
	<i>Service Cost comprising:</i>	
39,178	• current service cost	18,957
593	• past service costs	977
-	• (gain)/loss from settlements	29
	<i>Financing and Investment Income and Expenditure:</i>	
6,862	• net interest cost	(4,659)
46,633	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	15,304
-	<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	-
	Re-measurement of the net defined benefit liability comprising:	
8,802	• Return on plan assets (excluding the amount included in the net interest cost)	(22,750)
(7,908)	• Actuarial gains and losses arising on changes in demographic assumptions	(5,595)
(442,829)	• Actuarial gains and losses arising on changes in financial assumptions	(47,215)
67,311	• Other	27,246
(327,991)	Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	(33,010)
	Movement in Reserve Statement	
(46,633)	• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(15,304)
	Actual amount charged against the General Fund Balance for pensions in the year:	
18,657	• employers' contributions payable to scheme	19,077
1,232	• retirement benefits payable to pensioners	1,282

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

2022/23 £000		2023/24 £000
(845,582)	Present value of the defined benefit obligation	(849,132)
943,475	Fair value of plan assets	1,000,394
-	Asset Ceiling adjustment	(183,285)
97,893	Net Asset/(Liability) arising from defined benefit obligation	(32,023)

Asset Ceiling

At 31 March 2024 Hymans Robertson LLP, the Council's actuary, valued the fair value of the Council's pension plan assets to be greater than the present value of the plan obligations, resulting in a swing from a historic pension liability to a pension plan asset. IAS 19 Employee Benefits states that when an entity has a surplus in a defined benefit plan, it should measure the net defined benefit of the asset at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Hymans Robertson LLP calculated the asset ceiling as the net present value of employer future service costs less net present value of future employer contributions. The Council's asset ceiling was lower than the surplus in the defined benefit plan, therefore the Pension asset in the balance sheet has been limited to the asset ceiling resulting in a net liability. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

Reconciliation of the Movements in the Fair Value of Scheme Assets

2022/23 £000		2023/24 £000
945,220	Opening fair value of scheme assets	943,475
-	Effect of Settlements	(1,018)
25,215	Interest income	44,567
	Re-measurement gain/(loss):	
(8,802)	<ul style="list-style-type: none"> • The return on plan assets, excluding the amount included in the net interest expense • Other 	22,750
5,568	Contributions from employer	20,359
5,824	Contributions from employees into the scheme	6,027
(29,550)	Benefits paid	(35,766)
943,475	Closing fair value of scheme assets	1,000,394

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

2022/23 £000		2023/24 £000
1,180,886	Opening present value of scheme liabilities	845,582
39,178	Current service costs	18,957
-	Effect of Settlements	(989)
32,077	Interest costs	39,908
5,824	Contributions from scheme participants	6,027
	Re-measurement (gains) and losses:	
(7,908)	• Actuarial gains/losses arising from changes in demographic assumptions	(5,595)
(442,829)	• Actuarial gains/losses arising from changes in financial assumptions	(47,215)
67,311	• Other	27,246
593	Past service cost	977
(29,550)	Benefits paid	(35,766)
845,582	Closing present value of scheme liabilities	849,132

Pension Scheme Assets comprised:

Asset category	Period ended 31 March 2024				Period ended 31 March 2023			
	Quoted prices in active markets £000	Scheme Asset Values not from quoted active markets £000	Total £000	Per-centage of total asset %	Quoted prices in active markets £000	Scheme Asset Values not from quoted active markets £000	Total £000	Per-centage of total asset %
Equity Securities:								
Consumer	60,576	-	60,576	6%	56,688	-	56,688	6%
Manufacturing	55,312	-	55,312	6%	52,159	-	52,159	6%
Energy & Utilities	54,029	-	54,029	5%	46,574	-	46,574	5%
Financial Institutions	84,924	-	84,924	8%	80,494	-	80,494	9%
Health & Care Information	50,026	-	50,026	5%	47,254	-	47,254	5%
Technology	52,183	-	52,183	5%	66,590	-	66,590	7%
Other	11,171	-	11,171	1%	10,727	-	10,727	1%
Debt Securities:								
Corporate Bonds (investment grade)	41,594	-	41,594	4%	37,600	-	37,600	4%
Corporate Bonds (non-investment grade)	-	-	-	0%	-	-	-	0%
UK Government	26,502	-	26,502	3%	22,547	-	22,547	2%
Other	31,228	-	31,228	3%	28,083	-	28,083	3%
Private Equity:								
All	-	68,578	68,578	7%	-	70,573	70,573	7%
Real Estate:								
UK Property	-	40,515	40,515	4%	-	36,707	36,707	4%
Overseas Property	-	-	-	0%	-	-	-	0%
Investment Funds and Unit Trusts:								
Equities	46,783	-	46,783	5%	50,397	-	50,397	7%
Bonds	100,306	-	100,306	10%	83,723	-	83,723	10%
Hedge Funds	-	-	-	0%	-	-	-	0%
Commodities	-	-	-	0%	-	-	-	0%
Infrastructure	-	84,846	84,846	8%	-	75,395	75,395	6%
Other	23,029	142,772	165,801	17%	23,000	131,031	154,031	13%
Derivatives:								
Inflation	-	-	-	0%	-	-	-	0%
Interest Rate	-	-	-	0%	-	-	-	0%
Foreign Exchange	-	-	-	0%	-	-	-	0%
Other	-	-	-	0%	-	-	-	0%
Cash & Cash Equivalents:								
All	26,021	-	26,021	3%	23,934	-	23,934	3%
Totals	663,684	336,710	1,000,394	100%	629,770	313,705	943,475	100%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2024.

The significant assumptions used by the actuary have been:

2022/23	Mortality assumptions:	2023/24
Longevity at 65 for current pensioners:		
20.6 years	• men	20.5 years
23.9 years	• women	23.7 years
Longevity at 65 for future pensioners:		
21.5 years	• men	21.4 years
25.4 years	• women	25.1 years
3.20%	Rate of inflation	3.10%
3.75%	Rate of increase in salaries	3.55%
2.95%	Rate of increase in pensions	2.75%
4.75%	Rate for discounting scheme liabilities	4.85%

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 of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in assumptions at 31 March 2024:	Approximate % increase to defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	15,284
1 year increase in member life expectancy	4%	33,965
0.1% increase in the salary increase rate	0%	612
0.1% increase in the pension increase/revaluation rate (CPI) rate	2%	14,954

Impact on the Authority's Cash Flows

The Fund Actuary set the contributions paid by the Employer at each triennial actuarial valuation with the latest valuation being as at 31st March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for

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

38) Contingent Liabilities

(a) Municipal Mutual Insurance

In January 1994 the Council's former insurer, Municipal Mutual Insurance, made a scheme of agreement with its creditors. Under this scheme, claims are initially paid out in full, but if the eventual winding up of the company results in insufficient assets to meet all liabilities a clawback clause will be triggered which could affect claims already paid.

The scheme of arrangement was triggered during 2012/13 and a provision was made based on an initial levy of 15%, equating to £0.419m which was paid during 2013/14. By way of a second notice the levy was subsequently increased to 25% as from 1 April 2016, equating to an additional £0.281m which was met from insurance reserves. A contingent liability still exists if the proceeds from the initial levy are not sufficient to cover the cost of future claims. In the event that an additional levy becomes payable then this will be met from the insurance reserve.

(b) Trafford Housing Trust

A number of warranties were provided to Trafford Housing Trust (THT) and related stakeholders as a consequence of the housing stock transfer agreement entered into on 14 March 2005.

A brief summary of the salient points of the major warranties follows – complete details are available from the Director of Legal and Governance Services.

- i) Warranties of Truth; the Council has made a number of statements and assertions within the transfer agreement, such as land ownership, value of assets, and the right to exercise certain legal powers. The Council has indemnified THT against any liability should any of those statements prove to be untrue. This risk will also diminish, but over a much longer time frame.
- ii) Unadopted Drains; The Council has indemnified THT for maintenance and repair works relating to unadopted drainage systems. Should a liability arise it is likely to be of small amounts and will be paid out of the Council's revenue budget in the year of occurrence.
- iii) There are a number of Environmental warranties that the Council in aggregate has indemnified THT up to £90m and an unlimited indemnification to THT's funders, the Prudential Trustee Company Ltd. The risk of these warranties is partially off-set by VAT receipts from works done by THT on the Council's behalf. The liabilities and risks of the warranties will be kept under constant review.
- iv) Asbestos; The Council has given THT a 30 year indemnification against any cost of works arising from asbestos above an excess in any one year of £308,500. This is a rolling excess in that should any excess in one year be unused, it will roll over into the next financial year.
- v) Pollution and Contaminated Land; The Council has extended a 30 year indemnification for any pollution clear up on land transferred where the pollution occurred before the transfer date.

Trafford Housing Trust were acquired by L&Q in 2019. THT are now a self-managed subsidiary of L&Q and all previous agreements are unchanged.

(c) Timperley Sports Club

The Council has a lease agreement with Timperley Sports Club for an artificial sports pitch which was previously the responsibility of the Council.

In the event that the Club constructs a further replacement full size sports pitch with artificial turf or other artificial playing surface at any time during the demised term after 2016 and has given not less than 6 months' notice to the Landlord of the proposed timetable for construction of such new pitch, the Landlord undertakes to pay to the Club (within 28 days after the construction of such pitch and all lighting and ancillary services and access has been

practically completed to the reasonable satisfaction of an independent chartered surveyor) £250,000 indexed from the date hereof until the date of payment.

The Council is however, negotiating a variation to the lease whereby the outstanding amounts due will be paid prior to the new agreement being signed and there will no longer be a financial liability for the Council.

(d) Athletics Track

There are 3 athletics stadiums in the borough, all of which Trafford pays a management fee to the clubs to run the stadium. Under the terms of the management agreements the Council has an obligation to replace the tracks at the end of life. The costs of the tracks are approximately £350,000. The clubs may be able to pay a contribution towards the cost of a new track through fundraising and applying for grants, however any shortfall in meeting the Council's obligations will be prioritised within the Council's Capital Programme at the appropriate time.

(e) Section 106 Agreements

A number of agreements in accordance with Section 106 of the Town and Country Planning Act 1990 exist between the Council and developers associated with the planning conditions attached to new developments. In respect of contributions received to date, should the conditions in the agreement not be met by the Council then amounts would become repayable to developers, these total £4.02m.

(f) AMEY Contract – Warranties, Indemnities – TUPE and Pension

A number of warranties, guarantees and indemnities are provided for within the Partnership Agreement covering the One Trafford partnership with AMEY Plc. Complete details are available from the Director of Legal and Governance Services, however the most significant one relates to TUPE, whereby the Council has agreed to indemnify AMEY Plc against any liability which arises, partly as a result of any omission by the Council before or after the Service Commencement, in relation to any Transferring Employee who transfers in accordance with TUPE.

(g) Litigation Claims

The Council has several potential high value litigation claims which due to their confidentiality nature cannot be disclosed in detail at this stage. Although any settlements are likely to be an insurance matter, however any excess or uninsured costs will need to be met by the Council and will be drawn down from the specific reserve for this purpose should the need arise.

39) Contingent Assets

(a) Section 106 Agreements

A number of agreements in accordance with Section 106 of the Town and Country Planning Act 1990 exist between the Council and developers associated with the planning conditions attached to new developments. In respect of contributions received to date, should the conditions in the agreement not be met by the Council then amounts would become repayable to developers and these are included under contingent liabilities. Should developments proceed and conditions within agreements be met then the estimated value of contributions the Council will receive is £24.91m.

40) Nature and Extent of Risks Arising from Financial Instruments

Key Risks

The Council provides statutory services to the local population on a not-for-profit basis and as such the few financial instruments used are to manage the risks arising from holding substantial levels of assets and liabilities and not for trading or speculative purposes.

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council;
- Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- 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 movements or stock market movements.
- Amounts arising from Expected Credit Losses - The council has assessed its short and long-term investments using historical default tables provided by Link Asset Services to consider expected losses. The exercise concluded that the expected credit loss is immaterial and therefore no allowances have been made.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available to fund services. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and the associated regulations. As directed by the Act, the Council has formally adopted the CIPFA Treasury Management Code of Practice and complies with the CIPFA Prudential Code. As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year to which it relates which sets out the parameters for the management of risks associated with financial instruments.

The annual treasury management strategy which incorporates the policies to be adopted covering both debt and investments together with the prudential indicators for 2023/24 was approved by Council on 15 February 2023 and is available on the Council website. The strategy also includes the Annual Investment Strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

Risk management is carried out by the Council's in-house treasury management team in accordance with policies approved by the Council in the annual Treasury Management strategy which includes Interest rate risk, credit risk and the investment of surplus cash.

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 Investment Strategy which is incorporated within the annual treasury management strategy and this stipulates that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services.

The Council uses the creditworthiness service provided by Arlingclose which uses a sophisticated approach incorporating;

- Credit ratings from all three rating agencies,
- Credit watches and credit outlooks from credit rating agencies,
- Credit Default Swaps spreads to give an early warning of likely changes in credit ratings,
- Sovereign ratings to select counterparties from only the creditworthy countries.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default, adjusted to reflect current market conditions.

Deposits with banks and financial institutions	Amount at 31 March 2024 £000	Historical experience of default* %	Estimated maximum exposure to default £000	Expected Credit Losses £000
AAA rated counterparties	29,930	0.00	-	-
AA rated counterparties	-	0.00	-	-
A rated counterparties	1,320	0.04	2	0.5
Non rated counterparties	16,564	n/a	-	-
Trade debtors **	12,053	Local experience	400	0.5
Total	111,600		402	1.0

* The historical default rates used are Moody's average cumulative issuer-weighted global default rates 1983-2023.

** The estimated maximum exposure to default for trade debtors of £0.4m is based on the gross debt raised rather than debt outstanding at one particular date. There is no adjustment to be made for market conditions from the balance sheet date of 31 March 2024.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions of £0.5k cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2024 that this was likely to crystallise.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to its investments.

The Council does not generally allow credit for its trade debtors, such that £12.0m of the £111.60m balance is past its due date for payment. The past due amount can be analysed by age as follows:

	2022/23 £000s	2023/24 £000s
Less than one year	12,044	10,836
More than one year	992	1,217
Total	13,036	12,053

Liquidity Risk

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

The Council has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and for longer term funds these can be accessed from both the PWLB and Money Markets. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing & Maturity Risk

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

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk.

The Council's approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial assets based on original principal lent excluding the Manchester airport loan and sums due from customers;

Period	2022/23 £000	2023/24 £000
Instant access	26,280	31,250
Up to 3 Months	27,355	-
3 to 6 Months	-	-
6 to 9 Months	-	-
9 to 12 Months	-	-
Over 1 Year	17,010	17,010
Total	70,645	48,260

The analysis of financial liabilities is based on both the carrying amount and original maturity date – all trade and other payables due to be paid in less than one year are not shown in the table below:

Period	2022/23 £000	2023/24 £000
Under 1 Year	6,362	2,428
1 year to 2 years	542	572
2 years to 5 years	34,873	68,028
5 years to 10 years	10,800	9,682
10 years to 20 years	33,468	20,894
20 years to 30 years	3,152	2,961
30 years to 40 years	148,873	148,980
40 years and above	86,145	85,702
Total	324,215	339,247

Risks associated with these different types of instruments are impacted by their maturity dates and in the case of LOBOs, the frequency of option dates.

The Council's treasury management strategy considers the whole of its borrowing and investment portfolios, not just individual transactions. At the time of entering into each subsequent new borrowing, the strategy has been for funds to be taken which offered, at the time of take up, the best financial option to the Council.

Market Risk

Interest rate risk - The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how

variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall (no impact on revenue balances);
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Maturity risk - Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the Provision of Services or Other Comprehensive Income and Expenditure and affect the General Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The Council's treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer-term fixed rates borrowing would be postponed.

If all interest rates had been 1% higher as at 31 March 2024 with all other variables held constant, the financial effect would be calculated as follows:

2022/23 £000		2023/24 £000
(410)	Increase in interest receivable on variable rate investments	(362)
28,387	Decrease in fair value of fixed rate borrowings liabilities (no impact on Comprehensive Income & Expenditure Statement)	28,628

The Council's loans are all held at fixed rates of interest and consequently a movement in interest rates of +/-1% would have no impact on its financial resources.

Price risk - The Council, excluding the pension fund, does not invest in equity shares but does have shareholdings to the value of £50.7m in Manchester Airport Holdings and £4.6m Church Commissioners Property Fund. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of shares.

All movements in the share values will impact on gains and losses and a general shift of 5% in the price of shares (positive or negative) would have resulted in a £2.77m gain or loss however any movements in price will not impact on the General Fund balance as regulations are in force to amend the impact of fair value movements.

Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Collection Fund

Collection Fund Statement

About this account

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Non-Domestic Rates (NDR) and its distribution to local authorities and the Government.

2022/23				2023/24			
Business Rates £000	Council Tax £000	Total £000	Year ended 31 March	Notes	Business Rates £000	Council Tax £000	Total £000
INCOME							
	(140,344)	(140,344)	Income from Council Tax Payers	2		(149,290)	(149,290)
	-	-	Contribution from General Fund (Council Tax Support Grant)	2		(349)	(349)
(139,288)		(139,288)	Income from Non-Domestic Rate Payers	3	(136,253)		(136,253)
-		-	Transitional Protection Payments Receivable		(8,359)		(8,359)
(46,189)	(1,654)	(47,843)	Contribution towards previous years' estimated Collection Fund Deficit/Overpaid Surplus. Including 1/3 share of estimated 2020/21 COVID-19 Deficit	2	(1,791)	(1,654)	(3,445)
(185,477)	(141,998)	(327,475)	TOTAL INCOME		(146,403)	(151,293)	(297,696)
EXPENDITURE							
Council Tax Precept Demands:							
	112,854	112,854	- Trafford Council			119,801	119,801
	17,716	17,716	- GMCA Mayoral Police and Crime Commissioner			19,090	19,090
	7,989	7,989	- GMCA Mayoral General Precept (including Fire Services)			8,470	8,470
Business Rates:							
1,391		1,391	- GMCA Mayoral General Precept (including Fire Services)		1,466		1,466
137,722		137,722	- Trafford Council		145,142		145,142

Collection fund statement (continued)

2022/23				2023/24			
Business Rates £000	Council Tax £000	Total £000	Year ended 31 March	Notes	Business Rates £000	Council Tax £000	Total £000
Charges to Collection Fund:							
1,511	377	1,888	- Write offs of uncollectable amounts		1,061	488	1,549
(700)	790	90	- Increase/(Decrease) in Expected Credit Losses		(1,561)	669	(892)
(14,840)		(14,840)	- Increase/(Decrease) in Provision for Appeals		(3,595)		(3,595)
450		450	- Costs of Collection		443		443
83		83	- Disregarded Amounts		83		83
1,650		1,650	Transitional Protection Payments Payable		0		0
Contributions:							
1,873	1,889	3,762	- Distribution of previous years' estimated Collection Fund Surplus		9,799	473	10,272
			Distribution of previous years' contribution to estimated Collection Fund Surplus		12,329		12,329
	2,300	2,300	Distribution of previous years' overpaid contribution Collection Fund Deficit			1,211	1,211
129,140	143,915	273,055	TOTAL EXPENDITURE		165,187	150,202	315,389
(12,021)	(618)	(12,639)	(Surplus)/Deficit for the year		(1,573)	(1,121)	(2,694)
(44,316)	2,535	(41,781)	Contributions to prior year balances		20,357	30	20,387
(56,337)	1,917	(54,420)	Total (Surplus) / Deficit for year (including contributions relating to prior year balances)	2/3	18,784	(1,091)	17,693
36,308	(2,092)	34,216	Balance brought forward as 1 April		(20,029)	(175)	(20,204)
(56,337)	1,917	(54,420)	Deficit/(Surplus) for the Year (as above)		18,784	(1,091)	17,693
(20,029)	(175)	(20,204)	(Surplus) / Deficit as at 31 March	4	(1,245)	(1,266)	(2,511)
Allocated to:							
(19,829)	(144)	(19,973)	- Trafford		(1,233)	(1,029)	(2,262)
	(23)	(23)	- Police and Crime Commissioner for GM/ GMCA Mayoral Police and Crime Commissioner			(164)	(164)
(200)	(8)	(208)	- GMCA Mayoral General Precept (including Fire Services)		(12)	(73)	(85)
(20,029)	(175)	(20,204)			(1,245)	(1,266)	(2,511)

Notes to the collection fund statement

1. General

As a Billing Authority, the Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and Non-Domestic Business Rates. The administrative costs associated with the collection process are charged to the General Fund.

The Collection Fund Statement shows the transactions of the Billing Authority in relation to the collection from taxpayers of Council Tax and from businesses of Business Rates for the financial year.

The Statement also shows the distribution of these income streams to the relevant precepting authorities during the financial year. Any Collection Fund surpluses or deficits declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year.

For Trafford, the Council Tax precepting authorities are the GMCA Mayoral Police and Crime Commissioner and the GMCA Mayoral General (including Fire Services). For Business Rates, the precepting authority is the GMCA Mayoral General (including Fire Services).

Council Tax surpluses or deficits are distributed in proportion to the precepts levied. Business rates surpluses or deficits are distributed in accordance with the relevant proportions set out in the localised Business Rate regulations. From 1 April 2017/18 onward, the Council has taken part in the Greater Manchester 100% business rates retention pilot, therefore for 2023/24 the Trafford Council share is 99% with the remainder paid to the GMCA for the Mayoral General Precept (including Fire Service).

The national code of practice followed by Local Authorities in England stipulates that a Collection Fund Income and Expenditure account is included in the Council's accounts. The Collection Fund balance sheet meanwhile is incorporated into the Council's consolidated balance sheet.

With regard to Council Tax, there was an overall surplus relating to 2023/24 when compared to budget of £1.12m (surplus £618k 2022/23) due to better collection rates of historic debt and lower levels of Council Tax Support. The Tax base was lower than expected due to an increase in discounts and exemptions (e.g., single person discount) and from a delay in new developments coming online.

The outturn position on Business Rates was positive when compared with budget and there an overall surplus relating to 2023/24 of £1.57m (Surplus £12.02m 2022/23) This was largely as a result of historic appeals being settled in year and a better than anticipated collection of in year and historic debt.

In order to continue supporting businesses the Government has continued to provide various rate relief packages in 2023/24 for retail and hospitality businesses. The relief has been accounted for in the Collection Fund and Council has been compensated for the loss in rates income via a Section 31 within its General Fund.

Altrincham Town Centre Business Improvement District (BID)

In addition to the Council Tax and Business Rates Collection Fund, the Council also operates a separate collection account for Altrincham Town Centre BID. Altrincham Town Centre's BID commenced on 1 April 2016. The BID is a business led partnership by businesses within Altrincham Town Centre with the aim to deliver improvements including:

- Experience Altrincham – Giving more reasons to visit, more often; creating a strong and stylish consumer identity for Altrincham; promoting the breadth of retail.

- Business Altrincham - Improving working life for businesses in Altrincham; creating a responsible business community that is able to affect long term change in the town through proactive leadership; connecting and collaborating with local people and groups.
- Rediscover Altrincham - Putting the heart back into Altrincham to ensure that shoppers and local residents feel welcome in the town and to provide them with reasons to keep coming back.

To do this a BID levy is added to each of the participating businesses annual Business Rates bill. The income raised by the BID levy is managed by a separate and unrelated organisation to the Council, Altrincham BID Ltd. BID legislation requires the Council to collect and recover the BID Levy as part of the annual Business Rates billing process. As such the Council is acting as an agent and simply passing the income collected through the BID levy to Altrincham BID Ltd. The collected income is not accounted for in the Council's Statement of Accounts.

The BID legislation does allow for the Council to recover administrative costs of collecting the BID Levy on behalf of Altrincham BID Ltd.

2. Council Tax

This tax was introduced on 1 April 1993 with all domestic properties placed in one of eight valuation bands. Council Tax income derives from charges raised against residential dwellings within the Borough based on their valuation banding (A to H). Council Tax charges are calculated by estimating the total amount of Council Tax income required by the Council and the precepting authorities for the forthcoming financial year. This is divided by the Council Tax Taxbase (i.e. the number of Band D equivalent dwellings) to calculate the Council Tax charge for a Band D dwelling.

The Government has determined that the Council Tax payable in each band will be a specified fraction of the middle valuation band, known as band D.

Each year, the Council must estimate the equivalent number of band D properties, The Council Taxbase, after allowing for discounts, exemptions, losses on collection etc. For 2023/24, the calculation was as follows:

	Total No. Dwellings (i)	Specified Fraction	Band 'D' Equivalent
Band A (disb)	22	X5/9	12
Band A	16,235	x6/9	10,823
Band B	19,855	x7/9	15,442
Band C	25,184	x8/9	22,386
Band D	14,726	x9/9	14,726
Band E	7,364	x11/9	9,000
Band F	4,389	x13/9	6,340
Band G	3,964	x15/9	6,606
Band H	1,002	x18/9	2,006
	92,741		87,341
Less allowance for losses on collection			(1,266)
Adjustment for Annexes estimate			(112)
Less cost of Council Tax Support Scheme			(7,639)
Add Empty Home Premium			224
Less discretionary awards new in 23/24			(84)
Council Tax Base			78,464

The actual number of properties was 102,777, and after adjusting for single person discounts, empty properties etc., the notional number of dwellings is 92,741.

The Band D Council Tax levied for the year was £1,876.76 (£1,784.26 in 2022/23).

The Council Tax shares payable to the Council and the precepting authorities were estimated as part of the 2023/24 budget setting process and totalled £147.36m, shared £119.80m Trafford Council, £19.09m GMCA Mayoral Police and Crime Commissioner Share and £8.47m Mayoral General (inc. Fire Services) Share. These sums have been paid in 2023/24 and charged to the collection fund in year.

A total of £147.40m of Council Tax was collected in respect of 2023/24 (£139.54m 2022/23), an in year performance of 97.4% (97.4% in 2022/23) against a target of 97.2% (97.2% 2022/23).

There was an in year surplus of £1.091m, which included £30k distribution of prior years' balances, leaving a surplus of £1.120m relating to 2023/24. The 2023/24 in year surplus was largely due to better than expected collection of historic debt and lower levels of Council Tax Support.

The in-year surplus of £1.091m was added to an accumulated surplus balance brought forward of £175k to arrive at a year-end surplus balance of £1.265m.

3. Non-Domestic Rates

In 2013/14, the local government finance regime was revised with the introduction of the retained business rates scheme. The main aim of the scheme was to give Councils a greater incentive to grow businesses in the Borough. It does, however, also increase the financial risk due to non-collection and the volatility of the NDR tax base.

Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. As Trafford is able to collect Business Rates income above its baseline, the Council is required to pay a tariff to Central Government each financial year. The total amount of tariffs collected nationally are used by Central Government to fund the Top-up grants to those Authorities who cannot achieve their baseline funding levels. In this respect Trafford paid a tariff from the General Fund in 2023/24 to the value of £93.97m (£95.551m 2022/23) (see Grant and Other Income note 31).

The retained rates scheme allowed the Council to retain a proportion of business rate growth after the payment of a 50% levy to Central Government. When the scheme was introduced Trafford's share of rates above baseline was 49% with the remainder paid to precepting bodies. For Trafford the NDR precepting bodies were Central Government (50% share) and GMCA Mayoral General (including Fire Services) (1% share).

2017/18 saw the introduction of the Greater Manchester 100% Business Rates Retention pilot, which resulted in the Government's share of business rates growth being retained within Greater Manchester. The respective shares of the business rates income and expenditure and balance sheet items, previously allocated on a percentage split of 50/49/1 between Central Government, Trafford Council and GMCA Mayoral General (including Fire Services) was updated to 99/1 between Trafford Council and GMCA Mayoral General (including Fire Services). The 100% Business Rates Retention pilot has continued to operate in each financial year since 2017/18.

As a consequence, of the 100% Business Rates Retention Pilot, the amount of levy Trafford would have paid to the Government has been replaced with a payment designed to ensure that the Council was no better or worse off when compared with the previous sharing arrangements. The 'No Detriment' agreement guarantees that the resources available to the Council under the previous 50% retention scheme will be the same under the 100% Pilot.

This 'No Detriment' payment payable to Greater Manchester Combined Authority (GMCA) which represented the overall benefit from being in the 100% pilot was £7.799m in 2023/24 (£10.669m in

2022/23) and attracted a rebate at 75% of £5.849m. The Council retained the no detriment payment net of rebate of £1.950m (£2.667m 2022/2023).

The business rates shares payable for 2023/24 were estimated before the start of the financial year at £1.466m to GMCA Mayoral General (including Fire Services) and £145.142m to Trafford Council which were in line with the percentage shares under the 100% Rates Retention Scheme. These sums have been paid in 2023/24 and charged to the collection fund in year.

The total income from business rate payers after discounts, reliefs and allowance for expected credit losses and appeals in 2023/24 was £148.181m (£151.134m in 2022/23). This sum includes £8.360m (£1.650m in 2022/23) relating to transitional protection payments from ratepayers, which under Government regulation should have a neutral impact on the business rate retention scheme. This sum has to be repaid to Central Government.

A total of £135.2m of Business Rates was collected in respect of 2023/24 (£143.39m 2022/23), an in year performance of 98.1% (98.3% in 2022/23) against a target of 98.1%.

Authorities are expected to finance appeals made in respect of rateable values as defined by VOA as at 31 March 2024. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares.

During 2023/24 the provision for appeals has been reassessed to take into account settled appeals in addition to potential new cases for major infrastructure projects. The net impact has been a reduction in the provision for appeals of £3.594m.

The movement and balance c/fwd. on the provision is as follows:

Value of Provision £000 31.03.23		Value of Provision £000 31.03.24
37,564	Balance at 1 April	22,724
(19,591)	Amount of appeals paid/released during the year	(6,378)
4,751	In year contributions to the provision	2,784
(14,840)	Net Increase/(Decrease)	(3,594)
22,724	Balance at 31 March	19,130

The overall outturn position on the Non Domestic Rates element of the Collection Fund is an in year deficit of £18.784m against a surplus of £59.337m in 2022/23. The deficit of £18.784m includes £20.357m collection of prior years' deficit balance, leaving a surplus of £1.573m relating to 2023/24.

The prior years' balances includes the 1/3 collection of the estimated 2021/22 exceptional deficit caused by COVID-19 of £1.791m; 2023/24 is the final year this amount will be collected.

The 2023/24 surplus was largely due to:

- a shortfall in gross rates of £14.6m largely due to the temporary removal of several large redevelopments at the Trafford Centre and delays in new sites being registered on the rating list.
- a significant reduction in the amount of reliefs, resulting in a benefit of £7.9m to the Collection Fund when compared to budget.

- A benefit of £8.4m of accounting adjustments, predominantly due to the release of historic business rates appeals provision, following settlement of cases relating to the 2017 rating list.

This 2023/24 surplus will be distributed proportionately to the two precepting bodies, Trafford and Greater Manchester Fire and Rescue. Trafford's share of the in-year surplus is £1.56m.

The in-year deficit of £18.784m was offset by an accumulated deficit balance brought forward of £20.029m to arrive at a year-end surplus balance of £1.245m

The Council's Business Rates Taxbase is based on the rateable value of individual business properties within the Borough as assessed by the Valuation Office Agency (VOA). The total rateable value at 31 March 2024 for the Trafford area was £355.263m (£354.94m at 31 March 2023). The rateable value of each property, as assessed by the VOA, is multiplied by the Uniform Business Rate determined annually by Central Government to determine the collectable Business Rates income. For 2023/24 this was 51.2p in the pound (51.2p in 2022/23) and relief of 1.3p (1.3p in 2022/23) in the pound was given to small business properties resulting in a Small Business Rate multiplier of 49.9p (49.9p in 2022/23).

4. Year End Surplus/Deficit 2023/24

Council Tax

In the Balance Sheet at 31 March 2024, the Council has included the accumulated surplus of £1.265m on a consolidated basis, showing the shares of the GMCA – Mayoral Police and Crime Commissioner and the GMCA – Mayoral General Precept (including Fire Services) as a creditor to the value of £0.236m (creditor of £0.031m 2022/23), and a £1.029m attributable surplus (£0.144m surplus 2022/23) on the Council Tax Collection Fund balance alongside the General Fund.

Non Domestic Rates

In the Balance Sheet at 31 March 2024, the Council has included the £1.245m surplus on a consolidated basis, showing the share from the GMCA – Mayoral General Precept (including Fire Services) as a creditor to the value of £0.012m (creditor of £0.200m) 2022/23, and a £1.233m attributable surplus (£19.829m surplus 2022/23) to the NDR Collection Fund balance alongside the General Fund.

Group Accounts

Introduction

The CIPFA Code of Practice requires that where an Authority has material financial interests and a significant level of control over one or more entities, it should prepare group accounts. The aim of these statements is to give an overall picture of the Council's financial activities and the resources employed in carrying out those activities.

Before group accounts can be produced, the following actions need to be carried out:

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

Classification of Group Entities

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

Subsidiary

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

Associates

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

Joint Venture

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

Inclusion within the Group Accounts

The following entities are classified as subsidiaries of the Council:

Trafford Leisure CIC

The Council has a business relationship with one entity over which it has significant control or influence. From October 2015 the services provided by Trafford Community Leisure Trust were transferred into a Community Interest Company (CIC), Trafford Leisure CIC Ltd., wholly owned by the Council.

The following entities have has been deemed to be classified as a Joint Venture of the Council, as it is jointly controlled with one or more entities under a contractual or other binding agreement.

Trafford Bruntwood LLP

As part of its investment Strategy, on 20 March 2018 the Council set up a Limited Liability Partnership, joint venture with K Site Ltd called Trafford Bruntwood LLP. The entity will be responsible for the redevelopment of the former Kelloggs headquarters site at Talbot Road, Stretford in line with the Civic Quarter Masterplan for the wider area. K Site Ltd is a wholly owned subsidiary of Bruntwood Development Holdings Ltd.

On 9th April 2018, the LLP purchased the former Kelloggs site and shortly after refurbishment work commenced to transform the site into a suitable building to host the University of Lancaster and Education 92 Limited (UA92) university, focussing on sports, media and management.

Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter)

On 4th July 2019 the Council set up two more joint venture companies with Bruntwood Development Holdings Ltd called Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter) as part of its master plans for town centre regeneration.

All three Joint Ventures operate on the same framework with both Trafford Council and K Site Ltd/Bruntwood Development Holding Ltd being issued with 1 share each in each JV. Each party has a total of three directors on the management board, with resolutions requiring to be passed by a majority vote.

Group Comprehensive Income and Expenditure Statement

This statement sets out the income and expenditure relating to the Council and its subsidiary, as a whole, together with any appropriations to reserves.

2022/23			Year ended 31 March	2023/24			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Service	Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
258,722	(192,802)	65,920	Children's Services		281,602	(204,629)	76,973
128,013	(53,515)	74,498	Adults Services		145,211	(71,311)	73,900
62,635	(25,976)	36,659	Place		67,862	(24,692)	43,170
4,348	(746)	3,602	Legal and Governance		4,968	(858)	4,110
16,984	(4,560)	12,424	Finance and Systems		17,037	(4,659)	12,378
18,634	(7,779)	10,855	Strategy and Resources and Traded Services		17,486	(7,184)	10,302
51,356	(47,833)	3,523	Council-wide		53,506	(50,917)	2,589
540,692	(333,212)	207,480	Cost of Services		587,673	(364,250)	223,423
37,564	(5,494)	32,070	Other Operating Expenditure		51,306	(18,364)	32,942
54,541	(47,379)	7,163	Financing and Investment Income and Expenditure		65,860	(72,664)	(6,804)
	(228,403)	(228,403)	Taxation and Non-Specific Grant Income and Expenditure			(244,172)	(244,172)
		18,309	(Surplus) or Deficit on Provision of Services				5,389
		(516)	Share of operating results of Joint Ventures	G4			(998)
		525	Tax expense/(Deferred Tax) of subsidiary				88
		-	Tax expenses of Joint Ventures	G4			-
		11,194	Group (Surplus) or Deficit				4,479
		(36,596)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets				(46,212)
		(1,000)	(Surplus) or Deficit on Revaluation of Financial Instruments				(26,300)
		(374,624)	Re-measurement of Net Defined Benefit Asset / (Liability)				134,971

2022/23			Year ended 31 March	2023/24			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Service	Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
		(2,550)	Share of Other comprehensive Income and Expenditure of Subsidiaries				(350)
		323	Share of Other comprehensive Income and Expenditure of Associates and Joint Ventures				3,817
		(414,447)	Other Comprehensive (Income) and Expenditure				65,927
		(396,129)	Total Comprehensive (Income) and Expenditure				70,406

Group Balance Sheet

The Group Balance Sheet summarises the financial position of the Council and its subsidiary as a whole. It shows the value of group assets and liabilities at the end of the financial year.

2022/23 £000		Note	2023/24 £000
652,814	Property, Plant & Equipment		714,921
973	Heritage Assets		967
107,166	Investment Property		94,627
4,904	Intangible Assets		4,455
29,139	Long Term Investments		55,254
35,045	Long-term investments in Joint Ventures	G5	33,522
113,381	Long Term Debtors		115,497
99,676	Net Pension Asset		2,202
1,043,099	Long Term Assets		1,021,445
22,423	Short Term Investments		67
2,010	Assets Held for Sale		3,278
99	Inventories		111
100,466	Short Term Debtors		97,427
56,269	Cash and Cash Equivalents		54,429
181,267	Current Assets		155,312
(5,994)	Short Term Borrowing		(2,036)
(99,026)	Short Term Creditors		(79,590)
(18,436)	Short Term Provisions		(15,824)
(4,625)	Grants Receipts in Advance (Revenue)		(3,938)
	Short Term Grants (Funding of REFCUS)		(583)
(9,326)	Grants Receipts in Advance (Capital)		(11,434)
(137,407)	Current Liabilities		(113,405)
(36)	Long Term Creditors		0

2022/23 £000		Note	2023/24 £000
(9,666)	Provisions		(9,519)
(314,606)	Long Term Borrowing		(333,439)
(113)	Revenue Grants & Contributions – Long-Term Receipts in Advance (Funding of REFCUS)		(5,317)
(10,228)	Grant Receipts in Advance (Capital)		(7,931)
-	Other Long Term Liabilities – Pensions		(180)
(6,723)	Other Long-term liabilities – Deferred		(32,023)
(341,372)	Long Term Liabilities		(388,409)
745,591	Net assets		674,943
(9,500)	General Fund Balance		(10,500)
(69,890)	Earmarked General Fund Reserves		(86,012)
(629)	Capital Receipts Reserve		(1,425)
(461)	Revenue Grants Unapplied (Funding of REFCUS)		(693)
(20,632)	Capital Grants Unapplied		(26,074)
(101,112)	Usable Reserves		(124,704)
(204,092)	Revaluation Reserve		240,915
(8,315)	Financial Instruments Revaluation Reserve		(34,430)
1,475	DSG adjustment account		9,720
(346,729)	Capital Adjustment Account		348,943
19,531	Financial Instruments Adjustment Account		18,820
(97,983)	Pensions Reserve		32,023
(19,972)	Collection Fund Adjustment Account		(2,262)
5,310	Accumulated Absences Account		5,637
(644,474)	Unusable Reserves		560,350
6,211	Council's Share of Reserves of Subsidiary and Joint Ventures	G6	10,111
(745,591)	Total Reserves		674,943

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and other reserves. The 'Surplus or Deficit on the Provision of Services' line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund for Council Tax setting and dwellings rent setting purposes.

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Council's Share of Subsidiaries and Joint Ventures £000	Total Group Reserves £000
Balance as at 31 March 2023	(9,500)	(69,889)	(79,389)	(630)	(461)	(20,631)	(101,111)	(650,690)	6,211	(745,590)
MOVEMENT IN RESERVES DURING 2023/24										
Realignment of Trading Period of JV (see Note G4)	-	-	-	-	-	-	-	-	243	243
(Surplus) or deficit on the provision of services	4,287	-	4,287	-	-	-	4,287	-	192	4,479
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	62,459	3,468	65,927
Total Comprehensive Income and Expenditure	4,287		4,287				4,287	62,459	3,903	70,649
Adjustments between accounting basis & funding basis under regulations	(13,163)	-	(13,163)	(795)	(232)	(5,442)	(19,634)	19,634	-	-
Net (Increase)/Decrease before transfers to Earmarked Reserves	(8,876)		(8,876)	(795)	(232)	(5,442)	(15,347)	82,093	3,903	70,649
Transfers (to)/from Earmarked Reserves	7,876	(16,121)	(8,245)	-	-	-	(8,245)	8,245	-	-
(Increase)/Decrease in 2023/24	(1,000)	(16,121)	(17,121)	(795)	(232)	(5,442)	(23,593)	90,338	3,903	70,649
Balance as at 31 March 2024	(10,500)	(86,012)	(96,512)	(1,425)	(693)	(26,073)	(124,705)	(560,352)	10,115	(674,941)

	General Fund Balance £000	Earmarked Collection Fund Reserves £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Council's Share of Subsidiaries and Joint Ventures £000	Total Group Reserves £000
Balance as at 31 March 2022	(9,500)	(123,041)	(132,541)	(403)	(360)	(20,885)	(154,189)	(202,302)	6,731	(349,761)	(9,500)
MOVEMENT IN RESERVES DURING 2022/23											
Realignment of Trading Period of JV (see Note G4)									298	298	
(Surplus) or deficit on the provision of services	16,910	-	16,910	-	-	-	16,910	-	1,409	18,318	16,910
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	(412,220)	(2,227)	(414,447)	-
Total Comprehensive Income and Expenditure	16,910	-	16,910	-	-	-	16,910	(412,220)	(520)	(395,830)	16,910
Adjustments between accounting basis & funding basis under regulations	37,648	-	37,648	(227)	(101)	254	37,575	(37,575)	-	-	37,648
Net (Increase)/Decrease before transfers to Earmarked Reserves	54,559	-	54,559	(227)	(101)	254	54,485	(449,795)	(520)	(395,830)	54,559
Transfers (to)/from Earmarked Reserves	(54,559)	53,152	(1,407)	-	-	-	(1,407)	1,407	-	-	(54,559)
(Increase)/Decrease in 2022/23	-	53,152	53,152	(227)	(101)	254	53,078	(448,389)	(520)	(395,830)	-
Balance as at 31 March 2023	(9,500)	(69,889)	(79,389)	(630)	(461)	(20,631)	(101,111)	(650,690)	6,211	(745,591)	(9,500)

Group Cash Flow Statement

The Group Cash Flow Statement summarises the cash flows of the Council and its subsidiary during the year.

2022/23 £000	Year Ended 31 March	2023/24 £000
11,709	Net (surplus) or deficit on the provision of services	5,477
(26,358)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(43,638)
52,951	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	42,624
38,302	Net cash flows from Operating Activities	4,463
(39,427)	Investing Activities	4,505
7,881	Financing Activities	(7,126)
(14,321)	Net Cash flows from Advanced Pension Contribution	-
(7,565)	Net (increase) or decrease in cash and cash equivalents	1,841
48,704	Cash and cash equivalents at the beginning of the reporting period	56,270
56,269	Cash & cash equivalents at the end of reporting period	54,429

Explanatory Notes to the Group Accounts

Where figures in the group accounts differ materially from the Council's accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the Council's accounts.

G1. Group Accounting Policies

The Accounting Policies of the Council's subsidiary and Joint Venture companies have been aligned with the Council's Accounting Policies contained in Note 3. Any statutory adjustments between accounting basis and funding basis included in the Council's Accounting Policies do not apply to the subsidiary company or Joint Venture. Notes within the group accounts have not been provided except where there are material differences to those provided in Note 3.

As a subsidiary, Trafford Leisure CIC Limited has been consolidated on a line by line basis with all intra-group transactions and balances removed.

Further information and full financial statements for Trafford Leisure CIC Ltd. can be found through the Companies House website, company registration number 9764023.

As Joint Ventures, Trafford Bruntwood LLP, Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter) have been consolidated using the equity method. The investments are shown under a separate line in the group balance sheet and adjusted by the Council's share (50%) in the joint venture's net asset movement since acquisition. The Council's share of the joint ventures' operating results for the year are included within the Group Comprehensive Income and Expenditure Statement.

Further information and full financial statements for Trafford Bruntwood LLP, company registration number OC421552. Trafford Bruntwood (Stretford Mall) company registration OC427924 and Trafford Bruntwood (Stamford Quarter) company registration OC427930, can be found through the Companies House website.

All three JV's operate on a financial year ending on 30th September which coincides with the reporting period of Bruntwood Development Holdings Limited who have taken the lead role in the preparation of the statutory accounts. Accounting practice dictates that where the accounting period is more than three months before or three months after 31 March, then it will be mandatory for interim statements to be prepared as a basis for the group accounts.

For all three LLP's, the statutory accounts for the year to 30th September 2023 have been combined with the interim management accounts for the period 1st October 2023 to 31st March 2024 to give an 18 month trading period for the Group CIES, with the interim management accounts balance sheet being used for the period ending 31st March 2024.

The assets of Trafford Bruntwood have been valued using a fair value based on an estimated open market valuation, provided by appropriately qualified professionals, using fair value principals. The members valuation panel comprises the following:

- C G Oglesby, Chief Executive, Bruntwood Limited, qualified Chartered Surveyor with over 30 years experience in the property investment industry;
- K J Crotty, Chief Financial Officer, Bruntwood Limited, Chartered Accountant with over 18 years experience in the property investment industry.

G2. Group Defined Benefit Pension Schemes

Transactions Relating to Post-employment Benefits

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and the General Fund Balance through the Group Movement in Reserves Statement during the year: Further details relating to the Council's pension schemes can be found in Notes 36 and 37.

2022/23 £000		2023/24 £000
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT		
Cost of Services:		
	<i>Service Cost comprising:</i>	
39,339	• current service cost	19,044
593	• past service costs	977
-	• (gain)/loss from settlements	29
	<i>Financing and Investment Income and Expenditure:</i>	
6,881	• net interest cost	(4,743)
46,813	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	15,307
-	<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	-
	<i>Re-measurement of the net defined benefit liability comprising:</i>	
8,834	• Return on plan assets (excluding the amount included in the net interest cost)	(22,894)
(8,121)	• Actuarial gains and losses arising on changes in demographic assumptions	(5,622)
(445,516)	• Actuarial gains and losses arising on changes in financial assumptions	(47,507)
67,629	• Other	27,359
(330,361)	Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	(33,357)
	Movement in Reserve Statement	
(46,813)	• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	15,307
	Actual amount charged against the General Fund Balance for pensions in the year:	
757	• employers' contributions payable to scheme	19,077
1,232	• retirement benefits payable to pensioners	1,232

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

2022/2023 £000		2023/24 £000
(849,702)	Present value of the defined benefit obligation	(853,244)
949,378	Fair value of plan assets	1,006,708
	Asset Ceiling Adjustment	(183,285)
99,676	Net Liability arising from defined benefit obligation	(29,821)

Reconciliation of the Movements in the Fair Value of Scheme Assets

2022/23 £000		2023/24 £000
950,952	Opening fair value of scheme assets	949,378
	Effect of Settlements	(1,018)
25,373	Interest income	44,847
	Re-measurement gain/(loss):	
(8,834)	<ul style="list-style-type: none"> • The return on plan assets, excluding the amount included in the net interest expense • Other 	22,894
5,641	Contributions from employer	20,431
5,850	Contributions from employees into the scheme	6,053
(29,622)	Benefits paid	(35,877)
949,360	Closing fair value of scheme assets	1,006,708

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

2022/23 £000		2023/24 £000
1,187,278	Opening present value of scheme liabilities	849,702
39,339	Current service costs	19,044
-	Effect of Settlements	(989)
32,254	Interest costs	40,104
5,850	Contributions from scheme participants	6,053
	Re-measurement (gains) and losses:	
(8,121)	<ul style="list-style-type: none"> Actuarial gains/losses arising from changes in demographic assumptions 	(5,622)
(445,516)	<ul style="list-style-type: none"> Actuarial gains/losses arising from changes in financial assumptions 	(47,507)
67,629	<ul style="list-style-type: none"> Other 	27,359
593	Past service cost	977
(29,622)	Benefits paid	(35,877)
849,684	Closing present value of scheme liabilities	853,244

Pension Scheme Assets

	31 March 2023 £000	31 March 2024 £000
Equities	70%	69%
Bonds	14%	13%
Property	8%	8%
Cash	8%	10%
Total	100%	100%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Council and Trafford Leisure CIC Ltd. have engaged Hymans Robertson LLP, an independent firm of actuaries to assess their respective pension schemes, estimates being based on the latest full valuation of the scheme as at 31 March 2024 for both Trafford Leisure CIC Ltd. and Trafford Council.

The significant assumptions (for Trafford Leisure CIC Ltd.) used by the actuary have been:

2022/23	Trafford Leisure CIC Ltd. - Mortality assumptions:	2023/24
Longevity at 65 for current pensioners:		
16.9 years	• men	16.9 years
23.6 years	• women	23.6 years
Longevity at 65 for future pensioners:		
21.8 years	• men	21.8 years
25.2 years	• women	25.2 years
2.95%	Rate of inflation	3.15%
3.75%	Rate of increase in salaries	3.90%
4.75%	Rate of increase in pensions	2.75%
1.75%	Rate for discounting scheme liabilities	1.75%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period and assumes for each assumption change all other assumptions remain constant.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2020/21.

Trafford Leisure CIC Ltd. - Change in assumptions at 31 March 2024:	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	92
0.1% increase in the salary increase rate	0%	16
0.1% increase in the pension increase rate (CPI)	2%	77

The significant assumptions used to assess the Council's Pension scheme assets and liabilities can be found in Note 37, along with an associated sensitivity analysis.

G3. Surplus/(Deficit) Attributable to Joint Ventures

This figure represents the total surplus/deficit attributable for the three JV's Bruntwood LLP, Stretford Mall and Stamford Quarter. Due to the differing year ends of single entity and group accounts, for the period 2023/24 the statutory accounts as at 30th September 2023 were combined with the management accounts to 31st March 2024 and a 12 month average was used to derive the surplus/deficit values. This method subsequently required a small manual adjustment made to the closing reserves as stated on the management accounts balance sheet as at 31st March 2024 to align to the accumulated reserves to those using the average method.

Due to the materiality of the transactions relating to the revaluations of non-current assets taking place between September 2023 and March 2024, an 18 month trading period has been used for the 2023/24 trading values. This has allowed the closing balance sheets as at 31st March 2024 as stated in the three LLP's management accounts to be used and avoid making significant manual adjustments if the average trading method was used. This will give the reader a more transparent understanding of the actual figures in the reserve balances of the three LLP's as at 31st March 2024.

2022/23 £000	2022/23 Trafford Council Share at 50% £000		2023/24 £000	2023/24 Trafford Council Share at 50% £000
8,343		Turnover	10,341	
(6,042)		Cost of Sales	(7,924)	
2,301		Gross Profit/(Loss)	2,417	
(1,269)		Administrative Expenses	(1,406)	
-		Other Operating Income	985	
1,032	516	Profit/ (Loss) before Taxation	1,996	998
-		Taxation	-	
1,032	516	Profit/ (Loss) for the Period after Taxation	1,996	998
		Other Comprehensive Income		
(646)	(323)	Surplus or Deficit on revaluation of non-current assets	(7,635)	(3,818)
386	193	Total Comprehensive income for the period	(5,639)	(2,820)

G4. Investments in Joint Ventures

2022/23 £000		2023/24 £000
	Investment in Joint Ventures	
11,825	Trafford Bruntwood LLP	10,321
9,178	Trafford Bruntwood (Stretford Mall)	9,177
20,209	Trafford Bruntwood (Stamford Quarter)	24,146
41,212	Total Investment	43,644
(6,167)	Share of Accumulated profit/(loss)	(10,123)
35,045		33,521

Summary balance sheet of Joint Ventures

2022/23 £000		2023/24 £000
74,156	Fixed Assets	79,065
8,710	Current Assets	9,407
(12,459)	Creditors: Amounts falling due within one year	(21,157)
70,407	Net Assets/ (Liabilities)	67,315
	Reserves:	
41,211	Members Capital – Bruntwood Holdings/ K Site	43,780
41,211	Members Capital – Trafford	43,780
(5,485)	Other Reserves (Dividend Distribution)	(6,954)
(11,153)	Other Reserves	(18,820)
4,305	Profit/(Loss) Reserve	5,529
70,089	Total Reserves	67,315

G5. Group Reserves

2022/23 £000		2023/24 £000
	Usable Reserves	
(101,112)	Trafford Council (i)	(124,700)
	Unusable Reserves	
(650,687)	Trafford Council (i)	(580,186)
(751,799)	Sub-Total Trafford Reserves	(704,886)
	Group Reserves	
46	Trafford Leisure CIC	(11)
6,167	Trafford Bruntwood	10,123
6,213	Sub-Total Group Reserves	10,112
(745,586)	Total Reserves	(694,774)

(i) Further detail can be found in the Council's accounts Notes 21 and 22

Glossary

Actuarial Gains and Losses

Over a reporting period, these consist of:

- (A) Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred, including reflection of any funding valuation which has taken place since the last report); and
- (B) The effects of changes in actuarial assumptions (split between financial and demographic).

Better Care Fund

The BCF was announced by the Government in the June 2013 spending round to ensure a transformation in health and social care. The BCF creates a pooled budget between the Council and the Integrated Care Board (ICB).

Capital Financing Charges

The annual charge to the revenue accounts in respect of interest and principal repayments of borrowed money together with leasing rentals.

Capital Financing Requirement

This reflects the Council's underlying need to borrow for a capital purpose. It forms a basis for calculating the minimum revenue provision (MRP), which is the amount required to be set aside as provision to repay debt.

Capital Grants

Grants received towards capital outlay on a particular service or project.

Capital Receipts

Money received from the sale of surplus assets such as land or buildings that is used for new capital expenditure or to repay debt.

Carrying Amount

This equates to the level of principal outstanding on loans and investments together with any accrued interest.

CIPFA/LASAAC

The Chartered Institute of Public Finance and Accountancy/Local Authority (Scotland) Accounts Advisory Committee is the body responsible for preparing, maintaining, developing and issuing the

Code of Practice on Local Authority Accounting for the United Kingdom.

Collection Fund

The Collection Fund records transactions in respect of the council tax, community charge and non-domestic rates receipts and illustrates the way in which these have been distributed.

Community Assets

Non-current assets that an authority intends to hold in perpetuity and have no determinable useful life.

Coupon Rate

The interest rate stated, expressed as a percentage of the principal (face value).

Creditors

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

Current Service Cost (Pensions)

The increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Curtailment

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

Curtailments include:

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

DfE (Department for Education)

This is the Government department responsible primarily for schools. It administers the majority of funding for schools including Dedicated Schools Grant, the major form of financial support.

Debtors

Sums of money due to the Council but which are unpaid at the date of the balance sheet

Deferred Debtors/Deferred Capital Receipts

Corresponding entries relating to sums due at some time in the future, for example from the sale of council houses purchased with the help of mortgages granted by the Council.

Defined Benefit Scheme

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

Defined Contribution Scheme

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

Depreciation/Amortisation

An amount charged to revenue accounts to represent the wearing out of non-current assets.

Direct Service Organisation (DSO)

The in-house team which has won a contract to carry out work, or provide a service following a competitive tendering process.

Discretionary Benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the authority's discretionary powers.

Effective Interest Rate

The rate at which debt charges are applied to the comprehensive income and expenditure statement.

Financial Instruments

The term covers both financial assets and liabilities. The borrowing, service concession arrangements (PFI & finance leases) and

investment transactions are classified as financial instruments.

General Fund

The main revenue account of the Council into which the Council's precept from the Collection Fund and specific Government grants are paid and from which is met the cost of providing services.

Greater Manchester Combined Authority (GMCA)

Created by the Local Government, Economic Development and Construction Act, the Greater Manchester Combined Authority (GMCA) assumed its powers and duties on 1 April 2011. It took over the functions previously the responsibility of the Greater Manchester Integrated Transport Authority (GMITA), which it replaced. It also took over responsibility for transport planning, traffic control and wide loads, assumed responsibility for the transportation resources allocated to the Greater Manchester region and regional economic development functions.

Greater Manchester Waste Disposal Authority (GMWDA)

This is a levying Authority that provides waste disposal strategy, policy and services to nine of the AGMA Councils.

Heritage Assets

Heritage assets are assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical value.

Impairment

A reduction in the recoverable amount of a non-current asset. An impairment charge can be caused by a clear consumption of economic benefits or by a general fall in prices.

Income

Amounts which an authority receives, or expects to receive, from any source. Income includes fees, charges, sales and Government grants. The term "income" implies that the figures concerned relate to amounts due in a financial year irrespective of whether or not money was actually received during that year (i.e. on an accruals basis).

Indemnified

To protect against damage, loss or injury; insure.

Infrastructure Assets

Those non-current assets from which benefit can be obtained only by continued use of the asset created e.g. highways, footpaths and bridges.

Interest Costs (Pensions)

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

Investments (Pension Fund)

The investments of the Pension Fund will be accounted for in the statements of that fund. However authorities (other than town parish and community councils and district councils in Northern Ireland) are also required to disclose, as part of the transitional disclosures relating to benefits, the attributable share of pension scheme assets associated with their underlying obligations.

DLUHC (Department for Levelling Up, Housing and Communities)

This is the Government department which has the main responsibility for Local Government. (Formerly known as MHCLG).

L&Q

Trafford Housing Trust were acquired by L&Q in 2019. THT are now a self-managed subsidiary of L&Q and all previous agreements are unchanged.

NDR

The form of local taxation charged on non-residential premises at a level set by the Government. As part of the grant distribution system (the Business Rates Retention Scheme) business rates are collected and a share retained by the local authority and the balance paid to the local preceptor.

Past Service Cost

The change in present value of the defined benefit obligation for employee service in prior periods resulting from a plan amendment (the defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by the plan).

Precept

The amount levied by one authority which is collected on its behalf by another.

Present value of defined benefit obligation

The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Private Finance Initiative

An agreement with the private sector to design, build and operate facilities specified by an authority in return for an annual payment.

Projected Unit Method

An accrued benefits valuation method in which the scheme liabilities make allowances for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and the accrued benefits for members in service on the valuation date.

Provisions

Sums set aside for losses or liabilities which are certain to arise but cannot be quantified with certainty.

Reserve

Amounts set aside to meet future costs.

Retirement Benefits

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

Revenue Expenditure Funded from Capital under Statute (REFCUS)

Capital expenditure which does not produce a tangible asset (e.g. improvement grants or other expenditure on assets the authority does not own). These are charged directly to revenue in the year expenditure is incurred but are treated as capital for control purposes.

Revenue Contributions

Refers to the financing of capital expenditure directly from revenue in one year rather than from loan or other sources.

Revenue Expenditure

Recurring expenditure on day to day expenses such as employees, running expenses of buildings, equipment and capital financing costs.

Scheme Liabilities

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

Settlement

Occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan, for example, when a lump-sum cash payment is made to, or on behalf of, plan participants in exchange for their rights to receive specified post-employment benefits.

Soft Loan

This is where loan is either given to or received from an external organisation or individual at conditions which are more favourable than market rates.

Stepped Interest Rate Loans

A loan agreement where one rate of interest applies for the primary period of the loan and another rate for the remainder, or secondary period.

Trust Funds

Funds administered by the Council on behalf of others, for purposes such as prizes, charities, specific projects, and on behalf of minors.

Unsupported Borrowing

Borrowing undertaken to finance capital expenditure where the related debt costs are paid for by the authority or from other income.

Vested Rights

In relation to a defined benefit scheme, these are:

- for active members, benefits to which they would unconditionally be entitled on leaving the scheme:

- for deferred pensioners, their preserved benefits:
- for pensioners, pensions to which they are entitled

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Graeme Bentley
Director of Finance and Systems
Trafford Council
Trafford Town Hall, Talbot Road
Stretford, Manchester M32 0TH
Email: Graeme.bentley@trafford.gov.uk
T: 016191243236
www.trafford.gov.uk

28th January 2025

Dear Alastair,

Trafford Metropolitan Borough Council - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Trafford Metropolitan Borough Council the Council and Group for the year ended 31 March 2024. I note that you intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

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

My responsibility for the financial statements and accounting information

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

My responsibility to provide and disclose relevant information

I have provided you with:

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

I confirm as s151 officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

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

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related

information, including minutes of all Council and committee meetings, have been made available to you.

Accounting policies

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

Accounting estimates, including those measured at current and fair value

I confirm that the methods, significant assumptions and the data used by the Council and Group in making the accounting estimates, including those measured at current and fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

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

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

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

There are no contingent gains which should be disclosed.

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

Laws and regulations

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

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

Fraud and error

I acknowledge my responsibility as s151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

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

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

Related party transactions

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

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

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Council and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Council and Group's has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Council and Group's service concession arrangements that you have not been made aware of.

Subsequent events

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

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

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note 8 to the financial statements fairly reflects that assessment

Covid-19

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report and the subsequent events note 8 to the financial statements fairly reflects that assessment.

Brexit

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the disclosure in the Annual Report fairly reflects that assessment.

Going concern

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

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council Group's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Council and Group's financial and operating performance over the period covered by the financial statements.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Graeme Bentley
S151 officer

TRAFFORD COUNCIL

Report to: Executive

Date: 27th January 2025

Report for: Discussion

**Report of: Executive Member for Finance, Change and Governance and the
Director of Finance and Systems**

Report Title:

Budget Monitoring 2024/25 Period 8 (April 2024 to November 2024)

Summary:

The purpose of this report is to inform Members of the 2024/25 projected outturn figures relating to both Revenue and Capital budgets.

It also summarises the projected outturn position for Council Tax and Business Rates.

The report is divided into three parts:

- **Part 1** – Provides at “At a Glance” high level summary of the key aspects of the budget monitoring position.
- **Part 2** – An Executive Narrative of the Projected Outturn and Outlook
- **Part 3** – A list of annexes containing specific detail on the individual directorate positions, capital programme, savings programme and schools’ budgets.

Recommendation(s)

It is recommended that the Executive:

- a) Note the report and the estimated revenue outturn position showing a budget overspend of £2.32m, a favourable movement of £1.24m from Period 6.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.
- c) Note the management actions and mitigating actions as detailed in Paragraph 1.4 to 1.6 of Part 2 in the delivery of a balanced budget and effective financial management.

Contact person for access to background papers and further information:

Name: David Muggeridge, Head of Financial Management

Extension: 4534

Background Papers: None

CORPORATE PRIORITIES AND GOVERNANCE CONSIDERATIONS	
The Best Start for our Children and Young People	Non arising out of this report
Healthy and Independent Lives for Everyone	Non arising out of this report
A Thriving Economy and Homes for All	Non arising out of this report
Address the Climate Crisis	Non arising out of this report
Culture, Sport and Heritage for Everyone	Non arising out of this report
Relationship to GM Policy or Strategy Framework	Expenditure is aligned to meet the priorities with the Corporate Plan which is aligned to the GM policy and strategy where required.
Financial Considerations	It is the responsibility of the Executive to operate within the budgetary framework set by the Council when it agreed the budget for 2024/25 at the Council Meeting on 21 February 2024. Revenue and capital expenditure to be contained within available resources in 2024/25.
Legal Implications:	Non arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable
Socioeconomic duty Implications	Not applicable

PART 1 - At a Glance Executive Summary

This report provides an “At a Glance Executive Summary” which focuses on a high level summary of the estimated outturn. Supporting annexes provide detailed explanations and movements.

At a Glance Sections

- Section 1 - Revenue Service Budget Outturn and Variance
- Section 2 - Revenue Funding General Fund Budget Outturn and Variance
- Section 3 - Collection Fund – Business Rates and Council Tax
- Section 4 - Earmarked Reserve movements
- Section 5 - Delivery of in-year savings programme
- Section 6 - Capital and Asset Investment Programme and Prudential Indicators
- Section 7 - Dedicated Schools Grant Outturn

Total Revenue Budget 2024/25

Approved Revenue Budget

£217.99m

Projected Outturn at Period 8

£2.32m Overspend

Movement since Prior Period

£1.24m Favourable

Section 1- Revenue Service Budget

Revenue Service Budget 2024/25

Approved Revenue Service Budget

£217.99m

Projected Outturn at Period 8

£2.32m Overspend

Comprising of

Overspend on Directorate Budgets

£3.10m

Underspend on Council Wide

£775k

Movement since Prior Period

£1.24m Favourable

Revenue Service Totals	2024/25 Budget £000	Projected Outturn £000	Full Year Variance £000	Change from Prior Period £000
Children's Services	55,833	57,667	1,834	258
Adults & Well Being	59,342	60,273	931	(413)
Public Health	13,690	13,462	(228)	(19)
Place	37,933	38,200	267	(289)
Strategy & Resources	10,783	10,745	(38)	43
Finance & Systems	10,474	10,240	(234)	(111)
Legal & Governance	4,047	4,611	564	228
Total Directorate	192,102	195,198	3,096	(303)
Council-wide budgets	25,888	25,113	(775)	(933)
Total Budget	217,990	220,311	2,321	(1,236)

Directorate Budgets	Variance £000	Movement from Prior Period
Children's placements	2,668	636
Children's placements mitigating action (review of reserves & grant spending reprofiled)	(303)	(303)
Children's Home to School Transport	(198)	(103)
Running costs – S17 payments (Childrens)	249	62
Children's Income	(262)	(11)
Adults' demand	712	178
Adults' demand mitigating action (release of 2023/24 accruals)	(400)	(400)
Adults' running costs	210	(4)
Staffing (Children's, Adults, Public Health)	(1,070)	(392)
Staffing (all other areas)	(1,442)	(167)
General efficiency target	1,009	0
Energy Costs	(176)	23
Planning Income	103	(46)
Building control income	222	1
Use of Homelessness Prevention Grant to partially offset Housing Benefit pressure in Council Wide	(250)	(250)
Legal Fees (caseload demand from Social Care)	473	202
Projected underachievement of savings	1,315	221
Other	236	50
Directorate Budget Sub-Total	3,096	(303)
Council Wide		
Treasury Management	(1,590)	(628)
Housing Benefit	1,523	(80)
Contribution from Housing Benefit Risk Reserve	(403)	0
Pension Strain (Early Ill Health)	500	500
Contribution from Employment Rationalisation Reserve	(500)	(500)
Release of general contingency	(500)	(200)
Council Wide Other	195	(25)
Council Wide Sub-Total	(775)	(933)
Net Service Budgets	2,321	(1,236)

Further details on individual directorate positions are included at **Annex 1**.
A summary of major variances is included in the Executive Summary in **Part 2**.

Section 2 – Revenue Funding Budget – General Fund

Revenue Funding Budget 2024/25

Approved Revenue Funding Budget
Business Rates £84.18m
Council Tax £128.23m
Reserves £5.58m

Outturn at Period 8
Business Rates on budget
Council Tax on budget
Reserves on budget

Total £217.99m

Nil Variance

Movement since prior Period

Nil

The Revenue Funding General Fund Budget comprises of income from Business Rates, Council Tax and Reserves.

The General Fund budgets for Business Rates and Council Tax are fixed at the beginning of the year. In-year income from Business Rates and Council Tax is monitored through the Collection Fund (see next section). Any surplus or deficit on the Collection Fund is either distributed or collected in the following financial year. The Business Rate and Council Tax Risk Reserves are available to smooth the impact if a deficit is forecast.

Section 3 – Collection Fund Business Rates and Council Tax

Business Rates and Council Tax

Total Budget

Business Rates £84.18m

Council Tax £128.23m

Business Rates

Outturn £160k deficit

Council Tax

Outturn £797k surplus

Underlying Outturn Themes

Overall reduction in rates income of £160k due to flagship stores at the Trafford Centre re-entering the rating list with a lower than anticipated rateable value.

A surplus in the Collection Fund due to lower award of rates reliefs, offset by shortfall in Relief Grants in the General Fund.

Underlying Outturn Themes

Tax base surplus £49k

Favourable lower level of Council Tax Support £808k

Adverse pressure from backdated claims £60k

Council Tax

- There is a favourable outturn forecast of £797k of which Trafford's share is £648k (see Annex 4 for a breakdown of Trafford's share).
- There is a favourable variance of £808k in Council Tax Support due to a lower number of claims for awards, however cases are being assessed and this surplus may reduce.
- There is a £60k pressure in anticipated backdated claims (changes in banding appeals etc).

Outlook

- The Council introduced an additional premium for empty homes during the financial year and the Government recently released legislation

regarding amending the categories of properties which will be exempted from the charge from 2025. It is expected for this to reduce the income from long term empty premiums by 50% in 2025/26.

- In addition, following the removal of the winter fuel allowance, the number of claims for Pension Credit is expected to increase, this will subsequently attract Council Tax Support.
- Estimates of the impact of the above changes have been made when forecasting the council tax base for 2025/26, however there is an element of risk which will need to be managed during the year.
- In line with accounting policy, the in-year surplus of £648k will be released in 2025/26, however a figure of £600k will be transferred to the Council Tax Risk Reserve to smooth the possible increased impact of exemptions and pension credit as discussed above.

Business Rates

There has been no change to the overall deficit of £160k since Period 6, however properties previously receiving reliefs have re-entered the rating system reducing grant received in the general fund and increasing gross rates in the collection fund. At Period 8 the deficit consists of a surplus in the collection fund of £3.19m and a deficit in the general fund of £3.35m. The overall shortfall is due to a flagship store at the Trafford Centre re-entering the rating system with a lower than anticipated Rateable Value. Work is ongoing with the VOA to assess if the rateable values impacted by this flagship store need to be reevaluated bringing them back in line with budget.

The use of the Business Rate Risk Reserve will be used to mitigate the impact of the in-year net pressure. The ongoing impact of the lower Rateable Value will be considered during the preparation of the Final Budget for 2025/26.

Outlook – As in previous years, there is a significant risk in forecasting the temporary pressures caused by major refurbishments, changes, and new sites at the Trafford Centre. The Business Rate Risk Reserve will be utilised to smooth any timing issues in the delivery of benefits. Work is ongoing to look at the future health of rateable value and how ongoing developments may impact this.

Section 4 – Earmarked Reserves

Earmarked Reserves

Opening Balance April 2024

£79.90m

Estimated Balance March 2025

£53.12m

Estimated decrease in the year

£26.78m

A detailed review of reserves was undertaken in preparation of the draft 2025/26 budget and a further review will be completed as part of the final 2025/26 budget.

The decrease is largely due to the planned use of Budget Support Reserve, Strategic Investment Reserve, Service Area priorities and planned smoothing of benefits from Business Rates for 2024/25.

Section 5 – Delivery of in-year savings programme

Savings Programme 2024/25

Savings Target

£6.55m

Forecast Savings

£5.23m (80%)

Forecast Outturn Below Target by

£1.32m

Further details in **Annex 2**

There are 24 savings schemes with a savings target of £6.55m. At Period 8 £1.32m (20%) of savings are red rated and £2.70m (36%) amber rated. Those classified as amber rated still require management action to achieve delivery of the saving. Exception reports have been presented to Finance and Change Board but at this point there are still some concerns about the deliverability of the full extent of the savings programme.

Since Period 6 none of the amber rated savings have transitioned into green rated. This raises further concern over the ability to deliver the remaining amber rated savings in full before the end of the financial year.

At this stage a prudent assumption is that approximately £1.32m of the programme is unlikely to be delivered in 2024/25, an adverse movement of £221k; as part of the exception reporting, consideration continues to be focused on what mitigating actions can be implemented.

Period 8 forecasts indicate 7 schemes will fall short of this target by £1.32m (20%):

- Place - Strategic Estates - £211k (positive movement of £1k)
- Adults - Bad debt provision - £50k
- Adults - Reduction in demographic growth budget - £200k
- Adults - Living your best life - £290k
- Adults - Improving Lives Everyday - £140k (adverse movement of £140k)
- Adults - Reablement review - £200k
- Adults - Carer resilience - £224k (adverse movement of £82k)

Section 6 – Capital Programme

Capital Programme 2024/2027

Capital Programme 2024/27 at P6

Capital Programme 2024/27 at P8

£193.62m

£199.49m

Increase in 2024/27 programme

£5.87m

Schemes and change to the programme include

- City Region Sustainable Transport Settlement funding for Carrington Complimentary Active Travel Measures of £1.02m
- Public Realm works in Altrincham Town Centre funded from a contribution from United Utilities of £165k.
- The inclusion of the Longford Park scheme funded through the Heritage Lottery Funding (HFL) of £4.39m and various other sources.
- Sports England contribution towards works on the Leisure estate of £300k

2024/25 Performance to Date and Funding

	2024/25 P8 Revised Budget £m	2024/25 P8 Actuals £m	Performance Against Budget
Children's Services	10.99	4.88	40.46%
Adult Social Care	3.76	2.66	71.17%
Place	52.01	23.34	44.87%
Governance and Community	0.11	0.01	9.09%
Finance & Systems	3.03	1.43	46.96%
General Programme Total	69.90	32.32	46.24%
Grants	42.16		
External Contributions	5.24		
Revenue and Reserves	1.75		
Prudential Borrowing	11.82		
Forecast Capital Receipts	1.71		
Available Funding	62.68		
Shortfall In Current Year Funding	(7.22)		
Previous Years Deficit	(2.33)		
Cumulative Funding Deficit	(9.55)		

Specific Scheme Update

- The Longford Park scheme has now been formally included in the programme. This is supported by funding from the National Lottery Heritage and a number of other different sources some of which have not been formally secured. There is an element of funding for which sources have not yet been identified and as such the scheme carries a risk. If all funding is not realised there will be an impact on the availability of resources to support the Capital Programme.
- A contractor for Altrincham College has now been procured to replace the previous one that had gone into administration. Work is being undertaken to look at how the scheme can be delivered within original time scales and budget.

General Programme Update

There is an in-year forecast funding shortfall of £7.22m as a result of capital receipts not being realised within original timescales or at the level previously assumed. This shortfall will need to be met by short-term borrowing, which will be repaid by receipts in future years. At this level there is an associated revenue cost to the borrowing of c.£380k per annum until receipts are realised. This cost in 2024/25 has been absorbed within the Treasury Management budget.

Prudential Indicators

Currently the Council is operating within the approved boundaries agreed by Council in February 2024, with further details on the specific Prudential indicators within Annex 3.

Section 7 – Schools Related Expenditure

Dedicated Schools Grant

Schools, Central and Early Years Blocks - Forecast Underspend £306k
High Needs Block - Forecast Overspend £10.78m

Total Outturn
£10.48m adverse

DSG Reserve

Combined Deficit brought forward April 2024 overdrawn £9.72m
Of which High Needs overdrawn £11.16m
Estimated combined deficit at year end £20.20m
Of which High Needs overdrawn £21.95m

Details in **Annex 1**

Schools Related Expenditure (Dedicated Schools Grant is a separate ring-fenced account and not part of general outturn detailed above) – There is a net in year overspend across all four grant blocks of £10.48m. An overspend of £10.78m in the High Needs Block has been offset by an underspend of £306k on the remaining blocks.

The overspend in 2024/25 will result in a year end accumulated DSG deficit of £20.20m, consisting of a High Needs deficit of £21.95m, offset by a surplus on other blocks of £1.75m.

It is expected that LA's balance their in-year spending by 2025/26, however Trafford will not be able to do that. In addition, it is not sustainable for the Council to carry the deficit as it is having significant impact on the Council's cash flow. It is estimated to cost the Council £1m in lost interest/additional borrowing costs.

The statutory override for the accumulated DSG ends from 1st April 2026, which means that if this is not extended, the deficit will transfer back to the Council's total General Fund Earmarked Reserves. This situation cannot go unresolved and positive action is needed to provide a solution to this growing national problem.

Work continues to take place on the DSG deficit management plan with proposals and options being discussed with the DfE. Work continues with the High Needs sub-group on a range of mitigations.

PART 2 – Executive Narrative Summary of Estimated Outturn and Outlook

Revenue Outturn Summary

1. There is a net projected outturn overspend of £2.32m for the year, a favourable variance of £1.24m from Period 6.

1.1. Although there is a favourable variance of £1.24m from Period 6, there are a number of significant underlying adverse pressures, the key movements include:

- **Children’s placements £2.67m adverse - £636k adverse movement.** Mitigating action has been identified following a review of reserves and grant spending reprofiled meaning the net adverse movement is £333k.
- **Adults demand £712k adverse - £178k adverse movement.** Mitigating action has been identified whereby £400k 2023/24 accruals have been released, resulting in a net £222k favourable movement.
- **Under-achievement of savings £1.32m adverse - £221k of adverse movement** from adult’s savings.
- **Housing Benefit - £1.52m adverse – favourable movement of £80k –** adverse pressure is due to increase in B&B and Temporary Accommodation costs. Pressure has been mitigated in year by £403k use of reserves and £250k use of Homeless Prevention Grant.
- **Legal cases - £473k adverse - £252k adverse movement** due to increase in caseloads from Social Care.

Recurrent pressures have been offset by

- **Treasury Management - £1.6m favourable - £628k favourable movement** as a result of a continuing high interest environment and surplus cash has been invested from recouping investment loans early.
- **Staffing - £2.5m favourable - £559k favourable movement** as a result of the vacancy management controls and difficulties in recruitment.

1.2. This monitor can be used with more certainty of the potential final outturn and to give a direction of travel. In addition, it can highlight any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. It is therefore important that any patterns of recurrent pressure are carefully considered alongside the final plans for 2025/26.

1.3. The draft budget for 2025/26 included additional growth of £3.0m to reflect some of the recurrent pressures identified during the Period 4 monitor. It is appropriate for additional resource to be considered in our plans for the final 2025/26 budget in the following areas :-

- **Children’s Placements** – an additional £1.0m added to accommodate further pressures associated in this area.

- **Adults Placements** – an additional £700k added to accommodate demand pressures in adults' placements.
- **Service Pressures** – an additional £500k added for other risks including a further increase in legal costs, staffing arrangement associated with Deprivation of Liberties and assumptions in reductions in energy prices.

The final budget will be considered by the Executive in February 2025 and will reflect any further changes to assumptions.

- 1.4. Following the period 6 report the council's Corporate Leadership Team identified a number of mitigating actions which have been reviewed at the Finance and Change Board. These actions have contributed to reducing the projected outturn by £953k which includes the use of reserves and reprofiling of grant spending in children's services of £303k, capitalisation of specific interest costs associated with capital projects of £400k and reprofiling of Homelessness Prevention Grant £250k.
- 1.5. It is important that the remaining in-year position continues to be managed downwards and it is imperative that further mitigating action is identified to avoid what would be an unplanned use of reserves of £2.32m. The current management action, which includes a policy on vacancy management and restrictions on all non-essential spend, undoubtedly has had a positive effect in managing services within the budget. The fact that an adverse outturn is forecast in 2024/25 and there is a substantial budget gap faced over the medium term would indicate that these policies should remain in place for the foreseeable future.
- 1.6. The recommended management actions are as follows:
 - The current management action, which included a policy on vacancy management and restrictions on all non-essential spend will remain in place for the foreseeable future.
 - Significant staffing underspends have been evident in the last two financial years and the vacancy factor/general budget efficiency factor was increased to reflect this. As the staffing vacancies are filled, attention needs to be paid on the adverse impact this has on the delivery of the wider vacancy factor.
 - As part of the work being undertaken by the Finance and Change Board in the preparation of the 2025/26 budget, to identify if any savings plans which can be brought forward to the current financial year.
 - To continue to provide additional focus and challenge on recurrent pressures within demand led budgets, such as Children placements and Home to School Transport. This will include a review of alternative delivery models.
- 1.1. In addition to the above, the Council's Corporate Leadership Team will continue to identify further mitigating actions that will be reviewed at the Finance and Change Board. Also, the Finance & Change Board will continue to monitor the delivery of the in-year savings programme closely, including identification of further mitigations to offset the non-delivery of savings.

Recommendations

It is recommended that the Executive:

- a) Note the report and the estimated revenue outturn position showing a budget overspend of £2.32m.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.
- c) Note the management actions and mitigating actions as detailed in Paragraph 1.4 to 1.6 of Part 2 in the delivery of a balanced budget and effective financial management.

Other Options

No Applicable.

Consultation

Not Applicable

Reasons for Recommendation

To inform Members of the 2024/25 projected outturn figures relating to both Revenue and Capital budgets and summarise the projected outturn position for Council Tax and Business Rates.

Key Decision: No

Finance Officer ClearanceGB/DM.....

Legal Officer ClearanceEM.....

DIRECTOR'S SIGNATURE 

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

PART 3 - Annexes

Main variances, changes to budget assumptions and key risks

The main variances contributing to the projected overspend of £2.32m, any changes to budget assumptions and associated key risks are highlighted below:

Directorate	Forecast variance £000	Explanation/Risks
Children's Services	1,834	<p>Projected outturn variance £1.834m adverse, adverse movement of £0.258m from period 6.</p> <p>Below is the projected position on children's placements and other budget areas:</p> <ul style="list-style-type: none"> • £1.994m over budget on children's placements (note 1) • £300k under budget on staffing (note 2) • £198k under budget on home to school transport (note 3) • £337k over budget on other running costs and income across the service (note 4) <p>Note 1 Children's placements are expected to overspend by £1.994m. This is an adverse movement of £0.373m. The reasons for this variance are as follows:</p> <p>Pressures from:</p> <ul style="list-style-type: none"> • £275k new placements • £70k new step-up • £87k step-down delayed • £355k move from another placement type • £227k increase in prices <p>Offset by:</p> <ul style="list-style-type: none"> • £(268)k step downs, moves taking place, children leaving care • £(70)k use of contingency – this leaves a contingency for new placements of £141k • £(303)k mitigating actions following a review of reserves and grant spending reprofiled <p>Each placement is reviewed monthly at a High Cost Placement Clinic to ensure that expected savings will be made, RAG ratings are reviewed and reflected in the monitoring position. The £500k saving from the savings programme has been met.</p> <p>The numbers of children as at the end of November compared to those at the end of September are as follows:</p>

- children in care 353, a decrease of 1
- child protection 185, a decrease of 13
- children in need 600, a decrease of 2

Note 2

The underspend on staffing is £300k, this is an adverse movement of £12k from Period 6. The underspend is due to the delay in recruitment to the Family Help (Early Help) restructure, slippage on recruitment to posts being filled in Provider Services, the Children's Admin Team and Vulnerable Adolescent Services, and recruitment to vacant posts being on hold in Cared for and Care Experienced Service due to an impending restructure.

Note 3

The projected underspend on Home to School Transport is £198k. This is a favourable variance of £103k from P6 due to the use of new software which has worked to make runs more efficient at 2 of our in borough special schools and a reduction in the previous forecast of the cost of casual staff covering absences.

Note 4

The overspend in running costs and income across the service is £337k, a favourable variance of £25k from P6 as outlined below:

- £21k underspend on Partington & Sanyu nurseries, a favourable variance of £36k from P6 as a result of the new funding that was introduced in 2024/25 for disadvantaged children and new working parent entitlement for 2 year olds;
- £620k overspend in running costs, an adverse movement of £22k due to:
 - S17 costs £249k overspend, an adverse movement of £62k since P6 due to additional spend identified within the Complex Needs team for ongoing support, Parent/Child residential in pre-proceeding costs and an increase in transport costs in the Cared4 Teams. The reasons for the overspend are:
 - Payments required for support at home to prevent entry in to care;
 - Accommodation costs for 2 families with no recourse to public funds; and
 - Support worker costs for a young person with complex mental health needs whilst in hospital.
 - Other costs £371k overspend, a favourable movement of £40k since P6 – this is due to placements required for 2 young people on remand being placed in the community and an increase in legal/expert costs. The favourable movement is due to underspends on training and marketing budgets within the Fostering Service.

		<ul style="list-style-type: none">• £262k favourable variance on income, a favourable movement of £11k.
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<p>Adult's & Well Being</p>	<p>931</p>	<p>Projected outturn variance £931k adverse a favourable movement of £413k from period 6.</p> <p>Below is the projected position on adult clients and other budget areas.</p> <ul style="list-style-type: none"> • £1.366m adverse variance on Adults Clients no movement from period 6 (note 1). • £435k favourable variance on staffing and running costs a favourable movement of £413k from period 6 (note 2). <p><u>Note 1</u> Adults Clients £1.366m adverse variation.</p> <p>This budget remains high in complexity and volatility as it is in part driven by wider system pressures in health (including across Greater Manchester ICB) in addition to direct adult social care demands:</p> <p>Although the P8 position shows no movement from P6 it is imperative that underlying pressures are understood. The budget is coming under increasing pressure from several sources that are certain to have an impact on the 25/26 and future years budgets. The significant pressure items are as follows: -</p> <ul style="list-style-type: none"> • 4 Young Adults transitioning into Adult Social Care with high placement costs • Reduction in the number of clients in receipt of Continuing Health Care funding. • Increase In young adults presenting with complex Mental Health needs. • Continuous difficulty in sourcing bed-based care in borough at affordable prices. <p>Without mitigation the P8 position outlines an adverse variance of £1.766m consisting of £712k pressures in packages of care and £1.054m of unachieved adult's clients related savings, an adverse movement of £400k from P6. After applying the mitigation of £400k explained below the position remains unchanged as a £1.366m adverse variance.</p> <p>Packages of Care – The projected outturn position is a £712k adverse variance an adverse movement of £178k from period 6, within this projection is a contingency of £212k to mitigate rising costs because of increasing complexity of existing clients and demand from new clients.</p>
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As part of mitigating action, a review of prior year accruals related to packages of care has taken place and a figure of £400k has been released.

Savings – The savings target for 24/25 is £1.714m and it is anticipated that only £660k, an adverse movement of £222k from Period 6, of this target will be achieved in this financial year resulting in an in-year budget pressure of £1.054m. The projected savings to be achieved are significantly less than originally anticipated due to delays in the implementation of the projects linked to the targets and due to lower than anticipated benefits arising from workstreams.

The impact of the projected underachievement of savings on the 25/26 budget is currently being assessed and any recurring budget pressures will need to be included in the MTFP in preparation for final budget proposals in February.

Note 2

The projected outturn position for staffing and running costs is a £435k favourable variance. The breakdown of the variance is as follows:

- £290k adverse variance in the DOLS service due to increasing demand for external Best Interest Assessments.
- £695k favourable variance due to vacancy savings attributable to recruitment and retention difficulties and due to several teams across the service holding vacancies until the new financial year.
- £80k favourable variance on running costs.
- £50k adverse variance due to projected underachievement of other savings relating to the Adult Social Care bad debt provision.

Included within the above position is £294k one off funding from Homes for Ukraine.

Risks/Issues

Continuing Healthcare

Adult Social Care is experiencing a significant increase in individuals requiring financial support for care packages who were previously deemed eligible for Continuing Health Care funding from the NHS. The 24/25 financial impact on the Council is being assessed along with the impact upon the Council's 25/26 and future years budget assumptions.

This issue is affecting Local Authorities nationwide and regional responses are being collated to Integrated Care Boards.

Learning Disability Pooled Fund

		<p>NHS Greater Manchester integrated Care Board are reviewing their current expenditure budgets including the LD pooled fund any reduction in this would represent a budget pressure for the Council.</p> <p><u>Intermediate Care</u> The consultancy review referenced in previous monitoring reports has now been concluded and the findings report is in the process of being finalised.</p>
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Public Health	(228)	Public Health is forecasting a £228k favourable variance as at period 8 a favourable movement of £19k from period 6. This is due to projected expenditure on staffing below budget of £75k and £153k favourable variance on running costs including several activity-based budgets.
Place	267	<p>Total forecast outturn variance £267k adverse, a favourable movement of £289k.</p> <ul style="list-style-type: none"> • There are projected shortfalls in income of £277k in Parking Services (due to the now open Regent Road car park being later than expected) (increased by £34k), and £222k Building Control (increased by £1k). Public Protection income is also £43k below budget (unchanged). • The Planning service is a ringfenced account and has a shortfall in income of £103k, which is offset by an underspend of £63k in staffing, running costs and reserve contributions. This is a forecast net overspend of £40k for the year (reduced by £28k). • Property costs are £169k above budget which includes for ongoing security at Trafford Town Hall and Sale Waterside (reduced by £10k). The timeframe for introducing enforcement of moving traffic offences has taken longer than originally anticipated leading to a forecast budget pressure of £175k this year. Sport and leisure contracts and business rates are £35k above budget (unchanged). Other running costs are £17k underspent (unchanged). • Estates savings have been rephased across the next two years with an anticipated shortfall of £211k this year (reduced by £1k). Work is ongoing to mitigate this pressure, such as from a number of ongoing business rate appeals. • Review of the use of Housing service grants and associated interventions work has enabled £250k to be utilised against the budgeted pressure from temporary accommodation costs reported in the Council-wide budgets. • Property energy costs are forecast to be £76k below budget (reduced by £23k) and there is forecast underspend of £100k in street lighting energy (unchanged). The underspends reflect the ongoing success of the revised purchasing strategy adopted from April last year. There are also the continuing effects of energy saving measures to reduce consumption. • There is additional projected income above budget for Altair £120k, airport rent £98k, other let estate £37k (increased by 7k) and outdoor media advertising £67k (increased by £14k). • Staff vacancies for the year are currently estimated at £486k (excluding the ringfenced Planning account) (increased by

		<p>£37k) which is approximately 4.8% of the staffing budget. This is offset by the Directorate-wide efficiency saving of £346k.</p> <ul style="list-style-type: none"> • Other minor favourable variances £34k <p>Strategic Investment Programme – nil variance (unchanged).</p> <p>The investments made through the Council’s Asset Investment Strategy are forecast to generate a net benefit to the revenue budget in 2024/25 of £4.72m, which is a shortfall of £1.32m against the targeted net income of £6.04m. This deficit is mainly attributable to the early repayment of the debt facility at Sunlight House, which had been expected to provide £0.72m of net income in year. This facility was repaid early, and in full, after the borrower’s option to do so was exercised. To offset this deficit, the Council will make reduced contributions to its Risk Reserve, which will increase the net income to the £6.04m target.</p>
Strategy & Resources	(38)	<p>Total forecast outturn variance £(38)k favourable, an adverse movement of £43k.</p> <ul style="list-style-type: none"> • Staff costs are estimated to be £482k less than budget across the Directorate based on actual and forecast vacancies across the whole year (increased by £21k), which is 4.8% of the total staffing budget. • Running costs are forecast to be £53k overspent (reduced by £2k). • Income is projected to be £23k above budget (reduced by £66k). This mainly relates to trading services and includes net £87k Bereavement Services (increased by £18k), and £38k from the Music Service (increased by £4k), offset by a shortfall of £86k in Catering and Cleaning (£60k adverse movement) and £38k Waterside Arts Centre (increased by £21k). Other income is £22k above budget including from libraries and Flixton House (£7k adverse movement). <p>These are offset by the budgeted Directorate-wide efficiency saving target of £414k.</p>
Finance & Systems	(234)	<p>Total forecast outturn variance £(234)k favourable, a favourable movement of £(111)k.</p> <ul style="list-style-type: none"> • Staff costs are estimated to be £546k less than budget across the Directorate based on actual and forecast vacancies for the whole year (increased by £75k), which is 5.3% of the total staffing budget. • Running costs are forecast to be overspent by £36k which includes additional ICT software costs in Exchequer

		<p>Services (adverse movement of £37k following a review of these contracts).</p> <ul style="list-style-type: none"> Income is projected to be £27k below budget. This is an adverse movement of £9k and includes reduced estimated levels of grants in Exchequer Services. <p>These are offset by the budgeted Directorate-wide efficiency saving target of £249k.</p>
Legal and Governance	564	<p>Total forecast outturn variance £564k adverse, adverse movement of £336k.</p> <ul style="list-style-type: none"> Staff costs are estimated to be £72k above budget (adverse movement of £48k) and includes for agency costs covering vacancies and service demand. Running costs are projected to be overspent by £473k, which has increased by £202k. This relates to additional legal fees, particularly relating to caseload demand from social care. There is a projected shortfall in income of £19k compared to budget (reduced by £22k). This includes £62k in land charges (reduced by £19k) and £22k in capital fee income which is related to staff vacancies. This is offset by SLA and other income of £13k above budget assumptions (reduced by £7k) and £52k from Registration Services (£10k increase).
Council-wide	(775)	<p>Projected Outturn variance, £775k favourable, a favourable movement of £933k since Period 6.</p> <p>Treasury Management, £1.59m favourable</p> <p>Due to the continuing high interest rate environment, the Council has managed to invest its surplus cash balances to generate additional investment income. In addition through the management of its surplus cash we have also delayed the need to borrow which has saved on borrowing costs. Part of this saving is due to a higher cash position as a result of loans provided through the Council's Asset Investment Strategy being repaid early. To recognise these shortfalls in income in the AIP programme and ongoing risk associated with early repayment, £500k will be set aside in the Asset Investment Strategy Risk Reserve.</p> <p>A further £400k of interest payments have been capitalised in 2024/25 related to the capital programme.</p> <p>A contribution is being made to the interest rate smoothing reserve of £400k in year to offset the short-term financing pressure that will be present in the 2025/26 Capital Programme due to the delayed timing of funding sources.</p>

The net outturn projection is £1.59m under budget, which is a £628k favourable movement from that reported at Period 6.

Housing Benefit, £1.12m adverse

The pressure within the Housing Benefit Subsidy budget is significantly higher than budgeted. This is largely as a result of the continuing and increasing costs of B&B accommodation and Temporary Accommodation. Rents paid are significantly higher than the housing subsidy received by the authority which is based on the Government's Local Housing Allowance (LHA) rate fixed at the 2011 rate. The principle behind the model is to encourage authorities to limit the use of B&B/Temporary Accommodation and place claimants in permanent housing as soon as practical. However, due to an increase in volumes and rent levels, and a shortage of suitable accommodation, the length of stay of such claims has increased compared to previous years.

A temporary accommodation strategy had been developed which looked at opportunities to source cheaper accommodation either through leasing, direct property acquisition using prudential borrowing and by utilising external funding, for example the Local Authority Housing Fund.

In terms of the overall projected outturn the net cost (payments made, less subsidy and overpayment recovery) is estimated to be £1.52m. After using the remaining Housing Benefit Risk Reserve of £403k this overspend reduces to £1.12m. a £80k favourable movement from Period 6.

Coroner's Budget, £145k adverse

The projected cost of Trafford's share of the South Manchester Coroners' service is currently expected to be £145k higher than budget, no change since period 6. This includes a projected one-off cost to Trafford of £77k relating to the planned refurbishment of the Coroner's building in Stockport later this financial year.

Pension Strain – Early Ill-health Retirement

The Council has a provision with Greater Manchester Pension Fund for when pensions are accessed early e.g., in cases of ill health. Since Period 6 there has been an increase in the number of cases which has resulted in a £607k pressure, where one case alone has cost c£500k. To offset a significant proportion of this pressure £500k will be drawn down from the Employment Rationalisation Reserve. The remaining £107k will be funded from contingency.

Contingency, £500k released

The Council holds a contingency of £1.2m an increase of £60k since Period 6 following a minor adjusted related to resource set aside for the 2024/25 pay award. There are a number of

		<p>commitments totaling £643k and £500k has been released to support the in-year pressure (a further £200k from Period 6). A balance of £67k remains unallocated.</p> <p>Other, £50k adverse</p> <p>Other minor net variances of £50k, a favourable movement of £25k since period 6.</p>
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Dedicated Schools Budget	10,475	Projected Outturn variance - £10.48m adverse.			
		P8 monitoring	Grant £000	Forecast outturn £000	P8 Variance £000
		Schools Block	215,423	215,189	(234)
		Central Schools Services Block	1,522	1,449	(72)
		High Needs Block	42,570	53,351	10,782
		Early Years Block	29,713	29,713	0
		TOTAL DSG	289,228	299,703	10,475
<p>The DSG allocation has been reduced by £161k since P6 due to:</p> <ul style="list-style-type: none"> • A reduction to the 2 year old entitlement for working parents Early Years allocation; and • A reduction to the High Needs Block due to an import/export adjustment (this is an adjustment in funding to reflect the movement of high needs pupils and students between local authority areas, where they live in one authority area and attend school or college in another). <p>The DSG is expected to overspend by £10.475m, this is an adverse movement of £106k from P6.</p> <p>The Schools Block is expected to underspend by £234k, no variance from P6.</p> <p>The Central School Services Block (CSSB) is expected to underspend by £72k, this is a favourable movement of £3k from P6.</p> <p>The High Needs Block is expected to overspend on the budget set by £419k however, the budget set was £10.363m more than the grant allocation received, therefore the in-year overspend is £10.782m, an adverse movement of £108k.</p> <p>The variances to budget are as follows:</p> <ul style="list-style-type: none"> • Education Health Care Plans (EHCPs) £472k overspend an adverse variance of £13k. 					

- Small Specialist Classes £220k underspend. This is an adverse movement from P6 of £12k due to additional places being funded at Wellington High School.
- Behaviour and Attendance & other central SEN budgets £141k under spend, favourable variance of £5k.
- Special Schools - £161k overspend, adverse variance of £88k from P6. This is due to additional places being funded at Brentwood (6 costing £35k) and The Orchards (5 costing £29k) from September and the corresponding additional top-up costs, offset by a reduction of 3 places at Longford Park PRU.
- Further education placements (Trafford College) - £146k overspend due to more places being funded for out of borough pupils than we have received in the import/export adjustment – this is lagged and if the additional 50 pupils are there in the new academic year from September, the funding will be received next financial year.

There is a brough forward negative high needs block reserve of £11.164m, leaving an overall deficit of £21.987m at year end.

DSG Reserve	1 April 2024 £000	P8 Forecast outturn £000	31 March 2025 Projection £000
Schools Block (SB)	(1,045)	(234)	(1,279)
Central Schools Services Block (CSSB)	(400)	(72)	(472)
High Needs Block (HNB)	11,164	10,782	21,946
Early Years Block (EYB)	1	0	1
TOTAL DSG Reserve (surplus)/deficit	9,720	10,475	20,195

The annual cost to the Council of servicing this debt is approximately £1.0m.

There is the risk that the number of EHCPs will continue to grow and dependence on costly out of borough places will increase as

		<p>capacity in borough is not sufficient, which will impact on our ability to reduce the deficit.</p> <p>The mitigations that have been identified as part of our Deficit Management Plan to address these risks are as follows:</p> <ul style="list-style-type: none">• Develop support in schools through the Local Authority SEND Inclusion Service which is made up of Educational Psychology Service (EPS), SEN Advisory Service (SENAS) and Sensory Impairment Support Service (TSISS);• prioritise inclusive practice in Trafford to reduce the demand for EHCPs and build parental confidence through the development of high quality training, self-evaluation materials and an evidence-based design process;• review the effectiveness of existing LA commissioned contracts, develop a SEND Commissioning strategy that is overseen through a joint commissioning steering group, ensure strong connectivity with the integrated care board;• roll out the Graduated Approach to SEND across EY settings and schools aimed at the early identification of children’s needs and delivery of appropriate support to manage demand for EHCPs;• ensure the staffing structure for SEND casework is appropriate;• ensure robust sufficiency & placement planning through the use of the High Needs Capital Provision allocation to provide places in both primary and secondary settings in the future. <p>The F40 Group (of which Trafford is a member) works on behalf of the 43 lowest funded Authorities to highlight education funding issues and lobby government on their behalf. They recently held a webinar entitled The Crisis in SEND; The Path to Reform and Investment, you can watch the webinar here:</p> <p>https://youtu.be/LC9mQ87lpCs</p>
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Theme/Title	Service Area	Budget 2024/25 £000's	Outturn Projection 2024/25 £000's	Gross Variance 2024/25 P8 £000's	Mitigating action undertaken in year £000's	Overall net variance in year after mitigating action £000's	Description of Saving	Financial RAG 24/25	Financial RAG 25/26	Financial RAG comments
Children Placements	Children's	(500)	(500)	0	0	0	Continuation of demand management approaches and review of placements for looked after children	GREEN	AMBER	Although the saving is expected to be achieved in 24/25, it will be difficult to continue to make further savings from this budget in future years.
Children's Services – Investing in our Children – Family Help Savings Proposal	Children's	(50)	(50)	0	0	0	Continuation of the service redesign	GREEN	AMBER	The payment of this grant depends on meeting clear performance measures against 10 outcomes and 34 criteria being implemented alongside regression checks. Grant funding for future years is reliant on the achievement of outcomes and is therefore not guaranteed. Rigorous monitoring against the measures is in place.

Re-shaping of Directorate Management Team	Children's	(104)	(104)	0	0	0	Review of Directorate Management Team structure	GREEN		Saving has been identified - no saving in 25/26
Youth Engagement Service/Youth Justice	Children's	(97)	(97)	0	0	0	Complete a review of the service as part of the service re-design programme	GREEN		Saving has been identified - no saving in 25/26
Sub-Total Children's		(751)	(751)	0	0	0				
Weight Management	Adults	(28)	(28)	0		0	Reduce the prevalence of community obesity and thereby reduce long-term health conditions that result and the support required.	AMBER	AMBER	There are no concerns on the achievement of this saving, it will be achieved across the financial year.
Bad debt provision - Adults Social Care	Adults	(50)	0	50		50	Review level of contribution to bad debt provision	RED	AMBER	The achievement of this saving is dependant upon the level of ASC debt at the end of the financial year. An in year review has identified it is highly unlikely this saving will not be met due to a significant

										increase in the level of debt.
Reduction in demographic growth budget	Adults	(200)	0	200		200	Reduction in demographic growth budget	RED	AMBER	The achievement of this saving is contingent on achieving a minimum of break even outturn position on the Adults clients budget. The position is currently reporting an overspend position therefore it is not expected that this will be achieved.
Living Your Best Life	Adults	(300)	(10)	290		290	Transformation of services for people with a learning disability and people with Autism with strengthened links to transitions.	AMBER	AMBER	Minimal savings have been achieved to date however there is a dependence on the Community Learning Disability team to carry out assessments of client needs in order to facilitate step downs. It is very likely the remaining saving will not be met owing to a delay in the transfer of support to commissioned provision for one scheme and challenges in finding alternative solutions for two further schemes.

Improving Lives Everyday	Adults	(250)	(110)	140		140	Review of low cost care packages	AMBER	AMBER	This project has seen delays in implementation but has now commenced.
Reablement Review	Adults	(600)	(400)	200		200	Review of externally commissioned reablement services.	AMBER	AMBER	Data shows that there has been an improvement in performance in this area however this needs to remain constant throughout the financial year in order to achieve the outcomes required to reach the savings target.
Carer Resilience	Adults	(336)	(112)	224		224	The project proposes the developing of an intensive evidence-based model of support for carers of people with dementia, in order to improve the experience of being carer for someone with dementia and delay residential care	AMBER	AMBER	This project requires management action throughout the financial year.
Sub-Total Adults		(1,764)	(660)	1,104	0	1,104				

Strategic Investment Income	Place	(370)	(370)	0		0	Investment Programme - Recycling of receipts to maintain net income at achievable levels	AMBER	AMBER	Savings were delivered in 2023/24. Programme remains at risk in 24/25 given the wider economic uncertainty.
Review of operational and strategic estates	Place	(390)	(179)	211		211	Efficiency review of operational estate and lease/rent reviews to ensure full cost recovery across the Council's estate	AMBER	AMBER	Some savings have been re-profiled to 2025/26. There is potential to reduce the shortfall in 24/25 from other measures such as business rate appeals.
Sale Water Park	Place	(10)	(10)	0		0	Review service provision and cost recovery	GREEN	GREEN	
Investment Income	Place	(450)	(450)	0		0	Dividend income from LLP with Bruntwood (Lumina)	GREEN	AMBER	Will be achieved in 24/25. 25/26 will depend on the ongoing commercial performance.
Waste Reserves	Place	(500)	(500)	0		0	Review of Waste reserves	GREEN	GREEN	
Amey 7 year review	Place	(100)	(100)	0		0	Income generated through contract	GREEN	GREEN	

							changes following the Amey 7 year review			
Sub-Total Place		(1,820)	(1,609)	211	0	211				
Traded Services - Star	Finance & Systems	(50)	(50)	0		0	Traded Services income - increase in contributions to offset pay and cost inflation.	GREEN	GREEN	
Sub-Total Finance & Systems		(50)	(50)	0	0	0				
Traded Services - Catering & Cleaning	Strategy & Resources	(498)	(498)	0		0	Review Traded Services income - increase in charges to offset pay and cost inflation.	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such as inflation and trading performance
Review of Sale Waterside Arts Centre	Strategy & Resources	(75)	(75)	0		0	Improve effective use of asset and business development	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such as inflation and trading performance
Review Music Service	Strategy & Resources	(187)	(187)	0		0	Continue to remove the remaining Corporate overhead	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such

							subsidy and continue with expansion of offer with a view to broadening reach			as inflation and trading performance
Sub-Total Strategy & Resources		(760)	(760)	0	0	0				
Smart Working	All	(400)	(400)				To be achieved by a combination of measures associated with smart working	AMBER	AMBER	The majority of the saving will be from the management vacancy pause. It is assumed the saving will be made in full
Release of Treasury Smoothing Reserve	All	(500)	(500)				Release of Treasury Smoothing Reserve	GREEN	GREEN	Saving met from the release of smoothing reserve
Reduction in central contingency	All	(500)	(500)				Reduction in central contingency	GREEN	GREEN	Sufficient capacity within the central contingency to meet this saving in full
Sub-Total Council Wide		(1,400)	(1,400)	0	0	0				
TOTAL SAVINGS AND INCOME PROPOSALS		(6,545)	(5,230)	1,315	0	1,315				

Approved Budget

1. The overall value of the indicative capital programme for 2024/25 to 2026/27 capital programme was restated in the P6 monitor to £193.62m the position has changed further to £199.49m, an increase of £5.87m, which relates to additional funding within the programme.
 - CRSTS funding for Carrington Complimentary Active Travel Measures of £1.02m
 - Public Realm works in Altrincham Town Centre funded from a contribution from United Utilities of £165k.
 - The inclusion of the Longford Park scheme funded through the Heritage Lottery Funding (HFL) of £4.39m and various other sources.
 - Sports England contrition towards works on the Leisure estate of £300k

The table below details the change in the original approved budget to the current position reported as part of this monitoring report:

	Budget £m's
Approved Three Year Capital Programme (February 2024)	154.56
Reprofiled Budget (Reported in 2023/24 Outturn)	30.50
Increase in funding	7.75
Revised P2 Budget	192.81
Increase in funding	0.43
Revised P4 Budget	193.24
Increase in funding	0.38
Revised P6 Budget	193.62
Increase in funding	5.87
Revised P8 Budget	199.49

2. Since period 6, the 2024/25 budget has increased by £715k to £69.9m due to a number of additional contributions as detailed below.

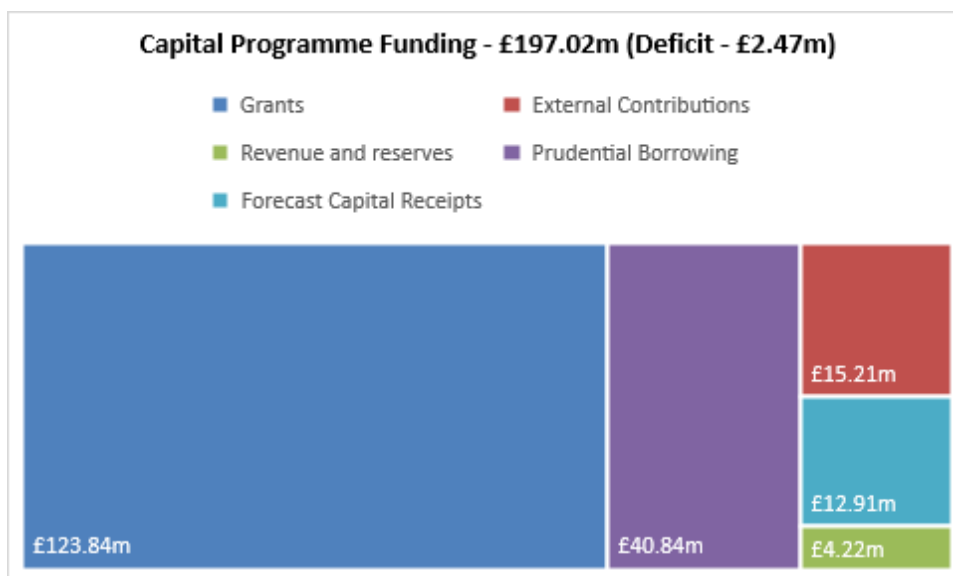
	Budget £m's
Revised 2024/25 Budget (P6)	69.19
<i>New Funding:</i>	
Carrington Complimentary Active Travel Measures - CRSTS	0.25
United Utilities contribution to Public Realm works	0.16
Sport England Contribution towards works on Leisure Estate	0.30
Revised 2024/25 Budget (P8)	69.90

3. The revised current year programme by Directorates is detailed in the following table:

	2024/25 Revised Budget
Directorate Analysis:	£m
Children's Services	10.99
Adult Social Care	3.76
Place	52.01
Governance and Community	0.11
Finance & Systems	3.03
General Programme Total	69.90

Approved Programme Funding

4. The general capital programme is resourced by a combination of both internal and external funding, detailed in the table below. The overall funding of the three-year capital programme includes a deficit of £2.47m, a level of deficit approved by Council in February 2024 (this is deemed a prudent level of overprogramming by the Council's s151 officer, given the likelihood of some slippage in the overall programme).



- There is currently a forecast in-year funding shortfall of £7.22m. This position in year is as a result of receipts not being realised within original timescales or at the level previously assumed. Any shortfall will need to be met by short-term borrowing, which will be repaid by receipts in future years. At this level there is an associated revenue cost to the borrowing of c.£380k per annum until receipts are realised. This cost in 2024/25 will be absorbed within the Treasury Management budget. In 2025/26 and 2026/27, the ongoing revenue pressure will be met from the Interest Rate Smoothing Reserve.

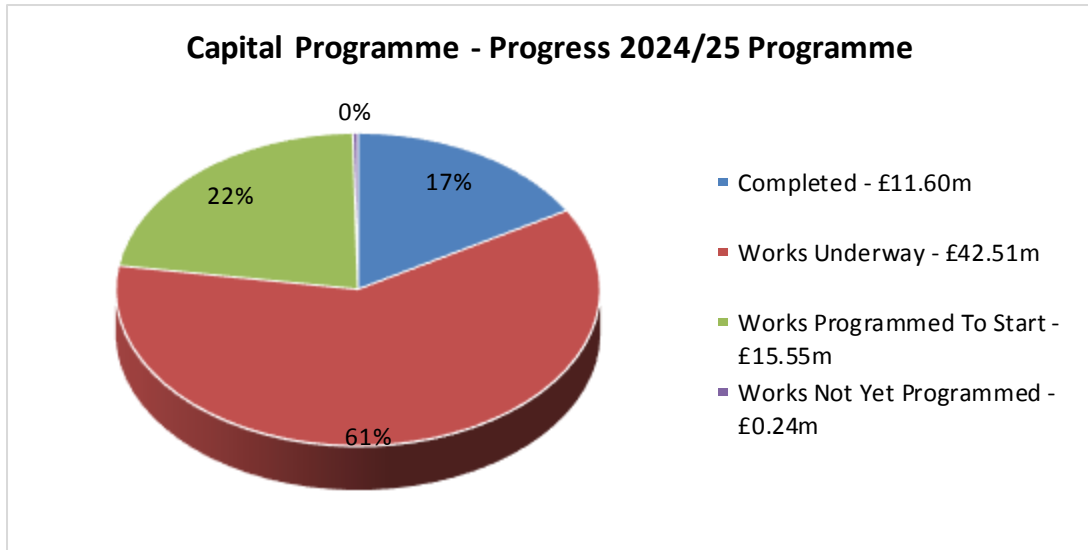
This shortfall will also have an impact on the level of available resources in future years with ongoing revenue costs until receipts are realised. This may also impact on the ability to deliver schemes in future until receipts are realised.

At the Capital Programme board, work is being undertaken to see if any schemes can be easily delayed, as well as monitoring progress on all other schemes within the Capital Programme.

Scheme Performance

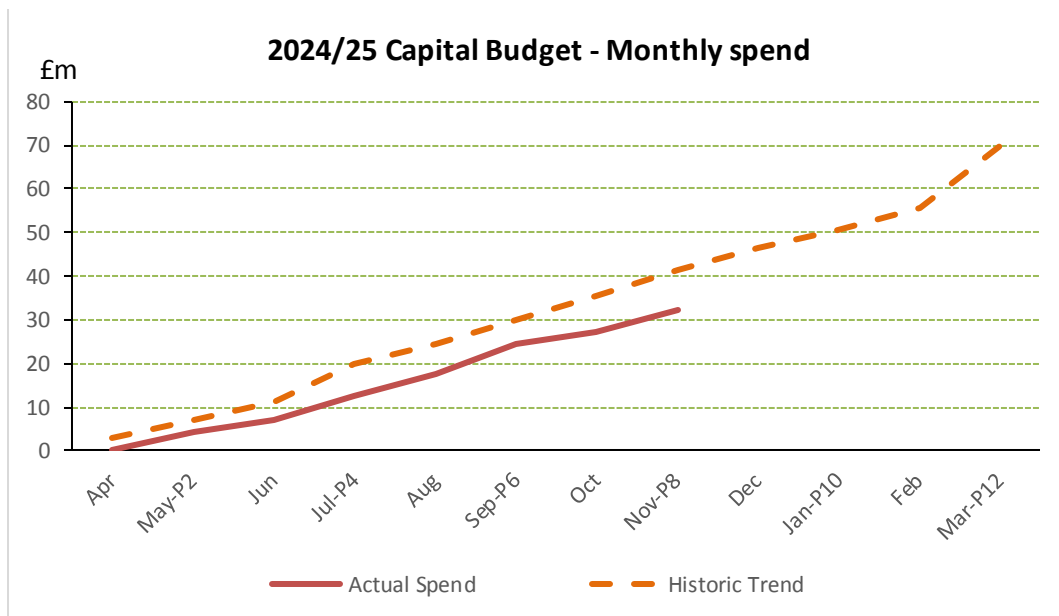
- Capital schemes by their very nature are delivered over extended periods of time (often over multiple financial years), with stages that can include design and planning, procurement and appointment of contractors, delivery stage, and completion.

Each scheme included in the programme has a progress status assigned for monitoring purposes. The following graphic illustrates the overall percentage of schemes within each stage of progress.



Works identified as not yet programmed will be subject to review by the Capital Programme Board along with progress of schemes both underway and programmed to start.

- To date this financial year there has been spend of £32.32m which is an increase of £8.02m from the previously reported position of £24.30m at P6. There will be an element of lag excluded from this figure with works being undertaken but invoices not yet received, paid or subject to verifications. The table below shows the spend to date against a historically trended cost projection.



Specific schemes are detailed, in Appendix 3a with profiling of remaining budgets, spend to date and progress status.

Specific Scheme Comments

8. The scheme at Longford Park being funded through the Heritage Lottery Funding (HFL) and various other sources has now been formally included within the programme. The funding of the scheme still carries a significant element of risk with some sources of funding not being formally confirmed yet. There is also currently a shortfall within the funding which will need to be identified. If funding is not identified it will need to be funded from the existing capital programme which may reduce the availability to deliver other approved schemes. Design work on the scheme is expected to start in the early in 2025 where opportunities will be sought to value engineer the scheme but also ensure it delivers in line with the HLF Grant conditions.
9. A new contractor has now been appointed to deliver the scheme at Altrincham College to replace the previous one that went into administration. This has led to a delay in the start on site but work is currently being undertaken to see how the scheme can be delivered within cost and timescales.

Asset Investment Fund

10. Asset Investment Fund currently stands at a maximum approved limit of £500m, supported by prudential borrowing, to support the Council's Investment Strategy. The transactions that have been agreed by the Investment Management Board (IMB) to date have a total current committed cost of £406.9m, of which £292.6m has currently been expended. The balance of the approved £500m which is available for further investment is £93.1m.

Asset Investment Fund	Prior Years Spend	Repayments	Actual Spend 2024/25	Future Years Commitment	Total
	£m	£m	£m	£m	£m
Property Purchase	62.5	0.0	0.0	0.0	62.5
Property Development	12.3	0.0	0.4	34.7	47.5
Equity	45.7	0.0	1.9	7.4	55.0
Development Debt	154.7	(27.1)	38.2	71.9	237.8
Total Capital Investment	275.2	(27.1)	40.4	114.1	402.9
Treasury Investments	17.6	(13.6)	0.0	0.0	4.0
Total Investment	292.9	(40.7)	40.4	114.1	406.9

11. The forecast net income level is £4.72m, which is a shortfall of £1.32m against the targeted net income of £6.04m. This deficit is mainly attributable to the early

repayment of the debt facility at Sunlight House, which had been expected to provide £0.72m of net income in year. This facility was repaid early, and in full, after the borrower's option to do so was exercised. To offset this deficit, the Council will make reduced contributions to its Risk Reserve, which will increase the net income to the £6.04m target.

12. At the end of 2023/24, the AIS Risk Reserve had a balance of £11.31m. This is expected to reduce to £5.5m by the end of the year due to the reserve being utilised to support the net income position, and revenue costs associated with AIS capital schemes in 2024/25.

Issues / Risks

13. A key risk is the ability to deliver the revised capital programme in 2024/25, and this will continue to be closely monitored and reported throughout the year and as any significant issues may arise.

14. The level of capital receipts that will be realised in the year and in future will be insufficient to fund the relevant schemes in the capital programme. This may impact on the ability to deliver schemes in future until receipts are realised. Any short term borrowing used to meet the funding gap will incur a revenue cost.

Appendix 3a

This Appendix details individual programs of work and provides details about the progress of schemes. The “Total Approved Scheme Budget” is that approved for the delivery for the whole scheme not just the element within the current three-year capital programme.

SCHOOLS

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
SCHOOLS								
Basic Need - School Places	10,197	-	377	560	4,037	5,600	Rolling	Programme of works currently being developed for known allocations. A report will be brought to the Executive in the new year.
Altrincham College	12,776	124	279	1,000	7,652	4,000	Mar-27	The new contractor has now replaced previous contractor with work underway to manage delivery, work on site is expected to start in early in the new year.
Broadoak School (PAN increase of 60)	6,800	-	40	200	4,600	2,000	Sep-26	Dean Trust have commented on the Funding Agreement and this now currently being finalised with Legal.
Devolved Formula Capital	2,075	-	386	804	649	622	Rolling	Resources managed by schools
Capital Maintenance Grant	11,863	-	1,626	3,760	5,441	2,662	Rolling	Majority of schemes completed as planned over the summer holidays. A small number planned for October or February half-terms holidays
High Needs Send Grant	5,670	-	137	369	3,301	2000	Rolling	Programme of works currently being developed for known allocations and will be subject to report to Executive in the near future.

Brentwood School - SEND	6,550	207	2,010	3,843	2,500	-	Sep-25	The main works on the scheme have now started, with the installation of steelworks now commenced, forecast completion date is in line with original estimates to meet school requirements.
Childcare Grant	561	-	-	361	200	-	-	A number of providers have submitted Expressions of Interest and will soon be submitting full applications
Sub-total	56,492	331	4,854	10,897	28,380	16,884		

CHILDREN'S SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
CHILDRENS SERVICES								
Hayeswater Centre - Improving outdoor provision	29	-	29	29	-	-	Dec-24	On Target to be spent this year
Liquid Logic - Children's & Delegation Portals	135	127	-	8	-	-	-	Complete – Awaiting final costs
Foster Carers – Adaptations	350	-	-	50	300	-	Mar-26	Works have been identified at two Registered Social Landlord properties and three connected carers.
Sub-total	514	127	29	87	300	-		
TOTAL CHILDRENS SERVICES	57,006	458	4,884	10,984	28,680	16,884		

ADULTS SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Disabled Facility Grants	8,783	-	2,673	3,295	2,794	2,694	Rolling	Ongoing programme of home adaptations, there are pressures on this budget with a number of high value and complex cases, work is being undertaken to manage the impact on budget with the statutory responsibilities.
Right Care for You	102	-	-	102	-	-	Mar-25	On Target to be spent this year
Our Place, Sale (Kara House) - Safety Works	570	-	-	270	300	-	Sep-25	Programme of works now agreed with urgent works to be undertaken this year with the remaining works programmed to be completed in 2025/26
Liberty Protection Safeguards (Liquidlogic updates)	97	26	-	71	-	-	Mar-25	On Target to be spent this year
Shawe Road, Urmston - Refurbishment works	100	82	-	18	-	-	-	Complete - Awaiting final costs
Liquid Logic - Updates	70	67	2	3	-	-	-	Complete - Awaiting final costs
TOTAL ADULT SERVICES	9,722	175	2,675	3,759	3,094	2,694		

PLACE – CORPORATE LANDLORD

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Public Building Repairs & Compliance Prog - Appendix 3	1,235	-	247	870	325	40	Rolling	Ongoing programme of work with main element of works being undertaken at Tatton House.
Sale Waterside/Trafford Town Hall Improvements	167	57	20	60	50	-	Mar-26	Ongoing programme of works
Altrincham Market House Improvements	100		-	-	100	-	-	This allocation is held for any potential works needed.
Watling Gate - Preservation/Conservation	122	4	-	18	100	-	-	The requirement for these resources are currently being assessed.
Estates Savings Requirements	645		-	-	645	-	-	Resources allocated for works at School Road and Market Street - these are currently delayed as linked to LAHF phase 3 which still requires approval.
De-Carbonisation Programme	3,962	3,550	72	412	-	-	Dec-24	The main works are now finished but there has been an element of snagging that required sorting, we now awaiting confirmation that works are complete and final invoicing for remaining costs.
Claremont Centre Works	70		-	-	70	-	-	Works still to be identified.
Corporate Building Security Review	272	2	178	220	50	-	Nov-24	Works Underway
Clarendon House, Altrincham - Development works	120		-	120	-	-	-	Complete – Awaiting final costs
TOTAL	6,693	3,613	517	1,700	1,340	40		

PLACE – REGENERATION AND STRATEGIC PLANNING

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Town Centre Loans Fund	276	-	-	100	100	76	Rolling	Loans payable when applications are submitted.
9/11 Market Street, Altrincham – Redevelopment	239	-	-	-	239	-	-	Development of commercial areas of building (which this budget is for) to be linked with LAHF funded residential developments.
Altrincham Town Centre - Public Realm Works	6,904	6,663	74	241	-	-	-	Additional works were programmed in to take advantage of contractors being onsite, budget will be identified from current Highways allocation to fund this overspend.
UK Shared Prosperity Fund Programme	654	5	168	649	-	-	Mar 25	A number of initiatives are being delivered throughout the year including: Greening Trafford Park, public realm works in Stretford and Sale, installation of outdoor gyms, Shop Improvement Grants
Future High Street Fund	19,133	12,953	4,355	5,680	500	-	Nov 24	The majority of works being undertaken utilising these resources have now been completed with the remaining works being undertaken by Bruntwood on the elements around Stretford town centre.
TOTAL	27,206	19,621	4,597	6,670	839	76		

PLACE – BEREAVEMENT SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Altrincham Crematorium - Replacement cremator	710	-	674	710	-	-	Aug-24	Works complete – minor snagging issues being resolved by contractor.
TOTAL	710	-	674	710	-	-		

PLACE – LEISURE AND SPORT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Altrincham Leisure Centre	23,400	14,045	6,018	9,355	-	-	Dec- 24	Work is nearing completion with the centre re-open early in the new year.
Partington Sports Village - Levelling Up Fund	22,705	1,606	401	3,491	17,608	-	Mar-26	Work on the main element of the scheme is anticipated to start imminently with completion in line with current grant approvals of March 26.
Leisure Strategy - Refurbishment and Essential Works	28,218	339	72	538	1,341	26,000	-	The use of these resources is still being developed, to meet the requirements of the leisure strategy.
Football Facility Provision	2,294	904	1,235	1,390	-	-	Sep-24	On target, works nearing completion.
Timperley Sports Club - Artificial Pitch	638	132	506	506	-	-		Complete
Longford Park Sports - Track Replacement	532		407	532	-	-	Mar-25	Awaiting update on progress of this scheme
Altrincham Golf Course	100	28	1	72	-	-	Mar-25	On target to be spent this year
Parks - Tennis Courts Programme	466		113	200	266	-	Sep-25	Works is currently taking place and Longford Park and Ashton Park, Sale.
TOTAL	78,353	17,054	8,753	16,084	19,215	26,000		

PLACE – HOUSING SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Assistance to Owner Occupiers	26		-	16	10	-	Rolling	Grants payable when bids are submitted
Housing Standards / Empty Property Initiatives	30		-	20	10	-	Rolling	Grants payable when bids are submitted
Local Authority Housing Fund	5,815	3,272	1,678	2,543	-	-	Mar-25	On target to be spent this year
TOTAL	5,871	3,272	1,678	2,579	20	-		

PLACE – INTERGRATED TRANSPORT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Integrated Transport Schemes	1,354		327	1,354	-	-	Rolling	Ongoing programme of works
Mayors Cycling and Walking Challenge Fund	20,000	4,757	2,759	5,933	8,960	350	Rolling	There are a number of individual elements of work being funded through this funding stream, work this year is expected to be undertaken on the A56, Chester Road and Seymour grove
Residents Parking Scheme	500	395	-	105	-	-	Mar-25	On target to be spent this year
Boroughwide - Boundary / Village Entry Signs	105	20	2	85	-	-	Mar-25	On target to be spent this year
Electric Vehicle Charging Points	500	54	28	246	200	-	Sep-25	Works have commenced on this scheme
TfGM funded CRSTS Projects	919	89	136	830	-	-	Mar-25	On target to be spent this year
Moving Traffic Offences - Boroughwide Cameras	465		27	-	465	-	-	Scheme elements still to be developed
New Carrington Complimentary Active Travel	1,021			250	771	-	-	Scheme elements still to be developed
TOTAL	24,864	5,315	3,279	8,803	10,396	350		

PLACE – PARKING SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Parking Services	289	224	33	65	-	-	Mar-25	On target to be spent this year
TOTAL	289	224	33	65	-	-		

PLACE – COMMUNITY SAFETY

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
CCTV Transformation Programme - Phase 2	563	427	128	136	-	-	Mar-25	On target to be spent this year
CCTV Cameras - Fly-tipping Prevention	160	-	-	-	160	-	-	No progress has been made on this scheme
TOTAL	723	427	128	136	160	-		

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PLACE – STRUCTURAL MAINTENANCE

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Highways Structural Maintenance	9,152	-	1,374	3,628	2,612	2,912	Rolling	Delivery of in excess of 51 projects planned throughout the year with 22 already completed so far.
Surface Dressing & Treatment Programme	1,000		442	500	500		Rolling	Work on this element of the programme is now nearing completion.
Additional Pot Hole Funding	485	437	-	48			Mar-25	On target to be spent this year

Network North Additional Maintenance	762		236	762			Feb- 25	New grant allocations for 23/24 and 24/25 - programme agreed to deliver 13 projects this year.
CRSTS - Key Route Network Programme	4,501	4,193	4		308		Jul-25	Remaining works scheduled to be undertaken early in the next financial year.
Street Lighting	1,130		320	830	300		Rolling	Ongoing programme of works
Bridge Assessments and Strengthening	963	250	222	713			Rolling	Ongoing programme of works
Carrington Junction and Relief Road	15,071	4,361	763	7,710	3,000		Rolling	Options are being assessed around the delivery of the rationalisation element of the scheme.
TOTAL	33,064	9,241	3,361	14,191	6,720	2,912		

PLACE – ENVIRONMENTAL SERVICES AND GREENSPACES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Parks Infrastructure	526	67	104	359	100	-	Rolling	Work is being undertaken across multiple sites delivering a programme of works on drainage, surface repairs, patching and potholes and lighting, there has been a delay with design works to enable certain elements of the schemes to start.
Play Area Refurbishment	536	139	189	297	100	-	Rolling	There a number of schemes currently underway Stamford Park, Hullard Park and Lostock with work at Ashton Park complete.
Countryside Infrastructure	63	46	-	17	-	-	Mar-25	On target to be spent this year
Longford Park (HLF BID)	5,482	209	-	300	4,973	-	-	The scheme is awaiting confirmation of award of Heritage Lottery Funding Grant, once confirmed this will be reflected in

								the programme and a programme of delivery will be developed.
Parks Mandatory Signage	60	57	-	3	-	-	Mar-25	On target to be spent this year
Wilding Trafford	77	72	2	5	-	-	Mar-25	On target to be spent this year
Allotments - Infrastructure Programme	40	6	10	34	-	-	Mar-25	On target to be spent this year
Rainwater Harvesting	45		14	5	40	-	-	Works still to be undertaken.
Gorse Hill Park, Stretford - Improvements	50	-	-	-	50	-	Oct-26	It is not anticipated that these works will commence until into the next financial year
Marje Kelly Park, Stretford - Improvements	50	-	-	-	50	-	Oct-26	It is not anticipated that these works will commence until into the next financial year
Outdoor Sports - S106 Funded	53	-	-	-	53	-	-	Schemes being developed
Green Infrastructure S106 Funded	323	68	-	-	255	-	-	Proposed uses of this funding are being developed with schemes that have green infrastructure elements being considered to utilise these resources.
Food Waste Collection Programme	449	-	-	49	400	-	-	Implementation plan being drawn up. Report to Executive in November to approve.
TOTAL	7,754	664	318	1,069	6,021	0		
TOTAL PLACE SERVICES	185,527	59,431	23,338	52,007	44,711	29,378		

GOVERNANCE AND COMMUNITY STRATEGY

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Customer Services								
Sale Library – A Cultural Hub	357	-	1	108	249	-	Jul-25	This scheme is currently going through the procurement process and once complete a programme of works will be finalised.
TOTAL GOVERNANCE AND COMMUNITY	357	-	1	108	249	-		

FINANCE AND SYSTEMS – ICT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
SAP Systems Landscape – Upgrades	250	28	-	72	150	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
CRM - Update/Replacement	2,097	915	547	1,182	-	-	Oct-24	Work on this scheme is progressing well with October being the go live date.
Device Replacement Programme	1,150	-	289	350	400	400	Rolling	This programme will deal with the operation needs of the Council over the coming years.
Content Management System	140	-	25	40	100	-	Mar-26	Initial work has now begun.
Unsupported Server O/S Migration	134	51	24	21	62	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
Network Replacement	551	263	151	288	-	-	Mar-25	On target to be spent this year
ITrent Replacement	270	13	257	257	-	-	Mar-25	Work on this scheme has been completed
Info Management Services for Regulatory Serv	610	195	10	215	200	-	Mar-25	On target to be spent this year
Cloud and Data Centre Strategy	510	-	-	-	510	-	-	Requirements for this allocation are being reassessed an update will be provided at P6
Cloud Telephony and Unified Communications	110	-	15	40	70	-	-	Requirements for this allocation are being reassessed an update will be provided at P6
Security Infrastructure - Perimeter Firewall	240	-	159	240	-	-	Mar-25	On target to be spent this year
SAP - ERP Replacement Project	2,000	-	-	30	560	1,410	Mar-27	Work has not yet started on this scheme, but it is anticipated that it will go live in April 27.
RFC - ContrOcc Direct Debits system	20	9	-	11	-	-	Mar-25	On target to be spent this year
Systems & Data Architecture	85	-	-	85	-	-	Mar-25	On target to be spent this year
Business Intelligence - Data Warehouse Solution	200	128	-	72	-	-	Mar-25	On target to be spent this year
Digital Inclusion / Digital Skills	50	32	23	18	-	-	Mar-25	On target to be spent this year
Development / Low Code Solution	301	237	34	64	-	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
IT and Digital Service Transformation	40	-	-	-	40	-	Mar-25	On target to be spent this year
Telephony System / Disaster Recovery	50	-	-	50	-	-	-	Complete – Awaiting final costs
TOTAL FINANCE AND SYSTEMS	8,808	1,871	1,534	3,035	2,092	1,810		
TOTAL CAPITAL PROGRAMME	261,420	61,935	32,432	69,893	78,826	50,756		

Prudential Indicators – 2024/25

Annex 3b

The Prudential Code for Capital Finance in Local Authority was reviewed and updated following a consultation with Local Authorities in November 2021. The Code requires that the Council report and monitor Prudential Indicators on at least a quarterly basis during the financial year. The objectives of the Prudential Code and indicators are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and to support and record local decision making in manner that is publicly accountable.

The prudential indicators cover the three areas in which the Council is required to report and monitor: Capital Expenditure, External Debt, and Affordability. The indicators are approved and set by the Council in February each year as part of the wider budget setting process. These indicators are then reviewed and restated during the year as part of the periodical budget monitoring.

Summary as at Period 8

Capital Expenditure Indicators

Since February, the updated indicators for Capital Expenditure show a decrease £23.45m in capital spend in 2024/25. This is in-line with the reprofiling of spend within the programme, as detailed within this report, as certain schemes will now incur costs in later years. The expenditure for the Investment Strategy has been reprofiled to match the cashflows of ongoing property developments which the Strategy is funding, which have expenditure in the later years of the programme.

External debt indicators

The External Debt indicators for Period 8 are confirmations that the Council are operating within the agreed boundaries for Treasury Management activity as set by Council in February. The debt levels are forecast to increase due to the anticipation that the Council will borrow funds before the end of the financial year to address the level of internal borrowing.

Affordability indicators

The 'Finance Costs to Net Revenue Stream' forecast for 2024/25 is 0.1% below the forecast included in the budget. This is due to reduced levels of borrowing forecast in year.

Capital expenditure indicators:

- **Estimates of capital expenditure;** Actual total capital expenditure for previous financial year and estimates of spend for the following three years. Variances found here from the approved indicator level to the current forecast level are due to revisions to the programme, reported through the regular Capital Budget Monitoring and approved by the Executive.
- **Estimates of capital financing requirement;** this reflects the estimated need to borrow for capital investment (i.e., the anticipated level of capital expenditure not financed from capital grants and contributions, revenue or capital receipts).

Prudential Indicators – Capital Expenditure	2024/25			2025/26	2026/27
	Original Forecast	Current Forecast	Variance	Forecast	Forecast
Period 8 2024/25	£m	£m	£m	£m	£m
Capital Expenditure					
Capital expenditure - General Programme	74.89	69.90	(4.99)	73.67	50.76
Capital expenditure - Investment Strategy	77.31	58.85	(18.46)	150.09	7.82
Capital expenditure - Total	152.20	128.75	(23.45)	223.76	58.59
Capital Financing Requirement (CFR)	519.41	448.58	(70.83)	567.01	592.88

External debt indicators

- **Authorised limit for external debt;** This is a key prudential indicator and represents a control on the maximum level of external debt that the Council will require for all known potential requirements. It includes headroom to cover the risk of short-term cash flow variations that could lead to temporary borrowing and any potential effects arising from bringing “off balance sheet” leased assets onto the balance sheet in compliance with IFRS 16.
- **Operational boundary for external debt;** calculated on a similar basis as the authorised limit but represents the likely level of external debt that may be reached during the course of the year and is not a limit.
- **Gross debt and the capital financing requirement;** The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years **but ensures that borrowing is not undertaken for revenue or speculative purposes.**

Prudential Indicators -	2024/25			2025/26	2026/27
Period 8 2024/25	Approved Limit	Current Forecast	Variance to Limit	Approved Limit	Approved Limit
	£m	£m	£m	£m	£m
External Debt					
Authorised limit for external debt - Capital Programme	280.00	128.82	(151.18)	310.0	310.0
Authorised limit for external debt - Investment Strategy	370.00	260.00	(110.00)	420.0	500.0
Authorised limit for external debt - Other long-term liabilities	3.40	3.38	(0.02)	3.0	2.6
Authorised limit for external debt - Total	653.40	392.20	(261.20)	733.0	812.6
Operational boundary for external debt - Capital Programme	260.00	128.82	(131.18)	290.0	290.0
Operational boundary for external debt - Investment Strategy	370.00	260.00	(110.00)	420.0	500.0
Operational boundary for external debt - Other long-term liabilities	3.40	3.38	(0.02)	3.0	2.6
Operational boundary for external debt - Total	633.40	392.20	(241.20)	713.0	792.6
Forecast capital financing requirement (CFR)		448.58			
Actual external debt (£m): at 30/11/24		356.20			
Over-borrowed/(Under-borrowed)		(92.38)			
Forecast Over-borrowed/(Under-borrowed)		(62.38)			
Is Actual Debt below the CFR?		YES			

Affordability indicators

- **Estimates of financing costs to net revenue stream;** this indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the Council’s net revenue stream. This demonstrates the affordability and proportionality of that borrowing by comparing it to the Council’s net revenue stream as a whole.
- **Estimates of net income from commercial and service investments to net revenue stream;** This indicator compares income from commercial investments to the Council’s net revenue stream. As before, this comparison allows for consideration for the Council reliance on that income and its proportionality.

Prudential Indicators - Period 8 2024/25	2024/25			2025/26	2026/27
	Original Forecast	Current Forecast	Variance	Forecast	Forecast
	%	%	%	%	%
Affordability					
Financing Costs to net revenue stream	1.0%	0.9%	(0.1%)	1.8%	2.7%
Net Income for commercial and service investments to net revenue stream	8.0%	8.1%	0.1%	7.8%	7.2%

Affordability - Financing Costs to Net Revenue Stream (Detailed Table)	2024/25 P8 Forecast £000
Net Revenue Stream (£k)	214,039
Net Financing Costs * (£k)	1,860
Net Financing Costs to NRS	0.9%
Gross Financing Costs (£k)	16,074
Gross Investment Interest Income (£k)	(14,214)
Net Financing Costs (£k)	1,860
Using Gross Financing Costs to NRS	7.51%

The prudential indicator requires a comparison between Net Financing Costs and the Net Revenue Stream, however this does not demonstrate fully the risk due to the high levels of investment income that the Council generates. The Gross Investment Interest Income and Gross Financing Costs are more appropriate measure of risk as this is the amount of exposure the council needs to meet.

Local indicators

Local Indicators are indicators that are not statutorily required but are included in the Council's suite of capital indicators to provide additional transparency and reporting information. The indicators below relate to forecast activity and performance in the Council's Asset Investment Strategy (AIS). The rolling investment nature of the AIS means that income is forecast to decrease in later years as investments mature, to be replaced by new investments within the pipeline yet to be agreed.

The Council has previously used income from its investments to contribute to a Risk Reserve, which had a balance of £11.31m at the end of 2023/24.

Local Indicators	2024/25	2025/26	2027/28
2024 to 2025	£m	£m	£m
Asset investment Strategy			
Gross Income	12.7	14.5	13.1
Financing Costs	9.4	10.6	10.2
Risk Reserve			
Net contributions to/(from) Risk Reserve	(5.9)	(1.6)	(1.3)
Forecast Risk reserve balance at year end	5.5	3.1	1.7

COUNCIL TAX

In year Council Tax movements	Council Tax Collection Fund P6 £000	Council Tax Collection Fund P8 £000	Trafford's Share P8 £000	Movement in Trafford's share since P6 £000
Tax Base	(197)	(49)	(40)	120
Local Council Tax Support Scheme	(558)	(808)	(657)	(203)
Other Movements (Backdated discounts etc.)	100	60	49	(33)
Total In Year Position (Surplus)/Deficit	(655)	(797)	(648)	(115)

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 5 February 2025
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Audit and Assurance Report for the Period October to December 2024.

Summary

The purpose of the report is:

- **To provide a summary of the work of Audit and Assurance during the period above.**
- **To provide ongoing assurance to the Council on the adequacy of its control environment.**

Recommendation

The Accounts and Audit Committee is asked to note the report.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
Email: mark.foster@trafford.gov.uk

Background Papers: None

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TRAFFORD
COUNCIL

Audit and Assurance Service Report October to December 2024

Date: **January 2025**

1. Purpose of Report

This report summarises the work of the Audit and Assurance Service between October 2024 and December 2024 and highlights progress against the 2024/25 Internal Audit Plan to date. At the end of the year, these update reports will be brought together in the Annual Head of Internal Audit Report which will give the opinion on the overall effectiveness of the Council's control environment during 2024/25.

2. Planned Assurance Work

Key elements of the 2024/25 Work Plan, produced in March 2024, include:

- Fundamental Financial Systems reviews.
- Input to the Annual Governance Statement.
- Continued input to and review of risk management arrangements and provision of guidance.
- Review of corporate procurement and value for money arrangements.
- Audit reviews in respect of ICT and information governance.
- Anti-fraud and corruption work, including the National Fraud Initiative.
- School audits and other establishment audit reviews.
- Grant claim certification work.
- Audit reviews of other areas of business risk including audits of services and functions.
- Provision of guidance and advice to services across the Council.

3. Main areas of focus – October to December 2024

Work in the quarter included issuing a final audit report on the Council's budget monitoring processes. Other reviews were undertaken across various service areas including Housing Standards, Building Control and Children's Services. Follow-up reviews were also undertaken of previous audits completed in the previous year. All audit reports produced in the period are listed in Section 5 and other key areas of audit work undertaken referred to in Sections 6 and 7.

4. Summary of Assurances October to December 2024

There were 7 internal audit reports produced in the period (2 final audit opinion reports, 1 advisory report and 4 draft audit opinion reports).

In respect of the 2 final reports issued where overall audit opinions had been provided, 1 provided a "Substantial" level of assurance and the other one a "Reasonable" Level. (See Appendix 2 for an explanation of audit opinion levels).

(See Section 5 for a listing of reports issued, together with a summary of findings).

5. Summary of Audit & Assurance Opinions Issued – October to December 2024

(See Appendix 2 for details of Audit opinion levels, report levels and report status)

REPORT NAME (DIRECTORATE) / (PORTFOLIO) by Coverage Level (1-4)	-OPINION R/AG (Date Issued)	COMMENTS
FINAL REPORTS ISSUED		
Level 4 Reports:		
Budgetary Control (Finance and Systems & Authority-wide) / (Finance, Change and Governance)	Substantial (23/12/24)	A review was undertaken to assess the covering the Council's operational budget monitoring processes. This included coverage of roles and responsibilities, procedures in place, reporting arrangements and training. The review concluded that, overall, there were effective arrangements in place, resulting in Substantial Assurance being provided. A small number of recommendations were made to enhance existing arrangements. This included the further development of the existing e-learning provided to budget holders.
Level 1 Reports:		
Hayeswater Centre (Children's Services) / (Children and Young People)	Reasonable (20/11/24)	An audit review was completed of Hayeswater Contact Centre, focussing on systems and controls in relation to processes for making payments and cash handling. It was concluded that, overall, there were now improved arrangements in place for the control of monies and administration of the imprest account, further to previous audit advice provided. Controls could be strengthened further with the implementation of documented procedures for staff, including staff roles and responsibilities and processes for carrying out internal supervisory checks.
DRAFT REPORTS ISSUED		
Level 2 Reports:		
Building Control (Place) / (Economy and Regeneration)		A draft report setting out the findings from the review was shared with the Service in November 2024. Once management comments are received, these will be included in a final report.
Housing Standards (Place) / (Housing and Advice)		A draft report was produced at the end of December 2024. This has since been shared with the Service, and once management comments are received, these will be included in a final report.
Level 1 Reports:		
Woodheys Primary School (Children's Services) / (Children and Young People)		A draft report setting out findings from the review was shared with the Headteacher in December 2024 and management comments were received which are to be included in a final report to be issued in January 2024. This will be reported as part of the Audit and Assurance update for January to March 2025.
Bowdon Church School (Children's Services) / (Children and Young People)		A draft report setting out findings from the review was shared with the Headteacher in December 2024. Once management comments are received, these will be included in a final report.

OTHER REPORTS	DATE COMPLETED	DESCRIPTION/COMMENTS
Advisory Report – Accounts Receivable (Finance and Systems) / (Finance, Change and Governance)	(28/10/24)	An advisory audit review was completed of the Council's Accounts Receivable system, used to ensure monies due to the Council are received. Service areas across all Council Directorates have responsibility for raising invoices using the system. The purpose of this review was to provide some assurance on controls in place and where applicable, advise on any possible areas for improvement or development, including taking into account findings from a survey of system users. It was reported that there were well defined processes in place including debt recovery processes and a segregation of duties in raising invoices, collecting payment and covering debt. Areas for development included review and update of the Accounts Receivable Code of Practice setting out procedures and responsibilities (which has since been completed) and development of training for system users. It is proposed that a systems audit to provide an overall audit opinion on the effectiveness of systems and controls will be included as part of the 2025/26 Internal Audit Plan.

6. Other Audit and Assurance Work

In addition to the progression of internal audit reviews, other work undertaken during the period has included the following:

- Ongoing support to facilitate the review of the Council' strategic risk register. This included an update report on each of the strategic risks being provided to CLT and the Accounts and Audit Committee in November 2024.
- Liaison with Legal and Governance to provide some advice and input to the production of the final version of the 2022/23 Annual Governance Statement, published alongside the 2022/23 accounts.
- Liaison with the Council's Counter Fraud team to contribute to publicising guidance on the intranet regards fraud awareness and reporting suspected fraud.
- Supporting the 2024/25 National Fraud Initiative as detailed below:

National Fraud Initiative

The Audit and Assurance Service co-ordinates the Council's participation in the statutory National Fraud Initiative (NFI) data-matching exercise. The exercise matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include the NHS, local councils, police authorities, fire and rescue authorities as well as and a number of private sector bodies. The main exercise is carried out once every two years at minimal cost to the organisations involved.

The following datasets for the 2024/25 NFI exercise were submitted to the Cabinet Office during October 2024:

1. Council Tax Relief Scheme Data
2. Creditors Data
3. Housing Waiting List Data
4. Payroll Data
5. Pension Gratuity Payment Data
6. Resident Parking Permit Data.
7. Taxi Licensing Data

The matches in relation to the above datasets were released at the end of December 2024. The Audit and Assurance Service will liaise with relevant services across the Council to ensure that high priority matches are reviewed and, where appropriate, followed up through the year. Details of progress will be reported in future updates to the Corporate Leadership Team and the Accounts and Audit Committee through 2025/26 with final outcomes included in the 2025/26 Annual Head of Internal Audit Report.

7. Impact of Audit Work – Improvements to the Control Environment

Key indicators of the impact of Audit and Assurance are: (a) Acceptance of Recommendations (b) Implementation of them.

Acceptance of Recommendations

From the final audit opinion reports produced and issued by the Audit and Assurance Service during the quarter, all 12 recommendations made have been accepted. For the year to date up to 31 December 2024, all 52 recommendations made have been accepted. A number of other audits were in progress during the period and levels of acceptance of recommendations made in the subsequent final reports will be reflected in the next Audit and Assurance update.

Implementation of Audit Recommendations

Internal audit reports are followed up to assess progress in implementing improvement actions identified through audit recommendations.

In respect of 4 audits previously completed in 2023/24, the relevant services were requested to provide an update on progress in implementing audit recommendations made. The following details were reported:

- Cleaning Services (Strategy and Resources) – Both previous recommendations made had been implemented.
- Sale Waterside Arts Centre (Strategy and Resources) – 3 of the 4 previous recommendations had been implemented with 1 being progressed.
- Broomwood Primary School (Children’s Services) - All of the 4 previous recommendations had been implemented.
- Oldfield Brow Primary School (Children’s Services) – 8 of the 12 previous recommendations had been implemented with good progress made with each of the remaining recommendations.

In the year to date, of 76 recommendations followed up, at the time of the reviews, 39 (52%) had been fully implemented, 36 recommendations (47%) have been implemented in part or are in progress with 1 not yet implemented.

8. Performance against Audit & Assurance Annual Work Plan

Progress to date:

Appendix 1 shows a summary of work completed as at 31 December 2024 against planned in respect of the 2024/25 Operational Internal Audit Plan.

It was planned that a target of 6 reports (comprising opinion reports, advisory reports and grant sign-offs) were to be completed in each quarter of 2024/25 to final or draft stage. As referred to in Section 5, 7 reports were actually produced during Quarter 3 (and 19 reports produced in the year to date). It is expected that most reviews in progress or not yet commenced by the end of 2024/25 will be undertaken in Quarters 1 and 2 of 2025/26. These will be reflected as part of the 2025/26 Internal Audit Plan.

The next update on progress against the 2024/25 Internal Audit Plan, including reports issued, will be reported in an update for Quarter 4 which will be included with the 2024/25 Annual Head of Internal Audit Report, due to be shared with CLT and the Accounts and Audit Committee in June 2025.

9. Planned Work for January to March 2025

Areas of focus include:

- Issue of a number of final reports including Housing Standards, Building Control, Care Leaver payments, Woodheys Primary School and Bowdon Church School
- Progression of other internal audit reviews as listed in Appendix 2.
- As part on ongoing internal audit planning, in liaison with relevant Directorates, consider timing for some

of the remaining reviews in the Internal Audit Plan.

- 2025/26 Internal Audit Plan to be presented to the Accounts and Audit Committee for approval in March 2025.
- In liaison with the Counter Fraud Team and other services, co-ordinate the review of the data matches released from the latest National Fraud Initiative exercise.
- In liaison with CLT, report on a further update of the strategic risk register with an update report due to be shared with the Accounts and Audit Committee in March 2025. As part of ongoing review processes, there will be benchmarking with other Greater Manchester local authorities to help inform future review and update of the strategic risk register.
- Consideration of the introduction of updated Global Internal Audit Standards (to be effective in the UK Public Sector from April 2025) and subsequent review and update of the Council's Internal Audit Charter and Strategy, taking into account guidance from CIPFA that is expected to be shared in January 2025.

2024/25 Operational Plan: Planned against Actual Work (as at 31 December 2024)

<u>Category</u>	<u>Planned work</u>	<u>Work completed (as at 31/12/24)</u>	<u>2024/25 IA Plan</u>
<p>Financial Systems</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 387</p>	<p>Audits of fundamental financial systems reviews and advice in relation to systems and procedures.</p> <p>Audit Reports planned to be issued in 2024/25 include the following:</p> <ul style="list-style-type: none"> - Children’s Social Care Payments (Children’s Services) - Accounts Receivable (Finance and Systems) - Payroll (Strategy and Resources) - Budgetary Control (Finance and Systems/Authority-wide) - Purchase Cards (Finance and Systems) <p>Other audits to commence in 2024/25 include:</p> <ul style="list-style-type: none"> - Accounts Payable (Finance and Systems) - Council Tax (Finance and Systems) 	<ul style="list-style-type: none"> -Final report issued 10/5/24 -Final advisory report issued 24/10/24 -Planning commenced -Final report issued 23/12/24 - - - 	<ul style="list-style-type: none"> -Completed -Completed -Audit to commence in Q4 -Completed -Planning to commence by end of Q4 -Planning to commence by end of Q4 -Planning to commence by end of Q4
<p>Governance</p>	<p>Corporate Governance / AGS (Legal and Governance) – to liaise with Legal and Governance, including providing comment on processes supporting the AGS, and its content with reference to the CIPFA/SOLACE Governance framework and guidance.</p> <p>Advice / assurance in respect of governance issues and ongoing liaison with services to consider further audit reviews.</p>	<p>Work to date has included:</p> <ul style="list-style-type: none"> -Liaising with Legal and Governance providing feedback on, and input to, the content of the 2023/24 Draft AGS issued in June 2024. -Advice regards the process for finalising the 2022/23 AGS in November 2024. 	<ul style="list-style-type: none"> -Support to Legal and Governance regards the process for finalising the AGS for 2023/24 alongside the audited accounts and in respect of planning for the collation of the 2024/25 AGS.
<p>Corporate Risk Management</p>	<p>Facilitating, and reviewing the effectiveness of, the maintenance of the Council’s strategic risk register.</p> <p>Actions to support the Council’s Risk Management Strategy including provision of guidance, independent review of existing risk management</p>	<ul style="list-style-type: none"> -Facilitated strategic risk update reports presented to Accounts and Audit Committee in June and November 2024. 	<ul style="list-style-type: none"> -Strategic risk register update report to be shared with CLT/Accounts and Audit Committee in March 2025. Also to undertake

	<p>arrangements and, where applicable, recommend areas for development.</p> <p>Follow-up of previous audit reviews to include:</p> <ul style="list-style-type: none"> - Business Continuity (Place/Authority-wide) - Health and Safety (Strategy and Resources) 	-	<p>benchmarking with other GM Local Authorities.</p> <ul style="list-style-type: none"> - Follow-up audit update to be discussed in Q4 - Completed
<p>Anti-Fraud and Corruption</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 388</p>	<p>Co-ordinate the Council's activity in respect of the National Fraud Initiative in accordance with Cabinet Office requirements.</p> <p>Contributing to investigations of referred cases of suspected theft, fraud or corruption. Other work to support the Anti-Fraud and Corruption Strategy, including working with other relevant services to review existing strategy, policies and guidance.</p>	<p>-Reporting of outcomes from the National Fraud Initiative exercise completed, with details reported as part of the 2023/24 Annual Head of Internal Audit Report at the June 2024 Accounts and Audit Committee. Above reporting included reference to Internal Audit support to investigation work undertaken in 2024.</p> <p>-Completed submission of required data as part of the 2024/25 National Fraud Initiative exercise.</p> <p>-Liaison with Counter Fraud to support awareness raising for staff (See Section 6 of report)</p>	<p>- In liaison with other services, co-ordinate the review of data matches from the 2024/25 National Fraud Initiative exercise, with initial reporting on outcomes as part of the 2024/25 Annual Head of Internal Audit Report.</p>
<p>Procurement / Contracts/ Value for money</p>	<p>Review of procurement / contract management arrangements including systems in place and associated arrangements to secure value for money (Work will include liaison with the STAR Procurement Service and partner authority auditors).</p> <p>Audit Opinion Reports to include:</p> <p>STAR:</p> <ul style="list-style-type: none"> - Social Value <p>Other:</p> <ul style="list-style-type: none"> - Parking Enforcement contract - Joint Ventures (Bruntwood) 	-	<p>-Review deferred at request of STAR given planned introduction of new IT system.</p> <p>-Planning to commence Q4</p> <p>-Findings to be discussed with Service in Q4.</p>
<p>Information</p>	<p>ICT Audit reviews and advice.</p>		

Governance / Information, Communications and Technology	Planned audits to include: <ul style="list-style-type: none"> - IT Service Management - Access Management - Vulnerability Management - IT Disaster Recovery - Asset Management Information governance reviews and advice. To include: <ul style="list-style-type: none"> - Audit of processes to support management of risk in relation to data breaches. 	<ul style="list-style-type: none"> -Final report issued 12/8/24 -Planning meeting agreed for Q4 -Planning meeting agreed for Q4 - - <ul style="list-style-type: none"> -Terms of reference produced 	<ul style="list-style-type: none"> -Completed -Planning to commence in Q4 -Planning to commence in Q4 Liaison with IT and Salford Audit Services during Q4 to consider other work and agree 2025/26 Plan. <ul style="list-style-type: none"> -Review to commence in Q4.
Page 389	Providing assurance on the control environment within schools, supporting schools in ensuring awareness of requirements within the DfE Schools' Financial Value Standard. Audit reviews of schools: At least 8 school audits to be completed during the year (Children's Services). Final audit opinion reports expected to be issued include: <ul style="list-style-type: none"> - All Saints Catholic Primary - Victoria Park Infants School - Bowdon Church School - Woodheys Primary School - Altrincham C of E Primary School - Templemoor Infants - Seymour Park Community Primary - Moss Park Primary Follow-up of progress for all school audits completed in 2023/24 with updates to be obtained from management.	<ul style="list-style-type: none"> -Final report issued 22/7/24 -Final report issued 22/7/24 -Draft report plus school fund advisory report shared with school -Draft report shared with school - - - - Follow-ups completed: <ul style="list-style-type: none"> -Broadheath Primary School -Broomwood Primary School -Oldfield Brow Primary School 	<ul style="list-style-type: none"> -Completed -Completed -Final report to be issued Q4 -Final report to be issued Q4 -Planning to commence Q4 -Planning to commence Q4 -Planning to commence Q4 -Planning to commence Q4 <ul style="list-style-type: none"> - 4 other school audit follow-ups to be completed in Q4.
Assurance – Other Strategic and Service Risks	Audits selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews include authority wide issues and areas relating to individual services, establishments and functions. Includes new audit reviews, follow up audits and gaining assurance from service updates. Audits to commence in 2024/25 with reports to be issued during 2024/25 or Q1/2 of 2025/26:		

	<ul style="list-style-type: none"> - Catering Services (Strategy and resources) - Blue Badges (Strategy and Resources) - Libraries Service (Strategy and Resources) - Complaints (Strategy and Resources / Authority-wide) - Recruitment (Strategy and Resources) - Supporting Families (Children’s Services) - Home to School Transport (Children’s Services) - Schools Admissions (Children’s Services) - Hayeswater Contact Centre (Children’s Services) - Care Leaver payments (Children’s Services) - Section 17 payments (Children’s Services) - Deprivation of Liberty Safeguards (Adult Services) - Adaptations (Adult Services) - Direct Payments (Adult Services) - Let Estates (Place) - Building Control (Place) - Housing Standards (Place) - Tree Unit (Place) - Section 106 / Community Infrastructure Levy (Place) <p>Follow-up of previous audit reviews where internal audit reports have been issued in 2023/24 to include:</p> <ul style="list-style-type: none"> - Bereavement Services (Strategy and Resources) - Cleaning Services (Strategy and Resources) - Sale Waterside Arts Centre (Strategy and Resources) - Outdoor Advertising (Place) - Safety at Sports Grounds (Place) - Waste Services (Place) 	<ul style="list-style-type: none"> -Final report issued 22/8/24 -Terms of reference produced -Delayed at request of service -Agreed to commence after Blue badges review (same service area). - - Final report issued 11/6/24 -Terms of Reference produced -Terms of Reference produced - Final report issued 20/11/24 - Draft advisory report issued - In progress - -Delayed at request of service -Final report issued 3/9/24 -Terms of reference produced -Draft report shared with service -Draft report produced - -Delayed at request of service - Follow-up update completed - Follow-up update completed - Follow-up update completed - Follow-up update completed - - Follow-up update completed 	<ul style="list-style-type: none"> -Completed -Planning to commence Q4 -To include in 2025/26 Internal Audit Plan -To include in 2025/26 Internal Audit Plan - Timing to be agreed. -Completed -Planning to commence Q4 -Timing to be agreed -Completed -Final advisory report issued January 2024 -Draft report to be issued Q4 -Planning to commence Q4 -To be considered as part of 2025/26 Audit Planning. -Completed -Planning to commence Q4 -Final report to be issued Q4 -Final report to be issued Q4 -Planning to commence Q4 -To include in 2025/26 Internal Audit Plan -Completed -Completed -Completed -Completed -Update due to be completed Q4 -Completed
<p>Grant claims checks / Data Quality</p>	<p>Internal audit checks of grant claims / statutory returns and other checks as required.</p> <p>Audit and Assurance to be advised through the year of grant claims, review work and other returns to be checked/signed off. To include:</p> <ul style="list-style-type: none"> - Disabled Facilities Grant (Adult Services) 	<ul style="list-style-type: none"> -Grant check/sign off completed 19/9/24 	<ul style="list-style-type: none"> - Completed

	<ul style="list-style-type: none"> - Local Transport Capital Block Funding (Pothole Fund) 2023/24 (Place) - Food Waste Collections-Capital Transitional Grant (Place) 	<p>-Grant check/sign off completed 18/9/24</p> <p style="text-align: center;">-</p>	<p>- Completed</p> <p>-Timing to be confirmed</p>
Service Advice / Projects	General advice and guidance, both corporately and across individual service areas. Support and advice to the organisation in contributing to working groups and projects in relation to governance, risk and control issues.	<p>Work undertaken up to 31/12/24 includes:</p> <ul style="list-style-type: none"> -Guidance as noted in the Q1 Audit and Assurance update report regards the Employee Code of Conduct -Advisory audit reports issued as listed in the Q1 and Q3 Audit and Assurance updates. -Ad hoc advice as referred to in Section 6 of this report and Section 6 of the Q2 Audit and Assurance update. 	

APPENDIX 2

POINTS OF INFORMATION TO SUPPORT THE REPORT:

Audit Opinion Levels (RAG reporting):

Opinion – General Audits

An opinion is stated in each audit report to assess the standard of the control environment.

Substantial Assurance - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable Assurance - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited Assurance - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Low or No Assurance - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Report Status:

Draft reports:

These are issued to managers prior to the final report to provide comments and finalise agreed responses to audit recommendations.

Final reports:

These incorporate management comments and responses to audit recommendations, including planned improvement actions.

Breadth of coverage of review (Levels 1 to 4)

Provides an indication as to the nature / breadth of coverage of the review in terms of which aspects of the organisation's governance and control environment it relates to. Levels are as follows:

- **Level 4: Key strategic risk or significant corporate / authority wide issue** - Area under review directly relates to a strategic risk or a significant corporate / authority wide issue or area of activity.
- **Level 3: Directorate wide** - Area under review has a significant impact within a given Directorate.
- **Level 2: Service wide** - Area under review relates to a particular service provided or service area which comprises for example a number of functions or establishments.
- **Level 1: Establishment / function specific** - Area under review relates to a single area such as an establishment.

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 5 February 2025
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Accounts and Audit Committee – Work Programme – 2024/25

Summary

This report sets out the work plan for the Committee for the 2024/25 municipal year.

It outlines areas to be considered by the Committee at each of its meetings, over the period of the year. The work programme helps to ensure that the Committee meets its responsibilities under its terms of reference and maintains focus on key issues and priorities as defined by the Committee.

The work programme is flexible and can have items added or rescheduled if this ensures that the Committee best meets its responsibilities.

Recommendation

The Accounts and Audit Committee is asked to note the 2024/25 work programme.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
Email: mark.foster@trafford.gov.uk

Background Papers: None

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Governance (including Annual Governance Statement)	Anti- Fraud & Corruption Arrangements	Accounts / Financial Management
26 June 2024	Agree Committee's Work Programme and consider training in 2024/25					
	- 2023/24 Head of Internal Audit Annual Report	- External Audit Strategy Memorandum	- Strategic Risk Register Report	- 2023/24 Draft Annual Governance Statement - Accounts and Audit Committee 2023/24 Annual Report to Council	- Counter Fraud Team Update Report	-2023/24 Revenue Budget Monitoring Outturn and Capital Investment Programme Outturn Reports (circulated to Members in July 2024 after the report shared with the Executive)
26 September 2024						
	- Internal Audit Monitoring Report (Q1 2024/25)	- External Audit Progress Report	- Strategic risk update: Public Health Investment			-Treasury Management update (Annual Performance Report 2023/24) - 2024/25 Budget Monitoring, project updates and Prudential Indicator Reports (Period 4)

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Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Governance (Including Annual Governance Statement)	Anti- Fraud & Corruption Arrangements	Accounts/Financial Management
21 November 2024	- Internal Audit Monitoring Report (Q2 2024/25)	-2022/23 Audit Completion Report	- Strategic Risk Register Report.			-Annual Statement of Accounts 2022/23 - Treasury Management: 2024/25 Mid-Year Performance Report - 2024/25 Budget Monitoring, project updates and Prudential Indicator Reports (Period 6) -2023/24 Insurance Performance Report

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Governance (Including Annual Governance Statement)	Anti- Fraud & Corruption Arrangements	Accounts/Financial Management
5 February 2025	Training briefing on Treasury Management on 20 January 2025.					
	- Internal Audit Monitoring Report (Q3 2024/25)	- 2023/24 Auditor's Strategy Memorandum and Audit Completion Report	-Strategic risk update: Cyber Security	- 2023/24 Final Annual Governance Statement	(National Fraud Initiative update, within Internal Audit monitoring report)	-Annual Statement of Accounts 2023/24 - Treasury Management Strategy - 2024/25 Budget Monitoring, project updates and Prudential Indicator Reports (Period 8) - Procurement update (STAR)
15 March 2025	- 2025/26 Internal Audit Plan / Internal Audit Charter and Strategy / Audit Standards Update.	- External Audit Progress Report	- Strategic Risk Register Report - Strategic risk update: Climate change emergency			- 2024/25 Budget Monitoring, project updates and Prudential Indicator Reports (Period10) -Temporary accommodation update -Accounting Policies