

Wirral Council Statement of Accounts 2023/24

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Narrative Report

The Statement of Accounts sets out the financial performance of the Council for the 2023/24 financial year and shows the year-end financial position at 31st March 2024. The Statement of Accounts is produced annually to give electors, local taxpayers, Members of the Council, employees, and other interested parties clear information about the Council's finances. Whilst plain language has been used wherever possible, technical language is required in some areas. To assist with understanding of the accounts a glossary of terms has been included at the end of the Statement of Accounts.

The narrative report provides a short summary of the Council's overall financial and non-financial achievements for the year and assists in the interpretation of the financial statements.

The narrative report is structured as follows:

1. About Wirral
2. Strategic priorities
3. Main influences on the Council and accounts in 2023/24
4. Key outcomes
5. Summary of financial performance for 2023/24
6. Going Concern
7. About the Statement of Accounts
8. Acknowledgements

1. About Wirral

Wirral is a unique place in the Northwest of England. A compact peninsula of 60 square miles in the Northwest of England, it is bounded to the west by the River Dee, which acts as boundary with Wales, the Irish Sea to the north, and the River Mersey to the East.

With a wealth of parks and countryside and over 20 miles of coastline Wirral is a combination of beautiful, rural countryside alongside cutting edge technology and advanced manufacturing industries and has a long and storied history of entrepreneurialism and culture.

The latest Census held in 2021 shows that the population of Wirral is 320,200, with a higher proportion of older (65+) people compared to England (22.0% compared to 18.4% in England), and a lower proportion of working age (15-64) people (61.1% compared to 64.2% in England). The latest population projections by the Office for National Statistics (ONS) show that the population in Wirral is estimated to increase by 4.1% to 336,300 between 2018 and 2043. Although a small increase, this hides large variations when looking at smaller age groups, with the population of children and young people (0-14) decreasing by 8.2%, while the population of older people (90+) is projected to increase by 96.3%.



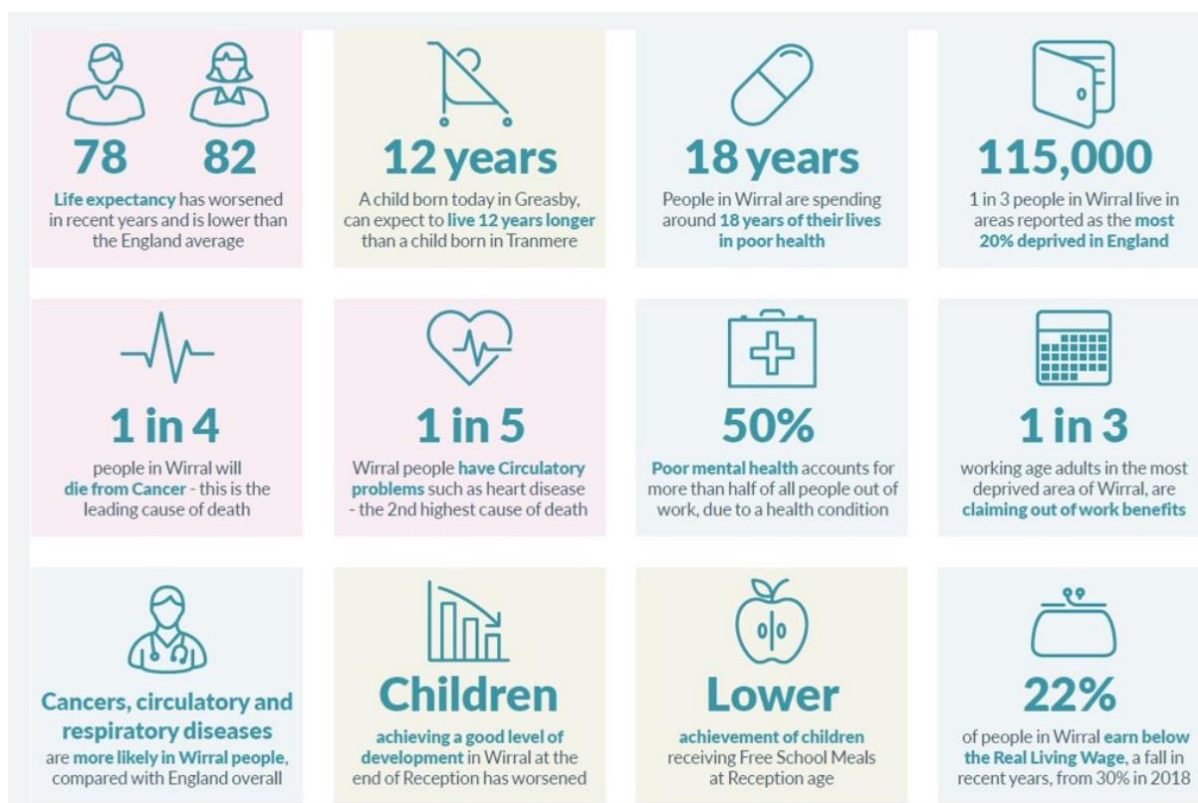
This increase in the elderly population has implications for statutory services, given that older people are the largest users of health and social care services.

There are wide health inequalities in Wirral which are illustrated by the difference in both life expectancy across the borough and by what proportion of people’s lives are spent in good health (known as health life expectancy). More information relating to this can be found in the Wirral Population and Demographics report on the Intelligence Service website.

The inequality in the life expectancy for men in different parts of Wirral is 12.6 years; ranging from 70.4 years in Birkenhead and Tranmere to 83.0 years in Greasby, Frankby and Irby in 2018-20.

It is a similar picture for women, with a gap of 11.9 years between Birkenhead and Tranmere where life expectancy is 75.4, to 87.3 years in Greasby, Frankby and Irby in 2018-20.

Healthy Life Expectancy data shows that people in Wirral spend only around three-quarters of their life in good health (78% for men and 77% for women); meaning that a considerable proportion of life (around a quarter) is spent in poorer health. In real terms, this means that on average, males in Wirral spend around 17 years of their life in poorer health, while for women it is 18.5 years. More information relating to this can be found in the ONS report 2022.



Source: Wirral State of the Borough Report 2023 (Intelligence Service website)

The 2021 Census identified that 95.2% of the Wirral population were White. Of the 4.8% who did not identify as White, the largest groups were Asian or Asian British (2.3%),

Mixed or Multiple ethnic groups (1.5%), Other (0.6%) and 0.4% are Black, Black British, Caribbean or African (0.4%).

It is important to note, that one of the largest groups of non-UK born residents were those who identified as 'Other White' (1.8%). This group are counted within the overall 'White' group and so can sometimes be overlooked; the most commonly represented countries within the 'Other White' group were Polish (0.3%) and Romanian (0.2%).

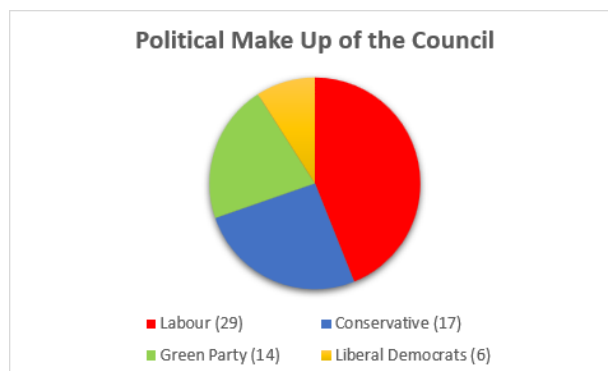
A voluntary section was added to the 2021 Census which asked for sexual orientation of the population over 16 for which 93.5% of Wirral population responded. 90.7% identified as Straight or Heterosexual, 1.6% identified as Gay or Lesbian, 1.0% as Bisexual, 0.2% as Pansexual or Asexual.

The Council is responsible for providing a range of services to residents, businesses, and visitors to the Borough. These include education, safeguarding vulnerable children and adults, social care, public health, highways, leisure, culture, waste collection, planning, housing benefits, regeneration, community engagement and many more. In addition to providing or commissioning services the Council is also responsible for the collection of local taxation in the form of Council Tax and Non-Domestic Rates on behalf of itself and local agencies such as Police and Fire authorities.

Wirral Council is made up of 66 locally elected Councillors across 22 electoral wards.

In May 2023 Wirral Council changed to a whole council election system. Elections were held for all 66 seats at the same time. Local elections were held on 4th May 2023. This was the first year that Wirral has undertaken whole council (or 'all-out') elections, meaning that all Councillors were up for election rather than a proportion. The results are that both the Green Party and Labour gained 4 seats each whilst the Conservative Party lost 6 seats and the Independent Group lost it's one remaining Councillor. In January 2024, a Councillor left the Labour Party and Joined the Green Group. The political composition of the Council at the end of 2023/24 was:

- Labour – 29 seats
- Conservative – 17 seats
- The Green Party – 14 seats
- Liberal Democrats – 6 seats



Council Structures and Operating Model

The Council employs over 3,000 people in full time and part time posts, led by The Chief Executive and the Senior Leadership Team.

The Chief Executive of Wirral Council is Paul Satoor.

Finance:

The Director of Finance (Section 151 Officer) is Matthew Bennett

The function includes:

- Finance and Investment including Procurement and Accounts Payable, Internal Audit, Risk and Business Continuity
- Revenues and Benefits including Accounts Receivable
- Information and Communications Technology & Digital
- Merseyside Pension Fund hosting function

Law and Corporate Services:

The Director of Law and Corporate Services (Monitoring Officer) is Jill Travers.

The function includes:

- Legal Services
- Licensing
- Registrars
- Committee Services
- Electoral
- Coroners Civic Services
- Communications
- Strategy
- Policy and Partnerships
- Customer Feedback
- Members Enquires
- Quality and Organisational Effectiveness
- Project Management Office (PM)
- Human Resources and Organisational Design

Neighbourhood Services:

The Director of Neighbourhood Services is Jason Gooding.

The function includes:

- Highways
- Traffic, Network Management and Road Safety
- Street Scene
- Highways Design and Maintenance
- Community Safety
- Emergency Planning
- Assisted Travel
- Major Events
- Leisure

- Libraries
- Parks and Countryside
- Trading Standards
- Environmental Health
- Waste and Environment
- Climate change

Regeneration and Place:

The Director of Regeneration and Place was David Hughes during 2023/24, with Marcus Shaw commencing as Interim Director during 2024/25.

The function includes:

- Major Planning and projects including Wirral Growth Company
- Regeneration
- Inward investment
- Strategic Transport
- Assets and Facilities Management
- Housing
- Supported housing and homelessness services
- Development Management and Building Control
- Culture strategy and Visitor Economy.

Adult Care and Health and Strategic Commissioning:

The Director of Adults' Care and Health was Graham Hodgkinson during 2023/24, however Sayyed Osman commenced as the Director on 3rd June 2024.

The function includes:

- Commissioning Older People and Mental Health and Disability Services
- Care standards
- Strategic Commissioning
- Public Health
- Wirral Intelligence Service.

Children, Families and Education:

The Director of Children, Families and Education was Simone White in 2023/24, with Elizabeth Hartley commencing as Director during 2024/25.

The function includes:

- Assessment and Intervention
- Permanence, Fostering, Adoption and Placement Commissioning
- Safeguarding, Quality Assurance and Practice Improvement
- Early Childhood Services
- Integrated Front Door
- Multi Agency Safeguarding Hub, Safeguarding
- Youth Service
- Schools Improvement
- Education and Lifelong Learning
- Special Education Needs and Disabilities and Inclusion
- Performance Improvement
- Modernisation
- Business Support.

2. Strategic Priorities

Wirral Working Together: Wirral Plan 2023-27

Wirral Working Together: A Council Plan for 2023 – 2027 is a new organisational Plan which replaces the Wirral Plan and is the next phase of the Council's Improvement Plan and journey.

Following changes to Wirral's elections in May 2023, the Plan is now aligned with the new 4-year election cycle. The Council Plan was developed through extensive engagement with elected members during 2023 and agreed unanimously at full Council in December 2023.

The Council Plan is a key strategic document:

- For us as an organisation: The Council Plan provides the organisation with a clear vision: Working Together to Promote Fairness and Opportunity for People and Communities as our focus for delivery over the next four-year term (2023 – 27).
- The Council Plan is the next phase of Wirral's Improvement Plan. It responds to feedback from the External Assurance Review (Nov 2021) and LGA Corporate Peer Challenge & Re-visit (March/Nov 2022).
- Links to our budget planning: The Council Plan aligns to a refreshed Medium Term Financial Strategy (MTFS). Ensuring we become more financially stable and make key decisions based on strategic priorities. The strategic context for the Medium-Term Financial Strategy is set out within the Council Plan. Wirral's Council Plan can only be delivered through a sound understanding of the council's medium and longer-term financial sustainability, which enables decisions to be made that balance the resource implications of the council's policies against financial constraints, while delivering best value for Council Taxpayers.
- A key part of the MTFS is to highlight the budget challenges that will need to be addressed by the council over the coming financial years.
- It assesses what reserves and provisions need to be held for past and unknown events which may impact on the council's resources. The associated Medium-Term Financial Plan (MTFP) is a summary document of the revenue budget incorporating the deliverables of the strategies by Directorate, the amount of funding available, including financial pressures and savings.

Council Plan Priorities

- To deliver high quality efficient universal services to all residents
- To prioritise those with the greatest needs
- To deliver council services within the means of the council budget
- To be prepared to innovate and face the future
- To play our part in addressing the climate emergency and protecting our environment
- To work across communities with community, voluntary and faith organisations and partners to improve all residents' life chances
- To deliver our ambitious regeneration programme through increased investment, jobs and new businesses throughout the borough

Vision: Working Together to promote fairness and opportunity for people and communities

Themes:



Enabling theme

1. Working together to create a more efficient, effective and accessible council

This theme builds on the council’s Improvement Plan (published June 2022) to ensure there is a continuous programme of improvement and service transformation. Back-office services from across the council will be redesigned into centralised models to ensure these services are as efficient as possible. All Directorates will be reviewed and restructured to support the outcomes of the Council Plan. The council will accelerate its digital transformation to improve automation of processes and improved customer accessibility. The council’s properties and assets will be rationalised to reduce unnecessary overheads and support the council's net zero commitments.

Delivery themes

2. Working together to enable early help for children and families

Keeping children safe is one of the most important roles the council fulfils. We are continuously looking to improve our early help, social care, and education services.

Our progress has recently been validated through a Joint Targeted Area Inspection and Local Government Association Peer Review. Our Early Help offer includes projects such as Family Toolbox which gives tips and tools to support families, and Cradle to Career which has recently received national recognition. This theme seeks to continue this work focusing on supporting children and families in need as early as possible to improve outcomes and reduce the likelihood of higher costs intervention further down the line. In summary this theme seeks to improve outcomes for children, reduce educational attainment inequalities and raise the aspirations for all our children and young people. An important part of this is SEND (this stands for Special Educational Needs and Disability).

3. Working Together to promote independence and healthier lives

Wirral is one of nine places in the Cheshire and Merseyside Health and Care Partnership. As a place we work together to make service improvements across our communities. The main priority for our partnership is to keep our residents well and tackle the significant health inequalities that exist across Wirral.

We work across local public and voluntary sector partners together to improve access to health services and treatment for all residents whilst reducing health inequalities. Wirral provides strategic leadership over the borough's Health and Wellbeing Strategy. This strategy sets out the agreed priorities and activities which, through joined up effort, will create the best conditions for health and wellbeing for Wirral residents and communities.

4. Working Together to deliver people focused regeneration

The council is leading Wirral's place shaping agenda – creating a strong economy based on brownfield first regeneration and delivering social, people-focused regeneration that benefits Wirral as a whole.

Generating inward investment, new employment opportunities for our most deprived neighbourhoods and helping to address the economic and health disparities within the borough. Leading and influencing Wirral's place role in the Liverpool City Region and wider region.

5. Working Together to protect our environment

Wirral is a peninsula with miles of beautiful coastline, beaches, parks and open spaces which we are all proud to look after, protect and keep clean. The council has demonstrated commitment to playing our role in tackling the climate emergency.

Working with partners to deliver the Cool2 Strategy we will continue to work with our partners and listen to our communities, providing the support they need to bring about positive changes to our local community on many of the issues that matter to people such as cleaner air, greener spaces, warmer homes, healthier travel and a thriving local economy.

We will continue to extend tree cover and protect habitats and soils. The old, the young and those with existing health problems are most vulnerable to more hostile environmental conditions. Acting to stop the situation deteriorating really matters to our families and our communities now.

6. Working Together for safe, resilient and engaged communities

Wirral is undergoing significant change, with large-scale regeneration programmes planned across the borough. Aligned to this, Wirral Council and partners have been developing infrastructure projects to ensure Wirral continues to be safe. We will continue to work with colleagues from the National Probation Service and Merseyside Police to support their Integrated Offender Management refresh strategy.

Linked with change is ambition to provide opportunities that help our residents to live happy, healthy, independent, and active lifestyles. We will continue to work with a wide range of providers, including commercial, voluntary and community groups as well as other public sector organisations to collectively re-imagine how we can make active and healthy opportunities a part of everyone's life choices.

Delivering the Council Plan

The whole organisation will be brought together by and committed to making sure the actions in the Council Plan are carried out.

The Council Plan is underpinned by clearly defined delivery strategies, Committee Work Programmes, and Directorate Business Plans right through to individual staff appraisals to ensure that everyone clearly knows their role in helping to deliver the plan. To help us achieve our vision and aims, there are some important cross-cutting strategies that underpin how we deliver the Council Plan – not least the Local Plan 2027 which is the long-term statutory document for Wirral and an important planning document that shows what can be built, where, how and why.

Strategic Framework Review

A review and refresh of the range of underpinning strategies is currently underway. This will provide a high-level up to date profile of the key strategies, plans and programmes that underpin the six themes of the new Council Plan. It will also bring together relevant Council Statutory Policies into a single Strategic Framework, to be published July 2024.

Strategic Partnership Review

Partnership has a unique strategic role in shaping Wirral as a place, and Wirral has a strong track record of excellent collaboration and partnership working.

The Council continues to lead successful partnership working with public, private and community & faith sector partners to improve the borough. As part of the development of the new Council Plan, the Council has been leading discussions with partners about future joint priorities and how we can work together to deliver a collective vision for the Borough. There is a strong appetite across the public, private and voluntary sectors for a shared strategic plan and partnership that supports collective ambitions, acknowledging that we can only achieve our goals by working together.

To support collaboration on the new Council Plan, a review of Wirral's Strategic Partnership is currently underway to propose refreshed partnership arrangements in Autumn 2024, building on successful partnership activity already in place.

Liverpool City Region/ Neighbouring Partners:

The Council continues to play a key role in the Liverpool City Region Combined Authority, driving Wirral's interests and securing substantial funding to deliver Wirral priorities. Wirral also Chairs the Mersey Dee Alliance (MDA), driving further opportunities to link Wirral, the City Region the wider region and beyond. The MDA is a successful partnership that supports strategic economic growth across North East Wales, West Cheshire and Wirral. Recognised as a single economic sub-region and having a population close to 1 million, the Mersey Dee area is a pivotal location in the UK.

3. Main influences on the Council and accounts in 2023/24

There have been several developments in 2023/24 that have impacted on the Council during the year, some of these have influenced the presentation of the 2023/24 Accounts and the reported financial position of the Council. Below are some of the key events.

- Government funding
- Ofsted inspection
- Regeneration
- Better Care Fund
- Changes in pension estimates

Government funding

On 19th December 2022, the government confirmed details of its Local Government Funding Settlement for 2023/24. The impact on Wirral was positive with an increase in core spending power through council tax rises of up to 4.99% including a 2% adult social care precept, increased Social Care Grant and new Adult Social Care Discharge, and Market Sustainability and Improvement funds. However, this was only a one-year settlement which results in uncertainty for the Council and makes medium and long-term planning difficult.

The economic uncertainty resulting from cost-of-living increases, higher inflation than in previous years, and volatile energy costs, will continue to increase pressure on the sustainability of services. The Council continues to develop proposals that deliver services in line with priorities and key objectives, included in which is supporting the most vulnerable members of our local community, within the constraints of limited financial resources.

The Independent Panel, formed as part of the agreement with the Department for Levelling Up, Housing and Communities (DLUHC) to grant the Council a Capitalisation Directive, has continued to oversee our improvement in response to an External Assurance Review commissioned by DLUHC and published in November 2021. Over the last two years the panel have had oversight of our Improvement Programme which was designed to put the authority on a sound financial footing and ensure it was moving in the right direction. This process has included reviewing how the council delivers for the people of Wirral and provides the best possible value for money. In March 2024 the panel confirmed their intention to step down, subject to their final report being presented to the DLUHC and to Policy & Resources Committee, who will then recommend the report be approved by Full Council.

Challenges remain however, and this is acknowledged in the Council's Annual Governance Statement for 2023/24, and although a balanced budget has been set for 2024/25, it is dependent on challenging savings and efficiencies being achieved during 2024/25 and beyond.

Implementing robust planning and monitoring of savings, increasing reserves, improving financial governance and oversight, and the management of capital and assets is essential.

Ofsted Inspection

Following the Local Area inspection of services for children and young people with Special Educational Needs and Disabilities (SEND) which took place in September 2021, Children's Services has needed to focus on addressing the ten priority areas identified for improvement.

These areas related to the following:

- Weaknesses in the quality and timeliness of EHC assessments and annual reviews
- The lack of meaningful co-production with parents and carers.
- The high level of parental dissatisfaction with the area's provision.
- The published local offer not being well publicised and not providing parents and carers with the information that they need.
- Poor communication with parents and carers across the area.
- The fractured relationship between the area and the Parent Carer Partnership Wirral and the impact of this on the area's progress in implementing the reforms.
- The lack of joint commissioning of services in the area.
- The lack of effective strategic oversight to ensure effectiveness of plans and provision and hold leaders, managers, and partners to account.
- The lack of accurate, up-to-date and useful information which informs the area's plans and evaluates the impact of their actions.
- The graduated response not being consistently applied across all schools and settings.

Following two years of activity delivered via the SEND Transformation Board there has been insufficient progress made against Key Performance Indicators. To put more pace and rigour on the programme of work, the governance arrangements have been refreshed. The new Local Area SEND Partnership Board launched on 29th April 2024, with the Council Chief Executive Chairing and political leadership supporting. A refreshed plan of action will be implemented with strong performance arrangements put in place.

In January 2024, Ofsted published the findings report for the Inspection of Local Area Children's Services (ILACS) which took place in September 2023. The inspection found children's services as requiring improvement to be good. An action plan has been agreed with Ofsted and will be monitored through Children's Departmental Management Team and the Children, Young People and Education Committee. The areas for improvement are as follows:

- The response to 16- and 17-year-old homeless children, to ensure that they are made aware of their rights and entitlements.
- The awareness-raising and identification of, and response to, children living in private fostering arrangements.

- The quality of decision-making, to ensure that children come into care in a timely way.
- The timely progression of permanence plans for children, to ensure that they are not subject to statutory intervention for too long.
- Escalation by IROs, to robustly challenge plans for children.
- Transition planning for 16- and 17-year-old children in care, to ensure that they feel better prepared for leaving care.
- The offer to care leavers so that it is consistently accessible and understood to ensure that all care leavers receive their full entitlements.

Regeneration

The Birkenhead 2040 Framework was published in 2022 and forms a key part of the emerging Local Plan. It will be implemented in part by utilising grant funding from government funds made available via the Department of Levelling Up, Housing and Communities (DLUHC), Homes England and the Liverpool City Region Combined Authority (LCRCA). The council has been successful in securing over £100m from the Future High Streets Fund, Levelling Up Fund (directly and through the LCRCA), Towns Fund and Active Travel Funding to deliver regeneration projects across the Birkenhead area.

There are a number of developments geographically located across the Birkenhead, Liscard and Seacombe regeneration areas, which include a number of transport projects. These projects range from public realm and highway improvements, a new market and new housing developments, to support for private sector developers and Community Interest Companies in the creative industries sector, which often deliver support to residents with mental health issues or target hard to reach communities.

The programmes range from Birkenhead Waterfront, Central Birkenhead, Hind Street, Wirral Waters, Dock Branch Cleveland Street Neighbourhood (formerly Hamilton Park), Scotts Quay, Seacombe River Corridor, Liscard and Northside.

As well as more of the traditional capital regeneration projects, several of the Town Deal projects help to address the skills gap, wellbeing and health inequalities. The Education Engagement Network projects address the issue of poor mental health, particularly in young people, where many feel the traditional education routes to employment are too academically focused. The skills outputs will focus on wider wellbeing development, such as resilience and self-confidence, that are crucial to achieving positive life outcomes.

Notable Highlights from the past year include:

1. Construction of the new Birkenhead Commercial District (BCD) offices in the Birkenhead town centre have now been completed with the Council moving into Mallory in April 2024. The second building 'Irvin' comprising of 60,000 sq ft is currently being marketed for commercial letting.
2. Consultation took place on a number of masterplans and neighbourhood



frameworks in support of the Local Plan most of which are now complete with Committee consideration for approval commencing in June 2024 with subsequent reports going through to the Autumn when all when Masterplans will be adopted.

3. The Council supported a local housing association by underwriting the purchase of land at Woodside as part of the future redevelopment of this important gateway to the town, and to protect land required for the realignment of the roads in this area. A new masterplan is being commissioned to focus on the long-term future of the waterfront.

4. Hind Street Urban Village – a proposal to develop 1,400 new homes on a derelict site adjacent to Birkenhead town centre – has had a planning application submitted which we anticipate will be determined in summer 2024. A Business Case has also been submitted to Homes England and Liverpool City Region Combined Authority (LCRCA) to secure the funding required to deliver the first 633 of these homes. Again, we expect confirmation that this funding has been secured in summer 2024. The scheme is being developed in partnership with Ion Developments Ltd.



5. At Wirral Waters the Miller’s Quay development is nearing completion, with the first two blocks expected to be available for occupation by later summer 2024 and the remaining four blocks being completed in January 2025.

6. The first phase of Redbridge Quays - the 30 modular housing scheme developed by Peel - Waters completed in December 2022.

7. Town Deal – Grant Funding Agreements continue to be put in place with grant recipients, which protects the Council from risk arising from third party delivery. Some examples of progress in the Town Deal programme from this year include:

a. Expansion at Start Yard and refurbishment of Egerton House provides office, event and co-working spaces, tailored to meet the needs of businesses and support business growth in Birkenhead.

b. Future Yard’s redevelopment of workshop and studio space has now been completed. This provides live music industry training and offers tailored career pathways to local residents outside of traditional routes.

c. The Argyle Street Creative Makers Hub took a step closer to completion as the building is now in the ownership of Make CIC who will run the new facility. Works have commenced to refurbish the building which will support businesses in the creative industries sector and is due to open late Summer 2024.

d. Eureka! Science and Discovery opened in November 22 has been popular with visitors. The public realm to the front of Eureka and the Seacombe Ferry terminal is in the design stage with works due to start later this year. The refurbished space will provide an upgraded 'front garden' for the new attraction and ferry terminal.

8. Appointment of contractors to start work on 2 major public realm/active travel projects in the Town Centre at Grange Rd/Charing Cross/Grange Rd West and Conway Street/Europa Boulevard. Works will start in May 2024 and continue until Summer 2025 and will provide improved connectivity/accessibility into the town centre.
9. Demolition of the North and South Wallasey Town Hall Annexes as part of a programme to redevelop of the sites for high-quality new residential development.

Pooled Budgets

In line with policy requirements, Cheshire & Merseyside Integrated Care Board – Wirral Place, and Wirral Council have entered into a pooled budget arrangement under section 75 of the NHS Act 2006; The pool incentivises the NHS and local government to work more closely together around vulnerable people, placing their well-being as the focus of care and health services. The pooled budget is hosted by Wirral Council and commenced on 1 April 2015; it includes but is not limited to services funded by the Better Care Fund.

Locally, the primary aims of the pooled fund are:

- Supporting independence in the community by place-based activity,
- Reducing non-elective admissions and reducing residential admissions by providing the right care and support within the community,
- Facilitating earlier hospital discharge.

The pooled revenue budget in 2023/24 was £272.73m, which included £59.872m of Better Care Funding.

Changes in the Pension liability

The Local Government Pension Scheme (LGPS) is a statutory pension scheme funded over the long term to meet the pension promises to scheme members and their beneficiaries. The Council participates in the scheme through the Merseyside Pension Fund.

The Accounts show an annual position of the scheme for the share that relates to the Council. Any change in the assets or liabilities of the scheme due to the size and the Councils share can have a significant impact on the Balance Sheet and its Unusable reserves. The assets of the scheme for the Council are £1.486bn and liabilities of £1.460bn. The net change in the scheme for 2023/24 was an increase of the assets by £52.46m. Most of this movement relates to the change in financial assumptions.

The purpose of the actuarial valuation is for the administering authority to determine:

- The expected cost of providing the benefits built up by members at the valuation date (the "liabilities"), and compare this against the funds held by the Fund (the "assets")
- The contributions needed to cover the cost of the benefits that active members will build up in the future and other costs incurred in running the Fund (the "Primary Contribution Rate")
- An appropriate plan for making up the shortfall if the Fund has less assets than liabilities. The plan will cover the amounts which will need to be paid (the

Secondary Contribution Rate) and the timeframe over which they will be paid (the Recovery Period)

The actuarial triennial valuation was finalised at 31 March 2022 and the valuation rates effective from 1st April 2023 agreed.

4. Key Outcomes

Wirral's Council Plan sets out our main priorities, as well as important actions and deliverables that we, as a Local Authority, must deliver. The plan has a number of themes which lay out our main priorities, how we will achieve them and how the outcomes of these priorities will be measured.

Below are just a few of those outcomes that were achieved during the 2023/24 financial year.

EARLY HELP FOR CHILDREN AND FAMILIES

Keeping children safe is one of the most important roles the council fulfils. This theme seeks to improve outcomes for children, reduce educational attainment inequalities and raise the aspirations for all our children and young people.

Back in June we celebrated Wirral's unsung heroes – individuals who make a huge difference to the lives of local children in care. Young people who are within, or have recently left, the care system in Wirral were given the chance to say thank you to that special someone who they feel has made a massive difference in their lives over this past year. In total, 111 different people were nominated by 96 young people and all these caring individuals were celebrated at a special 'Listen to Me' awards ceremony.

Records were broken in July and August as 2,775 of our young people took part in the Summer Reading Challenge. Parents, carers and staff from across Children's Services worked with budding bookworms to demonstrate the benefits of reading for young busy brains.

September 2023 saw the first of several Family Hubs planned across the borough opening its doors in Wirral. Family Hubs are spaces where families with children aged 0 to 19 (25 with SEND) can easily access a wide range of support, making services easier to navigate and more joined-up, ensuring families receive the right service at the right time.

Also in September, a new website was launched publicising the 'local offer' of support options for young people with special educational needs. 'SENDLO' (standing for SEND Local Offer) will share the most relevant, up-to-date and easily accessible information with families across the borough.

In October we announced that Wirral had seen a drop in the rate of young people entering the justice system by almost 27% compared to the previous year. The fall is attributed in part to a number of preventative projects run by the Wirral Youth Justice Service, a statutory partnership between the council, Merseyside Police, Probation Service and health partners.

More than 700 students were given an insight into employment, training and further education at a special event encouraging young people to explore local career opportunities in November.

The What Next? Skills Show saw 717 Year 10 and 11 students from 15 secondary schools across Wirral given the opportunity to meet and mix with local employers from different industries. More than 55 employers, education and training providers gathered at the Hive Wirral Youth Zone, Birkenhead, for the all-day event, which was run by Career Connect on behalf of Wirral Council.



More than 2,500 local children enjoyed an activity-packed Christmas thanks to Wirral's Holiday Activities with Food (HAF) Programme. A network of 45 clubs and groups from across the peninsula delivered a wide range of activities to keep local young people active and entertained, with seasonal highlights including ice skating and trips to the panto complementing regular favourites such as arts and craft sessions and sports and dance competitions. Efforts to make the holiday scheme as accessible as possible saw children with a special educational need or a disability making up more than 20 per cent of all those taking part.

PROMOTING INDEPENDENCE AND HEALTHIER LIVES

Wirral is one of nine places in the Cheshire and Merseyside Health and Care Partnership. The main priority for our partnership is to keep our residents well and tackle the significant health inequalities that exist across Wirral.

Working with Cheshire and Merseyside NHS, our Public Health and Adult Care colleagues joined forces to encourage people to come forward for their Spring booster jabs. Since the start of the campaign in April 2023, more than 174,000 doses were given in the region. This included visits to all care homes in Cheshire and Merseyside, delivering protection against becoming seriously ill with the virus to more than 13,000 residents.

In August, dozens of community groups from across Wirral received up to £0.021m each to help them provide food and welfare support to our more vulnerable residents who are struggling in their areas. The local groups shared £0.607m under the Small Grants Programme, which will be used by frontline groups to help residents with food costs, energy and water bills, and other essentials.

September was quite a busy month for our Active Wirral colleagues in Leisure Services.

A reduced-price fitness and leisure membership was launched offering residents who meet certain criteria the chance to get moving, for less. The health membership, developed by Active Wirral as part of their We Are Undefeatable project, gives local people living with health conditions an opportunity to take part in physical activity in a way that suits their lifestyle.

A project to improve the health and wellbeing of people in Wirral scooped a prestigious national award. Wirral Council was among six councils vying for the top slot in the 'Best Health and Wellbeing Initiative' category at the Association for Public Service Excellence (APSE) Service Awards 2023, for its Active Wirral Wellbeing Weight Management Project. The project was set up to address high levels of obesity in Wirral and set out to deliver a high-impact programme that supports residents to lose weight, become more active and improve their overall wellbeing.

September also saw the state-of-the-art Sports & Activity Centre reopen its doors in Bidston. After temporarily closing in March 2022, Bidston Sports and Activity Centre (formerly Wirral Tennis and Sports Centre) has undergone a £2.7m transformation and now offers Wirral residents and visitors access to a brand-new gym, immersive studio, active zone, and cafés, providing fitness and wellbeing for all.



In October, a group of local health partners were acknowledged for their collaborative work which helped reduce hospital admissions in over 65s. Staff from our Health Protection Service, Wirral Community Health & Care Foundation Trust, Wirral University Teaching Hospital (WUTH) and Wirral Place received the Impact Award for Excellence from Infection Prevention Society for a partnership project focusing on the treatment of Urinary Tract Infections (UTIs) and hydration in older people – reducing avoidable hospital admissions in this vulnerable group in the process.

A review of Wirral’s Sexual Health Services by the Care Quality Commission (CQC) in February rated the service as ‘outstanding.’ Funded by Wirral Council Public Health, this is the highest possible rating from CQC.

An extra-care housing development, offering independent living accommodation officially opened in March. Sycamore Place, based in Wallasey, offers 53 one and two-bedroom apartments, with care staff available 24/7 offering a safe and secure living environment for over 55s who want to enjoy their independence with care and support available, as and when they need it.

PEOPLE FOCUSED REGENERATION

The council is leading Wirral’s place shaping agenda – creating a strong economy based on brownfield first regeneration and delivering social, people-focused regeneration that benefits Wirral as a whole.

In May, a crucial step in securing the regeneration of Birkenhead town centre was made with the purchase of key shopping areas - The Grange and The Pyramids The sites had been put up for sale by Mars Pension Fund just as the council was completing consultation on how the area could be improved for traders and local people as part of the Birkenhead 2040 Framework which outlines how the town’s future prosperity can be maximised.

The Leader of Wirral Council joined with the authority’s partners to celebrate ‘topping out’ of the major new £130m residential development at Wirral Waters in June. Miller’s Quay, the single biggest development to date at the UK’s largest and most sustainable regeneration project, reached a special milestone in its construction of 500 highly sustainable one- and two-bedroom waterfront apartments.



Thousands of visitors descended on the Cherry Tree Shopping Centre in Liscard in July for Wirral's first Youth Market. More than 3,500 people came to visit the market which was the first of its kind in Wirral. The initiative was funded by the UK Shared Prosperity Fund and the High Streets Taskforce and gave young traders the chance to launch a business within their local community or reach a new audience for an existing business.

October saw Wirral Council be awarded a £2.325m grant as part of the Government's Brownfield Land Release fund which is intended to support nearly 100 regeneration projects across the country. The cash was used to remove the North & South Annexes either side of Wallasey Town Hall. The area is included within the Seacombe Masterplan area which has the potential to deliver significant housing redevelopment as part of the wider regeneration plans.

Also in October, the keys to two new office buildings which form a key part of the regeneration plans for Birkenhead were officially handed over to the council. In 2019 the council embarked upon a large-scale transformational regeneration programme across Wirral's Left Bank, which stretches from Bromborough through Birkenhead and Wirral Waters, Seacombe and Liscard to New Brighton. The creation of a new office quarter in the heart of Birkenhead Town Centre is one of the flagship projects.

The announcement that Liscard was in line to receive £10.7 million Levelling Up funding was a major boost for the town and local traders back in November. Wirral Council had bid for Levelling Up Funding in July 2022 and was initially unsuccessful, but the Government has looked again at the plans submitted by the local authority for the town centre. Liscard is now one of 55 projects across the country to have been selected to receive cash from the Round 3 of Levelling Up grants which total £1.105m.

In January, Wirral was celebrated being the 2024 Liverpool City Region Borough of Culture.

Civic leaders joined representatives from the region's creative sector to launch this year's programme at the Williamson Art Gallery, where guests were also given a preview of 'Is Anybody Listening?', an exhibition by acclaimed local photographer Craig Easton. Wirral first held the city region's Borough of Culture title back in 2019. The year saw more than half a million people taking part in events and activities and encouraged many creative organisations and networks to flourish. Wirral handed the title on to Sefton in 2020, Halton then followed in 2021, Knowsley in 2022 and St Helens in 2023.



PROTECT OUR ENVIRONMENT

Wirral is a peninsula with miles of beautiful coastline, beaches, parks and open spaces which we are all proud to look after, protect and keep clean. The council has demonstrated commitment to playing our role in tackling the climate emergency.

A significant milestone to install a new coastal defence at West Kirby's waterfront saw the final precast section of the wall installed along South Parade in May.

The scheme, with its 1km long, 1.2m high wall, will provide residents on South Parade and the surrounding areas with greater protection from potentially catastrophic flooding for many years to come.

A new Climate action online information and engagement hub launched in June. The hub is part of a wide-ranging community engagement project on climate action and provides an introduction as to what partners hope to achieve.

In July, we were awarded a grant of £0.025m from the Chewing Gum Task Force to help the council clean up gum and reduce gum littering. Wirral was one of 56 local authorities across the country that successfully applied to the Chewing Gum Task Force, which was established by Defra and run by environmental charity Keep Britain Tidy.

Also in July, an amazing 33 sites in Wirral were recognised in Green Flag Awards. As well as 29 of Wirral's parks, Wirral Country Park were awarded a Green Heritage Flag, joining Birkenhead Park in its achievements for the management of the parks' historic features. In addition, Wirral's New Ferry Butterfly Park, managed by Cheshire Wildlife Trust, and Woodchurch Holy Cross, managed by Holy Cross Woodchurch PCC, were awarded the Green Flag Community Award.



In December Wirral Council were successful with two bids to an environmental fund set up to celebrate the Coronation of King Charles III. There are two strands for the fund and councils were able to apply for funding in both categories - Coronation Micro Woods, which encourages councils to plant miniature areas of rapidly establishing woodland in urban areas and Coronation Community Orchards, which provide grants to local people and groups to establish community orchards.

Wirral was awarded £0.028m to plant five micro woodlands and £0.010m to create three orchards.

New grants to help neighbourhoods across Wirral promote the sense of community and local pride were announced in February. The funding will allow local groups to deliver inspiring projects that improve quality of life in their areas such as encouraging community growing, greening the local area, or improving access to affordable healthy food. The grants could provide funding of up to £0.015m to local groups with a plan to make a difference to where they live.

Roads, pavements and bridges in Wirral will benefit from more than £8 million of improvements over the coming year as part of the council's annual Highway Structural Maintenance Programme.

The funding, provided through the Liverpool City Region Sustainable Transport Settlement, will be used to carry out essential works on the highways infrastructure in Wirral to ensure that residents and visitors can continue to travel safely.

All works will be carried out in the most environmentally friendly way possible as crews and contractors will work closely with suppliers to minimise the council's greenhouse gas emissions and reduce waste.

SAFE, RESILIENT AND ENGAGED COMMUNITIES

Wirral is undergoing significant change, with large-scale regeneration programmes planned across the borough. Aligned to this, Wirral Council and partners have been developing infrastructure projects to ensure Wirral continues to be safe. We will continue to work with colleagues from the National Probation Service and Merseyside Police to support their Integrated Offender Management refresh strategy.

In April, Birkenhead Park was added to the List for UNESCO World Heritage Site nomination

The Department for Digital, Culture, Media and Sport, has announced the Park will be included on the Government's newly announced 'UK Tentative List' for potential nomination for inscription on the UNESCO World Heritage List.



In June a number of modern solar bins were installed in West Kirby. The enclosed bins are the first of their kind to be installed in Wirral and will use solar power to not only compact the waste but to alert the council when they need to be emptied.

Back in July, community safety issues were celebrated during a week-long awareness campaign.

The increased activity around Wirral was in support of Anti-Social Behaviour (ASB) Awareness Week and involved targeted daily action by partners across Wirral. In numbers, the results included:

- 1000kg of fly-tipping removed
- 393 properties given a (fire safety) leaflet
- 358 residents engaged with
- 113 homes received Home Fire Safety Checks
- 37 Smoke Alarms fitted

In September, we looked back at how we are improving road safety in Wirral Over the last year, just one of the achievements of Wirral's road safety team was reaching 10,000 school children with road safety education. Keeping everyone safer on the borough's roads is the focus of the team, no matter whether you travel by bike, on foot or by car.

Community groups were invited to apply for up to £0.020m to help local residents in need in November. Up to £0.650m of Small Grants Programme funding was made available for frontline groups in Wirral who can help residents who were struggling to afford food and other essential items.

A total of 34 local projects received funding to deliver community safety activities in their communities in February. Standing at more than £0.066m, EVOLVE Wirral was able to support every successful bidding group with grant funding of up to £0.002m. £0.025m of

the fund was made possible due to the Proceeds of Crime Act, which is designed to re-direct money and assets seized from convicted criminals into community initiatives.

New "clean teams" tackling grot spots across Wirral were announced in March. The proposal is for more than £2million extra funding made available to target improvements that will have a visible impact for residents and businesses across the borough.

The focus is on making the borough an even better place to live and work and in addition will see other measures such as increased seasonal grounds maintenance capacity to increase standards and conversion of rewilding areas to pollinator areas.

Open Golf Report

A report commissioned by The R&A has shown that the 151st Open held at Hoylake last year generated an economic impact of £23.64m for Wirral.

Other key statistics from the study conducted by Sheffield Hallam University's Sport Industry Research Centre (SIRC) included:

- The Open attracted 261,180 fans to Hoylake, surpassing the previous attendance of 202,917 in 2014. This made it the second highest attended Open Championship in history, behind only The 150th Open in St Andrews in 2022.
- The Championship provided a total economic impact of £43.19m to Wirral and the wider Liverpool City Region – new money entering the economy – and £187m in overall economic benefit for the same areas.
- The total economic benefit delivered in 2023 is significantly higher than the last time The Open came to Hoylake. The benefit to Wirral increased by 35% compared with 2014.
- Of all spectators who attended The Open, around one in four travelled from outside of England.
- In an ongoing boost for the Wirral, 53% of visitors from outside the Liverpool City Region expected to return for a short break within a year.

Independent Review Panel

The Independent Review Panel stepped down in April 2024. The panel was invited to oversee our improvement in response to an External Assurance Review commissioned by DLUHC and published in November 2021. The review was undertaken as a condition of the council's request for exceptional financial support in 2020-21 and 2021-22.

Over the last two years the panel have had oversight of our Improvement Programme which was designed to put the authority on a sound financial footing and ensure it was moving in the right direction. This process has included reviewing how the council delivers for the people of Wirral and provides the best possible value for money.

A letter received from the panel chair, Carolyn Downs, said: "There have been significant improvements in the council over the period of the panel's involvement." Ms Downs also highlighted how the panel had seen "significant changes" since their time here and that we have a "clearer vision for the organisation and the borough" through our Corporate Plan.

Ms Downs also reflected that while our "budgetary situation remains very challenging, this is common to most councils and Wirral is now managing its budgetary position with competence."

This is incredibly positive news and a great reflection on how much progress we've made as an authority in the last few years.

5. Summary of Financial Performance for 2023/24

Revenue expenditure

Revenue expenditure relates to those items that are used within the year on the provision of services to the people of Wirral. Before the start of the financial year, the Council prepares its annual Budget which is approved by Members, which sets out the income and expenditure required during the year to provide services. In February 2023, the Council agreed a net budget of £366.6m for 2023/24, subsequently increased to £368.6m following additional funding as part of the financial settlement.

The net spend of the Council is met from a combination of government grants, the local taxpayer through Council Tax and other income. In 2023/24, the Council Tax band D charge was £2,158.06, representing a general increase of 2.99% and 2.00% ringfenced increase to Adult Social Care.

Throughout the year spend against the approved Budget was monitored and reported monthly to maintain an approach of robust financial management to ensure the maintenance of services.

The table below shows the budget and actual spend for each directorate as reported and monitored in year. The Statement of Accounts report the same expenditure and income but in a different format to comply with the statutory external reporting requirements.

This incorporates additional costs such as depreciation or changes to the value of property which, under regulation, is not chargeable to usable reserves in the year. The impact of such costs in the Accounts is set out in the Expenditure and Funding Analysis note to the accompanying statements.

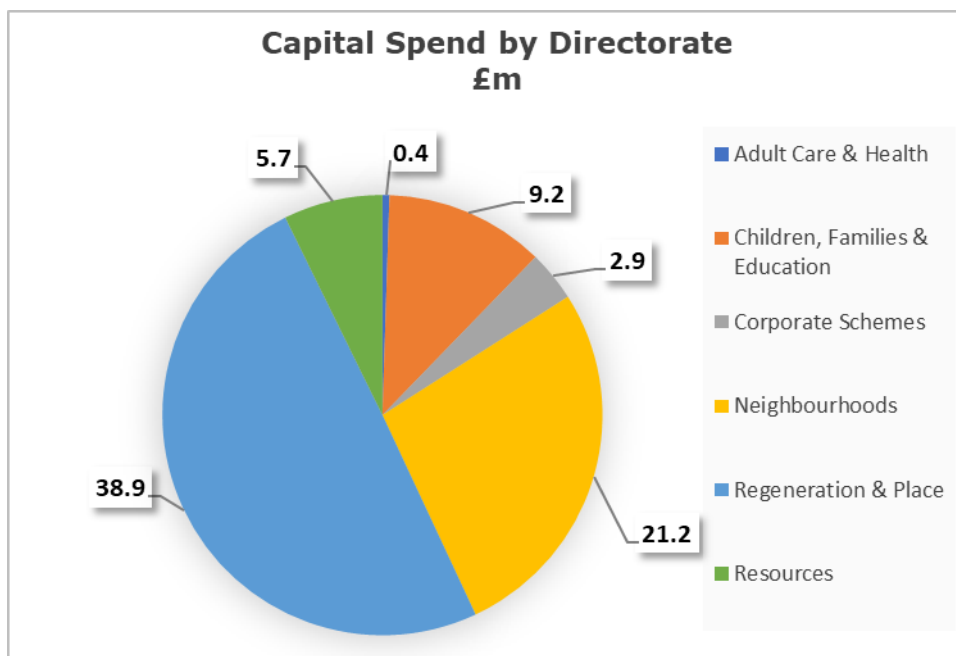
In 2023/24 the Council reported an adverse variance of £10.704m within Directorates which was supported by utilising the £5m contingency budget, £2.5m of savings from reduced energy costs and utilising £2.9m of flexible use of capital receipts.

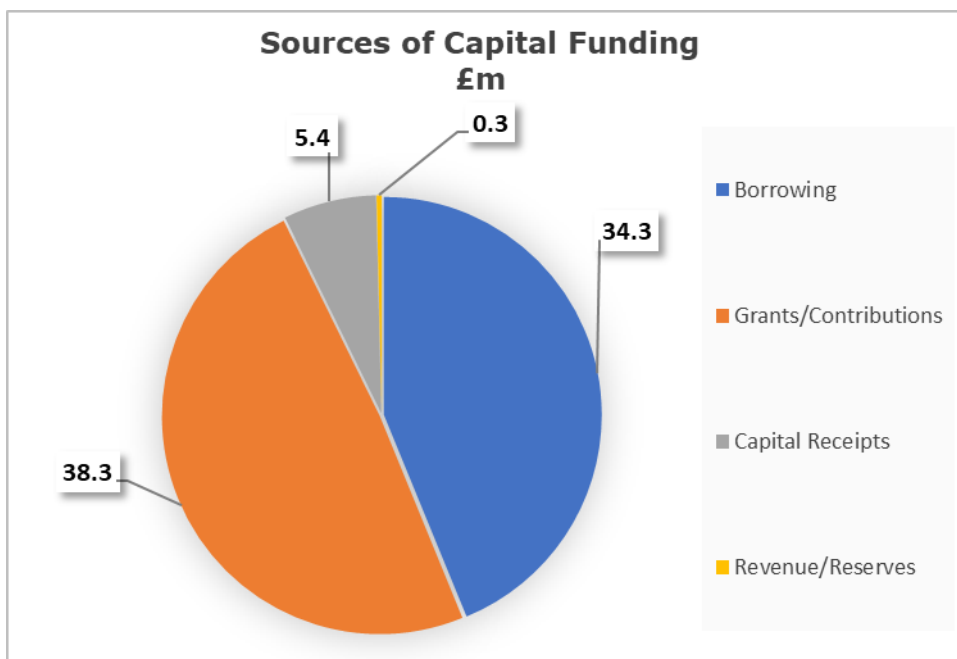
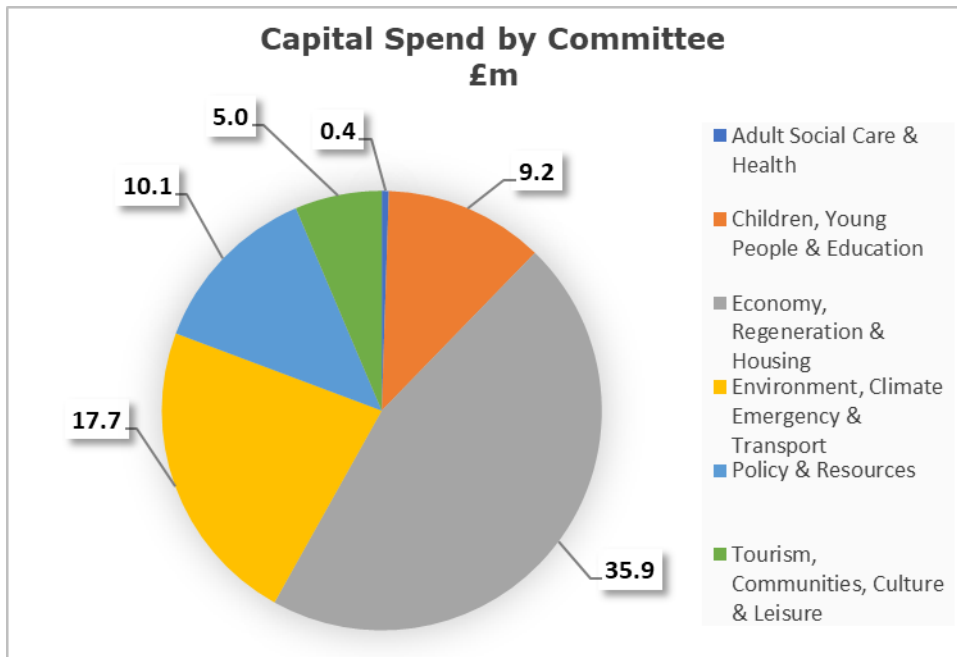
The General Fund balance has remained at £13.18m.

	Budget	Outturn	Variance	
	£000	£000	£000	%
Adult Care & Health	131,257	132,449	1,192	1%
Chief Executive Office	0	0	0	0%
Children, Families & Education	88,307	90,281	1,974	2%
Finance	7,840	9,728	1,888	24%
Law & Corporate Services	7,909	8,424	515	7%
Neighbourhoods Services	39,927	46,034	6,107	15%
Regeneration and Place	14,779	14,738	-41	0%
Resources	17,336	16,405	-931	-5%
Net Directorate Expenditure	307,356	318,060	10,704	3%
Levies	40,939	41,161	222	1%
Strategic Holding Account and Corporate Items	20,305	12,279	-8,026	-40%
Flexible Use of Capital Receipts	0	-2,900	-2,900	
Net Council Expenditure	368,600	368,600	0	0%

Capital Expenditure

Capital expenditure is different from revenue expenditure, in that it is investment in services and the area (such as buildings, roads and land) that will provide benefits over more than one year. The capital programme for the period 2023–2028 is £339.6m. The capital spend for 2023/24 was £78.3m (2022/23 £62.1m).





Summary of the Councils Cashflow and Balance Sheet

The Council's Balance Sheet shows the financial position at the year-end and reflects everything that the Council owns and has control over. As a result of the Comprehensive Income and Expenditure Statement the final position of the General Fund balance as at 31 March 2024 is £13.18m, which is still in line with the Council's approved policy to provide a prudent financial safety net for unforeseen events.

The Balance Sheet as at 31 March 2024 shows a net asset of £606.1m (2022/23 asset £537.3m). The net asset worth of the Council excluding the Pension Asset is £579.2m (2022/23 £566.1m). The movement for 2023/24 of £68.9m is explained in the sections below. The Council has reviewed its financial performance for 2023/24 and the budget for 2024/25 and considers that the Council may be viewed as a going concern.

	31 March 2023 £000	31 March 2024 £000	Change £000
Long term Assets	829,611	849,628	20,017
Long-Term Assets - Pension	0	26,894	26,894
Current Assets	134,915	150,163	15,248
Current Liabilities	(221,592)	(237,203)	(15,611)
Long-Term Liabilities - Pension	(28,875)	0	28,875
Long-Term Liabilities - Other	(176,800)	(183,385)	(6,585)
Net Assets	537,259	606,097	68,838
Usable reserves - General Fund	(13,176)	(13,176)	0
Usable reserves - Earmarked reserves	(72,257)	(55,507)	16,750
Usable reserves - Capital	(54,453)	(72,595)	(18,142)
Unusable reserves	(397,373)	(464,819)	(67,446)
Total Reserves	(537,259)	(606,097)	(68,838)

Long-Term Assets

	31 March 2023 £000	31 March 2024 £000	Change £000
Property, Plant and Equipment	764,044	785,727	21,683
Heritage Assets	19,063	17,498	(1,565)
Investment Property	19,558	25,979	6,421
Intangible Assets	728	1,827	1,099
Long-Term Investments	11,848	9,039	(2,809)
Long-Term Debtors	14,370	9,558	(4,812)
Pension Asset	0	26,894	26,894
Total	829,611	876,522	46,911

The £46.9m increase in Long Term Assets is due to an decrease in long-term debtors of £4.8m, and pensions moving by £55.8m from a liability of £28.9m to an asset of £26.9m. There are changes relating to capital expenditure of £64.9m on property and intangibles and valuations increases of £49.2m, off-set by depreciation and disposals of £76.9m, a reduction in heritage assets of £1.6m and a reclassification of £8.0m. There is also an overall reduction in long term investments of £2.8m.

The portfolio of investment properties is valued annually, while the property and land within the Property, Plant and Equipment (PPE) note to the account are valued on a short cycle basis, which is a maximum of every five years.

A breakdown of the assets can be found in the Property, Plant and Equipment, Heritage Assets, Investment Properties, and Intangible Assets notes to the accounts.

Current Assets / Liabilities

	31 March 2023 £000	31 March 2024 £000	Change £000
Current Assets			
Short-Term Investments	6,719	8,807	2,088
Inventories	435	414	(21)
Short-Term Debtors	113,835	114,655	820
Cash and Cash Equivalents	12,126	18,287	6,161
Assets Held for Sale	1,800	8,000	6,200
Total Current Assets	134,915	150,163	15,248
Current Liabilities			
Cash and Cash Equivalents	(1,327)	(1,346)	(19)
Short-Term Borrowing	(136,666)	(149,669)	(13,003)
Short-Term Creditors	(63,094)	(70,165)	(7,071)
Provisions	(12,979)	(11,397)	1,582
Grants Receipts in Advance - Revenue	(7,526)	(4,626)	2,900
Total Current Liabilities	(221,592)	(237,203)	(15,611)
Total	(86,677)	(87,040)	(363)

Total current assets in the Balance Sheet (Investments, debtors including other debtors and cash and cash equivalents) are £150.2m off-set by current liabilities (short term borrowing, creditors and provisions) of £237.2m, giving a net current liability of £87.0m.

Short-term investments have increased by £2.1m and cash by £6.1m. Short-term borrowing has increased by £13.0m. Further details can be found in the Financial Instruments note to the accounts.

Creditors have increased by £7.1m and short-term Provisions have decreased by £1.6m (see Creditors and Provisions notes to the accounts respectively). These movements will be dependent on outstanding payments due to suppliers and accruals at year-end and the increase of provisions during the year.

Long-Term Liabilities

	31 March 2023 £000	31 March 2024 £000	Change £000
Provisions	(2,877)	(2,644)	233
Long-Term Borrowing	(144,252)	(155,579)	(11,327)
Other Long-Term Liabilities	(29,229)	(24,727)	4,502
Pension Liability	(28,875)	0	28,875
Grants Receipts in Advance - Capital	(442)	(435)	7
Total	(205,675)	(183,385)	22,290

The most significant change in long-term liabilities is the decrease in the net Pension liability of £55.8m, with pensions moving from a liability of £28.9m to an asset of £26.9m. (2022/23 it decreased by £543.8m). This is made up of a £54.2m decrease for the Local Government Pension Scheme (LGPS) liability, and a £1.6m reduction on the Unfunded Teachers' element. This change is recognising the actuarial changes in a number of factors including financial assumptions, changes to the Consumer Price Index (CPI), pay and inflation. Details of these can be found in the Defined Benefit Pension Scheme note to the accounts.

Reserves

The Council holds Usable Reserves of £141.3m (2022/23 £139.9m), consisting of Earmarked Reserves of £55.5m (2022/23 £72.2m), General Fund Balance of £13.2m

(2022/23 £13.2m), Capital Receipts of £4.1m (2022/23 £3.0m) and Capital Grants Unapplied of £68.5m (2022/23 £51.5m). A breakdown of these can be found in the Usable Reserves note to the accounts.

Earmarked reserves are regularly reviewed to assess their adequacy for the purpose intended and whether they are still required. Movements during 2023/24 are summarised in the table below, with more detail provided in the Transfers to/from Earmarked Reserves note to the accounts.

	Balance at 31 Mar 2023	Transfers in 2023/24	Transfers out 2023/24	Balance at 31 Mar 2024
	£000	£000	£000	£000
School Reserves	(15,559)	(522)	3,875	(12,206)
Covid-19 Reserves	(7,098)	0	7,078	(20)
Ringfenced Reserves	(23,121)	(4,050)	3,514	(23,657)
Other Reserves	(26,479)	(7,227)	14,082	(19,624)
Total Earmarked Reserves	(72,257)	(11,799)	28,549	(55,507)

Unusable Reserves are held for managing the statutory accounting adjustments that are not permitted to be reported in Outturn and therefore to support service budgets. The change in Unusable reserves of £67.4m is due primarily to the change in pensions liability of £55.8m and the revaluation of assets of £28.5m. Further information can be found in the Unusable Reserves note and the Collection Fund statement and notes.

6. Going Concern

In February 2024 the Council approved a budget for 2024/25 and were provided with an indicative budget for the following four years. At the time the budget was approved the Council was forecasting a deficit of £26.63m over the period 2025-29.

At 31 March 2024 the council's balanced budget showed general fund reserves of £13.2m which is in line with, but at the lower of its agreed levels. Earmarked reserves at the end of this year are £55.5m. It is projected that £5.137m of Earmarked reserves will be used during 2024/25.

The Council is closely monitoring the budget position and where necessary taking corrective action to ensure a balanced position is maintained for 2024/25 and 2025/26. Work has been on-going as part of the budget process to identify income and savings and reduce cost pressures, which will continue to be reviewed.

To ensure financial stability amidst the financial challenges that are being faced requires a shift in the way services are delivered and funded - this will be achieved via a medium to long term programme of cost savings, enabling reviews, income, investment and growth in future years. This has meant that the Council has had to review what its most critical services are, determine which are required to still be operational and this is being achieved through the ongoing service reviews. This may also require the Council to review the structural position of its budget and how that needs to change in the future.

As the nation entered 2023 inflation remained at levels higher than in previous years. Budget pressures exceeded anything that could not have been foretold. The impact of continuing higher than in previous years inflation and volatile energy prices will continue to put on-going financial pressure on the Council.

The Council is constantly monitoring and reviewing how it delivers its services, along with service reviews planned. Any changes to service delivery from an operational approach will ensure it focuses on the prioritising services in line with the Council Plan for 2023 to

2027, and these will be reflected in the Medium Term Financial Plan (MTFP) to achieve financial sustainability through the use of benchmarking and other monitoring activity, in a manner that continues to give consideration to the Council's strategic objectives. Over the five years to 2028/29 the Council reported a forecast that shows a structural deficit. Work continues to ensure this deficit is mitigated and a balanced five-year plan can be achieved.

Cash flows are monitored, and requirements forecast on a daily basis in line with good treasury practices and to maximise interest received on investment balances. The forecast to March 2025 carries a degree of estimation, however there are not believed to be any cash flow issues. The Council has a good history of managing its cash flow and does not anticipate any issues with borrowing either on a short or long-term basis as indicated by our brokers. The facilities to borrow and how we borrow are continuously monitored, and the Council considers its ability to borrow on both a short and long-term basis moderate to strong. The Council continues to utilise short-term borrowing due to competitive interest rates, and as long-term borrowing becomes more competitive the Council will give consideration to this facility to minimise interest charged on investment balances, and long-term cash flow demands. Short-term borrowing at 31 March 2024 was £146m, of which £94m was peer to peer borrowing.

Conclusion

The entities which Wirral Council has an investment in has been adequately provided for in the Council's single entity accounts as at 31 March 2024, and regular board meeting are held where the viability of these entities is discussed and any risk associated would then be assessed and appropriate decisions made. The Council believes it is adequately protected for the known risks associated with these entities.

7. About the Statement of Accounts

The Statement of Accounts brings together the financial performance for the Council for the year and its financial standing as at the 31 March 2024. They contain both revenue and capital transactions across all services.

The Council is required to produce an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices, comprising of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) supported by International Financial Reporting Standards (IFRS).

The costs of the capitalization directives from previous financial years mean the Council will charge a Minimum Revenue Provision (MRP) over the life of the assets, no more than 20 years. Where capital financing is increased as a result of the capitalisation directive, further borrowing will be obtained from the PWLB (Public Works Loan Board) and charged interest at 1% higher than the loan would otherwise be subject to.

The Council reviews annually any interests in companies and other entities for any financial arrangements that may require the production of Group Accounts. In 2023/24 there were no material transactions that require this.

The following provides brief descriptions of the purpose of the various statements:

- **Narrative Report** provides an overview of the Council's financial and non-financial position for 2023/24.

- **Statement of Responsibilities for the Statement of Accounts** details the responsibilities of the Council and of the Director of Finance (S151).
- **Independent Auditor's Report**, is the Council external Auditor's report to Members of Wirral Council including the conclusion of arrangements for securing Value for Money. This will be added to the Statement of Accounts following completion of the audit by our external auditors Grant Thornton.

The Core Financial Statements comprise four key statements:

1. **Comprehensive Income and Expenditure Statement**, which shows all income and expenditure for the Council during 2023/24;
2. **Movement in Reserves Statement**, which shows the movement during the year on the different reserves that the Council holds;
3. **Balance Sheet**, which shows the financial standing of the Council at 31 March 2024, summarising all assets and liabilities;
4. **Cash Flow Statement**, which shows the inflows and outflows of cash arising from transactions with other parties.

The **Notes to the Core Financial Statements** provide further detail and explanation of the items contained within the four Core Financial Statements.

There are **Additional Financial Statements** for:

- The **Collection Fund** (and notes), which covers Council Tax and Non-Domestic Rates collected and the amounts paid to precepting authorities.
- The **Merseyside Pension Fund Accounts** covering the financial position of the Merseyside Pension Fund, which is administered by Wirral Council.

The **Annual Governance Statement**, which does not form part of the formal Statement of Accounts is a separate publication which sets out to:

- Give public assurance that the Council has proper arrangements in place to manage its affairs. The Statement summarises the Council's responsibilities and shows the effectiveness of the arrangements in place to manage its affairs. Show the actions agreed by the Leader and Chief Executive to address those matters identified as requiring action to further enhance the governance arrangements.

8. Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.

Matthew Bennett
Chief Finance Officer
Director of Finance
S151 Officer

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 ensure that one of its officers has the responsibility for the administration of those affairs. The responsible officer is designated as the Chief Financial Officer, or equivalent. In this Council, that officer is the Director of Finance (S151).
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

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

In preparing this Statement of Accounts the Chief Financial Officer has:

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

The Chief Financial 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 of the Accounts

I certify that the Statement of Accounts presents a true and fair view of the financial position of Wirral Council at 31 March 2024 and its income and expenditure for the year then ended.

Signed by Matthew Bennett
Director of Finance (S151 Officer)
28 January 2025

Independent Auditor's Report to the Members of Wirral Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Wirral Council (the 'Authority') for the year ended 31 March 2024, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Statement 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.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Finance (S151 Officer)'s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Director of Finance (S151 Officer)'s conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of

preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Director of Finance (S151 Officer)'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance (S151 Officer) with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement, and the Statement of Accounts, other than the financial statements and our auditor's report thereon, and our auditor's report on the pension fund financial statements. The Director of Finance (S151 Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 6 January 2025 we made one written recommendation to the Authority under Section 24 of the Local Audit and Accountability Act 2014 in relation to its extremely challenging financial situation with significant financial pressures creating budget overspends combined with low levels of reserves. We recommended that the Authority should:

- Identify additional savings and efficiencies to mitigate forecast overspends in 2024/25, especially in consideration of the Authority's low level of reserves and the unfunded budget gap within the Authority Medium Term Financial Strategy.
- Ensure the Authority has the necessary organisation grip to progress the Authority's planned transformation programme at scale and pace to identify budget savings and wider efficiencies.
- Satisfy itself that social care services have the required focus, skills and capacity to contain and then mitigate areas of overspend.
- Review the robustness and relevance of performance reports, recently introduced and planned to be introduced, to ensure these are adequate in supporting the Authority to respond to the serious financial challenges it faces.
- Review the sufficiency of the finance team resources to the necessary capacity is in place to support the organisational responses to the critical financial position.
- Ensure that member oversight of the Authority's actions to address its financial challenges is optimal and reflects the significance of the situation.

Responsibilities of the Authority and the Director of Finance (S151 Officer)

As explained more fully in the Statement of Responsibilities set out on page 33, the Authority 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 authority, that officer is the Director of Finance (S151 Officer). The Director of Finance (S151 Officer) 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, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance (S151 Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance (S151 Officer) is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003 Local Government Act 1972, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Act 2012).

We enquired of management and the Audit and Risk Management committee, concerning the Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit and Risk Management committee], whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.]. We determined that the principal risks were in relation to management override of controls, in particular journals, management estimates and transactions outside the course of business. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on the material year end transactions and manual journals posted during the year with high risk characteristics,
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, investment property and defined benefit pension asset and liability valuations, and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material

misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including fraud in revenue and expenditure recognition, and the significant accounting estimates relating to land and buildings, investment property and defined benefit pensions assets and liability valuations.. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector
- understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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 other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources](#)

[Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources](#)

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter, except:

On 29 January 2024, we identified a significant weakness in the Authority's arrangements for financial sustainability. This was in relation to the Authority exhibiting signs of financial stress that indicate a threat to its financial sustainability in the short and medium terms. We recommended that the Authority's members should ensure that there is a robust response to these financial stresses and that officers are supported in making the changes needed. We followed up on the Authority's progress implementing this recommendation for year ended 31 March 2024 and this significant weakness is replaced by the written recommendation to the Authority under section 24 of the Local Authority and Accountability Act 2014.

On 6 January 2025, we identified two significant weaknesses in the Authority's arrangements for:

- Financial sustainability - The level of the Authority's Dedicated Schools Grant (DSG) deficit, and rate of increase, creates significant financial risk to the Authority. The Authority needs to address these matters with urgency considering the statutory override is scheduled to end 31 March 2026. Our work has also established inconsistencies in the Council's DSG deficit data and highlights opportunities for the Authority to strengthen the forecasting of the DSG deficit matters. We recommended that the Authority needs to place a significant and urgent focus on developing and implementing interventions which will support the management and mitigation of the DSG deficit. Additionally, the Authority should ensure that it resolves inconsistencies in DSG deficit trajectory data and an update report is provided to the Schools Forum members to clarify the Authority's actual DSG forecasts. Finally, the financial risks relating to the DSG deficit should be added to the Authority's Corporate Risk Register.
- Improving economy, efficiency and effectiveness - During 2023/24 the Authority, and its partners, failed to demonstrate sufficient progress in improving special educational needs and disabilities (SEND) services. The Authority has also been made aware of specific commissioned service delivery issues. Also, those charged with governance were provided with limited performance information reports details SEND service performance/improvement. We recommended that the Authority needs to satisfy itself that it has the necessary organisational transformational capacity, skills and resources to ensure Local Area SEND Improvement Plan can be delivered in accordance with DfE requirements and is sufficient to drive sustainable improvement in SEND service provision and to mitigate associated SEND delivery risks. We also recommended that the Authority ensures that sufficient performance data is regularly provided to those charged with governance in relation to the Local Area SEND Improvement Plan to enable members to effectively track level of improvement and to support effective governance of this key area of service delivery.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

[Report on other legal and regulatory requirements – Delay in certification of completion of the audit](#)

We cannot formally conclude the audit and issue an audit certificate for Wirral Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until the National Audit Office has concluded their work in respect of WGA for the year ended 31 March 2024. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2024.

[Use of our report](#)

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 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 Authority's members 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah L Ironmonger

Sarah Ironmonger, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Manchester

28 February 2025



Core Financial Statements

Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to, or from, Earmarked Reserves undertaken by the Council.

Further details of these reserves and the in-year movements can be found in the Transfers to/from Earmarked Reserves note, and the Usable Reserves and Unusable Reserves notes.

	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023	(13,176)	(72,256)	(85,432)	(2,979)	(51,474)	(139,885)	(397,374)	(537,259)
Movement in reserves during 2023/24								
Surplus or deficit on the provision of services	45,039	0	45,039	0	0	45,039	0	45,039
Other Comprehensive Income / Expenditure	0	0	0	0	0	0	(113,876)	(113,876)
Total Comprehensive Income and Expenditure	45,039	0	45,039	0	0	45,039	(113,876)	(68,837)
Adjustments between accounting basis and funding basis under regulations	(28,289)	0	(28,289)	(1,124)	(17,018)	(46,431)	46,431	0
Net Increase or Decrease before Transfers to Earmarked Reserves	16,750	0	16,750	(1,124)	(17,018)	(1,392)	(67,445)	(68,837)
Transfers to / from Earmarked Reserves	(16,750)	16,750	0	0	0	0	0	0
Increase or Decrease in 2023/24	0	16,750	16,750	(1,124)	(17,018)	(1,392)	(67,445)	(68,837)
Balance at 31 March 2024	(13,176)	(55,506)	(68,682)	(4,103)	(68,492)	(141,277)	(464,819)	(606,096)

	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2022	(10,676)	(97,185)	(107,861)	(6,182)	(39,658)	(153,701)	229,901	76,200
Movement in reserves during 2022/23								
Surplus or deficit on the provision of services	45,713	0	45,713	0	0	45,713	0	45,713
Other Comprehensive Income / Expenditure	0	0	0	(45)	0	(45)	(659,127)	(659,172)
Total Comprehensive Income and Expenditure	45,713	0	45,713	(45)	0	45,668	(659,127)	(613,459)
Adjustments between accounting basis and funding basis under regulations	(23,284)	0	(23,284)	3,248	(11,816)	(31,852)	31,852	0
Net Increase or Decrease before Transfers to Earmarked Reserves	22,429	0	22,429	3,203	(11,816)	13,816	(627,275)	(613,459)
Transfers to / from Earmarked Reserves	(24,929)	24,929	0	0	0	0	0	0
Increase or Decrease in 2022/23	(2,500)	24,929	22,429	3,203	(11,816)	13,816	(627,275)	(613,459)
Balance at 31 March 2023	(13,176)	(72,256)	(85,432)	(2,979)	(51,474)	(139,885)	(397,374)	(537,259)

Comprehensive Income and Expenditure 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 regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Directorate reporting structure has been amended in 2023/24, see the Restatement of 2022/23 note for full comparative details.

2022/23			2023/24		
Expenditure	Income	Net	Expenditure	Income	Net
£000	£000	£000	£000	£000	£000
201,489	(85,568)	115,921	229,500	(99,370)	130,130
2,336	(149)	2,187	0	0	0
370,464	(258,250)	112,214	381,479	(267,333)	114,146
0	0	0	109,829	(98,154)	11,675
8,532	(1,544)	6,988	10,049	(1,548)	8,501
82,926	(23,434)	59,492	90,010	(26,762)	63,248
41,837	(15,639)	26,198	47,377	(19,517)	27,860
141,458	(101,058)	40,400	31,195	(905)	30,290
0	0	0	2,445	(4,379)	(1,934)
849,042	(485,642)	363,400	901,884	(517,968)	383,916
		Cost of Services			
44,541	0	44,541	45,908	0	45,908
36,797	(11,732)	25,065	63,182	(9,814)	53,368
0	(387,293)	(387,293)	0	(438,153)	(438,153)
930,380	(884,667)	45,713	1,010,974	(965,935)	45,039
		Surplus or Deficit on Provision of Services			
		(72,558)			(62,432)
		Surplus or deficit on revaluation of Property, Plant and Equipment			
		99 Surplus or deficit from investments in equity instruments designated at fair value through other comprehensive income			(41)
		506 Surplus or deficit on financial assets measured at fair value through other comprehensive income			(856)
		(587,219) Remeasurement of the net defined benefit liability / asset			(50,547)
		(659,172) Other Comprehensive Income and Expenditure			(113,876)
		(613,459) Total Comprehensive Income and Expenditure			(68,837)

Balance Sheet

This shows the value of the assets and liabilities recognised by the Council at the Balance Sheet date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories, usable and unusable reserves. Usable reserves are 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. Unusable 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 where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

2022/23 has been restated to separately identify revenue grants received in advance from short-term creditors.

31 March 2023			31 March 2024
Restated			
£000	Notes		£000
764,044	14	Property, Plant and Equipment	785,727
19,063	15	Heritage Assets	17,498
19,558	16	Investment Property	25,979
728	17	Intangible Assets	1,827
11,848	18	Long-Term Investments	9,039
14,370	18 &19	Long-Term Debtors	9,558
0	40	Pension Asset	26,894
829,611		Long Term Assets	876,522
6,719	18	Short-Term Investments	8,807
435		Inventories	414
113,835	19	Short-Term Debtors	114,655
12,126	21	Cash and Cash Equivalents	18,287
1,800	14	Assets Held for Sale	8,000
134,915		Current Assets	150,163
(1,327)	21	Cash and Cash Equivalents	(1,346)
(136,666)	18 & 29	Short-Term Borrowing	(149,669)
(63,094)	22	Short-Term Creditors	(70,165)
(12,979)	23	Provisions	(11,397)
(7,526)	35	Grants Receipts in Advance - Revenue	(4,626)
(221,592)		Current Liabilities	(237,203)
(2,877)	23	Provisions	(2,644)
(144,252)	18 & 29	Long-Term Borrowing	(155,579)
(29,229)	18, 22 & 29	Other Long-Term Liabilities	(24,727)
(28,875)	40	Pension Liability	0
(442)	35	Grants Receipts in Advance - Capital	(435)
(205,675)		Long Term Liabilities	(183,385)
537,259		Net (Liabilities)/Assets	606,097
(139,886)	24	Usable Reserves	(141,278)
(397,373)	25	Unusable Reserves	(464,819)
(537,259)		Total Reserves	(606,097)

Cash Flow 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 by raising income 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		2023/24
£000	Notes	£000
45,713		45,039
	Net (surplus) or deficit on the provision of services	
6,834	26 Adjustment to surplus or deficit on the provision of services for non-cash movements	(80,516)
53,788	26 Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	63,000
106,335	Net cash flows from operating activities	27,523
(8,073)	27 Net cash flows from investing activities	(4,440)
(68,274)	28 Net cash flows from financing activities	(29,225)
29,988	Net increase or decrease in cash and cash equivalents	(6,142)
40,787	21 Cash and cash equivalents at the beginning of the reporting period	10,799
10,799	21 Cash and cash equivalents at the end of the reporting period	16,941
29,988	21 Cash and cash equivalents movement during reporting period	(6,142)



Notes to the Core Financial Statements

Note 1 - Accounting Policies

Significant Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its balance sheet position as at 31st March 2024. The Council is required by The Accounts and Audit (England) Regulations 2015 to prepare an annual Statement of Accounts, and those regulations require it to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS).

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

1.0 Accruals of Income and Expenditure

1.1 Revenue Recognition

Revenue is a sub-set of income and is defined as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net worth. Revenue is defined as income arising from the 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 contract/transaction price which is allocated to that performance obligation when met. Where the Council is acting as an agent of another organisation the amounts collected are excluded from revenue.

1.2 Income and Expenditure

Income and expenditure are accounted for on an accrual basis in the year the activity takes place; income is recorded when it is earned not when it is received and expenditure when it is incurred not paid.

Activity is accounted for in the year that it takes place rather than when cash payments are made or received:

- Revenue from sales, fees, charges and rents due from customers are accounted for as income at the date the Council has satisfied a performance obligation by transferring promised goods and services to the recipient;
- 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 inventory on the Balance Sheet;
- Interest receivable on investments and payable on borrowings is accounted for per 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 assets are identified as impaired because of the likelihood arising from a past event that payments due under the contract will not be made, the asset is impaired and written down to the recoverable amount and a charge made to the revenue for income that might not be collected;
- Where payment is made or income received in advance of a service being received or delivered then a prepayment or receipt in advance is recorded in the Balance Sheet;
- Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract; and
- Accruals are recognised where the value is equal to or exceeds £5,000 for any individual debtor or creditor

The amounts included are based on actual invoices raised or received and, where actual amounts are not known, estimates are included based on an assessment of the value of goods and services rendered or received in the financial year. Any estimates are calculated using the best available information.

Income from Council Tax and National Non-Domestic Rates is recognised within the Comprehensive Income and Expenditure Statement (CIES) as the amount due to the Council for the financial year, including its share of the Collection Fund balances for these items at the end of the financial year. This value is subsequently amended through the Movement in Reserves Statement and the Collection Fund Adjustment Account to reflect the amount to be credited to the General Fund for the Council's Council Tax Requirement and income from National Non-Domestic Rates.

2.0 Assets Held for Sale

When it becomes probable an asset will be sold rather than in its continued use as an operational or investment asset, it will be reclassified within current assets as held for sale subject to strict criteria being met. The asset must be available for immediate sale, actively marketed and must have a high probability of being sold within one year of the date of classification. Held for sale assets are carried at the lower of cost or the fair value less costs to sell and not depreciated.

3.0 Capital Receipts

Sales of assets give rise to capital receipts if the receipt is greater than or equal to £10,000. These are recorded on an accrual basis and, if required, are divided into a reserved part (based on applicable statutory requirements) and a useable part (the balance). Receipts under £10,000 in value remain as credits within the General Fund.

The Secretary of State has determined that, under provisions included in the Local Government Act 2003, the Council is required to pay over to the Department of Levelling Up Housing and Communities, a proportion of receipts derived from the disposal of housing land.

The Council has and continues to use the flexibilities over the use of capital receipts to support a range of transformational activities.

4.0 Capitalisation Directive

In October 2020, the Council requested for exceptional financial support (capitalisation directive) from the Department of Levelling Up Housing and Communities (DLUHC) formally Ministry of Housing, Communities and Local Government (MHCLG) to enable a balanced budget to be reported for 2020/21 and 2021/22. The Secretary of State approved a capitalisation direction of £12.4m, subject to conditions set out in capitalisation direction.

This directs the Council to treat as capital expenditure, expenditure which is either:

- Revenue expenditure and meets the definition of an additional cost pressure as identified and agreed with DLUHC through the Council's formal request for exceptional financial support; or
- Any revenue expenditure not exceeding the value of income losses in the financial period as identified and agreed with DLUHC through the application

The costs that can be capitalised are expenditure costs as they are incurred, the Council will charge a Minimum Revenue Provision (MRP) over the life of the assets, no more than 20 years; the aim, as requested by DLUHC, is to repay early, over a 5 year period, using capital receipts. Where capital financing is increased as a result of the capitalisation directive, further borrowing will be obtained from the PWLB (Public Works Loan Board) and charged interest at 1% higher than the loan would otherwise be subject to.

There were no requests for exceptional financial support in 2022/23 or 2023/24.

5.0 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions recoverable on-demand, with a notice period of not more than 24 hours without material penalty. Cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

6.0 Employee Benefits

6.1 Benefits payable during employment

The Council recognises the costs of benefits received by current employees (other than termination benefits). They include benefits such as salaries, wages and paid annual leave and are recognised as an expense for services in the year in which employees render service. An accrual is made for the cost of outstanding annual leave that staff have earned but not taken before the year-end and charged to the CIES to ensure that the cost of annual leave is charged to revenue in the financial year to which it relates. An annual accrual is undertaken to reflect these untaken entitlements at current rates of pay, as any change to current rates of pay for which the entitlement is paid is deemed not material and therefore no uplift has been accrued.

To prevent fluctuations from impacting on Council Tax, the year-on-year change in costs generated by this accrual is transferred to a specific reserve via the Movement in Reserves Statement.

6.2 Termination benefits

Termination benefits are dealt with separately from other employee benefits because the event which gives rise to an obligation is termination rather than employee service.

Termination benefits are payable from either:

- the Council's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits

Termination benefits are often lump-sum payments. The liability for termination benefits is charged on an accrual basis to the CIES when either the Council can no longer withdraw the offer of those benefits or when the Council recognises restructuring costs which involve the payment of termination benefits, whichever is earlier. However, enhanced retirement benefits, paid via the Pension Fund, are charged to the General Fund in accordance with the pension regulations.

6.3 Post-employment benefits

Most employees of the Council participate in one of three separate pension schemes which provide members with defined benefits (retirement lump sums and pensions) related to pay and service. The schemes are as follows:

- The Teachers' Pension Scheme, which is a defined benefit scheme administered by the Teachers Pensions Agency (TPA), on behalf of the Department for Education (DfE). The scheme is unfunded, the Government operates a notional fund as the basis for calculating employers' contributions. The CIES is charged with the employer's contributions payable to the Teachers' Pensions Scheme in the year. The scheme is accounted for as a defined contribution scheme and no liability for future payments is recognised in the Balance Sheet.
- The National Health Service (NHS) Pension Scheme, which is an unfunded defined benefit scheme that covers NHS employers, general practices and other bodies, covering staff transferred to the employment of the Council following the transfer of public health services on 1 April 2013. It is not possible for the Council to identify its share of the underlying scheme liabilities. The scheme is accounted for as a defined contribution scheme, and therefore no liability for future payments is recognised in the Balance Sheet.
- The Local Government Pension Scheme (LGPS) administered by the Merseyside Pension Fund for all other employees that are eligible to join subject to certain qualifying criteria. This operates as a defined benefit scheme and the liabilities attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method. This method is based on an assessment of the future payments that will be made to members of the scheme in relation to future retirement benefits earned to-date; using assumptions about mortality rates, employee turnover and projected earnings for current members and discounted to their present date equivalent using the indicative rate or return on a high quality corporate bond. The scheme is governed by the Public Services Pensions Act 2013 and administered with the following secondary legislation on behalf of all participating employees:
 - The LGPS Regulations 2013 (as amended)

- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The LGPS (Management and Investment of Funds) Regulations 2016

Post-employment benefits are accounted for in accordance with International Account Standard 19 (IAS19) on Employee Benefits. Retirement benefits are therefore accounted for at the point that a commitment arises, even if the actual payment will be many years in the future. This reflects the Council's long-term commitment to increase contributions to make up any shortfall in attributable net assets in the LGPS.

The assets of the Merseyside Pension Fund attributable to the Council are included in the Balance Sheet at their fair value, as determined by:

- Quoted securities - market value, based on prices quoted to sellers in the market ("bid price")
- Unquoted securities - based on professional estimate
- Unitised securities - the average of the price quoted to sellers ("bid price") and the price offered to buyers in the market (the "offer price"), *and*
- Property - market value

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

- A) **Service Costs**
- Current service cost – any increase in liabilities as a result of years of service earned in the financial year;
 - Past service cost/gains – changes arising from in-year decisions where the effect relates to years of service earned previously. Curtailments are additional employer liabilities incurred when a member stops contributing to the scheme earlier than expected e.g. following redundancy, but without a reduced pension;
 - Gains/Losses on settlement – the result of actions that change the scope of the Council's future pension liability, for example a group of staff transferring to a different employer;
- B) **Net interest on the net defined benefit liability** – difference between the increase in the present value of liabilities as they move a year closer to payment and the expected return on investments over the same period;
- C) **Remeasurement on the defined benefit liability** – the impact of changes to the assumptions underpinning the actuarial estimates of the value of assets and liabilities are charged to the Pension Reserve as Other Comprehensive Income and Expenditure. These could be due to changes in assumed mortality rates, discount rates, inflation or because the actual level of investment returns is different from the long-term averages assumed under B;
- D) **Contributions paid to the Fund** – employer's contributions paid to the Pension Fund;
- E) **Administration costs**

Statutory provisions require the General Fund balance to be charged with the amount payable 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 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 on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits are earned by employees.

The Council has restricted powers to make discretionary awards of retirement benefits in cases of early retirement. Any liabilities estimated to arise from an award to any member of staff (including teachers) are either accrued in-year or reimbursed to the Pension Fund over a five-year period.

7.0 Events after the Balance Sheet date

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

- 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);
- those that are indicative of changes in conditions after the reporting period. The Statement of Accounts is not adjusted to reflect such events but where they will have a material impact, disclosure is made in the Notes of the nature of these events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the accounts, see Events after the Balance Sheet Note for details.

8.0 Fair Value Measurement

Some non-financial assets such as Investment Properties and surplus assets are measured at fair value and its financial instruments at amortised costs or fair value at each reporting date. All fair value is the price that would be received to sell an asset or paid to transfer a liability. A fair value assessment assumes that the transaction to sell the asset or transfer the liability occurs either:

- in the principal market for the asset or liability, *or*
- in the most advantageous market for the asset or liability (if no principal market exists)

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 market participants act in their economic best interest.

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

The Council uses 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, which considers three levels of categories from inputs to valuations for fair value assets or liabilities:

- Level 1 – Quoted prices;
- Level 2 – Inputs other than quoted prices that are observable, either directly or indirectly;

- Level 3 – Unobservable inputs

9.0 Financial Instruments

9.1 Recognition and Measurement

A financial instrument is any contract that gives rise to a financial asset of an entity and a financial liability or equity instrument in another. The term “financial instrument” includes, amongst others, trade receivables and payables, borrowings, financial guarantees, bank deposits and loans receivable.

9.2 Initial Recognition

Financial instruments are recognised in the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument, i.e. when the purchasers become committed to the purchase or, in the case of the loan, cash changes hands. Sales and disposals of financial assets are recognised in the same way.

Trade receivables and payables are, in contrast, only recognised when the goods and services are delivered or received.

9.3 Initial Measurement

Financial assets and liabilities are measured initially at fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability and carried at amortised cost (carrying value).

9.4 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets:

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

The Council’s business model is to buy and hold investments to collect contractual cash flows i.e. payments of interest over the term of the asset and repayment of the principal amount invested at the end. Most of the Council’s financial assets are therefore classified as being at amortised cost.

i. Measured at amortised cost

For most of the financial instruments held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to CIES is the amount receivable for the year in the loan agreement. Any profit or loss on the sale of the financial instrument is debited/credited to the Financing and Investment Income and Expenditure line in the CIES in the year of sale.

ii. Measured at fair value through Other Comprehensive Income (FVOCI)

The Council has made an irrevocable election to designate certain financial assets as FVOCI on the basis they are not held for trading but held for longer-term strategic purposes.

The asset is initially measured and subsequently re-measured to current fair value at each balance sheet date. Dividend income is credited to Financing and Investment Income and

Expenditure in the CIES when it becomes receivable by the Council. Changes in fair value between balance sheet dates are charged / credited to Other Comprehensive Income and Expenditure and are matched by an entry in the Financial Instruments Revaluation Reserve. This matching entry means that there is no impact on the Surplus or Deficit on the Provision of Services at that time. When the assets concerned are finally sold the cumulative profits or losses previously recognised in Other Comprehensive Income and Expenditure (i.e. sale proceeds less original cost) are transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on Provision of Services (SDPS).

iii. **Measured at fair value through Profit and Loss (FVTPL)**

These are measured and carried at fair value (market price). At each balance sheet date, the asset's fair value is re-measured to the current fair value and any change is reported in the SDPS. On disposal any gains and losses are recognised in the Financing and Investment Income line in the CIES. The fair value measurement is based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the accounting policy set out in the section on Fair Value Measurement.

9.5 Impairments to Financial Assets Measured at Amortised Cost

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

9.6 Expected Credit Loss Model

The Council recognises expected credit losses (i.e. non-payment of principal and / or interest) on all its financial assets held at amortised cost (or where relevant FVOCI). Usually only credit losses arising in the next twelve months are calculated. Lifetime losses are only recognised when the risk of the amount lent out not being made in full increases significantly over the year. Trade receivables (debtors) are permitted to use the simplified approach to expected credit losses. 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.

9.7 Financial Liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost (carrying value). The amount presented in the Balance Sheet is therefore the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the 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 Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus

accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the CIES in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write down is spread over the life of the loan by an adjustment to the effective interest rate. This is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. 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 Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium payable or discount receivable when it was repaid.

9.8 Disclosure of the nature and risk arising from Financial Instruments

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

- Credit risk – the risk that other parties might fail to pay amounts due;
- Liquidity risk – insufficient funds available to meet commitments;
- Market risk – financial loss from changes in interest rates

To minimise these risks, the Council complies with the CIPFA Prudential Code, the CIPFA Treasury Management in Public Services Code of Practice and Investment Guidance issued to meet the requirements of the Local Government Act 2003.

10.0 Government Grants and Other Contributions

Government grants and other contributions are accounted for on an accrual basis in the CIES, when there is reasonable assurance that the money will be received and all conditions attached to the funding will be met. Where conditions attached to grants and contributions remain outstanding, monies received to date are carried forward in the Balance Sheet as Creditors (Receipts in Advance) until the conditions have been satisfied.

Capital grants are treated as income within the CIES, within the Taxation and Non-specific Grant Income and Expenditure Note, when the conditions regarding their use are met. A corresponding amount is transferred, as shown in the Movement in Reserves Statement, from the General Fund Balance to the Capital Adjustment Account in the Unusable Reserves Note, if the grant has been used to finance capital expenditure in the year, or to the Capital Grants Unapplied Account until it is used. Capital grants with conditions attached are held as receipts in advance in the Capital Grants Unapplied Account until such time as the conditions are met and the grant applied to finance capital expenditure. Where a capital grant has been received but the conditions regarding its use are not met, it is transferred to Capital Grants Received in Advance until such time as the grant conditions are met, when it is recognised as a capital grant within the CIES.

Separate accounts are maintained for capital and revenue grants in accordance with the Code.

11.0 Interests in Companies and Other Entities

Group Accounts are referred to in IFRS10 Consolidated Financial Statements, IFRS11 Joint Arrangements, IFRS12 Disclosure of Interests in Other Entities, International Accounting Standard (IAS) 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The Council has interests in other entities that fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. Within the single entity Financial Statements and Notes there is the Council's share of Joint Operations and details of any Related Party Transactions and Involvement with Companies.

For 2023/24 an assessment of the criteria for the completion of Group Accounts has been undertaken and the conclusion reached that there was no requirement to produce such accounts. This is because the activity of both a quantitative and qualitative nature isn't expected to be material.

12.0 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken in conjunction with other joint operators involve the use of the assets and resources of those joint operators. The Council as a joint operator recognises on its Balance Sheet its share of the assets and liabilities generated by the operation, and the Cost of Services within the CIES includes its share of the expenditure incurred and of income earned from the activity.

Under Section 75 of the Health Act 2006, the Council is able to establish joint working arrangements with NHS bodies and to pool funds from the two organisations to create a single budget. Where pooled budgets are established, the Council's accounts reflect only the Council's share of the overall budget and exclude the share attributable to partner organisations.

13.0 Leases

Leases are classified as either finance or operating leases based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. Whether a lease is a finance or an operating lease depends on the substance of the transaction rather than the form of any legal agreement. Leases are classified as finance leases where the terms of the lease transfer most of 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. Land and building elements of a lease are considered separately for lease classification.

13.1 Finance Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. This judgement is made at the inception of the lease using criteria set out in IAS 17. Arrangements that are not legally leases but convey the right of use in return for a payment are subject to the same accounting treatment as if they were in fact a lease.

Where the Council grants a finance lease (lessor) over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, 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 (CIES) as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a Debtor in the Balance Sheet. Lease rentals receivable are apportioned between:

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

The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the leased asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the Debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

13.2 Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased assets. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

14.0 Minimum Revenue Provision

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement. Regulation 28 of the 2003 Regulations requires a local authority to calculate in each financial year an amount of MRP that it considers to be prudent.

15. Non-Current Assets

15.1 Property, Plant and Equipment

These are tangible assets that have physical substance and are held for use in the provision of services, for rental to others or for administrative purposes, and which are expected to be used for more than one year. Property, Plant and Equipment (PPE) includes expenditure on such things as the acquisition of land and buildings, vehicles, plant and

equipment and the construction and enhancement of roads, buildings and other structures. This category does not typically include Assets Held for Sale, as they would normally be expected to be sold within twelve months; properties held solely for the purpose of generating a financial return (see Investment Property Note 16) and those held primarily for their contribution to knowledge and culture (see Heritage Assets Note 15).

Local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. Wirral Council has opted to apply this temporary relief, and additional information is therefore provided to explain the rationale for this decision.

15.2 Initial Recognition and Valuation

Expenditure on the acquisition, creation or enhancement of PPE is capitalised on an accrual basis if it yields benefit for more than one year; the cost is equal to or exceeds the minimum threshold for capitalisation of £10,000; and the cost can be measured reliably. Expenditure that maintains but does not enhance the benefit that an asset can provide – such as repairs and maintenance – is charged as an expense to revenue when it is incurred.

The Council does not capitalise borrowing costs against capital projects, which are incurred when borrowing takes place to finance capital spending on assets under construction. Such costs are charged as an expense to revenue within the CIES under Financing and Investment Income and Expenditure.

The categories of PPE are as follows:

- Land and buildings;
- Vehicles, plant and equipment;
- Infrastructure assets – from which benefit can be obtained only from continued use, for example, highways and bridges;
- Community assets - from which the Council intends to hold in perpetuity which have no determinable finite useful life and may have restrictions on their disposal, for example, parks;
- Surplus assets – those not essential to the operation of the Council or its services;
- Assets under construction – those currently being built, and not available for use in providing services in the current accounting year

15.3 Measurement

PPE is valued on the basis recommended by the Code and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS).

Assets are initially measured at the direct cost of bringing the asset into working condition for its intended use and subsequently using professionally undertaken valuations using bases recommended by RICS:

- Historic cost – Infrastructure, Community and Assets under construction
- Current value – All other PPE assets

Infrastructure, community assets, assets under construction and vehicles, plant and equipment are then carried in the Balance Sheet at depreciated historic cost (DHC). Other

categories of PPE are subsequently re-measured at existing use or fair value, as per the table below:

Asset class	Accounting Basis in CIES
Land and Buildings	Where prices for comparable properties are available in an active market, properties are valued at market value considering the existing use. Where no market exists or the property is specialised, current value is measured at depreciated replacement cost
Surplus Assets	Fair value

The Code definition of current value requires PPE that are operational are recognised in the Accounts at their service potential value and not their fair value, which means that some specialised assets with no available market will be valued at Depreciated Replacement Cost (DRC), which uses a Modern Equivalent Asset methodology to estimate the value of an asset based on the cost of replacing it with a new asset that can deliver the same services.

Assets are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Assets are revalued in accordance with the methodologies and requirements of the Royal Institute of Professional Valuers.

15.4 Revaluation

All assets held at current value are subject to revaluation (this includes Investment Property). Property assets are revalued when due under the five year cycle (the short period as defined by the Code) or earlier where there has been a change in circumstances either for the specific asset or the wider asset group, which may have a material impact on value. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains, however if the asset had previously been impaired or suffered a revaluation decrease which was charged to the CIES then the gain is instead credited to the CIES. Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gain);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES;
- where valuation gains or losses are recognised in the CIES, equivalent amounts are transferred into the Capital Adjustment Account

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

15.5 Impairment

Assets are assessed at each year-end for indications of impairment and where conditions exist and possible differences are estimated to be material, the recoverable amount is estimated and, where this is less than the carrying amount, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for in the same way as revaluation losses. When an asset is disposed of or decommissioned, the carrying amount in the Balance Sheet (whether PPE or Assets Held for Sale) is written-off to the Other Operating Expenditure line in the CIES against any receipts arising from the disposal as a gain or loss. To avoid impairment becoming a charge against Council Tax the value of such impairments is reversed out within the Movement in Reserves Statement and charged to the Capital Adjustment Account.

15.6 Depreciation

Depreciation is charged to the CIES to reflect the usage of assets over their estimated useful life. It is provided for on all PPE assets with the exception of:

- Land or other assets without a determinable useful life; and
- Assets under construction as they are not being used yet

Depreciation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by a qualified valuer
- Vehicles, plant, furniture and equipment - straight line allocation over the estimated useful life of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- Infrastructure - straight-line allocation over the estimated useful life of the asset

The Code requires that each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. Where assets are material, with individual component valuations comprising significant proportions of the total cost of the asset (greater than 10% of the asset value) but with markedly different useful lives, the components are depreciated separately. Only material assets with a value equal to or in excess of £2million are componentised. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation 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.

Within the Council's asset portfolio there are asset classes where componentisation will not be considered for the following reasons:

- Equipment – considered immaterial;
- Asset classes which are not depreciated – such as land, investment property, heritage assets, community assets, surplus assets and assets held for sale

The remaining assets, which are contained with the operational portfolio, are often of a specialised nature such as schools and leisure centres. The Council's valuers are asked to provide component information for each asset which is reviewed to assess if inclusion of different components will have a material impact.

Charges commence when the asset becomes available for use and cease on derecognition.

15.7 Derecognition of Assets

Any disposal receipts equal to and above £10,000 are categorised as capital receipts on an accruals basis and are credited to the Capital Receipts Reserve. A proportion of receipts relating to housing disposals are paid over to Central Government as a 'housing pooled capital receipt'. This is charged to Net Operating Cost within the CIES and the same amount is appropriated from the useable Capital Receipts Reserve and credited to the Movement in Reserves Statement.

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

An asset is derecognised by disposal when no future economic benefit or service potential is expected from its use. When an asset is disposed of or decommissioned, the carrying amount of the asset is de-recognised in the Balance Sheet. This amount, net of any receipts from disposal, are accounted for as a gain or loss on disposal and taken to the Other Operating Expenditure line in the CIES. Any revaluation gains previously accounted for in the Revaluation Reserve are transferred to the Capital Adjustment Account. Receipts from disposals are credited to Other Operating Expenditure within the CIES as part of the gain or loss on disposal (i.e. offset against the carrying value at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

15.8 Charges to Revenue for Non-current Assets

The CIES is charged with the following amounts to record the real cost of non-current assets used in the provision of services during the year:

- Depreciation attributable to the assets used by the relevant service
- Impairment/revaluation losses on assets used by the service
- Amortisation of intangible assets attributable to the service
- Profit and loss on disposal of assets

The financing of capital expenditure from revenue is disclosed separately as an appropriation in the Movement in Reserves Statement.

15.9 Heritage Assets

These assets have historic, artistic, scientific, geophysical or environmental qualities and are held principally for their contribution to art and culture. Their value at the time of recognition is, wherever possible, at either valuation or cost. If this has not been possible, particularly in respect of the art collection assets and civic regalia, where the distinctive and rare nature of these assets can make valuations complicated (and in some cases unobtainable), the assets are not included as a value on the Balance Sheet but are detailed in notes to the Statement of Accounts. Such assets are deemed to have infinite lives and are not subject to depreciation, but the carrying amounts are reviewed where there is evidence of impairment such as physical damage. Any impairment is recognised and measured in accordance with the Council's general accounting policy on impairment.

15.10 Investment Properties

Investment properties are held exclusively for revenue generation or for capital gain and not used directly to deliver services. Such assets are measured initially at cost and

subsequently at fair value and are not depreciated but are revalued annually according to market conditions at the year-end.

Net rental income together with any revaluation gains and losses or impairments are recognised in the Financing and Investment Income and Expenditure line within the CIES. However, regulations do not permit unrealised gains and losses to impact the General Fund balance. Therefore, gains and losses are reversed via the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for sale proceeds equal to and above £10,000) to the Capital Receipts Reserve.

15.11 Intangible Assets

Intangible assets do not have physical substance but are identifiable and are controlled through custody or legal rights. Purchased intangibles, such as software licences, are capitalised at cost, whilst internally developed intangibles are only capitalised where there is a readily ascertainable market value for them.

These assets are capitalised on the Balance Sheet where they are separately identifiable and controlled and are expected to bring benefits for more than one financial year. Intangible assets are only capitalised if their value equals or exceeds the capital threshold of £10,000. Intangible assets are reviewed for impairment at the end of the first full financial year following operation.

16.0 Overheads and Support Service Costs

Services are analysed in the CIES and Expenditure and Funding Analysis (EFA) in line with the organisational structure of the Council and in accordance with the Code for:

- Corporate and Democratic
- Trading Accounts

Income and Expenditure is allocated to services to reflect the way the Council operates its services and reported to management. The full costs of overheads, such as utility bills, are apportioned to services within the Net Cost of Services section of the CIES and the EFA. Central support recharges and Corporate costs are reported in accordance with the Code as Corporate Services within the CIES and EFA. Overheads and support services for trading accounts are allocated in accordance with the Code and CIPFA Service Reporting Code of Practice (SeRCOP).

17.0 Prior Year Adjustments and Changes in Accounting Policies

Prior year adjustments may arise because of changes in accounting policies and are 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. Material adjustments from changes in accounting policies or the correction of fundamental errors are accounted for by restating the comparative figures for the preceding period in the Statement of Accounts and supporting notes.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more clear and reliable 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 otherwise stated) by adjusting opening balances and comparative amounts for the prior year as if the

new policy had always been applied. The Council has not adopted any new accounting standards or amendments with a significant impact on the Council's position during 2023/24.

18.0 Private Finance Initiative (PFI) and Service Concession Arrangements

PFI and similar contracts are agreements for the Council (grantor) to receive services, where the responsibility for making available the PPE needed to provide the services passes to the PFI contractor (Operator). As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the PPE will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as PPE, except in relation to schools which have transferred to Academy status.

The original recognition of these assets at fair value (based on the cost to purchase PPE) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. The Council recognises the asset and liability on the Balance Sheet, and accounts for it as if it were a finance lease. Non-current PFI assets recognised on the Balance Sheet are revalued and depreciated in the same way as PPE owned by the Council. The amounts payable to the PFI operator each year are analysed as follows:

- **Service costs** - charged to the relevant service in the CIES;
- **Finance Cost** – An interest charge on the outstanding Balance Sheet Liability, charged to the Financing and Investment Income and Expenditure line in the CIES. The interest rate is calculated for the scheme so that the Balance Sheet liability is zero at the end of the contract;
- **Contingent Rent** – increases in the amounts to be paid for the property arising during the contract, are charged to the Financing and Investment Income and Expenditure line in the CIES;
- **Payment towards liability** – applied to write-down the balance sheet liability towards the PFI operator (the profile of write-downs is calculated on the same basis as for a finance lease)
- **Lifecycle costs** – recognised as expenditure on non-current assets and added to the assets on the Balance Sheet

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

19.0 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised where there is a present legal or constructive obligation arising from past event(s) which has placed the Council in a position where it has an obligation that is likely to lead to it incurring a cost. The precise timing and value of the cost may be unknown but can be reliably estimated. Provisions are charged as an expense to the appropriate service line in the CIES in the year the Council becomes aware of the obligation, based on a best estimate of the likely settlement.

Where some or all of the payment required to settle a provision is expected to be recovered from a third party, this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation. When payments for expenditure are incurred to which the provision relates, they are charged directly to the provision.

Provision estimates are reviewed at the Balance Sheet date and adjusted as necessary to reflect the current best estimate in the CIES. When payments relating to the provision are made, they are charged to the provision created in the Balance Sheet.

Contingent Assets and Contingent Liabilities are obligations or assets arising from past events where:

- The existence or value of the obligation is dependent on future events which are outside the control of the Council;
- It is not probable that a flow of economic benefits will be required to settle the obligation; and
- The obligation/contingent asset cannot be easily quantified

Contingent assets and liabilities are not recognised in the Balance Sheet and are disclosed in the notes to the accounts. The notes set out the scale of the potential costs and the likelihood of them being realised.

20.0 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement.

Where expenditure has been incurred which is to be financed from an earmarked reserve, the expenditure is charged to the relevant service within the SDPS line within the CIES. An amount is then transferred from the earmarked reserve to the General Fund Balance via an entry in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Reserves are categorised as either "useable" or "unusable". Useable reserves are those which may be used to fund revenue or capital expenditure. Unusable reserves are kept for managing the accounting treatment of non-current assets, financial instruments, retirement and employee benefits; and do not represent useable resources.

21.0 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

REFCUS is expenditure of a capital nature that does not result in the creation of a non-current asset on the Balance Sheet, but which have been charged to the CIES. Legislation requires defined items of revenue expenditure charged to services to be treated as capital expenditure; such expenditure is transferred from the General Fund balance via the Movement in Reserves Statement to the Capital Adjustment Account. These items are normally written-off in the year of payment. If financed from existing capital resources or borrowing, a transfer to the Capital Adjustment Account from the Movement in Reserves Statement is used to offset the amounts charged to the CIES, so there is no impact on Council Tax.

22.0 Schools

Where the balance of control for maintained schools lies with the Council, i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended, then the income, expenditure, assets, liabilities and cash flows are recognised in the Councils main financial statements, rather than within Group Accounts. Other types of school, such as academies and free schools are outside of the Council's control and therefore not included in the Council's accounts.

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

When a maintained school converts to an Academy, the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Financing and Investment Income and Expenditure within the CIES. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written-off asset is not a charge to the General Fund, as the cost is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

23.0 Value Added Tax (VAT)

Income and Expenditure excludes any amounts relating to VAT and will be included as an expense only if it is irrecoverable from Her Majesty's Revenue and Customs.

Note 2 - Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Council to disclose information setting out the impact of accounting changes by a new accounting standard that has been issued but not yet adopted by the Code. The following changes have been identified:

Changes to Accounting Standards

The following changes to IFRSs apply, but are not yet endorsed for use in the EU or UK as at 31st March 2024:

- IFRS 16 Leases issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements.

The various changes above are considered relatively minor updates to the accounting standards framework as it applies to the Council, and none are assessed to have a material impact on this Statement of Accounts.

IFRS 16: Leases (effective on or after 1st April 2024)

IFRS 16 will bring most leases on-balance sheet including operating leases, thereby removing the distinction between finance and operating leases, with a recognition that low-value and short-term leases may be exempt. The estimated impact based on current operating lease non-cancellable obligations is £0.09m (£0.8m in 22/23) further details can be found in the Leases note to the accounts. This is applicable when either the authority or group companies are the lessee.

Note 3 - Critical Judgements in Applying Accounting Policies

The following significant accounting judgements have been made in applying the accounting policies. The Council has had to make certain critical judgements about complex transactions or those involving uncertainty about future events.

Funding Levels

There is a high degree of uncertainty about the future levels of funding for local government, the impact on the economy and volatile interest rates and changes to inflation. However, the Council has reviewed material estimates and taken any inflationary factors into account, and these are reflected in the Councils provisions and estimates.

Group Boundary

The Council has interests in a number of external entities either as direct owner or in partnership with other organisations. The nature of these relationships has been assessed under IFRS 11, IAS 27 and IAS 28 (Accounting for Joint Arrangements, Subsidiaries and Associates). The Council had one operational company during 2023/24, Wirral Evolutions Ltd, which has now ceased trading. There are a further two operational joint ventures/Partnerships, Edsential Community Interest Company jointly owned with Cheshire West and Chester Council, and Wirral Growth Company Limited Liability Partnership (LLP). There is also a dormant company, Wirral Holdings Limited.

An assessment of the Councils interests has been carried out during the year in accordance with the Code of Practice to determine the Group relationships that exist. Inclusion in the Group is dependent upon the extent the Council has control over the entity as demonstrated through ownership, such as shareholding in the entity or representation on the entity's board of Directors. For 2023/24 the Council did not have any interests it considers material in the form of both qualitative and quantitative measures and therefore the Council has only produced accounts on a single entity basis rather than group accounts. Non-consolidation of these entities is based on a number of factors including the extent of the Council's interest and power to influence and control, materiality, investment and transparency. A list of Council members with interests in related parties can be found in the Related Parties note.

Pooled Budgets

The Section 75 agreement by which Better Care Fund resources have been pooled between the Council and NHS Cheshire and Merseyside ICB and has been assessed against the appropriate Accounting Standards mainly IFRS 10 and IFRS 11. The arrangement has been assessed to be classified as a Joint Operation given the governance and control arrangements of the pool. As such each party accounts separately for its assets, liabilities, revenues and expenses relating to its involvement in the Joint Operation. The details are included in the Pooled Budgets note.

Treatment of Schools

In line with the Accounting Standards and the Code of Practice on Group Accounts and consolidation all maintained schools in the Borough are considered to be entities of the Council. Rather than produce Group Accounts the income, expenditure, assets, liabilities, reserves, and cash flows of each school are recognised in the Councils single entity accounts.

The transactions relating to the income and expenditure for schools is included in the Comprehensive Income and Expenditure Statement under Childrens services.

Balance sheet recognition of schools

The Council recognises the land and buildings used by schools in line with the provisions of the CIPFA Code of Practice. 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. IAS16 (Property, Plant and Equipment) determines that an asset shall be recognised on the balance sheet if:

- it is possible that the future economic benefits or service potential associated with the item will flow to the authority, that is the authority does not have to own the item but have gained the rights to generate cash from the item or to use it for the provision of services.
- the cost of the item can be measured reliably, where costs are identifiable and not an integral part of some wider expenses.

In accordance with the Code of Practice the Council has completed a school-by-school assessment across the different types of schools. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets.

Nine schools converted to an Academy during 2023/24 and three pending conversions with estimated conversion dates.

The Council has included the following schools in its balance sheet:

	Total Schools	Council Controlled Schools (on Balance Sheet)	Schools Outside Council Control (off Balance Sheet)
Community Schools:			
Nursery	3	3	0
Primary	38	38	0
Secondary	1	1	0
Special	12	12	0
Foundation Schools	3	3	0
Voluntary Controlled	5	0	5
Voluntary Aided	22	0	22
Academies	42	0	42
Total	126	57	69

Note 4 - Assumptions made about 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 take into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could materially differ from the assumptions and estimates. The items in the Council's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows.

Material judgements may be affected by inflation, and this could relate to transactions previously not deemed material. The authority has taken this into account when considering the following:

- **Property Valuations**

Uncertainty

The Council re-values its' Investment Properties, Surplus Assets and Assets Held for Sale, together with any valuations which exceed the materiality threshold, on an annual basis. All remaining property assets are revalued on a five-year rolling cycle, with one fifth of these remaining being reviewed each year.

The Council bases its valuations on assumptions about asset conditions, useful lives, residual values and market conditions. These judgements are underpinned by the best available information and made by qualified valuation officers but are still based on estimates. It is possible that property, plant and equipment values could fluctuate within the five-year timeframe.

Effect if Results Differ from Assumptions

A 1% fluctuation in property values would amount to a +/- £5.9m change to the Non-Current Assets value on the Balance Sheet.

Should remaining asset lives fall by an average of 10%, then there would be a corresponding 10% increase in relevant annual depreciation charges, approx. £1.3m across operational land and building assets.

- **Pension Asset / Liability**

Uncertainty

Estimation of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Council is advised on the assumptions it makes by Mercer, a firm of professional actuaries. Assumptions are disclosed in the Defined Benefit Pension Scheme note and reflects best advice on reasonable judgements at 31 March 2024.

Effect if Results Differ from Assumptions

The Fund has significant unquoted investments within Private Equity, Infrastructure, Property and other Alternative investments. These are valued within the financial statements using valuations from the Managers of the respective assets. There are clear accounting standards for these valuations and the Fund has in place procedures for ensuring that valuations applied by Managers comply with these standards and any other relevant best practice. The value of unquoted assets as at 31 March 2024 was £5,754 million (£5,423 million at 31 March 2023).

Private Equity investments are valued at fair value in accordance with International Private Equity and British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation. Infrastructure and other alternative assets are valued in accordance with Accounting Standards; however, the valuation basis includes a degree of estimation. Hedge Funds are valued at the sum of the fair values provided by the Administrators of the underlying Funds plus adjustments that the Hedge Fund Directors or Independent Administrators

judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Direct property and pooled property funds use valuation techniques to determine the carrying amount. Where possible, these valuations are based on observable data, but where this is not possible, management uses the best available data. With regards to the Fund's level 3 investments, these are well diversified between sectors and also vintage year (year in which first influx of investment capital is delivered to a project or company) meaning that there will be a wide dispersion between the potential valuation effects. Some of the underlying level 3 investment assets could have seen positive uplifts to their valuations, as well as those which will have seen negative.

Public Works Loan Board (PWLB) Loans

Both the carry value and the fair value of PWLB loans are included in disclosures within the Financial Instruments notes. The fair values disclosed have been determined by discounting the contractual cash flows over the life of the loan at the market rate for local authority loans. PWLB loans are carried at amortised cost and their fair value is disclosed for information only.

Should the loan be cancelled or reissued with the PWLB at today's interest rates the value would differ to the carry value disclosed in the accounts. This would depend on prevailing interest rates at this point in time and the formula used by the PWLB to determine the early redemption 'penalty'.

If interest rates changed by +/- 10% the carrying value of PWLB loans would change by +/- £54.2m.

- **Business Rates**

Uncertainty

The Council is part of the Liverpool City Region 100% Business Rates Retention Pilot, for which in 2023/24 the Council retained 99% (£67.15m) of the business rates income it collected.

Effect if actual results differ

If Business Rates income fell by 10%, the impact on the Council would be an income loss of approximately £6.7m. High levels of inflation and increasing energy costs in recent years has increased the cost of living and this could potentially have an impact on collection rates.

- **Debt Impairment**

Uncertainty

If collection rates or recovery of debtors and loans were to deteriorate an increase in the amount of the impairment would be required.

Effect if uncollected debt changes

At 31st March 2024, the Council had debtors and specific loans (short and long term) totalling £163.6m. A review of significant balances suggested that an impairment of expected credit losses of £39.6m was appropriate.

Note 5 - Material Items of Income and Expense

Exceptional items are ones that fall within the ordinary activities of the Council but are material in terms of the Council's overall expenditure and not expected to recur frequently or regularly. Exceptional items are included on the face of the Comprehensive Income and Expenditure Statement (CIES) where it is felt that the costs are so significant as to warrant a separate disclosure.

9 schools converted to Academy status during 2023/24 with a cumulative value at the point of transfers of £39.9m (see Financing and Investment Income and Expenditure, and Property Plant and Equipment notes).

Note 6 - Events After the Balance Sheet Date

Relevant events after the balance sheet date have been considered up to the date these accounts were authorised by the Director of Finance (S151 Officer).

Events taking place after this date are not reflected in the financial statements or notes. Where events that took place before this date provide information about conditions which existed as at 31st March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no significant events between the balance sheet date and reporting date.

Note 7 - Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the Council (i.e., council tax, business rates and government grants) for the year has been used in providing services, in comparison with those resources used by the Council 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 Functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2022/23 has been restated to separately identify the movement in General Fund balance and earmarked reserves movements, and to separately identify the Flexible Use of Capital Receipts in line with 2023/24 reporting.

2022/23 (restated)			2023/24		
Net Expenditure Chargeable to the General Fund Balance	Statutory Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund Balance	Statutory Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
117,051	(1,130)	115,921	130,075	55	130,130
1,860	327	2,187	0	0	0
87,436	24,778	112,214	95,142	19,004	114,146
0	0	0	11,735	(60)	11,675
6,298	690	6,988	8,626	(125)	8,501
38,614	20,878	59,492	45,946	17,302	63,248
15,286	10,912	26,198	14,970	12,890	27,860
39,724	676	40,400	21,368	8,922	30,290
0	0	0	745	(2,679)	(1,934)
(2,930)	2,930	0	(2,900)	2,900	0
303,339	60,061	363,400	325,707	58,209	383,916
(280,910)	(36,777)	(317,687)	(308,957)	(29,920)	(338,877)
22,429	23,284	45,713	16,750	28,289	45,039
(107,861)			(85,432)		
(2,500)			0		
24,929			16,750		
(85,432)		Closing Combined General Fund Balance	(68,682)	0	0

Note 7a - Note to the Expenditure and Funding Analysis

The analysis in the following tables outlines the annual expenditure allocated for decision making purposes between the Council's functions and how this compares with those resources used by the Council in accordance with generally accepted accounting practices.

2023/24										
	Net Expenditure reported for Resource Management	Movements in reserve	Items reported to members that sit below Net Cost of Services	Other adjustments reported to Management	Total Net Expenditure Chargeable to the General Fund	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Statutory Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults Care and Health	132,450	942	3,159	(6,476)	130,075	391	(381)	45	55	130,130
Chief Executive Officer	0	0	0	0	0	0	0	0	0	0
Children, Families & Education	90,281	5,769	(909)	0	95,141	12,776	(2,171)	8,400	19,005	114,146
Finance	9,728	117	1,890	0	11,735	0	(58)	(2)	(60)	11,675
Law & Corporate Services	8,424	150	52	0	8,626	13	(124)	(13)	(124)	8,502
Neighbourhood Services	46,034	166	(255)	0	45,946	18,010	(743)	35	17,302	63,248
Regeneration & Place	14,738	(2,987)	3,219	0	14,970	13,142	(272)	20	12,890	27,860
Resources	16,405	469	65	4,430	21,369	9,497	(557)	(19)	8,921	30,290
Strategic Holding Account and Corporate Items	12,279	5,450	(19,030)	2,046	745	0	(2,180)	(499)	(2,679)	(1,934)
Levies	41,161	0	(41,161)	0	(0)	0	0	0	0	(0)
Flexible Use of Capital Receipts	(2,900)	0	0	0	(2,900)	2,900	0	0	2,900	0
Net cost of services	368,600	10,076	(52,970)	0	325,706	56,729	(6,486)	7,967	58,210	383,916
Other Income & Expenditure	(368,600)	6,674	52,970	0	(308,956)	(22,656)	1,266	(8,531)	(29,921)	(338,877)
Surplus (Transfer to General Fund)	0	0	0	0	0	0	0	0	0	0
Total	0	16,750	(0)	0	16,750	34,073	(5,220)	(564)	28,289	45,039

2022/23										
	Net Expenditure reported for Resource Management	Movements in reserve	Items reported to members that sit below Net Cost of Services	Other adjustments reported to Management	Total Net Expenditure Chargeable to the General Fund	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Statutory Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults Care and Health	114,617	294	1,946	195	117,052	330	(1,477)	16	(1,131)	115,921
Chief Executive Officer	1,859	0	0	1	1,860	6	325	(4)	327	2,187
Children, Families & Education	82,705	3,384	1,710	(365)	87,434	5,183	16,248	3,349	24,780	112,214
Law & Governance	6,009	84	8	197	6,298	6	686	(2)	690	6,988
Neighbourhood Services	55,656	1,071	(18,542)	429	38,614	15,536	5,480	(138)	20,878	59,492
Regeneration & Place	37,681	(8,815)	(13,462)	(119)	15,285	8,849	2,126	(62)	10,913	26,198
Resources	44,023	4,053	(8,014)	(338)	39,724	(2,824)	3,728	(228)	676	40,400
Flexible Use of Capital Receipts	(2,930)	0	0	0	(2,930)	2,930	0	0	2,930	0
Net cost of services	339,620	71	(36,354)	0	306,267	30,016	27,116	2,931	60,063	363,400
Other Income & Expenditure	(342,120)	24,858	36,354	0	(280,908)	(44,731)	16,272	(8,320)	(36,779)	(317,687)
Surplus (Transfer to General Fund)	2,500	(2,500)	0	0	0	0	0	0	0	0
Total	0	22,429	0	0	25,359	(14,715)	43,388	(5,389)	23,284	45,713

Adjustments to the General Fund

Net Expenditure reported for Resource Management Adjustments needed to arrive at the net expenditure chargeable to the General Fund:

- Movements in reserve – removal of contributions (to)/ from general fund earmarked revenue reserves.
- Items reported to members that sit below Net Cost of Services – removal of activity reported in the CIES in other income and expenditure including interest payable, investment income and specific non-ring-fenced grants.
- Other adjustments reported to Management – removal of internal re-alignments between Council functions.

Adjustments needed to arrive at the net expenditure reported in the CIES (Statutory Adjustments):

- Net Capital Adjustments – addition of capital related income and expenditure including depreciation, impairment and revaluation gains and losses and capital grant income.
- Net Pensions Adjustments – impact of applying IAS19 accounting requirements including the replacement of employer pension contributions made by the authority with current service costs/past service costs and the addition of net interest on the defined benefit liability.
- Other Adjustments – impact of all other statutory adjustments including the impact of investment premiums/discounts, movements in the accumulated absences account and the timing differences in relation to recognition of business rates and council tax income.

Net Expenditure in the Comprehensive Income and Expenditure Statement

Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations

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

2023/24	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Pension cost (transferred to (or from) the Pensions Reserve)	5,222	0	0	(5,222)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	508	0	0	(508)
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	8,519	0	0	(8,519)
Holiday pay (transferred to the Accumulated Absences reserve)	(240)	0	0	240
In-year Dedicated Schools Grant (DSG) deficit (transferred to DSG Adjustment Account)	(8,226)	0	0	8,226
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(89,620)	(110)	0	89,730
Total Adjustments to Revenue Resources	(83,837)	(110)	0	83,947
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	6,409	(6,409)	0	0
Repayment of MRDF debt	0	(4,469)	0	4,469
Repayment of debt - Group company loan - Wirral Growth Company	0	0	0	0
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	10,187	0	0	(10,187)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(1,243)	0	0	1,243
Total Adjustments between Revenue and Capital Resources	15,353	(10,878)	0	(4,475)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	5,400	0	(5,400)
Write off MRDF receipt to LT debtors	0	4,469	0	(4,469)
Application of capital grants to finance capital expenditure	40,195	0	(17,018)	(23,177)
Cash payments in relation to deferred capital receipts	0	(5)	0	5
Total Adjustments to Capital Resources	40,195	9,864	(17,018)	(33,041)
Total Adjustments	(28,289)	(1,124)	(17,018)	46,431

2022/23	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Pension cost (transferred to (or from) the Pensions Reserve)	(43,388)	0	0	43,388
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	46	0	0	(46)
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	8,320	0	0	(8,320)
Holiday pay (transferred to the Accumulated Absences reserve)	94	0	0	(94)
In-year Dedicated Schools Grant (DSG) deficit (transferred to DSG Adjustment Account)	(3,073)	0	0	3,073
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(26,259)	(55)	0	26,314
Total Adjustments to Revenue Resources	(64,260)	(55)	0	64,315
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	2,122	(2,122)	0	0
Repayment of MRDF debt	0	(4,469)	0	4,469
Repayment of debt - Group company loan - Wirral Growth Company	0	2,500	0	(2,500)
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	9,347	0	0	(9,347)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	592	0	0	(592)
Total Adjustments between Revenue and Capital Resources	12,061	(4,091)	0	(7,970)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	2,930	0	(2,930)
Write off MRDF receipt to LT debtors	0	4,469	0	(4,469)
Application of capital grants to finance capital expenditure	28,915	0	(11,816)	(17,099)
Cash payments in relation to deferred capital receipts	0	(5)	0	5
Total Adjustments to Capital Resources	28,915	7,394	(11,816)	(24,493)
Total Adjustments	(23,284)	3,248	(11,816)	31,852

Note 9 - Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund in Earmarked Reserves to provide financing for future expenditure plans. It covers in year activity for 2022-23 and 2023-24, and includes amounts transferred out from Earmarked Reserves to meet expenditure in the year from previous years and transfers in to meet future costs.

	Balance at 1 April 2022	Transfers in 2022/23	Transfers out 2022/23	Balance at 31 March 2023	Transfers in 2023/24	Transfers out 2023/24	Balance at 31 March 2024
	£000	£000	£000	£000	£000	£000	£000
School Reserves							
School Balances	(16,307)	(1,149)	3,939	(13,517)	(352)	3,378	(10,491)
School Improvement	(1,093)	0	237	(856)	0	61	(795)
Schools Capital Schemes	(256)	(430)	0	(686)	(170)	230	(626)
Schools Causing Concern	(500)	0	0	(500)	0	206	(294)
Total Schools Reserves	(18,156)	(1,579)	4,176	(15,559)	(522)	3,875	(12,206)
Covid-19 Reserves							
Covid-19 reserves	(14,062)	0	13,724	(338)	0	318	(20)
Covid Additional Relief Fund	0	(4,334)	0	(4,334)	0	4,334	0
Local Council Tax Support Grant	(3,943)	0	1,517	(2,426)	0	2,426	0
NNDR Section 31 Grants	(11,794)	0	11,794	0	0	0	0
Local Income Tax Guarantee	(272)	0	272	0	0	0	0
Total Covid-19 Reserves	(30,071)	(4,334)	27,307	(7,098)	0	7,078	(20)
Ringfenced Reserves							
Insurance Fund	(9,772)	(1,680)	2,450	(9,002)	0	1,000	(8,002)
Public Health Outcomes	(6,594)	(318)	0	(6,912)	(40)	325	(6,627)
Resettlement Programme Grant	(992)	(794)	0	(1,786)	(3,545)	0	(5,331)
Selective Licensing	(1,354)	(113)	34	(1,433)	(8)	81	(1,360)
Domestic Abuse Bill Grant	(602)	0	0	(602)	(69)	0	(671)
Wirral Ways to Work	(496)	(129)	0	(625)	(19)	250	(394)
Rental income for property repairs	(276)	0	0	(276)	(106)	0	(382)
Super Squad Planning	0	0	0	0	(250)	0	(250)
Building Control	(469)	(13)	62	(420)	0	174	(246)
Social Care Fund	(3,340)	0	1,840	(1,500)	0	1,500	0
Other ringfenced reserves	(1,339)	0	774	(565)	(13)	184	(394)
Total Ringfenced Reserves	(25,234)	(3,047)	5,160	(23,121)	(4,050)	3,514	(23,657)
Other Reserves							
Wirral Growth Company surplus	0	(8,455)	0	(8,455)	(3,071)	2,373	(9,153)
Termination Payments	(1,883)	0	323	(1,560)	(3,051)	941	(3,670)
Digital Transformation	(1,566)	0	0	(1,566)	0	500	(1,066)
Regeneration & Inward Investment	(1,423)	0	38	(1,385)	0	650	(735)
Market Rental Risk	0	0	0	0	(500)	0	(500)
Financial Instrument Equalisation	(2,122)	0	1,638	(484)	0	0	(484)
Discretionary Housing Payments	(185)	(280)	0	(465)	0	0	(465)
Treasury Management Equalisation	0	(360)	0	(360)	0	0	(360)
Asset Consolidation	(398)	0	60	(338)	0	0	(338)
Emergency Maintenance	(206)	(68)	0	(274)	(39)	0	(313)
SEND OFSTED Inspection Support	(276)	0	15	(261)	0	0	(261)
Enterprise Zone Investment	(610)	(74)	345	(339)	(3)	125	(217)
Economic Growth	(342)	0	0	(342)	0	168	(174)
SEND Improvement Action Plans	(775)	0	156	(619)	0	504	(115)
Business Rates Equalisation	(7,000)	0	0	(7,000)	0	7,000	0
Intensive Family Intervention	(505)	0	100	(405)	0	405	0
Other reserves	(6,434)	(317)	4,125	(2,626)	(563)	1,416	(1,773)
Total Other Reserves	(23,725)	(9,554)	6,800	(26,479)	(7,227)	14,082	(19,624)
Total Earmarked Reserves	(97,186)	(18,514)	43,443	(72,257)	(11,799)	28,549	(55,507)

School Balances

These are earmarked for use purely by the schools. The balance consists of 66 maintained schools with a combined surplus balance of £14.13m, partially offset by 17 maintained schools with a combined deficit balance of £3.64m.

School Improvement

The local authority is embedding the school improvement strategy to support higher standards of education. This reserve is held to support the school improvement programme to raise aspirations and improve outcomes for all children in Wirral. It is aligned to the Council Plan for 2023 to 2027 and the priority to secure brighter futures for all regardless of their background.

Schools Capital Schemes

These reserves hold small amounts of money that schools have set aside from their revenue balances to fund specific capital schemes, including creating new classrooms.

Covid-19 reserves

Since the start of the Covid-19 pandemic various streams of funding have been received from Central Government to support various initiatives as part of the response and recovery. A small amount of Covid funding remains in reserves as there is committed expenditure within the financial year 2024/25.

	Balance at 31 March 2023	Balance at 31 March 2024
	£000	£000
Covid-19 Reserves		
Covid-19 emergency fund	(122)	0
Clinically Extremely Vulnerable (CEV)	(85)	(20)
Hardship Fund	(131)	0
Total Covid reserves	(338)	(20)

Insurance Fund

This is required to cover possible liability insurance claims. The overall estimate of the amount required to cover these is based on an actuarial investigation which seeks to estimate the ultimate claims arising in respect of each risk period, adjusted to allow for any subsequent deterioration in the Council's claims experience. The basis for calculation of the provision is claims not yet reported but anticipated. In some circumstances the Council may be notified of a claim many years after an event has occurred, hence the insurance reserve is required to factor in the likelihood and size of such claims.

Public Health Outcomes

This reserve was set up to meet future commitments in relation to Public Health in accordance with the terms of the Public Health Grant provided by the Department of Health.

Resettlement Programme Grant

The Council receives front loaded funding for the resettlement of refugees as part of the local authority pledge for the UKVS Resettlement programme. This grant award is front loaded in earlier years but is for the 5-year period following arrival to provide continued

support and the resettlement service. Payments are staggered for each intake arrival and money is passported across to other services over the 5-year period as required including schools funding, school uniforms and pays for the in-house staff costs for the management and support service provided.

Selective Licencing

This reserve holds income ringfenced by statute under the Housing Act 2004 that is raised from the two selective licencing schemes to enable the Council to continue operation of the schemes for a 5-year period to 31st March 2024 and 30th September 2025 respectively.

Domestic Abuse Bill Grant

The Domestic Abuse (DA) ringfenced grant is held in reserve to be allocated to respond to the new DA bill requirements and is to be spent on these projects which have been commissioned or agreed with housing and children's services.

Wirral Growth Company surplus

This reserve holds accrued profits from Wirral Growth Company LLP for the period to 31/03/23, which are ringfenced to support regeneration activity and capital expenditure approved by the S151 Officer, including the initial 2-year costs of the Birkenhead Commercial District and future regeneration activities.

Termination Payments

This reserve will be used to fund severance payments to employees who leave in 2024/25 via an Early Voluntary Retirement or Voluntary Severance agreement.

Digital Transformation

Following the commencement of the prototype for a service review, this will be used in future years to generate and accelerate long-term savings for the Council by redesigning services to operate in different ways and more efficiently and in line with the Council's priorities.

Market Rental Risk

This reserve be used to mitigate any rental losses from future regeneration initiatives.

Note 10 - Other Operating Expenditure

Other Operating Expenditure disclosed in the Comprehensive Income and Expenditure Statement is detailed` below.

2022/23	2023/24
£000	£000
40,615 Levies	41,222
3,209 (Gains)/losses on the Disposal of Non-Current Assets	3,914
717 Other	772
44,541 Total Other Operating Expenditure	45,908

Note 11 - Financing and Investment Income and Expenditure

2022/23	2023/24
£000	£000
15,772 Interest payable and similar charges	19,461
15,555 Net interest on the net defined benefit liability (asset)	494
(1,133) Interest receivable and similar income	(2,172)
(1,334) Changes in fair value and (profit) or loss on the disposal of investment properties	1,979
(743) Income and expenditure in relation to investment properties	(602)
5,655 Loss on disposal of interest in Academy Schools	39,917
(8,455) Surplus on Joint Ventures	(3,071)
(252) Other investment income and expenditure	(2,638)
25,065 Total	53,368

Note 12 - Taxation and Non-Specific Grant Income

The Council receives funding which does not relate to specific services, and this is summarised in the following table.

2022/23	2023/24
£000	£000
(162,646) Council tax income	(175,271)
(110,723) Non-domestic rates income and expenditure	(123,237)
(62,386) Non-ringfenced government grants	(83,208)
(51,566) Capital grants and contributions	(56,481)
28 Other tax or non-specific grant income / expenditure	44
(387,293) Total	(438,153)

Note 13 - Expenditure and Income Analysed by Nature

2022/23	Nature of Expenditure or Income	2023/24
£000		£000
(118,111)	Fees, charges and other service income	(134,396)
(8,455)	Surplus on Joint Ventures	(3,071)
(1,133)	Interest and investment income	(2,172)
(273,369)	Income from local taxation	(298,508)
(482,009)	Government grants and contributions	(526,584)
(743)	Other income	(602)
320,938	Employee benefits expenses	312,427
501,080	Other service expenses	559,990
27,821	Depreciation, amortisation and impairment	30,196
31,327	Interest payments	19,955
40,615	Precepts and levies	41,222
7,530	Gain or loss on disposal of non-current assets	45,810
222	Other expenditure	772
45,713	Surplus or Deficit for Year	45,039

Expenditure and Income Analysis by Directorate 2023/24	Adults Care and Health	Children, Families & Education	Finance	Law & Corporate Services	Neighbourhood Services	Regeneration & Place	Resources	Strategic Holding Account and Corporate Items	Other	Total
Expenditure	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee benefits expenses	17,173	213,881	15,338	6,176	31,746	13,378	13,724	1,011	0	312,427
Other service expenses	211,936	159,132	94,491	3,860	40,956	32,245	15,936	1,434	0	559,990
Depreciation, amortisation and impairment	391	8,466	0	13	17,308	2,483	1,535	0	0	30,196
Interest payments	0	0	0	0	0	0	0	0	19,955	19,955
Precepts and levies	0	0	0	0	18,106	23,042	0	74	0	41,222
Gain or loss on disposal of non-current assets	0	0	0	0	0	0	0	0	45,810	45,810
Other expenditure	0	0	0	0	0	0	0	0	772	772
Total Expenditure	229,500	381,479	109,829	10,049	108,116	71,148	31,195	2,519	66,537	1,010,372
Income										
Fees, charges and other service income										0
<i>Non IFRS 15</i>										
<i>IFRS 15</i>	(62,989)	(24,678)	(5,748)	(1,548)	(25,210)	(6,219)	(786)	(4,379)	(2,839)	(134,396)
Total Fees, charges and other service income	(62,989)	(24,678)	(5,748)	(1,548)	(25,210)	(6,219)	(786)	(4,379)	(2,839)	(134,396)
Surplus on Joint Ventures	0	0	0	0	0	(3,071)	0	0	0	(3,071)
Interest and investment income	0	0	0	0	0	0	0	0	(2,172)	(2,172)
Income from local taxation	0	0	0	0	0	0	0	0	(298,508)	(298,508)
Government grants and contributions	(36,381)	(242,655)	(92,406)	0	(1,552)	(13,825)	(119)	0	(139,646)	(526,584)
Other income	0	0	0	0	0	0	0	0	(602)	(602)
Total Income	(99,370)	(267,333)	(98,154)	(1,548)	(26,762)	(23,115)	(905)	(4,379)	(443,767)	(965,333)
Surplus or Deficit for Year	130,130	114,146	11,675	8,501	81,354	48,033	30,290	(1,860)	(377,230)	45,039

Expenditure and Income Analysis by Directorate 2022/23	Chief Executive Officer	Resources	Neighbourhood Services	Law & Governance	Regeneration & Place	Children, Families & Education	Adults Care and Health and Strategic Commissioning	Other	Total
Expenditure	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee benefits expenses	2,210	34,006	34,349	4,596	16,115	221,540	8,122	0	320,938
Other service expenses	120	106,145	32,275	3,929	24,189	141,388	193,034	0	501,080
Depreciation, amortisation and impairment	6	1,307	16,303	6	2,330	7,537	332	0	27,821
Interest payments	0	0	0	0	0	0	0	31,327	31,327
Precepts and levies	0	91	18,060	0	22,464	0	0	0	40,615
Gain or loss on disposal of non-current assets	0	0	0	0	0	0	0	7,530	7,530
Other expenditure	0	0	0	0	0	-495	0	717	222
Total Expenditure	2,336	141,549	100,987	8,531	65,098	369,970	201,488	39,574	929,533
Income									
Fees, charges and other service income									0
<i>Non IFRS 15</i>	0	0	0	0	0	0	0	0	0
<i>IFRS 15</i>	(149)	(7,737)	(22,615)	(1,542)	(8,020)	(26,804)	(51,244)	0	(118,111)
Total Fees, charges and other service income	(149)	(7,737)	(22,615)	(1,542)	(8,020)	(26,804)	(51,244)	0	(118,111)
Surplus on Joint Ventures	0	0	0	0	(8,455)	0	0	0	(8,455)
Interest and investment income	0	0	0	0	0	0	0	(1,133)	(1,133)
Income from local taxation	0	0	0	0	0	0	0	(273,369)	(273,369)
Government grants and contributions	0	(93,321)	(819)	(1)	(8,174)	(231,446)	(34,324)	(113,924)	(482,009)
Other income	0	0	0	0	0	0	0	(743)	(743)
Total Income	(149)	(101,058)	(23,434)	(1,543)	(24,649)	(258,250)	(85,568)	(389,169)	(883,820)
Surplus or Deficit for Year	2,187	40,491	77,553	6,988	40,449	111,720	115,920	(349,595)	45,713

Note 14 - Property, Plant and Equipment

The following table shows a summary of the movement on balances related to Property, Plant and Equipment assets during 2023/24. The equivalent table for 2022/23 has been provided for comparative purposes.

Movements to 31 March 2024

Movements to 31 March 2024

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2023	545,065	40,622	30,009	12,770	32,447	660,913
<i>Adjustments to cost/value & depreciation/impairment</i>						
Additions	28,421	4,642	832	0	14,675	48,570
Revaluation increases/(decreases) recognised in the Revaluation Reserve	47,996	0	166	1,038	0	49,200
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(12,563)	0	(155)	0	0	(12,718)
Derecognition – disposals	(42,421)	0	(166)	(908)	0	(43,495)
Reclassifications and transfer	(4,242)	0	0	2,110	(6,268)	(8,400)
Assets reclassified (to)/from Held for Sale	0	0	0	(8,000)	0	(8,000)
Cost or Valuation at 31 March 2024	562,256	45,264	30,686	7,010	40,854	686,070
Accumulated Depreciation and Impairment at 1 April 2023	(1,732)	(31,180)	0	0	0	(32,912)
<i>Adjustments to cost/value & depreciation/impairment</i>						
Depreciation charge	(14,798)	(2,587)	0	0	0	(17,385)
Depreciation written out to the Revaluation Reserve	13,114	0	0	0	0	13,114
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,554	0	0	0	0	1,554
Derecognition – disposals	196	0	0	0	0	196
Accumulated Depreciation & Impairment at 31 March 2024	(1,666)	(33,767)	0	0	0	(35,433)
Net Book Value at 31 March 2024	560,590	11,497	30,686	7,010	40,854	650,637
at 31 March 2023	543,333	9,442	30,009	12,770	32,447	628,001
Infrastructure Assets						
Net book value at 1 Apr 2023					136,043	
Additions					14,917	
Derecognition - other					(3,358)	
Depreciation charge					(12,512)	
Infrastructure Assets net book value at 31 March 2024						135,090
Property Plant and Equipment net book value at 31 March 2024						785,727

Movements to 31 March 2023

	Land and Buildings (restated) £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction (restated) £000	Total Property, Plant and Equipment £000
Cost or Valuation at 1 April 2022	488,642	39,838	29,124	7,890	22,589	588,083
<i>Adjustments to cost/value & depreciation/impairment</i>						
Additions	10,301	1,139	924	256	10,218	22,838
Revaluation increases/(decreases) recognised in the Revaluation Reserve	55,851	0	0	4,665	0	60,516
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(861)	0	0	(280)	0	(1,141)
Derecognition – disposals	(6,885)	(355)	(39)	0	(360)	(7,639)
Reclassifications and transfer	(1,983)	0	0	2,039	0	56
Assets reclassified (to)/from Held for Sale	0	0	0	(1,800)	0	(1,800)
Cost or Valuation at 31 March 2023	545,065	40,622	30,009	12,770	32,447	660,913
Accumulated Depreciation and Impairment at 1 April 2022	(1,271)	(29,336)	0	0	0	(30,607)
<i>Adjustments to cost/value & depreciation/impairment</i>						
Depreciation charge	(13,486)	(2,129)	0	0	0	(15,615)
Depreciation written out to the Revaluation Reserve	11,862	0	0	0	0	11,862
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	1,145	0	0	0	0	1,145
Derecognition – disposals	18	285	0	0	0	303
Accumulated Depreciation & Impairment at 31 March 2023	(1,732)	(31,180)	0	0	0	(32,912)
Net Book Value at 31 March 2023	543,333	9,442	30,009	12,770	32,447	628,001
at 31 March 2022	487,371	10,502	29,124	7,890	22,589	557,476
Infrastructure Assets						
Net book value at 1 Apr 2022					124,369	
Additions					26,783	
Derecognition - other					(3,013)	
Depreciation Charge					(12,096)	
Infrastructure Assets net book value at 31 March 2023						136,043
Property Plant and Equipment net book value at 31 March 2023						764,044

During 2023/24, nine schools have transferred out of Local Authority control to an Academy. Their combined value at the point of transfer was £39.9m.

As at 31st March 2024, capital commitments outstanding for the acquisition of items of Property, Plant and Equipment and Intangibles totalled £2.6m (£4.4m in 2022/23).

Capital expenditure totalling £65.0m was incurred on fixed assets, including intangible assets during the year and was funded as follows:

	Funding Source				Total £000
	Borrowing £000	Grant / Contributions £000	Capital Receipt £000	Reserves / Revenue £000	
Additions					
Land & Buildings	15,632	12,352	209	228	28,421
VPE	1,869	484	2,289	0	4,642
Infrastructure	3,514	11,368	0	35	14,917
Community	700	104	0	28	832
Surplus	0	0	0	0	0
AUC	10,849	3,826	0	0	14,675
Intangibles	1,076	323	0	0	1,399
Assets Held for Sale	0	99	0	0	99
Total	33,640	28,556	2,498	291	64,985

Assets Held For Sale

As at 31st March one asset, Old Hall Road former MOD site was classified as an asset held for sale and actively marketed.

	Current	
	2022/23 £000	2023/24 £000
Balance outstanding at 1 April 2022	0	1,800
Assets newly classified as held for sale:		
Property, Plant & Equipment	1,800	8,000
Assets sold	0	(1,800)
Balance outstanding at 31 March 2024	1,800	8,000

Infrastructure Assets

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

This does not impact the financial statements as the Net Book Value of infrastructure assets remains unchanged, and information on gross cost and accumulated depreciation is maintained as memorandum information in the Local Authority's permanent records.

Revaluations

The Code requires the Council to revalue its assets sufficiently regularly to ensure that their carrying value does not differ materially from fair value at the year end.

In 2023/24, the Council based its revaluations on a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. However, they must be revalued more regularly where a five-yearly valuation is insufficient to keep pace with material changes in fair value. To achieve this, several significant high value assets, for example leisure centres and schools, have been revalued irrespective of when the last valuation was undertaken.

The effective date of the valuation exercise for 2023/24 was 31st March 2024.

The following useful lives and depreciation rates have been used in the calculation of depreciation:

Class of Asset	Useful Life (Years)
Land	Indeterminable
Buildings	1-80
Vehicles, plant, furniture and equipment	1-40
Infrastructure	10-120
Surplus assets	3 to 24, or indeterminable

Carrying Value measured against Fair Value

All valuations were carried out internally, apart from the new Business Commercial District buildings, for which an external valuer was engaged due to the complex nature of the properties. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

	Other Land and Buildings	Surplus Assets	Total
	£000	£000	£000
Carried at historical cost	202,511	1,930	204,441
Valued at current value as at:			
31/03/2024	528,664	7,010	535,674
31/03/2023	6,128	0	6,128
31/03/2022	9,971	0	9,971
31/03/2021	9,028	0	9,028
31/03/2020	8,465	0	8,465
Total Cost or Valuation	562,256	7,010	569,266

Note 15 - Heritage Assets

A reconciliation of the carrying value of Heritage Assets held follows below:

2023/24	Decorative Arts	Buildings	Civic Regalia	Transport	Fine Art	Total
	£000	£000	£000	£000	£000	£000
Opening Balance	4,538	757	454	1,088	12,226	19,063
Disposals	0	(497)	(98)	(1,088)	0	(1,683)
Revaluations	59	0	15	0	44	118
Closing Balance	4,597	260	371	0	12,270	17,498

2022/23	Decorative Arts	Buildings	Civic Regalia	Transport	Fine Art	Total
	£000	£000	£000	£000	£000	£000
Opening Balance	4,518	757	454	1,088	12,066	18,883
Revaluations	20	0	0	0	160	180
Closing Balance	4,538	757	454	1,088	12,226	19,063

Decorative Art

These collections include items such as British ceramics, drawings and photographs. The collections also include coins and medals, textiles, archaeological artifacts, sculptures, glass, metalwork, jewellery, furniture, and maritime models and Oriental collections. Temporary exhibitions have been revalued in 23/24.

Buildings

There is one historic building held at fair value based on historic cost. This is Bidston Hill Windmill, which was operational until 1875. Valuation was last undertaken between January 2008 and March 2018. Due to the specialist nature of these assets, a valuation has not been undertaken during the year.

Civic Regalia

The collection includes several items connected with civic functions undertaken as part of the mayoral role, such as mayoral badges, chains and maces. The oldest item dates back to 1893. The collection also includes memorabilia commemorating events and associations of local interest. Valuations were undertaken in 2020/21, although some had been valued between April and September 2012 and if this is the latest valuation, this has been the basis. Valuations are based on contemporary market and documentary research.

Transport

The collection consisting of various vehicles, including historic buses, trams and motorcycles has been transferred to Big Heritage in 23/24.

Fine Art and Other Collections

These include British watercolours and drawings of the 18th and 19th century, by artists including the Liverpool School artist, Philip Wilson Steer and other leading local artists, within a collection of over 6,000 separate pieces. Values of the highest twenty-five pieces range between £60,000 to £720,000. Valuations are based on a revaluation carried out in 2023/24 largely and are based on contemporary market and documentary research.

Acquisition policy

Acquisitions will meet the requirements of the Accreditation Standard. It will consider limitations on collections imposed by such factors as staffing, storage and care of collection arrangements. The expansion of collections is achieved by donation, bequest and purchase using grant aid.

Disposal procedure

A decision will be taken after full consideration of the reasons for disposal. This includes curatorial and financial reasons as well as the public benefit, the implication for the Museum's collections and collections held by museums and other organisations collecting the same material. External expert advice will be obtained and the views of stakeholders such as donors, researchers, local and source communities served by the Museum will also be sought.

Conservation and storage

Access to professional conservation advice is by liaison with the National Museums Liverpool and freelance conservators. Environmental monitoring and control are maintained in display and storage areas. Improvements to the heating and humidifier equipment is undertaken as necessary based on curatorial staff and conservation advice. A programme of lighting, monitoring and control consistent with the preservation and maintenance of collections is maintained. Materials used will be consistent with good conservation practice. A record of all conservation work undertaken will be maintained.

Overall approach to valuation and accounting for Heritage Assets

The Code requires the Council to carry heritage assets at valuation rather than current or fair value, reflecting the fact that sales and exchanges of such assets are uncommon. Valuations may be made by any method that is appropriate and relevant. There is no

requirement for valuations to be carried out or verified by external valuers, nor is there any prescribed minimum period between valuations. In some cases, it may not be practicable to establish a valuation for a heritage asset, in which case the asset is carried at historical cost if this information is available. Where heritage assets are measured at valuation, the carrying amount shall be reviewed with sufficient frequency to ensure the valuations remain current.

The latest valuation was undertaken during 2023/24, although as noted above, not all assets were valued. The present Collection Management Plan suggests valuations to be reconsidered every ten years, but consideration may be given to individual items in the interim.

Acquisitions are initially recognised at cost (where that cost is greater than £10,000) and donations are recognised at valuation. Heritage assets are not depreciated as the Council considers they have indefinite lives.

Heritage Assets: Valuation Approach

Valuations have been commissioned externally via valuers with the requisite expertise in this particular field. The 2012 valuations had been undertaken by St George Valuations (London) and the 2020/21 valuations by Art & Antiques Appraisals Ltd. The latter were supervised a former Senior Valuer at Bonhams, supported by colleagues from Art & Antiques Appraisals Ltd.

Heritage Assets not reported in the Balance Sheet

Sites of Special Scientific Interest (SSIs) or Biological Importance (SBIs)

There are 12 SSIs based on nature conservation legislation and 27 Council owned SBIs (non-statutory sites). A number of these form part of an overall Community Asset but because of their specific nature any attempt to separately identify specific costs associated with the SSI or SBI would produce unreliable information, therefore they are not separately identified under the category of heritage assets.

War memorials and other monuments

There are 146 such assets that the Council owns ranging from those commemorating historic events to historic personages. Because of the lack of comparable market values, the Council considers that the cost of obtaining external valuations outweighs the benefit to the reader of the accounts in obtaining such information. Consequently, these assets are not included in the Balance Sheet.

Archaeological sites

In the case of the two sites that are considered of archaeological interest the Council does not consider that reliable cost or valuation information can be obtained because of the diverse nature of the assets and the lack of comparable market values. Consequently, any such assets are not included in the Balance Sheet.

Note 16 - Investment Properties

Investment properties are held by the Council for the purposes of income generation or capital gain.

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

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.

31st March 2023		31st March 2024
£000	Investment Property Income and Expenditure	£000
(1,590)	Rental income from investment property	(1,202)
847	Direct operating expenses from investment property	600
(743)	Net (gain)/loss	(602)

The table below summarises the movements in the value of investment properties during the year:

31st March 2023		31st March 2024
£000	Investment Properties Movements in Year	£000
18,914	Opening Balance	19,558
(634)	Disposals	0
1,334	Net gains/losses from fair value adjustments	(1,979)
	Transfers:	
(56)	to/from Property Plant and Equipment	8,400
19,558	Balance at the end of the year	25,979

The Council has two significant transfers to Investment Properties during the year, The Pyramids and The Grange Shopping Centre, and Northside National Grid Sites.

Fair Value Hierarchy for Investment Properties

Details of the Council's Investment Properties and information about the Fair Value hierarchy as at 31st March 2024 are shown in the following table:

	2022/23				2023/24			
Recurring fair value measuring usage	Quoted Prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2023 £000	Quoted Prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2024 £000
General Buildings & Sites	0	14,665	0	14,665	0	19,568	0	19,568
Industrial Sites	0	4,893	0	4,893	0	6,411	0	6,411
Total	0	19,558	0	19,558	0	25,979	0	25,979

The Council measures its investment properties at Fair Value. The Fair Value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of a

principal market, in the most advantageous market for the asset or liability. The Council uses qualified RICS internal property valuers to provide a valuation of its assets in line with the highest and best use definition.

All the Council's investment properties have been assessed as Level 2 in the Fair Value hierarchy. The Fair Value has been determined using a market and income approach, which takes into account direct and indirect observable data from the market where there are no quoted prices. Information is obtained about similar assets, existing lease terms and rentals, research of market evidence including yields and rentals. Market conditions of similar assets actively purchased and sold within the market and from within the portfolio provide a level of observable inputs, leading to the properties being categorised as Level 2.

There have been no transfers between Levels 1, 2 or 3 during the year.

Fair value definitions:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, for example bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, for example interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, for example non-market data such as cash flow forecasts or estimated creditworthiness.

Valuation Basis for Investment Properties

In estimating the fair value of the Council's Investment Properties, the highest and best use of the properties is deemed to be their current use. The Council's Investment Properties have been assessed as Level 2 (based on other significant observable inputs) on the fair value hierarchy for valuation purposes.

Note 17 - Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets relate to purchased licences.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The major item of software relates to the Oracle financial system and has been assigned a 10-year life, which is fully amortised.

The gross carrying amount of intangible assets is amortised on a straight-line basis. The amortisation charged to revenue in 2022/23 was £0.3m (2022/23 £0.1m).

The movement on Intangible Asset balances during the year is shown in the table below:

31 March 2023			31 March 2024	
Other Assets	Total		Other Assets	Total
£000	£000		£000	£000
		Balance at start of year:		
4,379	4,379	Gross carrying amounts	5,217	5,217
(4,379)	(4,379)	Accumulated amortisation	(4,489)	(4,489)
0	0	Net carrying amount at start of year	728	728
838	838	Additions (acquired separately)	1,398	1,398
(110)	(110)	Amortisation for the period	(299)	(299)
728	728	Net carrying amount at end of year	1,827	1,827
		Comprising:		
5,217	5,217	Gross carrying amounts	6,615	6,615
(4,489)	(4,489)	Accumulated amortisation	(4,788)	(4,788)
728	728	Total	1,827	1,827

There was acquisition of 3 intangible assets of £0.4m, and enhancements of £0.9m on intangible assets in 23/24. All intangible assets acquired in previous years are all fully amortised.

Note 18 - Financial Instruments

Financial Instruments – Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders,
- short-term loans from other local authorities,
- overdraft with Lloyds bank,
- Private Finance Initiative contracts and
- trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following three classifications:

1. Amortised cost (where cash flows are solely payments of principal and interest, and the Council's business model is to collect those cash flow) comprising:
 - cash in hand;
 - bank current and deposit accounts;
 - fixed term deposits;
 - loans to small companies;
 - lease receivables; and
 - trade receivables for goods and services provided.
2. Fair value through other comprehensive income (where cash flows are solely payments of principal and interest, and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) comprising:
 - pooled bond fund managed by Columbia Threadneedle held as strategic investment.
3. Fair value through profit and loss (all other financial assets) comprising:
 - money market funds managed by external fund managers; and
 - pooled bond, equity and property funds managed by Payden, Royal London Asset Management, Altana Social Impact Fund (Public Sector Social Investment fund managers) and CCLA.
 - accrued profits from Wirral Growth Company LLP

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

	Current Financial Assets							
	Investments		Debtors		Cash		Total	Total
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000
IFRS 9 Categories								
Fair value through profit and loss	5,802	7,976	8,455	0	12,126	18,287	26,383	26,263
Amortised cost	28	(99)	42,629	67,824	0	0	42,657	67,725
Fair value through other comprehensive income - designated equity instruments	889	930	0	0	0	0	889	930
Total financial assets	6,719	8,807	51,084	67,824	12,126	18,287	69,929	94,918
Total	6,719	8,807	51,084	67,824	12,126	18,287	69,929	94,918

	Non-Current Financial Assets					
	Investments		Debtors		Total	Total
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£000	£000	£000	£000	£000	£000
IFRS 9 Categories						
Amortised cost	2,355	861	14,370	9,558	16,725	10,419
Fair value through profit and loss	9,493	8,178	0	0	9,493	8,178
Total financial assets	11,848	9,039	14,370	9,558	26,218	18,597

	Current Financial Liabilities									
	Borrowings		Creditors		PFI Liability		Bank Overdraft		Total	Total
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Amortised cost	(136,666)	(149,669)	(30,207)	(36,741)	(3,219)	(3,244)	(1,327)	(1,346)	(171,419)	(191,000)
Total financial liabilities	(136,666)	(149,669)	(30,207)	(36,741)	(3,219)	(3,244)	(1,327)	(1,346)	(171,419)	(191,000)

	Non-Current Financial Liabilities					
	Borrowings		PFI liabilities		Total	Total
	31 March	31 March	31 March	31 March	31 March	31 March
	2023	2024	2023	2024	2023	2024
£000	£000	£000	£000	£000	£000	
Amortised cost	(144,252)	(155,579)	(28,002)	(24,727)	(172,254)	(180,306)
Total financial liabilities	(144,252)	(155,579)	(28,002)	(24,727)	(172,254)	(180,306)
Total	(144,252)	(155,579)	(28,002)	(24,727)	(172,254)	(180,306)

The following table shows the debtors, see Debtors note, that are classified as financial instrument and non-financial instruments.

	31 March 2023	31 March 2024
	£000	£000
Financial instrument	65,455	77,382
Non Financial Instrument	62,750	85,801
Total	128,205	163,183

The following table show the split of Creditors note, by financial and non-financial instruments.

	31 March 2023	31 March 2024
	£000	£000
Financial instrument	(30,207)	(36,741)
Non Financial Instrument	(40,801)	(38,050)
Total	(71,008)	(74,791)

Income, Expense, Gains and Losses	31 March 2023		31 March 2024	
	Surplus or Deficit on the provision of services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the provision of services	Other Comprehensive Income and Expenditure
	£000	£000	£000	£000
Net gains/losses on:				
• financial assets measured at fair value through profit or loss	(702)	552	(1,939)	(856)
• financial assets measured at amortised cost	(92)	0	(181)	0
• investments in equity instruments designated at fair value through other comprehensive income	(31)	100	(38)	(41)
• financial liabilities measured at amortised cost	15,772	0	19,461	0
Total net gains/losses	14,947	652	17,303	(897)
Interest revenue:				
• financial assets measured at amortised cost	(92)	0	(181)	0
• financial assets measured at fair value through profit or loss	(702)	0	(1,939)	0
• other financial assets measured at fair value through other comprehensive income	(31)	0	(38)	0
Total interest revenue	(825)	0	(2,158)	0
Other Income	(308)	0	(14)	0

Financial Arrangements

The Council has a number of financial arrangements in place to support the regeneration of the Borough. There are three key developments, Wirral Waters, Birkenhead Commercial District and the Hythe, which have financial arrangements in respect to the leases or acquisition of premises. The details of these arrangements are presented below; the 2023/24 accounts disclosure recognises a contingent asset and liability for the Hythe Call and Put.

Development	Narrative	Risk / Liability
The Hythe	<p>A PUT/CALL option is in place whereby Peel L and P (Ports No3) Ltd (Peel) and Wirral Council have an agreement to sell/acquire the Hythe Office Development for a maximum period of three years post practical completion. This option applies if at any point the value exceeds the option price of £4.985m. Where the value exceeds £4.985m the Put cannot be called upon by Peel Holdings.</p>	<p>The Put is where the Council would have to purchase the Hythe if it fails to reach its negotiated Option Price value and such purchase would be at the option price. Where the value exceeds this sum the Put option falls away.</p> <p>If the Put was called the Council would be required to purchase the site and capital borrowing would be required of £4.985m.</p> <p>Should the valuation be at more than the option price the Council could choose to trigger the call option and take the Lease for the option price which would be lower than the independent valuation.</p>
Birkenhead Commercial District	<p>The Council will pay the headlease for 35 years post completion.</p>	<p>Two buildings have been constructed of which the Council occupies one. Due to reduced Council need arising from agile working, the Council intends to lease to a third party the fourth floor of the building it will occupy plus some ground floor level space for commercial income, therefore the Council may have a liability for failed lease income. However, budgets from exiting other buildings are expected to fund the lease cost.</p> <p>If the Council did not occupy the building this would incur a cost starting at £1.34m per annum for thirty-five years with an annual lease increase based on Retail Price Index increases under a cap and collar arrangement of between 1% and 4%.</p> <p>The second building will be leased and the highest liability if no occupancy occurred is £873k per annum for thirty-five years with an annual RPI increase of between 1% and 4% under a cap and collar arrangement. At present the second building is not occupied.</p> <p>The Council is developing a detailed marketing and lettings strategy to identify potential end-users. A risk reserve has been established in 2023/24 for this.</p> <p>The Council has an option between years 35 and 43 to purchase the sites for £1. The funder also has a 'put' option to transfer the assets between years 35 and 43 to the Council for £1.</p>

<p>Millers Quay (Wirral Waters One (Legacy))</p>	<p>Peel Legacy (Wirral Waters) Limited will take on a 250-year lease from Peel Holdings Ltd and will build the development.</p> <p>The scheme will be funded by Pension Insurance Corporation Plc (PIC) who will take a 250-year lease from Peel Legacy. The Council will take a 50-year underlease of the 500 residential units and to pay PIC a fixed rent (increasing with RPI) and estate service charges to secure repayment of the loan with interest.</p> <p>150 units will be sub-underleased to Peel for years 1 to 10 and Peel will pay the rentals to the Council management company.</p>	<p>The Council will grant a sub-underlease to Peel who will manage the apartments for years 0-10 for 350 units and years 0-15 for 150 units and take on the Council's rental obligations. This company will make rental payments to the Council at a level which will cover the Council's payments to PIC.</p> <p>From Years 11-50 (for 350 units) the commercial risks will be transferred to the Council with the Council's management company being responsible for letting out the properties, managing the apartments and for securing the rental payments for the Council.</p> <p>At the end of the 50-year lease period the Council will have the ability to take up an option to acquire a lease for 200 years at a peppercorn rent from PIC of 350 residential units.</p> <p>The Council's commitment is its rental obligations, together with service charge payments made by the Council's management company, from years 11-50/55.</p> <p>In addition, up-front Stamp Duty Land Tax (SDLT) will be payable in respect of the grant of the under lease. Peel have agreed to cover the cost of the SDLT.</p>
<p>Hamilton Street</p>	<p>A PUT/CALL option on 25th November 2022 with Wirral Methodist Housing Association Ltd and ALPHA (R.S.L) Limited.</p> <p>The Council has granted a Put option to the seller for the Council to purchase or underwrite the sale of a building. The Call and Put has a potential value of £800k to the Council.</p>	<p>The Put is where the Council would have to purchase the premises if it fails to reach its negotiated Option Price. The put option could be exercised in the period expiring on the earlier of 4 years from 22nd November 2022 or once the proposed development of extra care facility with approximately 85 units has reached two brick courses above foundation level.</p> <p>The seller can serve notice on the Council to purchase the property for £800k with vacant possession. If after 12 weeks the Council has not responded the seller can dispose of the property to a third party.</p> <p>Where the sale to a third party is less than £800k the Council will pay the shortfall.</p> <p>Where the Council exercises the option or the developer option the Council will pay the developer, the shortfall by way of a grant for affordable/social housing. This would apply if the value of the market is less than £800k The grant limit is £800k less the sale/purchase price.</p>

Note 18a - Financial Instruments – Fair Value

For each class of financial assets and financial liability, the Council is required to disclose the fair value of that class of assets and liabilities in such a way that a comparison with the carrying amount is possible. For most assets, including money market funds and other pooled funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2024, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- Discount rates for “Lender’s Option Borrower’s Option” (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of financial guarantees have been estimated based on the likelihood of the guarantees being called and the likely payments to be made.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities e.g., bond prices.

Level 2 – fair value is calculated from inputs other than quoted prices that are for the asset or liability, e.g., interest rates or yields for similar instruments.

Level 3 – fair value is determined using unobservable inputs. E.g., non-market data such as cash flow forecasts or estimated creditworthiness.

The fair value of financial instruments held at amortised cost is higher than their balance sheet carrying amount because:

- the Authority’s portfolio of loans includes transactions where the interest rate payable is higher than the current rates available for similar loans as at the balance sheet date.
- the interest rate on similar investments is now higher than that obtained when the investment was originally made.

Financial Assets Measured at Fair Value

Recurring Fair Value Measurements -	Fair Value Hierarchy Level	31 March 2023	31 March 2024
		£000	£000
FA Measured at Fair Value - Money Market Funds	1	12,126	18,287
FA Measured at Fair Value - Externally Managed Funds	1	16,185	17,084
FA Measured at Fair Value - Group Entities	3	8,455	0
Balance 31 March		36,766	35,371

Reconciliation of fair value measurements for fixed assets carried at fair value categorised within level 3 investments of the fair value hierarchy for financial assets

	31 March 2024		
	Unquoted Shares £000	Other £000	Total £000
Opening Balance	0	8,455	8,455
Total gains or losses for the period:			
Disposals	0	(8,455)	(8,455)
Balance 31 March	0	0	0

	31 March 2023		
	Unquoted Shares £000	Other £000	Total £000
Opening Balance	0	0	0
Total gains or losses for the period:			
Additions	0	8,455	8,455
Balance 31 March	0	8,455	8,455

The fair value of financial assets and financial liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required)

Financial Liabilities

	31 March 2023		31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities held at Amortised Cost	(280,918)	(319,762)	(305,247)	(339,900)
PFI and finance lease liabilities	(31,221)	(29,209)	(27,971)	(26,822)
Total	(312,139)	(348,971)	(333,218)	(366,722)

Financial Assets

	31 March 2023		31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Trade Receivables at Amortised Cost	10,837	10,837	763	763
Trade Debtors	14,370	14,370	9,558	9,557
	25,207	25,207	10,321	10,320

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

31 March 2024				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial Liabilities				
Financial Liabilities held at amortised cost:				
Loans/Borrowings	0	(339,900)	0	(339,900)
PFI and finance lease liabilities	0	(26,822)	0	(26,822)
Total	0	(366,722)	0	(366,722)
Financial Assets				
Amortised Cost:				
Other loans and receivables	0	10,320	0	10,320
Total	0	10,320	0	10,320
31 March 2023				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial Liabilities				
Financial Liabilities held at amortised cost:				
Loans/Borrowings	0	(319,762)	0	(319,762)
PFI and finance lease liabilities	0	(29,209)	0	(29,209)
Total	0	(348,971)	0	(348,971)
Financial Assets				
Loans and Receivables:				
Other loans and receivables	0	25,207	0	25,207
Total	0	25,207	0	25,207

Financial liabilities

The borrowings held by the authority consist of different types of loan, including the following categories of longer-term borrowing:

Lender Offer Borrower Option (LOBO)

The fair value (£72.2m) is higher than the carrying amount (£52.3m) because the Council's Lender Offer Borrower Option portfolio includes a number of fixed rate loans where the interest payable is higher than the rates available for similar loans at the balance sheet date.

Public Works Loan Board (PWLB)

The fair value (£123.9m) is equal the carrying amount (£123.9m) because the Council's Public Works Loan Board portfolio includes a number of fixed rate loans where interest payable is lower than the rates available for similar loans at the balance sheet date and a number where interest payable is higher than the rates available for similar loans at the balance sheet date.

Other Market Loans

The fair value (£49.0m) is higher than the carrying amount (£41.4m) because the Council's Market Long Term loan has an interest rate payable that is higher than the rates available for a similar loan at the balance sheet date.

Central Government and Local Government Loans

The fair value (£94.9m) is equal to the carrying amount as these loans consist of short term cashflow loans with a duration of less than 12 months (therefore Fair Value considerations are immaterial) and interest free loans which have zero interest considerations.

Private Finance Initiatives (PFI)

The fair value (£26.8m) is lower because the implicit interest rate on the Council's PFI contracts is lower than current long-term interest rates. PFI rates also include an element to cover the risks around construction, which is no longer present.

Note 19 - Debtors

Short Term Debtors

2022/23				2023/24		
Gross Debtors £000	Expected Losses £000	Net Debtors £000		Gross Debtors £000	Expected Losses £000	Net Debtors £000
56,436	(18,100)	38,336	Trade Receivables	60,876	(17,896)	42,980
3,171	0	3,171	Prepayments	6,642	0	6,642
40,771	(22,617)	18,154	Local Taxation	47,537	(20,824)	26,713
54,424	(250)	54,174	Other Receivable Amounts	38,570	(250)	38,320
154,802	(40,967)	113,835	Total Debtors	153,625	(38,970)	114,655

Long Term Debtors

2022/23				2023/24		
Gross Debtors £000	Expected Losses £000	Net Debtors £000		Gross Debtors £000	Expected Losses £000	Net Debtors £000
5,608	(426)	5,182	Loans	5,275	(431)	4,844
9,188	0	9,188	Other Debtors	4,714	0	4,714
14,796	(426)	14,370	Total Long Term Debtors	9,989	(431)	9,558

Long-term debtors for regeneration loans total £4.844m (£5.182m) and were made for regeneration purposes (equity renewal/empty property loans and renovation loans) and loans to third parties. Other debtors are for authorities and associated liabilities of former Merseyside County Council historical debts totalling £4.465m (£8.934m 2022/23) and two caravan park sites £0.249m (£0.254m).

Expected credit losses have been reviewed, and the outcome is a marginal increase in the carrying value to £0.431m (£0.426m).

Note 20 - Debtors for Local Taxation

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

2022/23		2023/24
£000		£000
4,759	Less than one year	6,784
3,084	One to two years	4,589
2,271	Two to three years	3,312
1,977	Three to four years	2,524
1,387	Four to five years	2,284
2,152	Five + years	4,380
15,630	Total	23,873

Note 21 - Cash and Cash Equivalents

The net balance of Cash and Cash Equivalents at the Balance Sheet date is shown in the table below:

2022/23		2023/24
£000		£000
12,056	Cash and Bank balances	14,244
(13,383)	Bank Overdraft	(15,590)
(1,327)	Total Cash and Cash Equivalents	(1,346)

2022/23		2023/24
£000		£000
12,126	Short Term Investments	18,287
12,126	Total Cash and Cash Equivalents	18,287

Cash comprises cash on hand and on demand deposits. Cash equivalents are investments that are instantly repayable to the Council on demand and that are readily convertible to known amounts of cash with insignificant risk of a change in value. These are balances held in interest bearing call accounts and money market funds with institutions meeting our credit ratings.

Note 22 – Creditors

The following table shows the short-term creditors position, with 2022/23 being restated to remove revenue grants received in advance, which are instead identified in the Grant Income note.

2022/23		2023/24
Restated	Short term creditors	
£000		£000
(31,622)	Trade payables	(42,839)
(31,472)	Other payables	(27,326)
(63,094)	Total Creditors	(70,165)

2022/23		2023/24
£000	Long term creditors	£000
(1,226)	Other payables	0
(1,226)	Total Long Term Creditors	0

Note 23 – Provisions

The provisions figures shown in the Balance Sheet comprises of the following balances.

Total Provisions

2022/23	Total Provision	2023/24
£000		£000
(16,556) Opening Balance		(15,856)
(11,137) Increase in provision during year		(5,717)
10,758 Utilised during year		7,531
1,079 Unused amounts reversed		1
(15,856) Closing Balance		(14,041)

Current Provisions

2023/24	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
Severance Pay	(493)	(408)	492	1	(408)
Insurance Fund	(950)	0	0	0	(950)
NNDR Appeals	(10,227)	(3,774)	5,633	0	(8,368)
Education Health & Care Plans	(799)	0	799	0	0
Late Penalty Fees	0	0	0	0	0
Planning Appeals	(310)	0	310	0	0
The Hythe	0	(1,535)	0	0	(1,535)
Other	(200)	0	64	0	(136)
Closing Balance	(12,979)	(5,717)	7,298	1	(11,397)

2022/23	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
Severance Pay	(1,755)	(493)	1,755	0	(493)
Insurance Fund	(950)	(950)	950	0	(950)
NNDR Appeals	(9,040)	(8,477)	7,290	0	(10,227)
Education Health & Care Plans	(543)	(799)	543	0	(799)
Late Penalty Fees	(300)	0	220	80	0
Planning Appeals	0	(310)	0	0	(310)
Other	(92)	(108)	0	0	(200)
Closing Balance	(12,680)	(11,137)	10,758	80	(12,979)

Severance Pay

The Council has identified funding that will be required for staff reductions in financial year 2023/24 that will cost £0.408m and has therefore made provision for this liability.

Insurance Fund

This is required to cover possible liability insurance claims. The overall estimate of the amount required to cover these is based on an actuarial investigation, which seeks to estimate the ultimate claims arising in respect of each risk period. The basis for calculating the provision is claims actually reported as outstanding. The timing of future payments depends almost entirely upon when claims are settled, but are likely to run over a number of years.

NNDR Appeals

Following the introduction of the Business Rates Retention Scheme from 1 April 2013, billing authorities are required to make an estimate of the impact of successful appeals covering not only 2023/24 but also any backdated amount relating to earlier years. This will include decisions made in future years regarding appeals which may affect the 2023/24 and earlier financial years' business rates charges. The provision calculation is based upon data supplied by the Valuation Office at 31 March 2024 regarding outstanding and settled appeals.

Education & Health Care Plans

The assessment process can take some time to complete and so as not to disadvantage pupils, schools put additional support in place as soon as need is identified and will then be financially recompensed retrospectively once the assessment process is complete. At the end of the financial year there were a significant number of pupil assessments in progress, and which are not yet complete. A financial liability exists in the form of retrospective payments to schools, but the value of the payments will not be known until the assessments are complete.

Planning Appeals

The provision is for Planning Appeals against the Council's decision to refuse to grant planning permission for applications.

The Hythe

Peel and Wirral Council have an agreement to sell/acquire the Hythe Office Development for a maximum period of three years post practical completion. This option applies if at any point the value exceeds the option price of £4.985m. This provision has been created as a partial contribution to the potential purchase price.

Other Provisions

All other provisions are individually insignificant in being below £0.1m.

Long Term Provisions

2023/24	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
Insurance Fund	(2,877)	0	233	0	(2,644)
Total	(2,877)	0	233	0	(2,644)

2022/23	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
Insurance Fund	(3,876)	0	0	999	(2,877)
Total	(3,876)	0	0	999	(2,877)

Note 24 - Usable Reserves

The Council holds a number of reserves, both revenue and capital for various reasons. They provide assurance to ensure financial stability, funding for future initiatives or investments, and allow balances to be earmarked to meet expected future cost pressures.

Balances on the General Fund (see Movement in Reserves Statement) and earmarked general fund reserves (see breakdown in the Transfers to/from Earmarked Reserves note) are available for funding both capital and revenue expenditure. The amounts relating to balances held by schools are accounted for as Earmarked Reserves and are not included in the General Fund Balance.

The Capital Receipts Reserve and Capital Grants Unapplied detailed in this note are held for capital purposes only.

Total Usable Reserves

31 March 2023		31 March 2024
£000		£000
(13,176)	General Fund Balance	(13,176)
(72,257)	Earmarked General Fund Reserves	(55,507)
(2,979)	Capital Receipts Reserve	(4,103)
(51,474)	Capital Grants Unapplied	(68,492)
(139,886)	Balance 31 March	(141,278)

Capital Receipts Reserve

The Capital Receipts Reserve contains the proceeds of fixed assets sales that are available to meet future capital investment.

31 March 2023		31 March 2024
£000		£000
(6,182)	Balance 1 April	(2,979)
(2,423)	Capital Receipts in year	(6,409)
(54)	Private Sector Housing Renewal Receipts in year	(110)
(5)	Deferred Receipts realised	(5)
4,469	Capital Receipts transferred to Capital Adjustment Account to repay debt	4,469
2,930	Capital Receipts used for financing	5,400
(1,714)	Other movements	(4,469)
(2,979)	Balance 31 March	(4,103)

Capital Grants Unapplied

The Capital Grants Unapplied reserve holds grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

31 March 2023	31 March 2024
£000	£000
(39,658) Balance 1 April	(51,474)
(29,376) Capital grants recognised in year	(41,152)
17,553 Capital grants and contributions applied	23,796
7 Repaid capital grants	0
0 Other movements	338
(51,474) Balance 31 March	(68,492)

Note 25 - Unusable Reserves

31 March	31 March
2023	2024
£000	£000
(353,149) Revaluation Reserve	(381,664)
111 Financial Instruments Revaluation Reserve	71
(93,273) Capital Adjustment Account	(74,982)
2,383 Financial Instruments Adjustment Account	1,875
28,875 Pension Reserve	(26,894)
(459) Deferred Capital Receipts Reserve	(452)
8,142 Collection Fund Adjustment Account	(377)
4,521 Accumulated Absences Account	4,761
713 Pooled Investment Funds Adjustment Account	(146)
4,763 Dedicated Schools Grant Adjustment Account	12,989
(397,373) Total	(464,819)

Further information on each of the above reserves is below:

Revaluation Reserve

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

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

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

31 March 2023 £000		31 March 2024 £000
(290,362)	Balance 1 April	(353,149)
(81,121)	Upward revaluation of assets	(73,460)
8,563	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	11,028
(72,558)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(62,432)
6,150	Difference between fair value depreciation and historical cost depreciation	7,131
3,621	Accumulated gains on assets sold or scrapped	26,786
9,771	Amount written off to the Capital Adjustment Account	33,917
(353,149)	Balance 31 March	(381,664)

Financial Instrument Revaluation Reserve

The Financial Instrument Revaluation Reserve contains gains or losses made by the Council arising from movements in the value of its investments measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gain are revalued downwards, impaired, and when an investment is disposed of, and gains realised.

31 March 2023 £000		31 March 2024 £000
141	Balance 1 April	111
(129)	Realignment of investments	0
99	Other movements	(40)
111	Balance 31 March	71

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different accounting arrangements for the consumption of non-current assets and for their financing under statutory provisions. The Account is charged with costs of acquisition, construction or enhancement of assets. Depreciation, impairment losses and amortisations of assets are charged to the Comprehensive Income and Expenditure Statement with postings from the Revaluation Reserve to convert fair values to an historical cost basis.

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

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

31 March 2023 £000		31 March 2024 £000
(77,321)	Balance 1 April	(93,273)
27,711	Charges for depreciation and impairment of non-current assets	29,897
(4)	Revaluation losses on non-current assets	11,164
110	Amortisation of intangible assets	299
11,644	Revenue expenditure funded from capital under statute	13,331
4,469	Repayment of debt – Merseyside Residual Debt Fund	4,469
10,985	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	50,240
54,915	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	109,400
(9,771)	Adjusting Amounts written out of the Revaluation Reserve	(33,917)
(2,500)	Repayment of debt - Group company loan	0
42,644	Net written out amount of the cost of non-current assets consumed in the year	75,483
(2,930)	Use of Capital Receipts Reserve to finance new capital expenditure	(5,400)
(39,978)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(40,467)
(4,469)	Write-off Merseyside Residual Debt Fund receipt to long term debtors	(4,469)
(9,347)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(10,187)
(56,724)	Capital financing applied in year:	(60,523)
(1,334)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	1,979
	54 Public Sector Housing Loans	110
(592)	Capital expenditure charged against the General Fund and HRA balances	(293)
0	Difference between expected asset value and the cost of the asset for Call & Put option	1,535
(93,273)	Balance 31 March	(74,982)

Financial Instrument Adjustment Account

The Financial Instrument 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 benefitting from gains per statutory provisions. The balance in the Financial Instrument Adjustment Account at the end of the year represents the amount that should have been charged to the Comprehensive Income and Expenditure Statement in accordance with proper accounting practices under the Code of Practice, but which Statutory Provisions allow or require to be deferred over future years. At 31 March 2024 the account had a balance of £1.875m (2022/23 £2.383m).

31 March 2023 £000		31 March 2024 £000
2,402	Balance 1 April	2,383
(19)	Downward revaluation of investments	(508)
	(19) Total Changes in revaluation and impairment	(508)
2,383	Balance 31 March	1,875

Pensions Reserve

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

31 March 2023 £000		31 March 2024 £000
572,706	Balance 1 April	28,875
(587,219)	Remeasurements of the net defined benefit (liability)/asset	(50,547)
71,976	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	22,854
(28,588)	Employer's pensions contributions and direct payments to pensioners payable in the year	(28,076)
28,875	Balance 31 March	(26,894)

Deferred Capital Receipts

Deferred capital receipts relate to the principal element of loans provided by the Council, which are repaid over a number of years. The capital receipt is only recognised as and when the principal sum is repaid. At 31 March 2024 the reserve had a balance of £0.454m (2022/23 £0.459m).

31 March 2023 £000		31 March 2024 £000
(464)	Balance 1 April	(459)
5	Other movements	7
(459)	Balance 31 March	(452)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and National 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. At 31 March 2024, the account had a balance of (£0.376m) (2022/23 £8.142m), representing the Council's share of the overall Collection Fund balance.

31 March 2023 £000		31 March 2024 £000
16,462	Balance 1 April	8,142
(8,320)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(8,519)
8,142	Balance 31 March	(377)

Accumulated Absences Account

The Accumulating Compensated Absences Adjustment 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. The account had a debit balance of £4.761m at 31 March 2024 (2022/23 debit balance of £4.521m).

31 March 2023 £000		31 March 2024 £000
4,615	Balance 1 April	4,521
(4,615)	Settlement or cancellation of accrual made at the end of the preceding year	(4,521)
0	Amounts accrued relating to prior year	0
4,521	Amounts accrued at the end of the current year	4,761
(94)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	240
4,521	Balance 31 March	4,761

Pooled Fund Adjustment Account

The Pooled Investment Funds Adjustment Accounts contain gains or losses made by the Council arising from movements in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments.

31 March 2023 £000	31 March 2024 £000
33 Balance 1 April	713
129 Realignment of investments	0
551 Changes in fair value of pooled investments	(859)
713 Balance 31 March	(146)

Dedicated Schools Grant Adjustment Account

The Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) 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. This has been extended for a further 3-year period up to March 2026 through the Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2022. This was approved by government 16 December 2022.

The instrument amends the 2003 Regulations by establishing new accounting practices for school's budget deficits. The Council must record any such deficit in a separate account relating to school's budgets.

The accounting practice has the effect of separating schools budget deficits from the Councils' general fund for a period of six financial years. This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation covers the financial reporting period from 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 Adjustment Account.

31 March 2023 £000	31 March 2024 £000
1,690 Balance 1 April	4,763
3,073 Movements in Year	8,226
4,763 Balance 31 March	12,989

Note 26 - Cash Flow Statement: Operating Activities

The cash flows for operating activities include the following items:

2022/23 £000		2023/24 £000
(1,133)	Interest received	(2,172)
15,772	Interest paid	19,461
14,639	Total	17,289

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

2022/23		2023/24
£000		£000
(27,711)	Depreciation	(29,897)
4	Impairment and downward valuations	(11,164)
(110)	Amortisation	(299)
(2,903)	(Increase)/decrease in impairment for bad debts	2,012
57,938	(Increase)/decrease in creditors	5,226
31,973	Increase/(decrease) in debtors	(1,190)
25	Increase/(decrease) in inventories	(21)
(43,388)	Movement in pension liability	5,222
(10,983)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(50,240)
1,989	Other non-cash movements charged to the surplus or deficit on provision of services	(165)
6,834	Total	(80,516)

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

2022/23		2023/24
£000		£000
2,222	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,519
51,566	Capital Grants credited to surplus or deficit on the provision of services	56,481
53,788	Total	63,000

Note 27 - Cash Flow Statement: Investing Activities

The cash flows for investing activities include the following:

2022/23		2023/24
£000		£000
50,459	Purchase of property, plant and equipment, investment property and intangible assets	64,985
(393)	Purchase of short-term (not to be considered cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	2,145
(2,222)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(6,519)
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(3,770)
(51,566)	Capital Grants received	(56,481)
(4,351)	Other receipts from investing activities	(4,800)
(8,073)	Net cash flows from investing activities	(4,440)

Note 28 - Cash Flow Statement: Financing Activities

The cash flows for financing activities include the following items:

2022/23		2023/24
£000		£000
(69,080)	Cash receipts of short-term and long-term borrowing	(95,355)
3,182	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	3,251
5,944	Repayments of short-term and long-term borrowing	71,398
(8,320)	Other payments for financing activities	(8,519)
(68,274)	Net cash flows from financing activities	(29,225)

Note 29 - Reconciliation of Liabilities Arising from Financing Activities

Reconciliation of Liabilities Arising from Financing Activities

	1 April 2023	Financing cash flows	Non-cash changes Other non-cash changes	31 March 2024
	£000	£000	£000	£000
Long-term borrowings	(144,252)	(18,652)	7,325	(155,579)
Short-term borrowings	(136,666)	(5,297)	(7,706)	(149,669)
On balance sheet PFI liabilities	(31,221)	3,221	30	(27,970)
Total liabilities from financing activities	(312,139)	(20,728)	(351)	(333,218)

	1 April 2022	Financing cash flows	Non-cash changes Other non-cash changes	31 March 2023
	£000	£000	£000	£000
Long-term borrowings	(145,268)	0	1,016	(144,252)
Short-term borrowings	(71,919)	(63,127)	(1,620)	(136,666)
On balance sheet PFI liabilities	(34,403)	3,187	(5)	(31,221)
Total liabilities from financing activities	(251,590)	(59,940)	(609)	(312,139)

Analysis of PFI liability is detailed below:

	31 March 2023	31 March 2024
	£000	£000
On balance sheet PFI liabilities - Short Term	(3,219)	(3,243)
On balance sheet PFI liabilities - Long Term	(28,002)	(24,727)
Total PFI liabilities from financing activities	(31,221)	(27,970)

Note 30 - Pooled Budgets

The Council has entered into a pooled budget arrangement in partnership with NHS Cheshire & Merseyside ICB, under Section 75 of the Health Act 2006, for the commissioning and delivery of various integrated Care & Health functions. This pooled budget is hosted by the Council and commenced on 1st April 2015. It includes but is not limited to services funded by the Better Care Fund.

At the end of the year the fund has a deficit position of £19.1m. Due to the significant ongoing financial pressures experienced by the ICB (Integrated Care Board) a decision was taken to exclude the negative impact on their budgets during 2023/24 within the

pool. The fund ensures that integration of commissioning is used as an opportunity to transform the provision of services and to make more effective use of the resources available. Greater effective and efficient integrated commissioning will drive the benefits both financially and in terms of increased health, and wellbeing of Wirral residents.

The pool incentivises the NHS and local government to work more closely together around people, placing their well-being as the focus of care and health services. Locally, the primary aims of the pooled fund are:

- Supporting independence in the community by placed-based activity;
- Reducing non-elective admissions and reducing residential admissions by providing the right care and support within the community;
- Facilitating earlier hospital discharge.

2022/23 has been restated to correctly allocate the relevant elements between the Council and ICB.

2022/23 (restated) £000	Revenue	2023/24 £000
Funding provided to the pooled budget:		
(71,575) Wirral Council		(72,375)
(174,479) NHS Cheshire & Merseyside ICB		(195,397)
(246,054) Total		(267,772)
Expenditure met from the pooled budget:		
82,805 Wirral Council		89,355
171,914 NHS Cheshire & Merseyside ICB		197,551
254,719 Total		286,906
8,665 Net (surplus)/deficit arising on the pooled budget during the year		19,134
Authority share of the net (surplus)/deficit arising on the pooled budget during the year		3,218
<hr/>		
2022/23 £000	Capital (Disabled Facilities grant and Social Care)	2023/24 £000
Funding provided to the pooled budget:		
(4,724) Wirral Council		(5,136)
0 NHS Cheshire & Merseyside ICB		0
(4,724) Total		(5,136)
Expenditure met from the pooled budget:		
4,724 Wirral Council		5,136
0 NHS Cheshire & Merseyside ICB		0
4,724 Total		5,136
0 Net (surplus)/deficit arising on the pooled budget during the year		0
Authority share of 50% of the net (surplus)/deficit arising on the 0 pooled budget during the year		0

Note 31 - Members' Allowances

During the year Member's allowances including Employer's costs totalled £845k, (2022/23 £812k) as set out in table:

2022/23 £000	2023/24 £000
811 Allowances	844
1 Expenses	1
812 Total Members' Allowances	845

Note 32 – Officers’ Remuneration

The following table shows the remuneration for senior officers per annum. Gross salary represents the full-time equivalent salary, while the salary values represent actual salary including salary costs, taxable travel costs and where posts are removed any redundancy payments:

2023/24	Employment Period	Notes	Gross salary	Salaries	Expenses Allowances	Compensation for Loss of Office	Pension Contribution	Total
			£	£	£	£	£	£
Chief Executive (Paul Satoor)	01/04/2023-31/03/2024	a	178,170	185,120	0	0	33,318	218,438
Assistant Chief Executive	01/04/2023-31/03/2024	b	132,654	59,041	0	0	11,041	70,082
Director of Regeneration and Places	01/04/2023-31/03/2024		132,564	132,848	0	0	24,789	157,637
Director of Neighbourhood Services	04/09/2023-31/03/2024		132,564	49,057	0	0	9,129	58,187
Director of Neighbourhood Services	01/04/2023-13/08/2023	c	119,507	68,717	0	0	12,399	81,115
Director of Children, Families and Education	01/04/2023-31/03/2024	d	132,564	143,870	0	0	24,789	168,660
Director for Adults' Care and Health and Strategic Commissioning	01/04/2023-31/03/2024		132,564	132,848	0	0	22,232	155,080
Director of Public Health	01/04/2023-31/03/2024		107,313	107,634	0	0	15,478	123,112
Director of Law and Governance & Corporate services (Monitoring Officer)	01/04/2023-31/03/2024	e	132,564	127,969	0	0	23,670	151,640
Director of Resources	01/04/2023-31/12/2023	f	132,564	99,840	0	69,406	18,592	187,837
Director of Finance (S151 Officer)	01/04/2023-31/03/2024		132,564	126,874	0	0	23,670	150,545
TOTAL			1,465,592	1,233,819	0	69,406	219,108	1,522,333

- The salary includes election costs
- Post holder is on flexible retirement during 23/24 with a leave date of 30/04/2024
- Employee left 13/08/2023 and received holiday pay
- Employee left 31/03/2024
- The salary includes election costs
- Employee left 31/12/2023 and post removed in restructure the salary includes election costs

2022/23	Employment Period	Notes	Gross salary	Salaries	Expenses Allowances	Compensation for Loss of Office	Pension Contribution	Total
			£	£	£	£	£	£
Chief Executive (Paul Satoor)	01/04/22 - 31/03/23		172,145	178,913	0	0	29,265	208,178
Assistant Chief Executive	01/04/22 - 31/03/23		128,081	57,107	0	0	16,655	73,762
Director of Regeneration and Places	01/04/22 - 13/09/22	a	128,081	56,662	0	0	9,616	66,278
Director of Regeneration and Places	01/01/23 - 31/03/23	b	128,081	32,020	0	0	5,443	37,463
Director of Neighbourhood Services	01/04/22 - 31/03/23		124,928	125,157	0	0	21,238	146,395
Director of Children, Families and Education	01/04/22 - 31/03/23		128,081	128,160	0	0	21,774	149,934
Director for Adults' Care and Health and Strategic Commissioning	01/04/22 - 31/03/23		128,081	128,081	0	0	19,449	147,530
Director of Public Health	01/04/22 - 30/09/22	c	101,139	51,085	0	0	7,316	58,401
Director of Public Health	01/10/22 - 31/03/23	d	101,139	50,249	0	0	7,226	57,475
Director of Law and Governance (Monitoring Officer)	01/04/22 - 18/09/22	e	128,081	61,271	0	0	10,161	71,432
Director of Law and Governance (Monitoring Officer)	09/01/23 - 31/03/23	f	115,466	26,383	0	0	4,485	30,868
Director of Resources	01/04/22 - 31/03/23		128,081	128,251	0	0	21,774	150,025
Director of Finance (S151 Officer)	01/01/23 - 31/03/23	g	115,466	28,867	0	0	4,907	33,774
TOTAL			1,626,850	1,052,206	0	0	179,309	1,231,515

- Employee left 13/09/22
- New starter on 01/01/23
- Employee left 30/09/22
- New starter on 01/10/22
- Employee left 18/09/22
- New starter on 09/01/23
- New SLT structure included a separate Director of Finance who has responsibility for S151 officer previously this was within the Director of Resources post.

Officers Remuneration

The table below shows remuneration over £50,000 to employees in bands of £5,000, including senior officers shown in the previous tables.

Changes within bands are primarily due to the impact of pay awards and staff progression through their pay bands and not solely due to additional staff being employed. Remuneration includes severance and pension strain costs where the Council has made decisions to release staff from their employment of the Council through redundancy and early retirements. The number of employees by band are therefore inflated by those one-off costs and do not represent on-going staff numbers being paid within the remuneration bands shown. 2022/23 values have been restated in the table below to reflect this.

The costs of the providing additional retirement benefits are calculated by the Pension Fund and are recharged to the Council, who reimburse the Fund in year of departure. There are minimal instances where the agreed arrangement was to reimburse over 5 years, but the last cases of these end in 2024/25.

Amount	2022/23 Restated			2023/24		
	Other	Teacher	Total	Other	Teacher	Total
£50,001 - £55,000	65	77	142	90	119	209
£55,001 - £60,000	87	65	152	94	53	147
£60,001 - £65,000	38	37	75	53	43	96
£65,001 - £70,000	12	18	30	25	33	58
£70,001 - £75,000	18	23	41	22	16	38
£75,001 - £80,000	8	15	23	20	17	37
£80,001 - £85,000	5	14	19	5	13	18
£85,001 - £90,000	4	4	8	10	10	20
£90,001 - £95,000	4	1	5	0	6	6
£95,001 - £100,000	4	2	6	5	4	9
£100,001 - £105,000	0	2	2	1	1	2
£105,001 - £110,000	0	1	1	1	2	3
£110,001 - £115,000	0	1	1	0	1	1
£115,001 - £120,000	0	0	0	0	1	1
£120,001 - £125,000	0	0	0	0	0	0
£125,001 - £130,000	5	0	5	2	0	2
£130,001 - £135,000	0	0	0	4	0	4
£140,001 - £145,000	0	0	0	1	0	1
£165,001 - £170,000	0	0	0	1	0	1
£175,001 - £180,000	1	0	1	0	0	0
£185,001 - £190,000	0	0	0	1	0	1
Total	251	260	511	335	319	654

Exit Packages

The number of exit packages with total cost per band of compulsory and other redundancies are set out in the table below. These packages include pension contributions in respect of added years, ex-gratia payments and other departure costs.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
							£000	£000
£0-£20,000	0	0	38	46	38	46	294	353
£20,001 - £40,000	0	0	9	25	9	25	240	777
£40,001 - £60,000	0	0	1	5	1	5	49	260
£60,001 - £80,000	0	0	0	1	0	1	0	69
Total	0	0	48	77	48	77	583	1,460

Note 33 - External Audit Costs

The Council's auditors are Grant Thornton and will incur audit fees of £519k relating to the external audit for 2023/24. The costs reported for 2023/24 include fees for additional work in relation to the new financial system and property valuations, and there are additional costs of £66k for other services provided. The Council has received £58k of grant from central government to support the rise in fees. The 2022/23 audits fees have been restated to include additional audit costs of £46k.

2022/23 (restated) £000		2023/24 £000
262	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	453
52	Fees payable in respect of other services provided by external auditors during the year	66
314	Total	519

Note 34 - Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations 2022. 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 2023/24 are as follows:

DSG Receivable for 2023/24	Central Expenditure	Individual Schools Budget	Total
	£000	£000	£000
Final DSG for year before Academies recoupment			335,672
Academy figure recouped for year			(131,162)
Total DSG after academy recoupment			204,510
Plus: Brought forward from previous year			0
Less: Carry forward to following year (agreed in advance)			0
Agreed initial budgeted distribution in year	44,846	159,664	204,510
In year adjustments	0	(307)	(307)
Final budget distribution for year	44,846	159,357	204,203
Less: Actual central expenditure	(52,756)	0	(52,756)
Less: Actual ISB deployed to schools	0	(159,673)	(159,673)
Plus: Local Authority contribution for year	0	0	0
In Year Carry-forward to 2024/25	(7,910)	(316)	(8,226)
Plus/Minus: Carry forward to following year (agreed in advance)			0
Carry-forward to 2024/25			0
DSG unusable reserve at the end of year			(4,763)
Addition to DSG unusable reserve at the end of year			(8,226)
Total of DSG unusable reserve at the end of year			(12,989)
Net DSG position at the end of year			(12,989)

At 31st March 2024 the Dedicated Schools Grant reserve has a debit balance to the value of £12.989m which represents a deficit position to be carried forward into 2024/25. The deficit position is mainly due to additional pressure in the High Needs block. Wirral Council is actively developing a plan to recoup the deficit.

Comparative table for 2022/23

DSG Receivable for 2022/23	Central Expenditure	Individual Schools Budget	Total
	£000	£000	£000
Final DSG for year before Academies recoupment			315,760
Academy figure recouped for year			(118,021)
Total DSG after academy recoupment			197,739
Plus: Brought forward from previous year			0
Less: Carry forward to following year (agreed in advance)			0
Agreed initial budgeted distribution in year	40,194	157,545	197,739
In year adjustments	0	(183)	(183)
Final budget distribution for year	40,194	157,362	197,556
Less: Actual central expenditure	(43,583)	0	(43,583)
Less: Actual ISB deployed to schools	0	(157,047)	(157,047)
Plus: Local Authority contribution for year	0	0	0
In Year Carry-forward to 2023/24	(3,389)	315	(3,074)
Plus/Minus: Carry forward to following year (agreed in advance)			0
Carry-forward to 2023/24			0
DSG unusable reserve at the end of year			(1,690)
Addition to DSG unusable reserve at the end of year			(3,073)
Total of DSG unusable reserve at the end of year			(4,763)
Net DSG position at the end of year			(4,763)

Note 35 - Grant Income

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	Revenue Grants:	£000
(19,767)	Social Care Support	(32,142)
(20,324)	Grant to Compensate for Changes to Business Rates S31	(29,147)
(1,215)	Market Sustainability & Improvement Fund, including additional allocation re: Workforce Fund £2.738m in 2023/24	(6,954)
(5,472)	Schools Private Finance Initiative	(5,472)
(5,616)	Services Grant	(3,295)
	0 Social Care Discharge Fund	(2,697)
	0 Local Council Tax Support	(789)
(683)	Business Rates Levy Surplus	(683)
(438)	New Homes Bonus	(440)
(258)	Local Reform & Community Voices	(258)
(4,334)	Covid Additional Relief Fund	0
(1,523)	Independent Living Fund	0
(681)	Council Tax Rebate Scheme	0
(520)	Lower Tier Services	0
(506)	Local Council Tax Support Administration	0
(391)	Council Tax Rebate - New Burdens	0
(658)	Other Revenue Grants less than £250K	(1,331)
(62,386)	Total Revenue Grants	(83,208)
	Capital Grants:	
	0 Future High Streets Fund Birkenhead	(12,559)
(4,252)	Transport Supplementary Grant	(6,975)
(4,107)	School Condition	(4,132)
(4,316)	High Needs Provision Grant	(4,093)
(4,724)	Disabled Facilities Grant	(3,162)
(10,557)	West Kirby Flood Alleviation	(3,000)
	0 Local Authority Housing Fund	(2,745)
(1,468)	Levelling Up Fund	(2,502)
(8,791)	Birkenhead Town Deal Fund	(2,483)
	0 Demolition of Wallasey Town Hall Annexes	(2,325)
(500)	Future High Streets Fund New Ferry	(2,210)
	0 Liverpool City Region Combined Authority contribution	(1,302)
	0 Conway Way Street Wirral Growth Company Bus Station contribution	(1,170)
	0 Woodchurch Sports pavilion	(1,169)
	0 Department for Transport funding for highways maintenance improvements	(765)
	0 Tennis Centre 3G pitch	(760)
(481)	LED Grant Funded	(721)
(1)	Transforming Care - Therapeutic Short Breaks	(721)
	0 Connect the Classroom	(634)
	0 Early Years Childcare Expansion Capital Fund	(604)
(591)	Formula Capital	(579)
	0 Basic Needs	(381)
	0 s106 Bellway Burton Food Pasture Road	(353)
(1,144)	Key Route Network	(254)
(1,610)	SUD Leasowe to Seacombe corridor CATP	(201)
(2,225)	Active Travel	0
(1,800)	Purchase of Hind Street (National Grid)	0
(1,258)	Formula Capital Energy Efficiency	0
(1,253)	Birkenhead Central Gateway	0
(1,140)	Wallasey toe Reinforcement	0
(1,348)	Other Capital Grants (less than £250K)	(681)
(51,566)	Total Capital Grants	(56,481)
(113,952)	Total credited to Taxation and Non-Specific Grant Income	(139,689)

Grant Income Credited to Services

2022/23	2023/24
£000	£000
(195,818) Dedicated Schools Grant	(202,574)
(82,910) Housing Benefit Subsidy	(85,218)
(30,989) Public Health Grant	(32,014)
(13,148) Pupil Premium	(13,574)
(6,098) Household Support Fund	(6,099)
0 Mainstream School Additional	(4,233)
(726) Homes for Ukraine Tariff	(3,662)
(1,656) Supplementary Substance Misuse Treatment & Recovery (formerly Project ADDR)	(2,884)
(2,484) Universal Infant Free School Meals	(2,564)
(1,728) Recovery Premium Allocations	(2,124)
(1,392) Wirral Ways to Work	(1,803)
(1,147) Supporting Families	(1,748)
(100) Teachers' Pay	(1,675)
(1,481) Sixth Form Funding	(1,512)
(1,646) Physical Education & Sports	(1,487)
(1,471) Holiday Activities & Food Programme	(1,484)
(410) Asylum Seeker Dispersal	(1,415)
0 Dedicated Schools Early Years Supplementary	(1,288)
(1,185) Housing Benefits Administration	(1,167)
(798) Adult Community Learning	(1,022)
(631) Resettlement Programme	(893)
0 Urgent & Emergency Care Support Fund	(845)
(752) Domestic Abuse Act	(767)
(226) Community Safety Partnership	(740)
(915) Unaccompanied Asylum Seeking Children	(712)
(673) Youth Justice Board	(711)
(41) Family Hub Transformation Fund	(644)
(78) Leaving Care	(566)
(782) Homelessness Prevention	(562)
0 S31 Staying Close Children's Social Care	(562)
(539) Rough Sleeper Initiative	(556)
(552) Discretionary Housing Payments	(552)
(1,314) School Led Tutoring	(518)
(779) Maritime Accelerator Project/Port City	(434)
(276) Active Travel Capability	(398)
(232) Homes for Ukraine Sponsor Thank You	(374)
(1) Lawn Tennis Association	(362)
(43) United Kingdom Prosperity Fund	(361)
(317) Business Rates Cost of Collection Allowance	(315)
0 Dedicated Schools Grant - Additional support for schools in financial difficulty	(296)
0 Homelessness Prevention - Homes For Ukraine Top-up	(283)
0 Early Years Experts & Mentor Programme	(264)
0 Planning Super Squad	(250)
(822) Step Up to Social Work	(232)
(438) Homes for Ukraine Education & Childcare	(203)
(253) Social Workers in Schools	(63)
(310) Teachers' Pension Employers' Contribution & Supplementary Fund	(49)
(3,617) Schools Supplementary	0
(1,500) Social Care Discharge Fund	0
(817) Council Tax Rebate Scheme	0
(1,187) Energy Bills Alternative Fuel Payment	1,097
(780) Capital Grants Treated as REFCUS	(1,797)
(5,023) Other Grants (less than £250k)	(4,180)
(368,085) Total	(386,939)

In 2022/23 the Council received an energy grant £1.186m for residents not on mains gas or electricity i.e., oil or alternative fuels and in 2022/23 this was reported in the revenue outturn. A proportion of the grant was utilised and the remaining grant has been repaid back to the Government department.

The Council has acted as agent, administering grants on behalf of external partner organisations in 2023/24 for the following:

2022/23	2023/24
£000	£000
(1,914) Community Discharge Grant	0
(541) Inpatient Detoxification	(490)
0 Universal Infant Free School Meals	(2)
(2,455) Total - Agent	(492)

The Community Discharge Grant was wholly administered on behalf of external partners and the Council did not have a share of the grant in 2022/23. It was held on behalf of various local authorities and NHS bodies in Cheshire and Merseyside. Any approvals for expenditure were coordinated by NHS England Northwest. The grant was fully utilised in 2022/23 and no further grant payments were or are expected in future years.

The Inpatient Detoxification grant is also held on behalf of a range local authority partners in the Cheshire and Merseyside area. The Council has a share of the grant, and this is £0.101m for 2023/24 (£0.111m). The £0.101m is included within the 'Other grants (less than £250k)' line within the 'Credited to Services' table above. The figure above is the share attributable to the partners.

Universal Infant School Meals are allocated to the Council and academy schools. The proportion above represents the share attributable to academy schools.

REFCUS Grant Income

As explained in the Note of material Accounting Policies, capital grants which do not give rise to a Council owned or controlled non-current asset are deemed to be and treated as Revenue Expenditure Funded by Capital Under Statute (REFCUS) income. The amounts recognised are shown in the "Capital Grants Treated as REFCUS" line above.

Other Grants

The Council has received grants and contributions that have yet to be recognised as income as they have conditions attached to them. If these conditions remain unmet, this may require the monies or property to be returned. The balances are as follows:

2022/23	2023/24
£000 Revenue Grants Received in Advance:	£000
(467) Adult Community Learning	(646)
(632) Recovery premium allocations	(620)
0 Pupil Premium	(295)
(3,117) Homes for Ukraine Tariff	0
(616) Project ADDER (Addition, Disruption, Diversion, Enforcement, Recovery) Accelerator Programme	0
(461) Family Hub Transformation Fund	0
(325) PropTech Digital Engagement	0
(318) Homes for Ukraine Education & Childcare Grant	0
(294) Physical Education & Sports Grant	0
(1,296) Other	(3,065)
(7,526) Total	(4,626)

2022/23	2023/24
£000 Capital Grants Received in Advance:	£000
(185) Cluster of Empty Homes	(178)
(67) Mulberry Properties	(67)
(190) s106 various	(190)
(442) Total	(435)

Note 36 - Related Parties

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

- Central Government
- Elected Members of the Council
- Senior Officers
- Other Public Bodies; and
- Entities controlled or significantly influenced by the Council

Central Government

Central Government has significant control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., council tax bills, housing benefits).

Details of grants received from Government departments are set out in the analysis in the Grant Income note.

Other Public Bodies

The Council has a member representation on committees of the following organisations to which the Council pays a levy or precept.

	Number of Representatives	Precept / Levy 2022/23 £000	Apportionment of Previous Years Deficit 2022/23 £000	Precept / Levy 2023/24 £000	Apportionment of Previous Years Surplus 2023/24 £000
Merseyside Police Authority	2	22,553	710	24,084	(170)
Merseyside Fire & Rescue Service	4	8,601	45	9,148	(130)
Merseyside Recycling and Waste Authority	2	17,673	0	17,712	0
Merseyside Port Health	6	105	0	105	0
Manchester Port Health	1	21	0	23	0
Flood and Coastal Erosion Risk Management Authority	1	76	0	78	0
Environment Agency	1	185	0	188	0
Liverpool City Region Combined Authority	11	24,272	60	24,859	(15)

The Council has entered into a pooled budget arrangement in partnership with NHS Cheshire & Merseyside ICB, under Section 75 of the Health Act 2006, for the commissioning and delivery of various integrated Care & Health functions. Further details are contained in the note for Pooled Budgets.

The Council is a host to the collaboration Cheshire and Merseyside Public Health Collaborative Service (Champs) with 8 other Councils across Merseyside and Cheshire with the purpose of improving the health and wellbeing of their population via collective investments, the other councils being Cheshire East, Cheshire West and Chester, Halton, Knowsley, Liverpool, Sefton, St Helens and Warrington. In 2023/24, all nine members contributed £51k each to the collaboration, with a number of health bodies providing

contributions, the largest being NHS Cheshire and Merseyside ICB of £799k (£1.3m in 2022/23).

In hosting the service, Wirral Council employs the staff and collects and distributes funding on behalf of the member Councils as per the collective agreement of all 9 Directors.

The Council also acts as the administering authority to Merseyside Pension Fund and charged the Fund £4.4m (£3.5m in 2022/23) for administration and investment management costs.

Entities controlled or significantly influenced by the Council

Alongside the individually significant relationships, the Council works with a range of bodies complementary to the Council's objectives. The contributions can be either a direct financial payment or a non-financial contribution to support the running of the body. The Council also commits staff time and support whilst working with its partners and, in certain cases, is represented at officer or member level in strategic decision making. On review of these payments, the Council does not feel that any undue influence has been exerted to these organisations as a result of the contributions made. The total direct financial contributions to such organisations for services in 2023/24 amounted to £5.4m (2022/23 in £7.7m), these are detailed below, inclusive of VAT were applicable.

Edsential CIC

The Council has significant influence over Edsential Community Interest Company through its ownership of 50% of the shares in the company and having one senior officer on the board. This is a joint venture with Cheshire West and Chester Council to provide services to the Education sector.

The Council purchased services from Edsential to the value of £5.40m in 2023/24 (£5.09m in 2022/23) and £0.3m received from them which includes interest for the loan.

The Council has provided the company with two loans with balances of £0.13m for a working capital loan and £0.86m for a Covid loan as at the 31st March 24. The Council has provided for an expected credit loss provision of £0.23m

Wirral Growth Company Limited Liability Partnership

Wirral Growth Company Ltd Partnership has been set up to deliver the key regeneration agenda as a Limited Liability Partnership with Muse Holdings Ltd. There have been no costs of note to the company, but Wirral has recognised its share of profits. In 2022/23 the estimate of Wirral's share of the profit was £8.50m with an additional £3.07m recognised in 23/24. During 2023/24 an additional £0.9m receipt was received for transfer of asset.

There is also a small balance due for loan interest £0.2m

Pension Guarantees

The Council acts as a guarantor for a number of staff who work in various external bodies that have been admitted to the Merseyside Pension Fund. On cessation of the body's participation in the fund, any shortfalls are initially claimed from the admitted body. If they cannot be recovered from that source, the pension fund would look at the guarantee

arrangements and draw down from bonds that are in place and, if still insufficient, from the guarantor. The Council acts as a guarantor for a number of bodies. At the 31st March 2024, all bodies pension estimates were deemed to be in a surplus position, therefore there is no liability for the Council to consider including in the 2023/24 Accounts.

Elected Members of the Council and Officers

Members of the Council have direct control over the Council's financial and operating policies. The total of member's allowances paid in 2023/24 is shown in the Members Allowances Note.

During 2023/24 works and services to the value of £15.4m (£18.6m in 2022/23) was commissioned from organisations and £1.7m (£0.3m in 2022/23) charged to organisations in which Members had an interest (over and above those reported separately). The year-end creditors balance owed to these organisations is £73k. And the debtors balance owed from the organisations is £250k.

In all instances, the payments were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the payments. Details of all these transactions are recorded in the Register of Members' Interest, open to public inspection at the Town Hall during office hours. The following Members and Officers of the Council held interests in the following companies, which had transactions with the Council during 2023/24.

In accordance with Section 117 of the Local Government and Finance Act 1972, all Senior Officers of the Council have been asked to declare any interests in other bodies with whom the Council may have dealings. No significant 'pecuniary interests' have been identified during 2023/24.

Interest in Companies

Following a review of the Council's relationships with various organisations in whom it has a stake hold, it has been determined that the activities of these entities are not material to be reported within a Group Statement of Accounts. Those organisations are shown in the following table with Members and Officers of the Council held interests in the following companies during 2023/24.

Organisation	Final Member/Officer
Birkenhead Sixth Form College	Councillor Gillian Wood
Birkenhead YMCA	Councillor Andrew Hodson
Charlottes Brightside CIC	Councillor Tony Jones , Councillor Sue Powell-Wilde
Cheshire & Wirral Partnership NHS Foundation Trust	Councillor Tony Murphy Councillor Angela Davies
Christchurch Primary School	Councillor Pat Cleary
Devonshire Park Primary School	Councillor Christopher Cooke
Disabled Enabled Limited T/A AccessAble	Officer Jayne Marshall
Early Excellence Ltd	Councillor Brian Kenny
Friends Of Birkenhead Kennels	Councillor Lesley Rennie
Gautby Road Play and Community Centre	Councillor Elizabeth Grey Councillor Brian Kenny Councillor Julie McManus
Hilbre High School	Officer Mike Cockburn
Labels 'N' Signs Limited	Councillor Max Booth
Leasowe Play Youth & Community Association	Councillor Angela Davies Councillor Paul Jobson Councillor Louise Luxon-Kewley
Magenta Living	Councillor Tony Jones
Mendell Primary School	Councillor Chris Carubia
Mersey Maritime Limited	Councillor Tony Jones
Merseyside Society for Deaf People	Councillor Angela Davies Councillor Andrew Hodson
North Birkenhead Development Trust	Councillor Brian Kenny
North West Employers Organisation	Councillor George Davies
Overton Community Centre Ltd	Councillor Jean Robinson
Peel L & P Property Investments	Councillor Naomi Graham
Royal National Lifeboat Institution (RNLI)	Councillor Tony Jones
Sandbrook Primary School	Councillor Vida Wilson
South Wirral High School	Councillor Phil Gilchrist
St Anselm's College	Councillor George Davies
The Barnstondale Centre	Officer Vicki Shaw
The Callister Trust	Councillor Allan Brame
The Foundation Years Trust	Officer Elizabeth Hartley
The Hive T/A Wirral Youth Zone	Councillor Angela Davies
The Lauries Limited	Councillor Paula Basnett
The Little Centre Beechwood Ltd	Councillor Brian Kenny
Unilever Plc	Councillor Steve Foulkes
Wirral Chamber Of Commerce And Industry Limited	Councillor Paula Basnett
Wirral Environmental Network	Councillor Naomi Graham
Wirral Multicultural Organisation	Councillor Colin Baldwin Councillor Stuart Kelly Councillor Amanda Onwuemene Councillor Richie Pitt
Wirral University Teaching Hospital NHS Foundation Trust	Councillor Julie McManus Councillor Gary Bennett

Company	Control / Interest	Directors	Company Status	Members and Officers of the Council held interests
Edsential CIC	Joint Venture	Alison Ashley Helen Brackenbury Ian Philip McGrady Elaine McGunigall Jane Helen Owens Mark Parkinson Sharon Senn Nicola Wetton Adrian Francis Whiteley <u>Wirral Officer:</u> James Backhouse	Active	Officer James Backhouse
Wirral Growth Company LLP	Limited liability Partnership	Muse Places Ltd Wirral Borough Council	Active	Cllr Jean Robinson Cllr Jeff Green Officer Daniel Kirwan
Wirral Evolutions Ltd	Subsidiary	Graham Hodgkinson	Active (non-trading)	Officer Graham Hodgkinson
Wirral Growth Company Nominee Limited	Subsidiary	Paul Knowles	Dormant	
Wirral Holdings Ltd	Subsidiary	Paul Satoor	Dormant	Officer Paul Satoor

Wirral Evolutions stopped trading in October 2022 and became part of Wirral Councils Adults, Care and Health directorate. Officer Graham Hodgkinson was a director during 2023/24 but has been replaced by Officer Simon Garner from 22/05/24.

Note 37 - Capital Expenditure and Capital Financing

The Council's Capital Financing requirement has risen in 2023/24 as capital costs incurred totalled £78.3m, with funding set aside including adjustments totalling £60.8m. The overall Capital Financing requirement will be funded from a combination of future revenue contributions, capital receipts and external funding. Revenue expenditure funded from capital under statute (REFCUS) during the year was £13.3m.

2022/23		2023/24
£000		£000
371,702	Opening Capital Financing Requirement	376,489
	Capital Investment:	
49,621	Property Plant and Equipment	63,487
838	Intangible Assets	1,398
0	Assets Held for Sale	100
11,644	Revenue Expenditure Funded from Capital Under Statute	13,331
62,103	Total Capital Spending	78,316
	Sources of Finance:	
(2,930)	Capital receipts - Applied to Capital Expenditure	(5,400)
(4,469)	Capital receipts - Applied to MRDF	(4,469)
(39,978)	Government Grants and other contributions	(38,354)
0	Adjustment to prior years financing	(2,113)
	Sums set aside from revenue:	
(592)	- Direct revenue contributions	(293)
(9,347)	- Minimum revenue provision	(10,187)
(57,316)	Total Sources of Finance	(60,816)
376,489	Closing Capital Financing Requirement	393,989
Explanation of movements in year		
2022/23		2023/24
£000		£000
4,787	Increase in underlying need to borrow (unsupported by government financial assistance)	17,500
4,787	Increase/(decrease) in Capital Financing Requirement	17,500

Note 38 - Leases

Authority as Lessor: Finance Leases

The Council has leased out the following properties on finance leases with the remaining terms shown in the table.

Property	Lessee	Remaining Term
Wirral Country Park Caravan Site (Touring)	The Caravan Club Ltd	4 Years
Wirral Country Park Caravan Site (Static)	The Caravan Club Ltd	25 Years

The Council has gross investments in the leases, made up of the minimum lease payments expected to be received over the remaining terms and the residual value anticipated for the properties when the leases come to an end. The minimum lease payments comprise settlement of the interest in the properties acquired by the lessees and finance income that will be earned by the Council in future years whilst the debtor remains outstanding.

The gross investment is made up of the following amounts:

31 March 2023		31 March 2024	
£000		£000	
Finance lease debtor (net present value of minimum lease payments):			
5	- current	5	
254	- non-current	249	
231	Unearned finance income	217	
490	Gross investment in the lease	471	

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

Gross Investment in the Lease			Minimum Lease Payments	
31 March 2023	31 March 2024		31 March 2023	31 March 2024
£000	£000		£000	£000
19	19	Not later than one year	7	7
75	74	Later than one year and not later than five years	25	23
396	378	Later than five years	63	58
490	471	Total	95	88

In October 2021, the Council entered into two leases with Canada Life for a period of 250 years at a peppercorn rent, enabling the regeneration of the Birkenhead Commercial District.

Authority as Lessee: Operating Leases

The Council was committed at 31 March 2024 to making payments of £0.093m under operating leases. The future minimum lease payments due under non-cancellable leases in future years are as follows:

31 March 2023		31 March 2024	
£000		£000	
(650)	Not later than one year	(93)	
(113)	Later than one year and not later than five years	0	
(763)	Total	(93)	

The expenditure charged to services in the CIES in the year in relation to these leases are:

31 March 2023	31 March 2024
£000	£000
(650) Minimum lease payments	(93)
(650) Total	(93)

Authority as Lessor: Operating Leases

The Council leases out elements of its property portfolio to various organisations as part of its dual aims of helping to generate economic activity in the area and in order to generate a return on assets held. These leases are all categorised as operating leases due to the fact the returns only reflect a small proportion of the asset's value or the nature of the lease agreements.

All income generated from these leases is reflected in the Comprehensive Income and Expenditure Statement as it becomes due, primarily on the Financing and Investment Income line of the Statement.

Future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2023	31 March 2024
£000	£000
955 Not later than one year	1,065
3,427 Later than one year and not later than five years	3,566
3,776 Later than five years	3,776
8,158 Total	8,407

Note 39 - Service Concession Arrangements

The Wirral Schools' PFI Scheme Project Agreement was originally signed in March 2001 and involved the rebuilding and/or refurbishment of one primary and eight secondary schools in Wirral. A Deed of Amendment was entered into on 9 September 2004 to extend the contract until July 2031.

The first phase of the Project (Construction Works) was completed on the final schools in August 2006 and the Council now receive support services in accordance with a detailed set of Output Specifications. These include building and services maintenance, grounds maintenance, catering, cleaning, caretaking, security, utilities and telecommunications.

The specifications for Support Services are not prescriptive and it is up to our PFI Partner, Wirral Schools Services Ltd (WSSL) to devise a programme of service delivery which achieves the Council's Output Specifications. The success of this is measured by way of a payment mechanism and deductions system.

It is only in pre-agreed circumstances that WSSL is excused from performance. These situations are known as Relief Events and they include the declaration of any emergency by the Council, failure by any utility company, loss or damage to a road servicing a school or any strike affecting the relevant industry.

Other than under these clearly defined circumstances, risk on the above services is transferred to WSSL. There are examples of "Shared Risk" such as that on Utility Consumption, "Limited Risk" such as that on the maintenance of loose furniture, fittings and equipment and "No Risk" to WSSL whereby the costs of damage caused by an Act of Vandalism under specific conditions, rest with the Council.

The price for the provision of the services (i.e., the provision of the School accommodation and the Support Services) is essentially a fixed price for the duration of the term.

There are several provisos to this e.g., annual indexation in accordance with the Retail Prices Index and Value for Money Testing. The latter is carried out at five-year intervals and involves a comparison between the current price paid for a particular service (such as cleaning or catering) with equivalent prevailing market costs. If the market average is higher or lower than the current cost by a certain amount, then any excess outside of that range leads to a price adjustment.

The Project Agreement will come to an end on its agreed expiry date of 31 July 2031. Thirty months prior to the Expiry Date, a Handback Survey will be carried out. This will detail each asset and component of each school and will report on the residual life of those assets. On the Expiry Date, the facilities will be handed back to the Council, at nil consideration, in a condition which complies with specific standards / life expectancies for individual components within each school.

The Council only has the right to terminate the contract if it compensates the contractor. Guidelines are clearly set out for rules governing Compensation on Termination, as classified under events of Project Co. Default or Council Default.

South Wirral High has adopted Foundation status. Birkenhead Park School (formerly University Academy Birkenhead), Weatherhead High, Hilbre High, Wirral Grammar School, Bebington High and Prenton High have adopted Academy status. The assets relating to the Academies are no longer reflected in the Balance Sheet.

Kingsway Academy closed in August 2018 and the building legally transferred back to the Council during 2022/23 at nil consideration in a reversal of the transaction occurring when schools convert to academy status. Since July 2022, £2.665m has been spent to adapt the site in preparation for the full transfer of Claremount Specialist Sports College, with the site subsequently being revalued as an operational asset as at 31st March 2024.

Claremount Specialist Sports College took partial occupancy in September 2022 and has been utilising 75% of the site from June 2023. Foxfield school are also on site, although not using the main building. The remaining space will then be reviewed for the best allocation based on the education requirements across Wirral.

An onerous contract of £1.45m set up for the unavoidable costs of meeting the obligation under the PFI has been released in 2023/24 as it is no longer required. The contract was originally treated as an operating lease but with the introduction of IFRIC 12 'Service Concession Arrangements', it has now been accounted for as a finance lease. The value of assets held under the schools PFI scheme is shown below.

Valuation information for PFI assets recognised in the Balance Sheet:

Movement in PFI Assets

	Leasowe Primary	South Wirral High	Kingsway	Total
	£000	£000	£000	£000
Cost or Valuation				
at 1 April 2023	3,461	15,619	17,920	37,000
Additions	0	166	1,292	1,458
Revaluation increases/(decreases) recognised in the Revaluation Reserve	460	4,265	2,466	7,191
at 31 March 2024	3,921	20,050	21,678	45,649
Accumulated Depreciation and Impairment				
at 1 April 2023	(0)	(0)	0	(0)
Depreciation charge	63	451	583	1,097
Depreciation written out to the Revaluation Reserve	(63)	(451)	(583)	(1,097)
at 31 March 2024	(0)	(0)	0	(0)
Net Book Value:				
at 31 March 2024	3,921	20,050	21,678	45,649
at 1 April 2023	3,461	15,619	17,920	37,000

2022/23	Leasowe Primary	South Wirral High	Kingsway	Total
	£000	£000	£000	£000
Cost or Valuation				
at 1 April 2022	2,768	13,757	0	16,525
Additions	0	20	1,365	1,385
Revaluation increases/(decreases) recognised in the Revaluation Reserve	693	1,842	16,555	19,090
at 31 March 2023	3,461	15,619	17,920	37,000
Accumulated Depreciation and Impairment				
at 1 April 2022	(0)	(0)	0	(0)
Depreciation charge	(51)	(399)	(42)	(492)
Depreciation written out to the Revaluation Reserve	51	399	42	492
at 31 March 2023	(0)	(0)	0	(0)
Net Book Value:				
at 31 March 2023	3,461	15,619	17,920	37,000
at 1 April 2022	2,768	13,757	0	16,525

Payments due under PFI Schemes

Estimated future payments remaining to be made under PFI contracts are as follows:

Reimbursement of Capital Expenditure	Payment for Services	Lease Liability	Interest	Lifecycle Costs	Total
	£000	£000	£000	£000	£000
Payable within one year	5,981	3,243	5,299	1,565	16,088
Payable within two to five years	25,504	15,376	23,360	3,900	68,140
Payable within six to ten years	16,265	9,351	13,398	1,168	40,182
Total	47,750	27,970	42,057	6,633	124,410

The unitary payment in 2023/24 is £15.374m (2022/23 £13.714m), allocated as follows:

2022/23	2023/24
£000	£000
5,071 Service Costs	5,700
4,389 Interest and Similar Charges	5,117
1,067 Lease Liability	1,336
3,187 Life Cycle Costs	3,221
13,714 Total	15,374

Liability

The value of the outstanding lease liability which reflects both the short and long term is shown in the table below.

In calculating the future unitary payments to the end of the contract from 2016-17 onward the most up to date information available has been used. This gives a more accurate estimate of the total outstanding liability. The annual unitary payment is increased by the Retail Price Index less 10%. RPI is based on the most up to date information as opposed to the estimates in the operator's financial model.

2022/23	2023/24
£000	£000
34,403 Balance outstanding at start of year	31,221
(3,182) Payments during the year	(3,251)
31,221 Balance outstanding at year-end	27,970

Note 40 - Pension Schemes Accounted for as Defined Contribution Schemes

Teachers

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

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the DfE uses a national fund as the basis for calculating the employer's contribution rate paid by local authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes.

In 2023/24, the Council paid £16.0m (2022/23 £15.5m) to Teachers' Pensions in respect of teachers' retirement benefits. There were no contributions remaining payable at the year-end. The contributions due to be paid in the next financial year are estimated to be £18.9m. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. The Council is not liable to the Scheme for any other entities' obligations under the plan.

Public Health

When Public Health staff transferred from Wirral primary care trust (PCT) in April 2013 on the abolition of the Primary Care Trusts (PCTs) nationally, they retained access to the

NHS Pension Scheme. The Scheme provides specified benefits upon retirement towards which the Council makes contributions based on a percentage of members' salaries. The Scheme is administered by the NHS Business Services Authority on behalf of the Department of Health in England and Wales. The Scheme is a multi-employer defined benefit scheme. The Scheme is unfunded, and the Department of Health uses a notional fund as the basis for setting employer contribution rates. Valuations of the fund are undertaken every four years. The Scheme has over 1.3m active members employed in a wide variety of organisations.

A small number of staff (41) transferred from the Wirral PCT and consequently the Council is unable to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. As a proportion of the total contributions into the NHS Pension Scheme during the year ending 31 March 2023, the Council's own contributions are negligible.

In 2023/24 the Council paid £0.6m (2022/23 £0.2m) to the NHS Pension Scheme in respect of the retirement benefits of public health staff. There were no contributions remaining payable at the year-end. Contributions due to be paid in the next financial year are estimated to be £0.6m. The Council is not liable to the Scheme for any other entities' obligations under the plan.

Note 41 - Defined Benefit Pension Scheme

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits within the Local Government Pension Scheme. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the following post-employment schemes:

The Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme, administered locally by Wirral Borough Council, is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement, is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these liabilities, and cash must be generated to meet actual pension payments as they eventually fall due.

The Merseyside Pension Fund is a multi-employer scheme operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Fund Pensions Committee, which comprises Councillors and representatives from other employers. Policy is determined in accordance with the Public Service Pensions Act 2013.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e., large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Unfunded Teachers' Scheme

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme referred to in the Pension Schemes Accounted for as Defined Contribution Schemes note. These costs are accounted for on a defined benefit basis and the Council is not liable to the Scheme for any other entities' obligations under the plan.

Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on 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 on Reserves Statement. The transactions shown in the table below 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				2023/24			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement							
Cost of Services							
				Service cost comprising:			
58,091	0	0	58,091	27,162	0	0	27,162
4	0	0	4	20	0	0	20
702	0	0	702	496	0	0	496
(3,093)	0	0	(3,093)	(6,090)	0	0	(6,090)
717	0	0	717	772	0	0	772
14,130	874	551	15,555	(1,408)	1,141	761	494
70,551	874	551	71,976	20,952	1,141	761	22,854
				Total charged to Surplus and Deficit on Provision of Services			

Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement

Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000	£000	£000	£000	£000
Re-measurement of the net defined benefit liability comprising:							
83,112	0	0	83,112	(22,387)	0	0	(22,387)
126,487	2,395	1,155	130,037	10,984	221	95	11,300
(9,362)	(90)	(159)	(9,611)	(18,518)	(374)	(249)	(19,141)
(779,124)	(8,117)	(3,516)	(790,757)	(20,151)	(168)	0	(20,319)
(578,887)	(5,812)	(2,520)	(587,219)	(50,072)	(321)	(154)	(50,547)
				Total charged to Other Comprehensive Income and Expenditure Statement			
(508,336)	(4,938)	(1,969)	(515,243)	(29,120)	820	607	(27,693)
				Total charged to the Comprehensive Income and Expenditure Statement			

Pension Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as set out in the table above and below. The total asset at 31 March 2024 is £26.9m (£28.9m liability as at 31 March 2023), although this is unrealised and therefore an unusable asset.

2022/23				2023/24			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
Movement in Reserves Statement							
£000	£000	£000	£000	£000	£000	£000	£000
(70,551)	(874)	(551)	(71,976)	(20,952)	(1,141)	(761)	(22,854)
24,000	2,420	2,168	28,588	23,338	2,558	2,180	28,076
(46,551)	1,546	1,617	(43,388)	2,386	1,417	1,419	5,222
Net movement in reserves							

2022/23				2023/24			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Pensions Assets and Liabilities Recognised in Total the Balance Sheet	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000	£000	£000	£000	£000
(1,377,214)	(25,071)	(16,616)	(1,418,901)	(1,421,141)	(23,333)	(15,043)	(1,459,517)
1,390,026	0	0	1,390,026	1,486,411	0	0	1,486,411
12,812	(25,071)	(16,616)	(28,875)	65,270	(23,333)	(15,043)	26,894
Net (liability) / asset arising from the defined benefit obligation							

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets:

2022/23				2023/24				
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total	Movement in the Value of Scheme Assets	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000		£000	£000	£000	£000
1,430,014	0	0	1,430,014	Opening fair value of scheme assets	1,390,026	0	0	1,390,026
40,336	0	0	40,336	Interest income	67,300	0	0	67,300
				Re-measurement gain / (loss):				
(83,112)	0	0	(83,112)	- The return on plan assets, excluding the amount included in the net interest expense	22,387	0	0	22,387
24,000	2,420	2,168	28,588	Contributions from employer	23,338	2,558	2,180	28,076
9,139	0	0	9,139	Contributions from employees into the scheme	9,749	0	0	9,749
(50,167)	(2,420)	(2,168)	(54,755)	Benefits / transfers paid	(53,085)	(2,558)	(2,180)	(57,823)
(717)			(717)	Administration expenses	(772)	0	0	(772)
20,533	0	0	20,533	Liabilities assumed on entity combinations	27,468	0	0	27,468
1,390,026	0	0	1,390,026	Closing value of scheme assets	1,486,411	0	0	1,486,411

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

2022/23				2023/24				
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total	Movements in the Fair Value of Scheme Liabilities	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000		£000	£000	£000	£000
(1,949,538)	(32,429)	(20,753)	(2,002,720)	Opening balance at 1 April	(1,377,214)	(25,071)	(16,616)	(1,418,901)
(58,091)	0	0	(58,091)	Current service cost	(27,162)	0	0	(27,162)
(54,466)	(874)	(551)	(55,891)	Interest cost	(65,892)	(1,141)	(761)	(67,794)
(9,139)	0	0	(9,139)	Contributions from scheme participants	(9,749)	0	0	(9,749)
				Re-measurement gains and losses:				
(126,487)	(2,395)	(1,155)	(130,037)	- Actuarial gains / (losses) - experience	(10,984)	(221)	(95)	(11,300)
9,362	90	159	9,611	- Actuarial gains / (losses) from changes in demographic assumptions	18,518	374	249	19,141
779,124	8,117	3,516	790,757	- Actuarial gains / (losses) from changes in financial assumptions	20,151	168	0	20,319
(4)	0	0	(4)	Past service cost	(20)	0	0	(20)
(702)	0	0	(702)	Gains / (losses) on curtailments	(496)	0	0	(496)
50,167	2,420	2,168	54,755	Benefits / transfers paid	53,085	2,558	2,180	57,823
(17,440)	0	0	(17,440)	Liabilities assumed on entity combinations	(21,378)	0	0	(21,378)
(1,377,214)	(25,071)	(16,616)	(1,418,901)	Balance as at 31 March	(1,421,141)	(23,333)	(15,043)	(1,459,517)

Significant Assumptions by the Actuary have been:

2022/23	Local Government Pension Scheme	2023/24
Mortality assumptions		
Longevity at retirement for current pensioners		
22.4	Men	20.9
25.9	Women	23.4
Longevity at retirement for future pensioners		
21.2	Men	22.2
23.7	Women	25.2
Other assumptions		
2.7%	Rate of inflation	2.7%
4.2%	Rate of increase in salaries	4.2%
2.8%	Rate of increase in pensions	2.8%
4.8%	Rate for discounting scheme liabilities	4.9%

2022/23	Teachers' Unfunded	2023/24
Mortality assumptions		
Longevity at retirement for current pensioners aged 75		
12.8	Men	12.6
14.8	Women	14.5
Longevity at retirement for current pensioners aged 65		
21.2	Men	20.9
23.7	Women	23.4
Other assumptions		
2.7%	Rate of inflation	2.7%
2.8%	Rate of increase in pensions	2.8%
4.9%	Rate for discounting scheme liabilities	4.9%

Increase by 0.1%	LGPS £000	Teachers' Unfunded £000
Longevity	37,327	757
Rate of inflation	52,594	228
Rate of increase in salaries	9,034	0
Rate for discounting scheme liabilities	(99,711)	(437)

Note 42 - Contingent Assets and Liabilities

Contingent Liabilities

Non-Domestic Rates

The Council has made a provision for National Non-Domestic Rates (Business Rates) appeals based upon its best estimate of the actual liability in known appeals as at 31 March 2024. However, as appeals can be backdated for several years it is possible that additional costs could be incurred by the Council if any subsequent appeals are successful. There is an estimated contingent liability of circa £0.445m relating to unknown claims.

Acquisition of Premises

A PUT/CALL option on 25th November 2022 with Wirral Methodist Housing Assoc and ALPHA (R.S.L) Limited. The Council has granted a Put option to the seller for the Council to purchase or underwrite the sale of a building. The Put is where the Council would have to purchase the premises if it fails to reach its negotiated Option Price. The Put option could be exercised in the period expiring on the earlier of 4 years from 22nd November 2022 or once the proposed development of extra care facility with approximately 85 units has reached two brick courses above foundation level.

The Put and Call Option has a potential value of £800k to the Council which is funded through the Strategic Acquisition Fund. The seller can serve notice on the Council to

purchase the property for £800k with vacant possession. If after 12 weeks the Council has not responded, the seller can dispose of the property and require the Council to pay to it by way of a grant for affordable / social housing a sum representing the difference between £800k and the sale price if the value of the sale is below £800k.

Holiday Pay Claim

There is a potential liability relating to holiday pay in respect of certain employees following a lengthy period of litigation in the higher courts which impacts on all Employers. Any 'regularly worked' overtime/additional hours should be taken into account for holiday pay. However, there is some uncertainty around this as it is difficult to define 'regular'.

Discussions have been ongoing with Trade Unions for a number of years. A proposal has been put to the Trade Unions in an attempt to settle any potential claims but has not yet been accepted. The proposal would result in a one-off back pay situation for the 3-year period from 1st April 2020, with a potential cost of £135k per year.

Any potential claim since April 2023 has been mitigated by the introduction of a quarterly payment charged to revenue budgets, which was implemented in 2023.

Contingent Liabilities offset by Asset

A PUT/CALL option is in place whereby Peel L and P (Ports No.3) Limited (Peel) and Wirral Council have an agreement to sell/acquire the Hythe Office Development for a maximum period of three years post practical completion. This option applies if at any point the value exceeds the option price of £4.985m. Where the value exceeds £4.985m the Put cannot be called upon by Peel.

The Put is where the Council would have to purchase the Hythe if it fails to reach its negotiated Option Price value and such purchase would be at the option price. Where the value exceeds this sum the Put option falls away.

If the Put was called the Council would be required to purchase the site and capital borrowing would be required of £4.985m. Should the valuation be at more than the option price the Council could choose to trigger the call option and take the Lease for the option price which would be lower than the independent valuation.

Note 43 - Nature and Extent of Risks Arising from Financial Instruments

The Council has adopted CIPFA's Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities.

As part of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance for Local Authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

- Credit Risk: The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other Council;
- Liquidity Risk: The possibility that the Council will be unable to raise funds to meet the commitments associated with Financial Instruments;
- Market Risk: The possibility that the value of an instrument will fluctuate because of changes in interest rates, market prices etc.

Credit Risk

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit is placed on the amount of money that can be invested with a single counterparty (other than the UK government). The Council also sets a total group investment limit for institutions that are part of the same banking group, along with a limit on the amount that can be invested for a period longer than a year. These limits can be found within the 'Treasury Management Strategy Statement'.

The table below summarises the credit risk exposures of the Council's investment portfolio at 31 March 2024 by the counterparty's country of origin and its credit rating. The table confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment:

Credit Rating *	Balance	Maturity of Investment			Balance
	Invested as at 31 March 2023	Cash Equivalent	Short Term Investment	Long Term Investment	Invested as at 31 March 2024
	£000	£000	£000	£000	£000
AAA	12,077	18,206	0	0	18,206
A+	0	0	0	0	0
A	0	0	0	0	0
Unrated Energy Bond	1,500	0	0	0	0
Unrated Subsidiaries + Corporate	1,107	0	125	857	982
Total	14,684	18,206	125	857	19,188
Credit risk not applicable*	25,455	0	9,145	7,855	17,000
Total Investments	40,139	18,206	9,270	8,712	36,188

* Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any particular sum of money.

Credit Risk - Debtors	31 March 2023	31 March 2024
	£000	£000
Less than three months	4,463	7,200
Three to six months	1,638	2,569
Six months to one year	1,203	1,569
More than one year	1,756	2,089
Total	9,060	13,427

Liquidity Risk

The Council has access to borrowing facilities from the Public Works Loan Board. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage the risk that it will be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates by aiming to have an even spread of maturities in each year.

The maturity analysis of the nominal value of the Council's debt at 31 March 2024 was as follows:

Liquidity Risk	31 March 2023	31 March 2024
	£000	£000
Less than one year	136,666	149,656
Between one and two years	6,598	9,111
Between two and five years	1,804	15,851
More Than 5 Years	1,237	20,282
More Than 10 years	134,613	110,347
Total	280,918	305,247

Trade Receivables

Trade receivables are also subject to non-payment and are reviewed for impairment. By adjusting for impairment, the credit risk is recognised in the accounts:

	31 March 2023	31 March 2024
	£000	£000
Gross Receivables	56,436	60,876
Impairment	(18,100)	(17,896)
Total	38,336	42,980

Market Risk

Interest Rate Risk:

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

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. 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. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

If all interest rates had been 1% higher, with all other variables held constant, the financial effect would be as shown in the table below.

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

The Council has £51m (2023 £94.5m) of "Lender's option, borrower's option" (LOBO) loans with maturity dates between 2026 and 2065 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. In the current low interest rate environment, the likelihood of the lender increasing the rate is low; however, the likelihood will increase in later years should market interest rates rise.

Market Risk - Interest Rate Risk	31 March 2023	31 March 2024
	£000	£000
Increase in interest payable on variable rate borrowings	478	823
Increase in interest receivable on variable rate investments	(409)	(358)
Decrease in fair value of investments held at FVPL	14	25
Impact on Surplus or Deficit on the Provision of Services	83	490
Impact on Other Comprehensive Income and Expenditure	83	490
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(18,839)	(16,929)
Decrease in fair value of loans and investments at amortised cost	0	0

Market Risk: Price risk

The market prices of the Council's fixed rate bond investments and its units in pooled bond funds are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £10m per fund. A 5% fall in commercial property prices at 31st March 2024 would result in a £0.04m (2023: £0.04m) charge to the Surplus or Deficit on the Provision of Services.

Market Risk: Foreign exchange risk

The Council has no financial assets or liabilities denominated in a foreign currency. It, therefore, has no exposure to loss arising as a result of adverse movements in exchange rates.

Note 44 – Restatement of 2022/23

Reclassification of 2022/23 Cost of Services in the Comprehensive Income and Expenditure Statement

During 2022/23, there were some changes in the way income and expenditure and several functions were reported in outturn. The table below shows how this information was originally presented in the 2022/23 Comprehensive Income and Expenditure Statement.

Original 2022/23 Comprehensive Income and Expenditure Statement Cost of Services

	2022/23		Net £000
	Expenditure £000	Income £000	
Chief Executive Officer	2,336	(149)	2,187
Resources	141,458	(101,058)	40,400
Neighbourhood Services	82,926	(23,434)	59,492
Law & Governance	8,532	(1,544)	6,988
Regeneration & Place	41,837	(15,639)	26,198
Children, Families & Education	370,464	(258,250)	112,214
Adults Care and Health and Strategic Commissioning	201,489	(85,568)	115,921
	849,042	(485,642)	363,400

Full Revised 2022/23 Comprehensive Income and Expenditure Statement

	2022/23		Net £000
	Expenditure £000	Income £000	
Adults Care and Health	201,489	(85,568)	115,921
Chief Executive Office	0	0	0
Children, Families & Education	370,464	(258,250)	112,214
Finance	109,835	(97,760)	12,075
Law & Corporate Services	10,752	(1,693)	9,059
Neighbourhood Services	82,354	(23,433)	58,921
Regeneration & Place	42,442	(15,638)	26,804
Resources	35,647	(1,367)	34,280
Strategic Holding Account and Corporate Items	(1,250)	(4,624)	(5,874)
Cost of Services	851,733	(488,333)	363,400
Other Operating Expenditure	44,541	0	44,541
Financing and Investment Income and Expenditure	36,797	(11,732)	25,065
Taxation and Non Specific Grant Income	0	(387,293)	(387,293)
Surplus or Deficit on Provision of Services	933,071	(887,358)	45,713
Surplus or deficit on revaluation of Property, Plant and Equipment			(72,558)
Impairment losses on non-current assets charged to the Revaluation Reserve			99
Surplus or deficit on revaluation of available for sale financial assets and financial instruments at fair value through other comprehensive income and expenditure			506
Remeasurement of the net defined benefit liability / asset			(587,219)
Other Comprehensive Income and Expenditure			(659,172)
Total Comprehensive Income and Expenditure			(613,459)



Additional Financial Statements

Collection Fund Statement

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 and distribution to local authorities and the government of Council Tax and Non-Domestic Rates.

2022/23			2023/24		
Business Rates £000	Council Tax £000	Total £000	Business Rates £000	Council Tax £000	Total £000
INCOME					
0	(199,078)	(199,078)	0	(211,181)	(211,181)
(59,706)	0	(59,706)	(58,913)	0	(58,913)
(59,706)	(199,078)	(258,784)	(58,913)	(211,181)	(270,094)
EXPENDITURE					
Apportionment of Previous Years Surplus / (Deficit)					
(21,237)	5,170	(16,067)	(6,561)	(1,265)	(7,826)
0	710	710	0	(170)	(170)
(215)	260	45	(66)	(64)	(130)
0	60	60	0	(15)	(15)
(21,452)	6,200	(15,252)	(6,627)	(1,514)	(8,141)
Precepts, Demands and Shares					
63,721	163,030	226,751	67,150	171,909	239,059
0	22,553	22,553	0	24,084	24,084
644	7,957	8,601	678	8,470	9,148
0	1,808	1,808	0	1,816	1,816
64,365	195,348	259,713	67,828	206,279	274,107
Charges to Collection Fund					
446	290	736	662	393	1,055
36	3,900	3,936	(2,188)	475	(1,713)
1,198	0	1,198	(1,878)	0	(1,878)
707	0	707	(3,528)	0	(3,528)
317	0	317	315	0	315
74	0	74	311	0	311
0	0	0	88	0	88
2,778	4,190	6,968	(6,218)	868	(5,350)
(14,015)	6,660	(7,355)	(3,930)	(5,548)	(9,478)
21,001	(5,194)	15,807	6,986	1,466	8,452
6,986	1,466	8,452	3,056	(4,082)	(1,026)

Notes to the Collection Fund

Note 1 - Council Tax Income

The Council is responsible for collecting council tax from its residents on behalf of itself, Police & Crime Commissioner for Merseyside, Merseyside Fire & Rescue Service, and Liverpool City Region Combined Authority. At the time of setting council tax for 2023/24, the tax base was estimated as 95,585.07 band D equivalent properties. This includes an adjustment for the proportion of Council Tax that is estimated to ultimately be collected.

The table below shows the number of band D equivalent properties in each valuation band. 2022/23 is included for comparison and has been restated to accurately reflect the Council Tax base approved for 2022/23

2023/24					
Band	Valuation band limits	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	Council Tax payable
	£	No		No	£
Disabled A	1/9th of Band A	73.6	5/9	40.9	
A	Upto and including - 40,000	36,564.3	6/9	24,376.2	1,438.71
B	40,001 - 52,000	25,645.9	7/9	19,946.8	1,678.50
C	52,001 - 68,000	23,826.4	8/9	21,179.0	1,918.27
D	68,001 - 88,000	12,077.6	9/9	12,077.6	2,158.06
E	88,001 - 120,000	7,664.3	11/9	9,367.5	2,637.62
F	120,001 - 160,000	4,084.3	13/9	5,899.5	3,117.20
G	160,001 - 320,000	2,976.8	15/9	4,961.3	3,596.77
H	More than - 320,001	244.9	18/9	489.8	4,316.12
				Collection Rate	97.20%
				Council tax base	95,585.07

2022/23 (restated)					
Band	Valuation band limits	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	Council Tax payable
	£	No		No	£
Disabled A	1/9th of Band A	64.5	5/9	35.8	
A	Upto and including - 40,000	36,063.7	6/9	24,042.5	1,368.39
B	40,001 - 52,000	25,531.3	7/9	19,857.7	1,596.45
C	52,001 - 68,000	23,815.3	8/9	21,169.2	1,824.51
D	68,001 - 88,000	12,072.4	9/9	12,072.4	2,052.58
E	88,001 - 120,000	7,643.9	11/9	9,342.6	2,508.71
F	120,001 - 160,000	4,073.7	13/9	5,884.2	2,964.83
G	160,001 - 320,000	2,953.1	15/9	4,921.8	3,420.97
H	More than - 320,001	243.6	18/9	487.2	4,105.16
				Collection Rate	97.30%
				Council tax base	95,172.39

Note 2 - Non-Domestic Rates

The Council is responsible for collecting non-domestic rates from businesses located within its area on behalf of itself and Merseyside Fire and Rescue Service. The total rateable value of all business properties within the Council's area as at 31 March 2024 is £193.2m (£185.5m as at 31 March 2023). The business rates paid by a business for a property within the Council area equate to the rateable value multiplied by a rate set by central government (the multiplier). The multiplier charged is based on the rateable value of the property as follows:

	2022/23 multiplier	2023/24 multiplier
Rateable Value	(pence)	(pence)
Up to £51,000	49.9	49.9
Over £51,000	51.2	51.2



Glossary

Glossary

Accruals

Income is recognised when it is earned rather than when it is received. Expenditure is recognised when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses

Actuaries assess financial and non-financial information provided to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses arise because:

- Events have not coincided with the actuarial assumptions made at the last valuation
- The actuarial assumptions have changed.

Balances

The balances are to provide funding for unanticipated expenditure and / or expenditure that is of an unforeseen nature. The level is determined having regard to the strategic, operational and financial risks and uncertainties faced by the Council.

Budget

The budget is a statement of the spending plans for the financial year.

Business Rates (also known as National Non-Domestic Rates (NNDR))

A levy on business property based on national rate in the £ applied to the rateable value of the premises. The Government determines the national rate, and the Rates are collected by the Council and accounted for within the collection fund. The Council draws down from this an amount specified at the start of the year.

Capitalisation Directive

This is where the council can apply to borrow money to fund Revenue in exceptional circumstances due to factors beyond the local authority's control i.e., Covid 19

The costs that can be capitalised are expenditure costs as they are incurred, the Council will charge a Minimum Revenue Provision (MRP) over the life of the assets, in the case of a directive this is no more than 20 years.

Capital Expenditure

Expenditure on the acquisition of an asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

Capital Receipts

Income received from the disposal of land and other capital assets, and from the repayment of grants and loans to the Council.

Chartered Institute of Public Finance and Accountancy (CIPFA)

This institute is the leading professional accountancy body for public services and produces the Code of Practice that must be followed in preparing the Council's financial statements.

Collection Fund

A fund administered by the Council to record all income collected from local taxpayers and business ratepayers and shows how this is passed on to other public authorities.

Community Assets

These are fixed assets which the Council intends to hold in perpetuity which have no determinable finite useful life and may have restrictions on their disposal, e.g., Parks.

Council Tax

This is the main source of taxation for the Council. It is levied on households within the area and the proceeds are paid into the Collection Fund for distribution to precepting authorities and for use by the Council's General Fund.

Creditors

Amounts owed by the Council for works undertaken, goods received or services provided for which payment had not been made at the date of the Balance Sheet.

Current Service Costs (Pensions)

For a defined benefit scheme, the value of the pension benefits earned by active employees in the period, net of contributions paid by employees in respect of those benefits. The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period i.e., the ultimate pension benefits earned by employees in the current year.

Curtailment (Pensions)

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces the number of employees the accrual of defined benefits for some or all of their future service.

Debtors

Amounts owed to the Council that had not been received at the date of the Balance Sheet.

Defined Benefits Scheme

A pension, or other retirement benefit scheme, where the scheme's rules define the benefits payable independently of the contributions paid into the scheme. The benefits paid from the scheme are not directly related to the investments within the scheme. The scheme may be funded or unfunded.

Defined Contributions Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions, as an amount or as a % of pay, and has 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

A charge that represents the extent to which an asset has been worn-out or used or otherwise reduced the useful economic life of a fixed asset during the year.

Expected Rate of Return on Pensions Assets

For the Pension Fund the average rate of return, including both income and changes in fair value net of scheme expenses, expected over the remaining life of the asset.

Expenditure

Amounts paid by the Council for works undertaken, goods received or services provided, which is deemed to have been spent when the works, goods or services have been received.

FVOCI

Fair value other comprehensive income.

General Fund

The main revenue fund of the Council and includes the net costs of all services financed by local taxpayers and Government grants. It is the day-to-day spending on services.

Government Grants

Specific assistance by Government and similar bodies in the form of cash. For specific grants to a particular service there is expected to be compliance with certain conditions relating to the activities of the Council, but many grants are 'general' and used to help pay for the net cost of Council services generally.

Heritage Assets

These are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained for the contribution to knowledge and culture. This includes Civil Regalia, works of art and historic buildings.

Impairment

A reduction in the value of a fixed asset below the amount brought forward in the Balance Sheet. Reductions include items such as a significant decline in a fixed asset's market value.

Income

Amounts due to the Council for goods supplied or services provided with the income deemed to have been earned once the goods or services have been supplied.

Infrastructure Assets

These are assets which generally cannot be sold and from which benefit can be obtained only from the continued use of the asset e.g., highways and bridges.

Intangible Assets

These are assets which do not have physical substance but are identifiable and controlled by the Council and include items such as software and licenses.

International Financial Reporting Standards (IFRS)

The Standards dictate specific accounting treatments. They must be applied to all financial statements in order to provide a true and fair view of the financial position, and a standardised method of comparison with others.

Investment Properties

Properties held solely to earn rentals or for capital appreciation, and not used to provide services or for administrative purposes.

Leases

Leasing costs are the rental for the use of an asset for a specified period of time. There are two different types of lease. Finance leases transfer substantially the risks and rewards of ownership of a fixed asset to the lessee. Operating leases are where the balance of risks and rewards remains with the lessor who retains the asset e.g., computer equipment.

Medium Term Financial Strategy (MTFS)

The Council's medium-term financial plan.

Minimum Revenue Provision (MRP)

This is the minimum amount that the Council is required to charge to the revenue account each year to provide for the repayment of debt.

National Non-Domestic Rates (NNDR also known as Business Rates)

A levy on business property based on national rate in the £ applied to the rateable value of the premises. The Government determines the national rate, and the Rates are collected by the Council and accounted for within the collection fund. The Council draws down from this an amount specified at the start of the year.

Net Book Value

Net book value, also known as net asset value, is the value at which an organisation reports an asset on its balance sheet. It is calculated as the original cost of an asset less accumulated depreciation, accumulated amortization, accumulated depletion or accumulated impairment.

Net Expenditure

Gross expenditure less specific service income but before the deduction of non-ring-fenced government grants and local taxation.

OCIE

Other comprehensive Income and Expenditure.

Precept

The amount the Council is required to raise from Council Tax on behalf of other authorities namely the Merseyside Police Authority, Merseyside Fire & Rescue Service, and the Liverpool City Region Combined Authority. It is collected and distributed on behalf of precepting authorities by the Council. These transactions are accounted for within the Collection Fund.

Prior Year Adjustments

These are material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Property, Plant and Equipment

Assets that yield benefits to the Council and the services provided for a period of more than one year e.g., buildings, land and vehicles.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and / or timing of such costs is uncertain.

Public Works Loans Board (PWLB)

A Central Government body which is the main provider of loans to local authorities to fund capital expenditure.

Reserves

These are amounts held to meet specific, known or predicted future expenditure.

Revenue Expenditure

This is spending on the day-to-day running costs of providing services and is primarily employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital under Statute (REFCUS)

This represents items of capital expenditure where no asset exists, and the cost is allowed by statute to be charged as revenue expenditure to the Consolidated Income & Expenditure Statement.

Scheme Liabilities

These are the liabilities of the Pension Fund for outgoings in the future and reflect the benefits that the employer is committed to provide for service up to a set date.

Unfunded Defined Benefit Scheme

An employer managed retirement plan that uses the employer's current income to fund pension payments as they become necessary. This is in contrast to a funded pension scheme where an employer sets aside funds systematically and in advance to cover any pension plan expenses such as payment to retirees and their beneficiaries.

Unsupported (Prudential) Borrowing

This is borrowing for which no support is given by Central Government. The Council is permitted to undertake unsupported borrowing but has to ensure that the borrowing costs are affordable and be met from the revenue budget.

Useful Life

This is the period over which the Council will derive benefit from the use of an asset.



Merseyside Pension Fund

Independent auditor's report to the members of Wirral Metropolitan Borough Council on the pension fund financial statements of Merseyside Pension Fund

Opinion on financial statements

We have audited the financial statements of Merseyside Pension Fund (the 'Pension Fund') administered by Wirral Metropolitan Borough Council (the 'Authority') for the year ended 31 March 2024, which comprise the Fund Account, the Net Assets Statement and notes to the pension fund 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.

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2024 and of the amount and disposition at that date of the fund's assets and liabilities, other than liabilities to pay promised retirement benefits after the end of the fund year;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the Pension Fund's financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Finance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Pension Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Pension Fund to cease to continue as a going concern.

In our evaluation of the Director of Finance's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Pension Fund's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Pension Fund. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the

basis of preparation used by the Authority in the Pension Fund financial statements and the disclosures in the Pension Fund financial statements over the going concern period.

In auditing the financial statements, we have concluded that the Director of Finance's use of the going concern basis of accounting in the preparation of the Pension Fund financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the Pension Fund's financial statements and our auditor's report thereon, and our auditor's report on the Authority's financial statements. The Director of Finance is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Pension Fund financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice (2024) published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice)

In our opinion, based on the work undertaken in the course of the audit of the Pension Fund's financial statements, the other information published together with the Pension Fund's financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the Pension Fund financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters in relation to the Pension Fund.

Responsibilities of the Authority and the Director of Finance

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority 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 authority, that officer is the Director of Finance. The Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's 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, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Pension Fund's financial statements, the Director of Finance is responsible for assessing the Pension Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Pension Fund without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Pension Fund and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003), Public Service Pensions Act 2013, Local Government Pension Scheme Regulations 2013 and Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

We enquired of management and the Pensions Committee, concerning the Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Pensions Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Pension Fund's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the

evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

- journal entries that altered the Fund's financial performance for the year;
- potential management bias in determining accounting estimates and judgements in relation to:
 - the valuation of level 3 investments
 - the valuation of level 2 investments
 - the valuation of directly held properties

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on manually posted journals, large journals over performance materiality, self-approved journals, and any journals posted by senior management;
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of level 2 investments, level 3 investments and directly held property; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including management override of controls. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the local government pensions sector; and
- understanding of the legal and regulatory requirements specific to the Pension Fund including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Pension Fund's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of

transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and

- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 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 Authority's members 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Farrar

John Farrar, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Liverpool

28 February 2025

Merseyside Pension Fund Accounts

2022/23 £000	FUND ACCOUNT - For the year ended 31 March 2024	Note	2023/24 £000
	Dealing with members, employers and others directly involved in the fund:		
205,024	Contributions Receivable	7	259,142
18,489	Transfers In	8	13,422
223,513			272,564
(385,742)	Benefits Payable	9	(436,968)
(17,109)	Payments to and on account of Leavers	10	(15,524)
(402,851)			(452,492)
(179,338)	Net additions/(withdrawals) from dealing with members		(179,928)
(45,917)	Management Expenses	11	(38,145)
(225,255)	Net additions/(withdrawals) including Fund Management Expenses		(218,073)
	Return on Investments:		
257,547	Investment Income	12	267,823
(614,666)	Profit and Losses on Disposal of Investments and Change in Market Value of Investments	13	363,924
(5,836)	Taxes on Income	12	(5,347)
(362,955)	Net Return on Investments		626,400
(588,210)	Net Increase/(Decrease) in the Fund during the year		408,327
11,000,898	Net Assets of the Fund at the start of the year		10,412,688
10,412,688	Net Assets of the Fund at the end of the year		10,821,015

2022/23 £000	NET ASSETS STATEMENT - For the year ended 31 March 2024	Note	2023/24 £000
	Investment Assets	13	
3,172,527	Equities		3,136,939
501,716	Bonds		477,212
5,922,231	Pooled Investment Vehicles		6,295,744
187,180	Derivative Contracts		6,758
470,300	Direct Property		454,600
155,482	Loans		224,371
80,732	Short Term Cash Deposits		101,810
130,507	Other Investment Balances		96,042
10,620,675			10,793,476
(239,184)	Investment Liabilities	14	(5,825)
10,381,491	Total Net Investment Assets		10,787,651
3,423	Long Term Assets	19	3,024
45,076	Current Assets	20	50,022
(17,302)	Current Liabilities	20	(19,682)
10,412,688	Net Assets of the Fund as at 31 March		10,821,015

Notes to the Merseyside Pension Fund's Accounts

Note 1 Description of the Fund

Merseyside Pension Fund (MPF/the Fund) is part of the Local Government Pension Scheme (LGPS), and Wirral Council is the Administering Authority.

The overall responsibility for the management of the Fund rests with the Pensions Committee, which for 2023/24 included eleven Councillors from Wirral Council, the Administering Authority and one Councillor from each of the four other Merseyside Borough Councils, and one member representing the other employers in the scheme. Representatives of trade unions also attend. The more detailed consideration of investment strategy and asset allocation of the Fund's portfolios is considered by the Investment Monitoring Working Party, which includes two external advisers and a consultant. During 2023/24 a Responsible Investment Working Party was set up to increase capacity for considering responsible investment issues, which also includes two external advisers and a consultant. The more detailed consideration of governance and risk issues is considered by the Governance and Risk Working Party.

In 2015/16 a local Pensions Board was introduced in accordance with the Public Service Pensions legislation and regulations. The Board's aim is to assist the Administering Authority with ensuring compliance and the effective governance and administration of the Fund.

A) General

The Scheme is governed by the Public Services Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefit pension scheme administered by Wirral Council to provide pensions and other benefits for pensionable employees of the Merseyside Local Authorities and a range of other scheduled and admitted bodies.

B) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to remain in the Scheme or make their own personal arrangements outside the Scheme.

Organisations participating in Merseyside Pension Fund include:

- Scheduled bodies, which are Local Authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation.

There are 228 employer organisations within Merseyside Pension Fund including Wirral Council itself. The Fund has 153,157 members as detailed below:

31 March 2023		31 March 2024
223	Number of Employers with Active Members	228
48,998	Number of Employees in Scheme	48,985
50,111	Number of Pensioners	51,160
6,602	Number of Dependants	6,692
43,429	Number of Deferred Pensioners	46,320
149,140	Total Number of Members in the Scheme	153,157

*Included within the number of deferred pensioners are 6,444 undecided leavers (3,880 31 March 2023).

C) Funding

Benefits are funded by employee and employer contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS, with employer contributions set to achieve the funding target for each individual employer as detailed within the Valuation Rates and Adjustment Certificate.

D) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the Scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is adjusted annually in line with the Consumer Price Index.

There are a range of other benefits provided under the Scheme, for more details please refer to the Fund's website: [Merseyside Pension Fund Website](#)

Note 2 Basis of Preparation

The Statement of Accounts summarises the Funds' transactions for the 2023/24 financial year and its position at year-end as at 31 March 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, are shown within the statement by the Actuary, which is published as an addendum to the accounts.

The accounts have been prepared on a going concern basis.

The following standards introduced by the 2024/25 Code, where disclosures are required in the 2023/24 financial statements are below, however, they are not anticipated to have any impact on the amounts expected to be reported in the Fund's financial statements:

- IFRS 16 Leases - introduced on 1 January 2019, was due to be adopted by the Code for accounting periods commencing on or after 1 April 2022, however, a decision by Cipfa is to defer the implementation of IFRS until 1 April 2024. This new

accounting standard largely removes the distinction between operating and finance leases by introducing an accounting model that requires lessees to recognise assets and liabilities for all assets with a term of more than 12 months unless the underlying asset is of low value. Implementation of IFRS 16 is not expected to have a material impact on the Fund because it does not hold any assets as a lessee.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16).
- Non-current Liabilities with Covenants (Amendments to IAS 1).

Note 3 Summary of Significant Accounting Policies

The financial statements have been prepared on an accruals basis, unless otherwise stated.

Contributions and Benefits

Contributions are accounted for on an accruals basis. Contributions are made by active members of the Fund in accordance with LGPS Regulations and employers' contributions are based on triennial actuarial valuations.

Employer normal contributions and deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Scheme actuary or on receipt if earlier than the due date.

Employers' pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year, but unpaid, will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

Benefits payable represent the benefits paid during the financial year and include an estimated accrual for lump-sum benefits outstanding as at the year-end. Benefits payable includes interest on late payment. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Estimates for post year-end outstanding items have been used for payments of retirement grants and death grants:

- Retirement grants due for payment, but not paid by 31 March 2024, using actual figures as far as possible, and assuming maximum commutation to be taken, where the knowledge of the individual member's choice is still outstanding.
- Death grants due for payment, but not paid by 31 March 2024, for example, awaiting Probate.

Transfers to and from Other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined, or left the Fund, during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Management Expenses

The Fund discloses its management expenses analysed into three categories: administration costs, investment management costs and oversight and governance costs, in accordance with CIPFA "Accounting for Local Government Management Costs".

Administration Costs

All administration expenses are accounted for on an accruals basis. All staff costs of the Fund's administration team are charged direct to the Fund. Associated management and other overheads are apportioned to the Fund in accordance with Council Policy.

Investment Management Costs

All investment expenses are accounted for on an accrual basis.

Fees of the external Investment Managers and Custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market values of the investments under their management and therefore increase or reduce as the value of these investments change.

Costs in respect of the internal investment team are classified as investment expenses.

Estimates for post year-end outstanding items have been used for external Investment Management fees, using the Fund's valuations as at 31 March 2024.

In accordance with CIPFA "Accounting for Local Government Pension Scheme Management Expenses (2016)" guidance, transaction costs are shown under investment expenses.

Oversight and Governance Costs

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with oversight and governance are charged direct to the Fund. Associated management and other overheads are apportioned to the Fund in accordance with Council Policy.

The cost of obtaining investment advice from external consultants is included in governance and oversight expenses.

Investment Income

Income from Equities is accounted for when the related investment is quoted ex-dividend. Income from Bonds, Pooled Investment Vehicles and interest on Loans and Short-term Deposits has been accounted for on an accruals basis. Distributions from Private Equity are treated as return of capital until the book value is nil then treated as income on an accruals basis.

Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income and recognised over the term of the lease. Property expenditure is deducted from rental income to report net income from properties.

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Taxation

The Fund is a registered Public Service Scheme under Section 1 (1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

Valuation of Investments

All financial assets apart from loans are included in the Net Asset Statement on a fair value basis as at the reporting date. Loans are included in the Net Asset Statement on an amortised cost basis. The values of investments as shown in the net asset statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see note 15). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016). The values of investments as shown in the Net Asset Statement are determined as follows:

- Listed securities are valued at quoted bid market prices on the final day of the accounting period. The bid price is the price which the Fund would have obtained had the securities been sold at that date.
- For unlisted investments, wherever possible, valuations are obtained via the Independent Administrator. Valuations that are obtained direct from the Manager are verified against the latest available audited accounts adjusted for any cash flows up to the reporting date.
- Hedge Funds and Infrastructure are recorded at fair value based on net asset values provided by Fund Administrators, or using latest financial statements published by respective Fund Managers, adjusted for any cash flows.
- Private Equity valuations are in accordance with the guidelines and conventions of the British Venture Capital Association/International Private Equity guidelines, or equivalent.
- Indirect Property is valued at net asset value or capital fair value basis provided by the Fund Manager. For listed Funds, the net asset value per unit is obtained through data vendors.
- The freehold and leasehold interests in the properties held within the Fund were independently valued as at 31 March 2024 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuer of the Fund as defined by the Alternative Investment Fund Managers Regulations 2013). This valuation accords with the requirements of IFRS13 and the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, together the “Red Book”.
- Pooled Investment Vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of Pooled Investment Vehicles that are Accumulation Funds, change in market value also includes income which is reinvested by the Manager of the vehicle in the underlying investment, net of applicable withholding tax.

Translation of Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at rates ruling at the year-end. Foreign income received during the year is translated at the rate ruling at the date of receipt. All resulting exchange adjustments are included in the revenue account.

Derivatives

The Fund uses derivative financial assets to manage exposure to specific risks arising from its investment activities.

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in the fair value of derivative contracts are included in change in market value.

The value of future contracts is determined using exchange prices at the reporting date. Amounts due from or owed to the broker are the amounts outstanding in respect of the initial margin and variation margin.

The value of exchange traded options is determined using the exchange price for closing out the option at the reporting date.

The future value of forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year-end with an equal and opposite contract.

Short Term Deposits

Short-term deposits only cover cash balances held by the Fund. Cash held by Investment Managers awaiting investment is shown under "Other Investment Balances".

Financial Liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

Additional Voluntary Contribution

The Committee holds assets invested separately from the main fund. In accordance with regulation 4 (1) (b) of the Pensions Schemes (Management and Investment of Funds) Regulations 2016, these assets are excluded from the Pension Fund accounts.

The Scheme providers are Utmost Life, Standard Life and Prudential. Individual members participating in this arrangement each receive an annual statement confirming the amounts held on their account and the movements in the year.

Note 4 Critical Judgements in Applying Accounting Policies

The Fund has not applied any critical judgements.

Note 5 Estimation & Uncertainty

Unquoted Investments

The Fund has significant unquoted investments within Private Equity, Infrastructure, Property and other Alternative investments. These are valued within the financial statements using valuations from the Managers of the respective assets. There are clear accounting standards for these valuations and the Fund has procedures in place to ensure valuations applied by Managers comply with these standards and any other relevant best practice. The value of unquoted assets as at 31 March 2024 was £5,754 million (£5,423 million at 31 March 2023).

Private Equity investments are valued at fair value in accordance with International Private Equity and British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Infrastructure and other alternative assets are valued in accordance with Accounting Standards; however, the valuation basis includes a degree of estimation.

Hedge Funds are valued at the sum of the fair values provided by the Administrators of the underlying Funds plus adjustments that the Hedge Fund Directors or Independent Administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Direct property and pooled property funds use valuation techniques to determine the carrying amount. Where possible, these valuations are based on observable data, but where this is not possible, management uses the best available data.

For 2023/24 there remains additional uncertainty regarding the valuations of illiquid assets, due to the volatility in the financial markets, impacted by world events and the time it will take to fully realise the impact on such assets. There is an increased level of risk that the estimated valuations may be misstated. The valuations have been updated based upon the available information as at 31 March 2024 and maybe subject to variations as further information becomes available. Note 15 sets out a sensitivity analysis of such assets valued at level 3 (the remaining unquoted assets are classified as level 2 assets).

With regards to the Fund's level 3 investments, these are well diversified between sectors and also vintage year (year in which first influx of investment capital is delivered to a project or company) meaning that there will be a wide dispersion between the potential valuation effects. Some of the underlying level 3 investment assets could have seen positive uplifts to their valuations, as well as those which will have seen negative.

Note 6 Events after the Reporting Date

Non-Adjusting Post Balance Sheet Event

There have been no events since 31 March 2024, and up to the date when these accounts were authorised, that require any adjustments to these accounts.

However, in June 2024, the Fund purchased for £203 million, an insurance policy to secure benefits payable for a defined group of pensioners and deferred pensioners of one employer. The insurance policy will be held as an asset on the Net Asset Statement and valued annually by the actuary, in accordance with the Code of Practice on Local Authority Accounting in the UK.

Since the reporting date and as at January 2025 when the accounts were authorised, the value of the Fund has increased to £11bn (unaudited).

Note 7 Contributions Receivable

Contributions are made by active members of the Fund in accordance with the LGPS and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2024. Employee contributions are matched by employers' contributions which are based on triennial actuarial valuations. The 2023/24 contributions above were calculated at the valuation dated 31 March 2022. The 2022 actuarial valuation calculated the average primary employer contribution rate of 18.7% (2019 17.2%). The Fund received additional or upfront payments covering the three-year period, until the next actuarial valuation in 2025, totaling £548,060 (2022/23 £nil).

"Pension Strain" represents the cost to employers when their employees retire early to compensate the Fund for the reduction in contribution income and the early payment of benefits. Payments to the Fund for such costs are made over agreed periods. An accrual has been made for agreed future payments to the Fund.

"Deficit Funding" includes payments by employers for past service deficit and additional payments by employers to reduce a deficit.

The Fund does reserve the right to levy interest charges on late receipt of contributions from employers. In 2023/24 no such charges were levied.

2022/23	Contributions Receivable	2023/24
£000		£000
	Employers	
118,429	Normal	210,207
4,640	Pension Strain	3,748
12,416	Deficit Funding/(Surplus)	(29,406)
135,485	Total Employers	184,549
	Employees	
69,539	Normal	74,593
205,024		259,142
	Relating to:	
31,872	Administering Authority	33,136
142,510	Statutory Bodies	213,393
30,642	Admission Bodies	12,613
205,024		259,142

Note 8 Transfers In

There were no bulk transfers into the Fund during 2023/24.

2022/23	Transfers In	2023/24
£'000		£'000
-	Group Transfers	-
18,489	Individual Transfers	13,422
18,489		13,422

Note 9 Benefits Payable

2022/23	Benefits payable	2023/24
£000		£000
313,088	Pensions	348,531
63,582	Lump Sum Retiring Allowances	79,583
9,072	Lump Sum Death Benefits	8,854
385,742		436,968
	Relating to:	
51,958	Administering Authority	58,018
267,269	Statutory Bodies	304,072
66,515	Admission Bodies	74,878
385,742		436,968

Note 10 Payments to and on account of Leavers

2022/23	Payments to and on account of Leavers	2023/24
£000		£000
527	Refunds to Members Leaving Service	580
-	Payment for Members Joining State Scheme	1
(8)	Income for Members from State Scheme	(1)
-	Group Transfers to Other Schemes	-
16,590	Individual Transfers to Other Schemes	14,944
17,109		15,524

Note 11 Management Expenses

2022/23	Management Expenses	2023/24
£000		£000
3,225	Administration Costs	3,469
40,280	Investment Management Costs	32,283
2,757	Oversight and Governance Costs	3,146
(345)	Other Income	(753)
45,917		38,145

Note 11a Administration Costs

2022/23	Administration Costs	2023/24
£000		£000
2,344	Employee Costs	2,588
635	IT Costs	617
224	General Costs	230
22	Other Costs	34
3,225		3,469

Note 11b Investment Management Costs

2023/24						
	Total	External Investment Management Fees	External Investment Management Performance Fees	External Private Market Fees	External Private Market Expenses	Transaction Costs
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	10,652	6,654	922			3,076
Bonds	100	100				
Pooled Investment Vehicles	18,969	3,102	190	8,766	6,911	
Derivative Contracts	359	359				
Loans	516			516		
Short Term Cash Deposits	-					
Other Investment Balances	-					
		10,215	1,112	9,282	6,911	3,076
External Services	526					
Internal Investment Management Fees	1,161					
	<u>32,283</u>					
2022/23						
	Total	External Investment Management Fees	External Investment Management Performance Fees	External Private Market Fees	External Private Market Expenses	Transaction Costs
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	11,291	6,921				4,370
Bonds	100	100				
Pooled Investment Vehicles	26,239	3,225	135	9,820	13,059	
Derivative Contracts	650	650				
Loans	430			430		
Short Term Cash Deposits	-					
Other Investment Balances	-					
		10,896	135	10,250	13,059	4,370
External Services	536					
Internal Investment Management Fees	1,034					
	<u>40,280</u>					

Note 11c Oversight & Governance Costs

Actuarial fees included within External Services below (note 11c) are shown gross of any fees that have been recharged to employers. Included within Other Income for 2023/24 is £674,931 relating to recharged Actuarial fees (2022/23 £266,438).

The estimated External Audit fee for 2023/24 is £134,084, an additional £3,300 relates to services in respect of IAS19 assurances for admitted body auditors, which are recharged to those admitted bodies. An audit fee rebate was received during 2023/24 for £15,542.

2022/23	Oversight & Governance Costs	2023/24
£000		£000
628	Employee Costs	771
1,759	External Services	1,932
49	Internal Audit	49
59	External Audit	122
262	Other Costs	272
2,757		3,146

Note 12 Investment Income

Interest on loans has been accrued up to 31 March 2024.

Investment income figures are shown gross of tax. Included in these figures is recoverable taxation of £16.8 million (2022/23 £15.4 million).

The Fund is seeking to recover tax withheld by UK and overseas tax regimes under the EU principle of free movement of capital within its borders, repayments received in 2023/24 £3.6 million (2022/23 £4.6 million).

2022/23	Investment Income	2023/24
£000		£000
106,747	Dividends from Equities	99,675
3,603	Income from Bonds	3,373
65,320	Income from Pooled Investment Vehicles	106,863
26,676	Net Rents from Properties (Note 12A)	20,389
2,963	Interest on Short Term Cash Deposits	7,276
46,501	Income from Private Equity	14,322
-	Income from Derivatives	3,497
5,132	Interest from Loans	11,857
605	Other	571
257,547		267,823
(5,836)	Irrecoverable Withholding Tax	(5,347)
251,711		262,476

Note 12a Property Income

No contingent rents have been recognised as income during the period.

2022/23	Property Income	2023/24
£000		£000
31,736	Rental Income	28,049
(5,060)	Direct Operating Expenses	(7,660)
26,676	Net Rent from properties	20,389

Note 13 Investments

2023/24			Sale			
	Market	Purchases	Proceeds	Change in	Market	
	Value @ 31.3.23 £'000	at Cost and Derivative Payments £'000	and Derivative Receipts £'000	Market Value* £'000	Value @ 31.3.24 £'000	
Equities	3,172,527	908,015	(1,147,777)	204,174	3,136,939	
Bonds	501,716	44,337	(40,563)	(28,278)	477,212	
Pooled Investment Vehicles	5,922,231	628,827	(473,478)	218,164	6,295,744	
Direct Property	470,300	7,760	-	(23,460)	454,600	
Loans	155,482	87,829	(15,830)	(3,110)	224,371	
	10,222,256	1,676,768	(1,677,648)	367,490	10,588,866	
Derivative Contracts						
FX	(3)	158,456	(158,788)	355	20	
Options	(51,385)	228,487	(169,533)	(7,569)	-	
Swaps	2,781	-	-	3,956	6,737	
	10,173,649	2,063,711	(2,005,969)	364,232	10,595,623	
Short Term Cash Deposits	80,732				101,810	
Other Investment Balances	130,507			(308)	96,042	
Amounts due to stockbrokers	(3,397)				(5,824)	
	10,381,491			363,924	10,787,651	
2022/23						
	Market	Purchases	Proceeds	Change in	Market	
	Value @ 31.3.22 £'000	at Cost and Derivative Payments £'000	and Derivative Receipts £'000	Market Value* £'000	Value @ 31.3.23 £'000	
Equities	3,360,827	897,965	(1,080,762)	(5,503)	3,172,527	
Bonds	731,666	63,838	(90,236)	(203,552)	501,716	
Pooled Investment Vehicles	5,817,473	1,228,412	(903,998)	(219,656)	5,922,231	
Direct Property	568,275	5,464	(32,998)	(70,441)	470,300	
Loans	35,751	136,874	(17,143)	-	155,482	
	10,513,992	2,332,553	(2,125,137)	(499,152)	10,222,256	
Derivative Contracts						
FX	(356)	333,556	(332,781)	(422)	(3)	
Options	(8,395)	269,390	(197,002)	(115,378)	(51,385)	
Swaps	-	15,429	(11,319)	(1,329)	2,781	
	10,505,241	2,950,928	(2,666,239)	(616,281)	10,173,649	
Short Term Cash Deposits	169,149				80,732	
Other Investment Balances	106,941			1,615	130,507	
Amounts due to stockbrokers	(9,521)				(3,397)	
	10,771,810			(614,666)	10,381,491	

*Note: The change in market value of investments during the year comprises all realised and unrealised appreciation and depreciation.

During 2023/24, the Fund has recognised an impairment loss of £3.1m in relation to one of its loan investments, following a routine covenant assessment of the security held against the loan.

The recoverable amount of the loan has been reduced to the market value (as defined by Royal Institution of Chartered Surveyors (RICS) Valuation Standards) of the security held against the loan and the impairment loss charged to the Fund Account. The loan value was independently valued during 2023/24 by BNP Paribas Real Estate, acting in the capacity of External Valuers and as defined in the RICS Red Book.

Note 13a Analysis of Investments

2022/23	Investment Assets	2023/24
£000		£'000
3,172,527	Equities	3,136,939
501,716	Bonds	477,212
	Pooled Investment Vehicles	
734,444	Equities	787,448
344,168	Bonds	366,451
957,631	Private Equity	967,457
295,738	Hedge Funds	314,923
865,323	Infrastructure	921,367
459,067	Unit Trusts - Property	476,919
1,817,271	Other Unitised Funds	2,028,690
448,589	Other	432,489
5,922,231		6,295,744
	Derivative Contracts	
2	FX	21
184,397	Options	-
2,781	Swaps	6,737
187,180		6,758
470,300	Property	454,600
155,482	Loans	224,371
	Short Term Cash Deposits	
80,732	Sterling	101,810
-	Foreign Currency	-
80,732		101,810
	Other Investment Balances	
-	Amounts Due from Brokers	-
27,481	Outstanding Trades	3,445
28,947	Outstanding Dividend Entitlements and Recoverable Withholding Tax	31,504
74,079	Cash Deposits	61,093
130,507		96,042
10,620,675	Total Investments	10,793,476

Note 13b Analysis of Derivatives

Forward Currency Contracts

The Fund's forward currency contracts are exchange traded and are used by a number of our external Investment Managers to hedge exposures to foreign currency back into sterling.

Settlement Date	Currency bought '000	Currency sold '000	Asset £'000	Liability £'000
Up to one month	GBP 10,941	EUR 12,764	21	-
Up to one month	GBP 323	HKD 3,188	-	-
Up to one month	USD 643	GBP 510	-	(1)
			21	(1)
Net Forward Currency Contracts at 31 March 2024				20
Prior Year Comparative				
Open Forward Currency Contracts at 31 March 2023			2	(5)
Net Forward Currency Contracts at 31 March 2023				(3)

Purchased/Written Options

Options are contracts between two parties that gives the purchaser the right, but not the obligation to either buy (call) or sell (put) at a price at a specific date. The purchaser immediately pays a non-returnable premium (price) to secure the option. To minimise the risk of loss of value through adverse equity price movements, during 2023/24, the Fund bought a number of equity option contracts that protect it from falls in value in its main investment markets.

There were no open purchased/written options as at 31 March 2024.

Underlying Option Contract	Expires	Put/Call	Notional Holding £'000	Market Value 31 March 2023 £'000
Assets				
Overseas equity purchased	Over three months	Put	458	42,543
Overseas equity purchased	Over three months	Call	443	141,854
Total Assets				184,397
Liabilities				
Overseas equity written	Over three months	Put	(477)	(29,556)
Overseas equity written	Over three months	Call	(399)	(206,226)
Total Liabilities				(235,782)
Net Purchased/Written Options				(51,385)

Swaps

A swap is an over-the-counter contractual obligation to exchange cash flows, the amount of which is determined by reference to an underlying asset, index, instrument or notional amount, according to terms which are agreed at the outset of the swap. MPF uses swaps to raise or lower the Fund's exposure in certain regions, to manage risks.

Type	Expires	Notional Holding £'000	Market Value 31/3/24 £'000
Assets			
Total Return Swaps	Up to one year	3	6,737
Total Assets			6,737
Liabilities			
Total Return Swaps	Up to one year	-	-
Total Liabilities			-
Net Swaps			6,737
Type	Expires	Notional Holding £'000	Market Value 31/3/23 £'000
Assets			
Total Return Swaps	Up to one year	4	2,781
Total Assets			2,781
Liabilities			
Total Return Swaps	Up to one year	-	-
Total Liabilities			-
Net Swaps			2,781

As at 31 March 2024, the Fund held cash and non-cash collateral of £6.3 million to mitigate the risk of loss and credit risk. As the Fund has an obligation to return the collateral, it is excluded from the Fund valuation.

Note 13c Property Holdings

The Fund's investment portfolio includes a number of directly owned properties that are leased commercially to various tenants. Details of these properties are as follows:

2022/23 £'000	Property	2023/24 £'000
568,275	Balance at the Start of the Year	470,300
5,464	Additions	7,760
(32,998)	Disposals	-
5,234	Net Gain/Loss on Fair Value	(6)
-	Transfers In/Out	-
(75,675)	Other Changes in Fair Value	(23,454)
470,300	Balance at the End of the Year	454,600

As at 31 March 2024 there were no restrictions on the realisability of investment property or of the remittance of income or proceeds of disposal and the Fund is not under any contractual obligations to purchase, construct or develop any of these properties.

Property Operating Leases

The Fund's property portfolio comprises a variety of units which are leased to organisations with the objective of generating appropriate investment returns.

These leases are all categorised as operating leases due to the relatively short length of the agreements i.e. relative to the overall life of the asset and proportion of the assets' overall value. The leases do not meet the assessment criteria for finance leases, and the risks and rewards of ownership of the leased assets are retained by the Fund and reflected in the Net Assets Statement.

The properties comprise a mix of office, retail and industrial buildings. These leases vary in length from short-term to over 25 years.

The future minimum lease payments receivable under non-cancellable leases in future years are:

2022/23 £000	Age Profile of Lease Income	2023/24 £000
3,496	No later than one year	883
24,435	Between one and five years	17,436
152,128	Later than five years	141,645
180,059	Total	159,964

With regards to the properties owned and leased by the Fund, all are leased to the tenants under contracts that have been assessed as operating leases and which may include periodic rent reviews etc. The minimum lease payments receivable do not include

rents that are contingent on events taking place after the lease entered into, such as adjustments following rent reviews.

Note 13d Summary of Manager's Portfolio Values at 31 March 2024

2022/23			2023/24	
£million	%		£million	%
Externally Managed				
341	3.3	JP Morgan (European equities)	380	3.5
415	4.0	Nomura (Japan)	494	4.6
281	2.7	Schroders (fixed income)	294	2.7
492	4.7	Legal & General (fixed income)	542	5.0
135	1.3	Unigestion (European equities)	56	0.5
232	2.2	M&G (global emerging markets)	257	2.4
318	3.1	TT International (UK equities)	269	2.5
336	3.2	Blackrock (UK equities)	335	3.1
216	2.1	Newton (UK equities)	119	1.1
224	2.2	Amundi (global emerging markets)	237	2.2
198	1.9	Maple-Brown Abbot (Pacific Rim equities)	196	1.8
1,331	12.7	State Street Global Advisor (Passive Manager)	1,495	14.0
454	4.4	State Street Global Advisor (Bonds Manager)	490	4.5
-	-	Open Door China A Share Fund Ltd	8	0.1
4,973	47.8	Total Externally Managed	5,172	48.0
Internally Managed				
585	5.6	UK equities	587	5.4
357	3.4	European equities	397	3.7
174	1.7	Asia pacific ex Japan	175	1.6
470	4.5	Property (direct)	455	4.2
674	6.5	Property (indirect)	736	6.8
996	9.6	Private equity	987	9.2
338	3.3	Hedge funds	362	3.4
890	8.6	Infrastructure	951	8.8
528	5.1	Private Credit	522	4.8
265	2.6	Global Equities Internal Factor	317	2.9
131	1.3	Short term deposits & other investments	127	1.2
5,408	52.2	Total Internally Managed	5,616	52.0
10,381	100.0	Total	10,788	100.0

The following holdings each represent more than 5% of the net assets of the Fund:

2022/23			2023/24	
£000	%		£000	%
791	7.6	State Street Pooled UK Index Linked Gilts	941	8.7
791		Total	941	

Note 13e Stock Lending

As at 31 March 2024, £92.8 million of stock was on loan to market makers, which was covered by cash and non-cash collateral, totaling £99.8 million. Collateral is marked to market and adjusted daily. Income from Stock Lending amounted to £570,864 and is included within "Other" Investment Income. As the Fund retains its economic interest in stock on loan, their value remains within the Fund valuation. As the Fund has an obligation to return collateral to the borrowers, collateral is excluded from the Fund valuation. The Fund used its Custodian as agent lender, lending only to an agreed list of approved borrowers. An indemnity is in place which gives the Fund further protection against losses.

Note 14 Investment Liabilities

2022/23	Investment Liabilities	2023/24
£000		£000
235,787	Derivative Contracts	1
3,397	Amounts due to Stockbrokers	5,824
239,184	Total	5,825

Note 15 Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below.

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

All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Note 15 Fair Value – Basis of Valuation (continued)

Description of asset	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			
Quoted Equities and Pooled Investment Vehicles	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted Fixed Income Bonds and Unit Trusts	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Derivatives - Futures and Options	Published exchange prices at the year-end	Not required	Not required
Cash and Cash Equivalents	Carrying Value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

Note 15 Fair Value – Basis of Valuation (continued)

Description of asset	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 2			
Unquoted Equities Investments	Average of broker prices	Evaluated price feeds	Not required
Unquoted Fixed Income Bonds and Unit Trusts	Average of broker prices	Evaluated price feeds	Not required
Unquoted Pooled Fund Investments	Average of broker prices	Evaluated price feeds	Not required
Derivatives - Forward Currency Contracts	Market forward exchange rates at the year end	Exchange rate risk	Not required
Derivatives - OTC Options and OTC Swaps	Option pricing models and Swaps pricing models	Interest rates, underlying equity prices, model assumptions, price risk	Not required
Pooled Property Funds and Hedge Funds where regular trading takes place	NAV - based pricing set on a forward pricing basis. Closing bid price where bid and offer prices are published - closing single price where single price is published.	NAV - based pricing set on a forward pricing basis	Not required

Note 15 Fair Value – Basis of Valuation (continued)

Description of asset	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 3			
Pooled Property Funds where regular trading does not takes place	NAV - based pricing set on a forward pricing basis. Valued by investment managers on a fair value basis each year using clear accounting guidance and industry best practice guidance.	NAV - based pricing set on a forward pricing basis.	Material events occurring between the date of the financial statements provided and MPF's own reporting date, changes to expected cashflows, differences between audited and unaudited accounts.
Hedge Funds where regular trading does not takes place	NAV - based pricing set on a forward pricing basis. Valued by investment managers on a fair value basis each year using clear accounting guidance and industry best practice guidance.	NAV - based pricing set on a forward pricing basis.	Valuations are affected by any changes to the value of the financial instrument being hedged against.
Direct Property	Valued at fair value at the year-end using independent external Valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards (the "RICS Red Book").	Existing lease terms and rentals, independent market research, nature of tenancies, covenant strength of existing tenants, assumed vacancy levels, estimated rental growth, discount rate.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices.
Other Unquoted, including Infrastructure and Private Equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines or equivalent	EBITDA multiple, revenue multiple, discount for lack of marketability, control premium	Material events occurring between the date of the financial statements provided and MPF's own reporting date, changes to expected cashflows, differences between audited and unaudited accounts.

Note 15 Fair Value – Basis of Valuation (continued)

Sensitivity of assets valued at level 3

The table below sets out the assets classified as level 3 assets. The Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges (as provided by the Fund's investment consultants) and has set out below the consequent potential impact on the closing value of investments held at 31 March 2024 and 31 March 2023. There are various factors that affect the complexity of valuation and the realisable value of assets and certain asset specific issues may lead to realisable valuations falling outside the stated range.

Level 3 Assets	Value at 31 March 2024 £000	Potential variance %	Value on increase £000	Value on decrease £000
Property	937,313	10.0	1,031,044	843,582
Unquoted UK equity	32,384	15.0	37,242	27,526
Unquoted overseas equity	86,390	15.0	99,349	73,432
Hedge funds	207,697	10.0	228,467	186,927
Infrastructure	921,367	15.0	1,059,572	783,162
Private equity	1,347,187	15.0	1,549,265	1,145,109
Total	3,532,338			

Level 3 Assets	Value at 31 March 2023 £000	Potential variance %	Value on increase £000	Value on decrease £000
Property	934,311	10.0	1,027,742	840,880
Unquoted UK equity	105,575	15.0	121,411	89,739
Unquoted overseas equity	15,827	15.0	18,201	13,453
Hedge funds	200,375	10.0	220,413	180,338
Infrastructure	865,323	15.0	995,121	735,525
Private equity	1,347,142	15.0	1,549,213	1,145,071
Total	3,468,553			

Note 15a Fair Value Hierarchy

Asset valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values.

For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in "Practical Guidance on Investment Disclosures (PRAG/Investment Association 2016)".

Level 1

Assets at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index-linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the market quotation of the relevant stock exchange.

Level 2

Assets at level 2 are those where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Assets at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such investments would include unquoted equity investments and Hedge Fund of Funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in Private Equity are based on valuations provided by the general partners to the Private Equity funds in which Merseyside Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March 2024 as appropriate.

The values of the investment in Hedge Funds are based on the net asset value provided by the Fund Manager. Assurances over the valuation are gained from the independent audit of the value.

The following table provides an analysis of the financial assets of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable:

*Loans, cash, other investment balances and amounts due to stockbrokers are valued at amortised cost rather than fair value, however, are included within the table for reconciliation purposes. For presentational purposes only, the values at 31 March 2023 have been included in the total column only and the level 1 totals restated where they were previously shown.

Values at 31 March 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investment assets				
Equities	3,095,898		41,041	3,136,939
Bonds	476,802	400	10	477,212
Pooled Investment Vehicles	1,044,652	2,214,405	3,036,687	6,295,744
Derivative Contracts		6,758		6,758
Direct Property			454,600	454,600
Loans				224,371
Short Term Cash Deposits				101,810
Other Investment Balances				96,042
Total Investment Assets	4,617,352	2,221,563	3,532,338	10,793,476
Investment liabilities				
Amounts due to stockbrokers				(5,824)
Derivative Contracts		(1)		(1)
Total Investment Liabilities	-	(1)	-	(5,825)
Net Investment Assets	4,617,352	2,221,562	3,532,338	10,787,651
Values at 31 March 2023				
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
	(Restated)			
Investment assets				
Equities	3,119,873		52,654	3,172,527
Bonds	501,316	400		501,716
Pooled Investment Vehicles	974,002	2,002,630	2,945,599	5,922,231
Derivative Contracts		187,180		187,180
Direct Property			470,300	470,300
Loans				155,482
Short Term Cash Deposits				80,732
Other Investment Balances				130,507
Total Investment Assets	4,595,191	2,190,210	3,468,553	10,620,675
Investment liabilities				
Amounts due to stockbrokers				(3,397)
Derivative Contracts		(235,787)		(235,787)
Total Investment Liabilities	-	(235,787)	-	(239,184)
Net Investment Assets	4,595,191	1,954,423	3,468,553	10,381,491

A reconciliation of fair value measurements in Level 3 is set out below:

2022/23 £000		2023/24 £000
3,451,493	Opening balance	3,468,553
361,936	Acquisitions	417,036
(347,339)	Disposal proceeds	(238,175)
-	Transfer into/(out) Level 3	-
	Total gain/(losses) included in the fund account:	
79,909	On assets sold	76,881
(77,446)	On assets held at year end	(191,957)
3,468,553	Closing balance	3,532,338

Note 16 Financial Instruments

Note 16a Classification of Financial Instruments

Financial Assets & Liabilities at 31 March 2024	Assets at amortised cost	Liabilities at amortised cost	Fair value through profit and loss	Total
	£000	£000	£000	£000
Financial Assets				
Equities			3,136,939	3,136,939
Bonds			477,212	477,212
Pooled Investment Vehicles			6,295,744	6,295,744
Derivatives			6,758	6,758
Loans	224,371			224,371
Cash Deposits	101,810			101,810
Other Investment Balances	96,042			96,042
Long Term and Current Assets	53,046			53,046
Total Financial Assets	475,269	-	9,916,653	10,391,922
Financial Liabilities				
Derivatives			(1)	(1)
Other Investment Balances		(5,824)		(5,824)
Current Liabilities		(19,682)		(19,682)
Total Financial Liabilities	-	(25,506)	(1)	(25,507)
Total Net Assets	475,269	(25,506)	9,916,652	10,366,415

Financial Assets & Liabilities at 31 March 2023	Assets at amortised cost	Liabilities at amortised cost	Fair value through profit and loss	Total
	£000	£000	£000	£000
Financial Assets				
Equities			3,172,527	3,172,527
Bonds			501,716	501,716
Pooled Investment Vehicles			5,922,231	5,922,231
Derivatives			187,180	187,180
Loans	155,482			155,482
Cash Deposits	80,732			80,732
Other Investment Balances	130,507			130,507
Long Term and Current Assets	48,499			48,499
Total Financial Assets	415,220	-	9,783,654	10,198,874
Financial Liabilities				
Derivatives			(235,787)	(235,787)
Other Investment Balances		(3,397)		(3,397)
Current Liabilities		(17,302)		(17,302)
Total Financial Liabilities	-	(20,699)	(235,787)	(256,486)
Total Net Assets	415,220	(20,699)	9,547,867	9,942,388

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The table above analyses the carrying amounts of financial assets and liabilities by category and net asset statement heading.

To allow reconciliation to the Net Asset Statement and for ease to the reader, all long-term and current assets and current liabilities have been included in this note, although

not all are classified as financial instruments, the amounts that are not financial instruments are considered immaterial.

Note 16b Net Gains & Losses on Financial Instruments

2022/23 £000	Net Gains and Losses on Financial Instruments	2023/24 £000
	Financial Assets	
-	Fair Value through Profit and Loss	426,649
1,615	Amortised Cost - realised gains on derecognition of assets	-
1,615	Total Financial Assets	426,649
	Financial Liabilities	
(545,840)	Fair Value through Profit and Loss	(35,847)
	Amortised Cost - realised losses on derecognition of assets	(3,418)
(545,840)	Total Financial Liabilities	(39,265)
(544,225)	Net gains and losses on Financial Instruments	387,384

Note 16c Fair Value of Financial Instruments

There is no material difference between the carrying value and fair value of financial instruments. The majority of financial instruments are held at fair value and for those which are not, their amortised cost is considered to be equivalent to an approximation of fair value.

Note 17 Nature and Extent of Risks Arising from Financial Instruments

Risk and Risk Management

The Fund's objective is to achieve and maintain a funding level position of at least 100% whilst minimising the level and volatility of employer contributions. Investment strategy is decided with clear reference to this objective.

Over the long-term, the Fund's objective is to set policies that will seek to ensure that investment returns achieved will at least match the assumptions underlying the actuarial valuation and therefore be appropriate to the liabilities of the Fund.

Having regard to its liability profile, the Fund has determined that adopting a bespoke benchmark should best enable it to implement an effective investment strategy. This strategic benchmark is reviewed every three years, at a minimum, at the time of the actuarial valuation, but will be reviewed as required particularly if there have been significant changes in the underlying liability profile or the investment environment.

The Fund has carefully considered the expected returns from the various permitted asset classes and has concluded that in the longer term, the return on equities will be greater than from other conventional assets. Consequently, the asset allocation has a bias towards equities and a skew towards active management, particularly in less developed markets.

The Fund is also cognisant of the risk that the shorter-term returns may vary significantly from one period to another and between the benchmark and actual returns. Diversification of assets is seen as key to managing this risk and the risk/return

characteristics of each asset and their relative correlations are reflected in the make-up of the strategic benchmark.

The Fund believes that, over the long-term, a willingness to take on volatility and illiquidity is likely to be rewarded with outperformance. The Fund considers that its strong employer covenant, maturity profile and cash flows enable it to adopt a long-term investment perspective. A mix of short-term assets, such as fixed income and cash is maintained to cover short-term liabilities, while equities (both passive and active), private equity infrastructure and direct property are held to benefit from the potential rewards arising from volatility and illiquidity risks. The Fund recognises that risk is inherent in investment activity and seeks to manage the level of risk that it takes in an appropriate manner. The Fund manages investment risks through the following measures:

- Broad diversification of types of investment and Investment Managers
- Explicit mandates governing the activity of Investment Managers
- The use of a specific benchmark, related to liabilities of the Fund for investment asset allocation
- The use of equity downside protection strategies
- The appointment of Independent Investment Advisors to the Investment Monitoring Working Party
- Comprehensive monitoring procedures for Investment Managers including internal officers and scrutiny by elected Members.

Note 17a Market Risk

The Fund is aware that its key risk is market risk i.e. the unpredictability of market performance in the future. The general practice to quantify these risks is to measure the volatility of historical performance. The tables below show the Fund's exposure to asset classes and their reasonable predicted variance (as provided by the Fund's investment consultants) and the resulting potential changes in net assets available to pay pensions.

Investment Consultant's volatility estimates are calculated using the Redington's Capital Market Assumptions (asset class return, volatility, and correlation assumptions). The assumptions represent the long-term capital market outlook (i.e. 10 years) based on data at 31 March 2024. The long-term assumptions are based on historical results, current market characteristics, professional judgement, and forward-looking expectations, with any long-term assumption, there is still a degree of uncertainty.

	Value at 31 March 2024	Potential Variance	Value on increase	Value on decrease
2023/24	£million	%	£million	£million
UK Equities (all equities including pooled vehicles)	2,166	18.9	2,575	1,756
US Equities	666	19.8	798	534
Canadian Equities	37	20.6	45	29
European Equities	1,033	21.8	1,258	807
Japanese Equities	504	23.3	621	386
Emerging Markets Equities inc Pac Rim	921	20.4	1,109	733
Global Equities (all equities including pooled vehicles)	92	17.1	108	76
UK Fixed Income Pooled Vehicles	901	6.9	963	839
UK Index Linked Gilts	477	8.6	518	436
Pooled Property	477	11.8	533	421
Private Equity	967	31.5	1,272	663
Hedge Funds	315	7.0	337	293
Infrastructure	921	22.5	1,129	714
Other Alternative Assets	432	8.8	471	394
Loans, Short Term Deposits & Other	457	-	457	457
Investment Balances				
Total	10,366			

	Value at 31 March 2023	Potential Variance	Value on increase	Value on decrease
2022/23	£million	%	£million	£million
UK Equities (all equities including pooled vehicles)	1,468	18.8	1,745	1,192
US Equities	571	15.6	660	482
Canadian Equities	43	20.8	51	34
European Equities	962	19.9	1,154	771
Japanese Equities	421	23.7	521	322
Emerging Markets Equities inc Pac Rim	889	20.6	1,073	706
Global Equities (all equities including pooled vehicles)	885	17.2	1,037	733
UK Fixed Income Pooled Vehicles	829	8.1	896	762
UK Index Linked Gilts	501	14.0	572	431
Pooled Property	459	11.9	514	404
Private Equity	958	31.3	1,257	658
Hedge Funds	296	7.6	318	273
Infrastructure	865	17.1	1,013	717
Other Alternative Assets	449	9.6	492	406
Loans, Short Term Deposits & Other	346	-	346	346
Investment Balances				
Total	9,942			

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent that the fair value on future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is considered in relation to liabilities as well as assets and therefore through the funding level. This is documented in reports to the IMWP and in the accounts through the Actuary's report. MPF 's foreign currency

exposure is principally through equities and other long-term assets. This risk is considered as being part of overall market risk and complicated by the effects of correlations and possible offset through diversification and consequently, has not been disaggregated or reported as a discrete figure.

Currency Risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency on any cash balances and investment assets not denominated in UK sterling.

Note 17b Credit Risk

Credit risk represents that the counterparty to a financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The Fund's arrangements for derivatives, securities lending and impaired items are dealt with in other notes to the accounts.

The short-term cash deposits and other investment balances are diversified with investment grade financial institutions. The Fund has a treasury management policy that is compliant with current best practice.

The Fund's cash holding, under its treasury management arrangements as at 31 March 2024, was £101.8 million (31 March 2023 £80.7 million). This was held on instant access accounts with the following institutions:

2022/23		Rating (S & P)	2023/24
£000			£000
32,014	Lloyds Bank	Long A+ Short A-1	35,140
28,718	Northern Trust	AAAm	36,670
20,000	Federated	AAAm	30,000
80,732	Total		101,810

Cash held by Investment Managers, shown in other investment balances, is excluded from the above table, this cash is held for reinvestment in the asset class they are mandated to manage.

Note 17c Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's key priority is to pay pensions in the long-term and in the short-term and the asset allocation is the key strategy in ensuring this. The earlier sections have dealt with the longer-term risks associated with market volatility.

The Fund always ensures it has adequate cash resources to meet its commitments. The Fund has a cash balance at 31 March 2024 of £102 million. The Fund has £6,845 million in assets which could be realised in under 7 days' notice, £771 million in assets which

could be realised in under 90 days' notice and £2,750 million in assets which could not be realised within a 90-day period.

The Fund has no borrowing or borrowing facilities.

The management of the Fund also prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows. The Fund has a net withdrawal for 2023/24 in its dealing with members of £179 million and management expenses of £38 million, this net withdrawal overall, is offset by investment income of £268 million.

Refinancing Risk

Refinancing risk represents the risk that the Fund will need to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

Note 17d Outlook for Real Investment Returns

The expectation of future real investment returns can affect the Fund's liabilities as they may impact on the discount rate used by the actuary to discount the liabilities; the Fund's actuary has calculated that the Fund has sensitivity to this discount rate of 17% per 1% change in real investment returns. The Fund considers both the liabilities and assets together and assesses the funding ratio and the implications for investment strategy on a quarterly basis at the IMWP.

Note 18 Funding Arrangements

In line with The Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place at 31 March 2022. The next valuation will take place as at 31 March 2025.

The most recent Triennial Valuation by the actuary was at 31 March 2022, when the funding level was 106% of projected actuarial liabilities (2019 101%). The funding objective is to achieve and then maintain assets equal to the funding target. The funding target is the present value of 100% of projected accrued liabilities, including allowance for projected final pay. The FSS sets out the process for determining the recovery in respect of each employer. At the 2022 valuation, the average recovery period adopted for employers in deficit is 11 years, and for the employers in surplus is 14 years.

The funding method adopted is the projected unit method, which implicitly allows for new entrants replacing leavers.

The key elements of the funding policy are to:

- Manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due
- Enable employer contribution rates to be kept at a reasonable and affordable cost to the taxpayers, scheduled, designating and admitted bodies, while achieving and maintaining Fund solvency and long-term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future due to sector changes

- Maximise the returns from investments within reasonable risk parameters taking into account the above aims.

Summary of key whole Fund assumptions used for calculating funding target

	31 March 2022
Long Term Yields	
Market implied RPI inflation	3.90% p.a.
Solvency Funding Target Financial Assumptions	
Investment Return/Discount Rate:	
Higher Risk Investment Bucket	4.60% p.a.
Medium Risk Investment Bucket	4.35% p.a.
Lower Risk Investment Bucket	2.70% p.a.
CPI Price Inflation:	
Higher Risk Investment Bucket	3.10% p.a.
Medium Risk Investment Bucket	3.10% p.a.
Lower Risk Investment Bucket	3.60% p.a.
Short Term Salary Increases	Varies by employer
Long Term Salary Increases:	
Higher Risk Investment Bucket	4.60% p.a.
Medium Risk Investment Bucket	4.60% p.a.
Lower Risk Investment Bucket	5.10% p.a.
Pension Increases in Payment:	
Higher Risk Investment Bucket	3.10% p.a.
Medium Risk Investment Bucket	3.10% p.a.
Lower Risk Investment Bucket	3.60% p.a.
Future Service Accrual Financial Assumptions (Higher Risk Bucket)	
Investment Return/Discount Rate	5.1% p.a.
CPI Price Inflation	3.10% p.a.
Short Term Salary Increases	Varies by employer
Long Term Salary Increases	4.60% p.a.
Pension Increases/Indexation of CARE Benefits	Assumed to be in line with CPI assumptions above
McCloud	Reasonable estimate in line with national guidance

For further and full details please refer to the Fund's website:
[Merseyside Pension Fund Website](#)

Note 19 Long Term Assets

Assets due in more than one year include future payments of pension strain and accrued loan interest.

2022/23	Long Term Assets	2023/24
£000		£000
3,423	Assets due in more than one year	3,024
3,423	Total	3,024

Note 20 Current Assets & Liabilities

"Sundry debtors" mainly covers general debtors, property arrears due, agents' balances and recoverable taxation.

"Provision for Credit Losses" relates to loan interest following a review of all individual debts as at 31 March 2024.

The main components of "Sundry Creditors" are the outstanding charges for Investment Management fees, payable quarterly in arrears, Custodian and Actuarial fees, plus income tax due, pre-paid rent and Administering Authority re-imbusement.

2022/23	Current Assets & Liabilities	2023/24
£000		£000
	Assets	
22,779	Contributions due	17,956
5,675	Accrued and outstanding investment income	11,018
16,839	Sundry Debtors	22,317
(217)	Provision for credit losses	(1,537)
-	Cash at bank	268
45,076	Current Assets	50,022
	Liabilities	
995	Amounts due to external managers	-
3,116	Retirement grants due	3,752
13,191	Sundry Creditors	15,930
17,302	Current Liabilities	19,682
27,774	Net Current Assets	30,340

Note 21 Contractual Commitments and Contingent Liabilities

Commitments for investments amounted to £1,081 million at 31 March 2024. (2022/23 £1,201 million). These commitments relate to Private Equity £442.70 million, Infrastructure £173.43 million, Private Credit £207.35 million, Indirect Property £255.36 million and Other Alternatives £2.31 million. As some of these funds are denominated in foreign currencies, the commitment in sterling is subject to change due to currency fluctuations.

There are no contingent liabilities.

Note 22 Contingent Assets

When determining the appropriate Fund policy for employers, the different participating characteristics as either a contractor or community body or whether a guarantor of sufficient financial standing agrees to support the pension obligations is taken into consideration when setting the fiduciary strategy.

It is the policy to actively seek mechanisms to strengthen employer covenants by engaging "contingent assets" in the form of bonds/indemnity insurance, local authority guarantors, parent company guarantors or charge on assets to mitigate the risk of employers exiting the Fund, leaving unrecoverable debt.

These financial undertakings are drawn in favour of Wirral Council, as the Administering Authority of Merseyside Pension Fund and payment will only be triggered in the event of employer default.

Note 23 Related Party Transactions

There are three groups of related parties: transactions between Wirral Council (as Administering Authority) and the Fund, between employers within the Fund and the Fund, and between Members and Senior Officers and the Fund.

Management expenses include charges by Wirral Council in providing services in its role as Administering Authority to the Fund, which amount to £4.6 million. (2022/23 £4.9 million). Such charges principally relate to staffing required to maintain the pension service. Central, Finance and IT costs are apportioned to the Fund on the basis of time spent on Fund work by Wirral Council. There was a debtor of £4.3 million (2022/23 £4.2 million) and a creditor of £1.2 million as at 31 March 2024 (2022/23 £1.1 million).

Employers are related parties in so far as they pay contributions to the Fund in accordance with the appropriate Local Government Pension Scheme Regulations (LGPS). Contributions for the year are shown in note 7 and in respect of March 2024 payroll are included within the debtors figure in note 20.

A specific declaration has been received from Pension Committee Members and principal officers regarding membership of, and transactions with, such persons or their related parties. A number of Members act as Councillors or Board members of particular Scheme employers, listed below, who maintain a conventional employer relationship with the Fund:

Liverpool City Council, Knowsley Council, Sefton Council and St Helens Borough Council, Wirral Council and Merseyside Fire and Rescue Authority. The value of the transactions with each of these related parties, namely the routine monthly payments to the Fund of

employers' and employees' contributions, is determined by the LGPS Regulations, and as such, no related party transactions have been declared.

Each member of the Pension Committee and Pension Board Members formally considers conflicts of interest at each meeting.

Note 23a Key Management Personnel

The Fund's senior management during 2023/24 was comprised of seven individuals: the Director of Pensions, Head of Pensions (x3), Senior Portfolio Managers (x2) and the Senior Manager Operations & Information Governance, the remuneration paid to the senior management during 2023/24 was £534,463 (2022/23 £511,376). In addition, employer contributions of £99,570 (2022/23 £86,696) were also met from the Fund and charged to the Fund Account.

Note 23b Officer Board Roles

A number of officers at MPF act in an un-remunerated board capacity on investment bodies in which the Fund has an interest:

Officer Name	Position at MPF	Company	MPF Value as at 31/3/24
Peter Wallach	Director of Pensions	GLIL	£409.9m

MPF committed an additional £37.5m to GLIL during 2023/24, the remaining commitment as at 31 March 2024 is £66.0m.

Northern Pool GP (NO.1) Ltd £319.5m

There were no new commitments to NPEP during 2023/24, the remaining commitment as at 31 March 2024 is £328.3m.

Tellsons Investors LLP £41.3m.

There were no new commitments to Tellsons during 2023/24, there is no remaining commitment as at 31 March 2024.

Adil Manzoor	Head of Pensions - Private Markets	Virtus (Kothar Group)	£11.8m
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There were no new commitments to Virtus during 2023/24, there is no remaining commitment as at 31 March 2024.

Owen Thorne	Portfolio Manager	Technology Enhanced Operations Ltd (TEO)	£nil
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There were no new commitments to TEO during 2023/24, there is no remaining commitment as at 31 March 2024.

Note 24 Additional Voluntary Contribution Investments

2022/23	Additional Voluntary Contribution (AVC) Investments	2023/24
£000		£000
	The aggregate amount of AVC investments is as follows :	
1,590	Utmost Life	1,622
5,108	Standard Life	5,131
12,352	Prudential	14,147
19,050		20,900
	Changes during the year were as follows:	
2,779	Contributions	4,005
2,105	Repayments	3,301
(154)	Change in market values	1,146

Scheme Employers with Active Members as at 31 March 2024

Scheduled Bodies

Academy of St Francis of Assisi
Alsop High School
Bedford Primary School (Academy)
Bellerive FCJ Catholic College
Birkdale High School (Academy)
Birkenhead High School Academy
Birkenhead Sixth Form College (Academy)
Bishop Martin CE Primary
Blacklow Brow School (Academy)
Blackmoor Park Infant School (Academy)
Blue Coat School (Academy)
Brakenwood Junior School
Calday Grange Grammar School (Academy)
Carmel College
Chesterfield High School (Academy)
Chief Constable
Childwall Sports and Science Academy
Christ Church Moreton Primary (Academy)
Church Drive Primary
Churchtown Primary (Academy)
Co-op Academy Bebington
Co-op Academy Hillside
Co-op Academy Portland
Co-op Academy Woodslee
Cronton C of E Primary (Academy)
Cronton Parish Council
Croxteth Community Primary School (Academy)
Deyes High School (Academy)
Dixons Broadgreen Academy
Dixons Croxteth Academy
Dixons Fazakerley Academy
Eccleston Parish Council
Edsential SLE
Egremont Primary School (Academy)
Everton Free School (Academy)
Faith Primary School (Academy)
Finch Woods Academy
Formby High School (Academy)
Four Oaks Primary School (Academy)
Garston C of E Primary School (Academy)
Gayton Primary School (Academy)
Great Meols Primary School (Academy)
Greasby Junior School (Academy)
Greenbank High School (Academy)
Halewood Academy Centre for Learning
Halewood C of E Primary (Academy)
Halewood Town Council
Halsnead Primary School (Academy)
Harmonize (Academy)
Hawthornes Free School

Heygreen Community Primary (Academy)
Heswall Primary School (Academy)
Hilbre High School (Academy)
Hillside High School (Academy)
Holy Spirit Catholic Primary (Academy)
Holy Trinity CE Primary (Academy)
Hope Academy
Hugh Baird College
Huyton with Roby CE Primary (Academy)
Kew Woods
Kings Leadership Academy (Liverpool)
Kirkby High School
Knowsley Lane Primary School (Academy)
Knowsley M.B.C.
Knowsley Town Council
LDST – Liverpool Diocesan Schools Trust (Academy)
Litherland High School (Academy)
Litherland Moss Primary (Academy)
Liverpool City Council
Liverpool City Region Combined Authority (LCRCA)
Liverpool College (Academy)
Liverpool Institute of Performing Arts (LIPA)
Liverpool John Moores University
Liverpool Life Science UTC (Academy)
Liverpool Street Scene Services Ltd
Lord Derby Academy
Maghull High School (Academy)
Maghull Town Council
Manor Primary School (Academy)
Mendell Primary School (Academy)
Meols Cop Primary School (Academy)
Merseyside Fire & Rescue Authority
Merseyside Passenger Transport Executive (MPTE)
Merseyside Recycling and Waste Authority
New Park Primary (Academy)
North Liverpool Academy
Nutmeg Methodist Aided Primary
Office of the Police and Crime Commissioner for Merseyside (OPCCM)
Oldershaw Academy
Our Lady of Pity RC Primary School (Academy)
Outwood Academy Haydock
Overchurch Junior School (Academy)
Parish CE Primary (Academy)
Park View Academy
Plantation Primary School (Academy)
Poulton Lancelyn Primary School (Academy)
Prenton High School for Girls (Academy)
Prescot Town Council
Rainford Brook Lodge Primary School (Academy)
Rainford CE Primary School
Rainford High School (Academy)
Rainford Parish Council
Rainhill Parish Council
Rainhill High School (Academy)
Rainhill St Anns CE Primary School (Academy)

Range High School (Academy)
Rock Ferry Primary School (Academy)
Roscoe Primary (Academy)
Sacred Heart Catholic Academy
Sandbrook Primary School (Academy)
School Improvement Liverpool Ltd
Sefton M.B.C.
Shared Education Services Ltd
Shoreside Primary School
Southport Education Group
St Ambrose Catholic Primary (Academy)
St Andrew's CE Primary (Academy)
St. Anselms College (Academy)
St Augustine of Canterbury (Academy)
St. Edwards College (Academy)
St. Edmund Arrowsmith Catholic Academy
St. Francis Xavier's College (Academy)
St Gabriel's CE Primary
St. Helens College
St. Helens M.B.C.
St James' Primary School (Academy)
St John Plessington Catholic College
St. Joseph's Catholic MAT
St Joseph's Primary (Academy)
St Margaret Church of England Academy
St Mary & St Thomas CE Primary School (Academy)
St Marys Catholic College
St Marys Catholic Infant/Junior School (Academy)
St Michael's C of E High School (Academy)
St Nicholas Catholic Primary (Academy)
St Silas C of E Primary School (Academy)
St Thomas C of E Primary (Academy)
Stanley High School (Academy)
Stanton Road Primary School
Sylvester Primary Academy
The ACC Liverpool Group Ltd
The Academy of St Nicholas
The Beacon C E Primary School (Academy)
The Belvedere Academy
The Birkenhead Park School
The City of Liverpool College
The Prescott School (Academy)
The Salesian Academy of St John Bosco (Academy)
The Studio (Academy)
The Sutton Academy
The Trinity Catholic Primary (Academy)
Thingwall Primary School (Academy)
Thurstaston Dawpool Primary School (Academy)
Town Lane Infant School (Academy)
Townfield Primary School (Academy)
University of Liverpool Maths School
Upton Hall School (Academy)
Weatherhead High School (Academy)
West Derby School (Academy)
West Kirby Grammar School (Academy)

Whiston Town Council
Whiston Willis Primary (Academy)
Willow Tree Primary
Wirral Council
Wirral Grammar School for Boys (Academy)
Wirral Grammar School for Girls (Academy)
Wirral Metropolitan College
Woodchurch High School (Academy)
Woodchurch Road Primary School (Academy)
Yew Tree Primary Academy

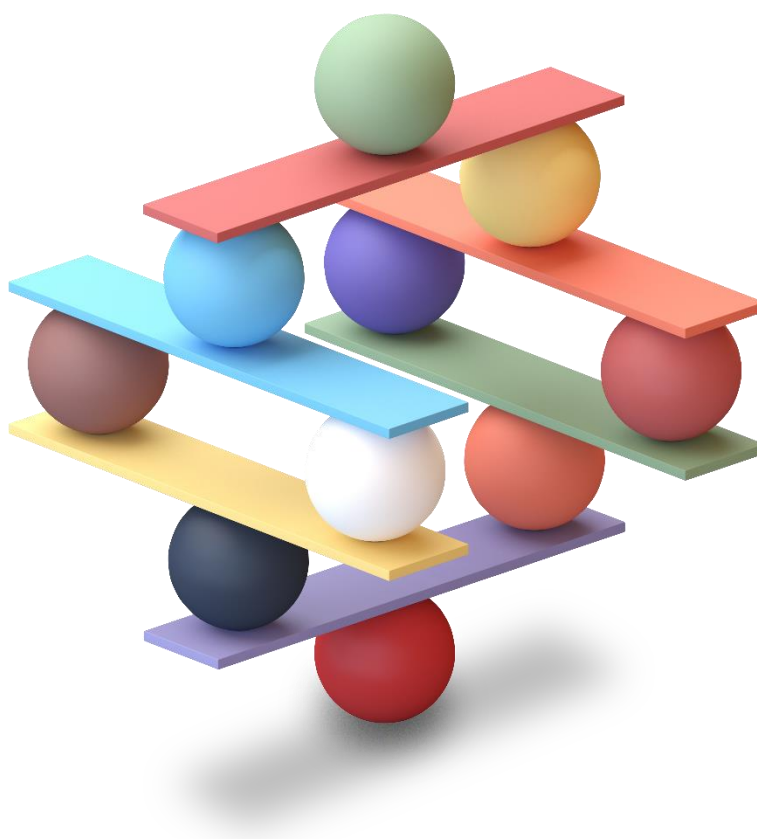
Admission Bodies

Absolutely Catering (Holy Family)
Agilisys Limited
Agilisys Ltd (Sefton)
Arriva North West
Association of Police Authorities
Balfour Beatty PFI SEN School
Balfour Beatty Workplace
Birkenhead School (2002)
Bouygues E & S FM UK Ltd
Bulloughs @ Beacon
Bulloughs @ SLT
Care Quality Commission
Caterlink @ Hugh Baird
Catholic Children's Society
Change Grow Live
Churchill Contract Services (HFC MAT)
Churchill Contract Services (Sutton)
Citizens Advice Liverpool
City Heath Care (St Helens)
Commutual (Torus Foundation)
Compass (Scolarest) Wirral Schools
CWP (NHS)
Dataspire Solutions Ltd (St Edmund Arrowsmith)
Dolce Ltd
Friends of Birkenhead Council Kennels
Glenvale Transport Ltd/Stagecoach
Hochtief Liverpool Schools
Hochtief Wirral Schools
Hutchinson @ Sacred Heart
Improvement & Development Agency
Interserve (Facilities Management) Ltd
ISS Mediclean Ltd (Outwood Academy)
Kingswood Colomendy Ltd.
Liverpool Hope University
Liverpool Schools Sports Partnership (LSSP)
Local Government Association
Mellors Catering – Birkdale
Mellors Catering – St Anns
Mellors Catering – St Mary & St Thomas
Mellors @ Sutton Academy
Mitie Care Custody Ltd
One Day Ltd
Partners Credit Union

RCCN @ Calday Grange
RCCN @ Churchtown
Sanctuary Home Care Ltd
Sefton New Directions Ltd
Southern Electric Co Ltd
Tarmac Trading Ltd
Taylor Shaw (Raeburn)
Taylor Shaw (St Andrews)
Taylor Shaw – Southport Learning Trust
Torus 62 Ltd
Veolia ES Merseyside & Halton
Volair Ltd
Welsh Local Government Association
Wirral Partnership Homes (Magenta)
Yunex Ltd

Merseyside Pension Fund

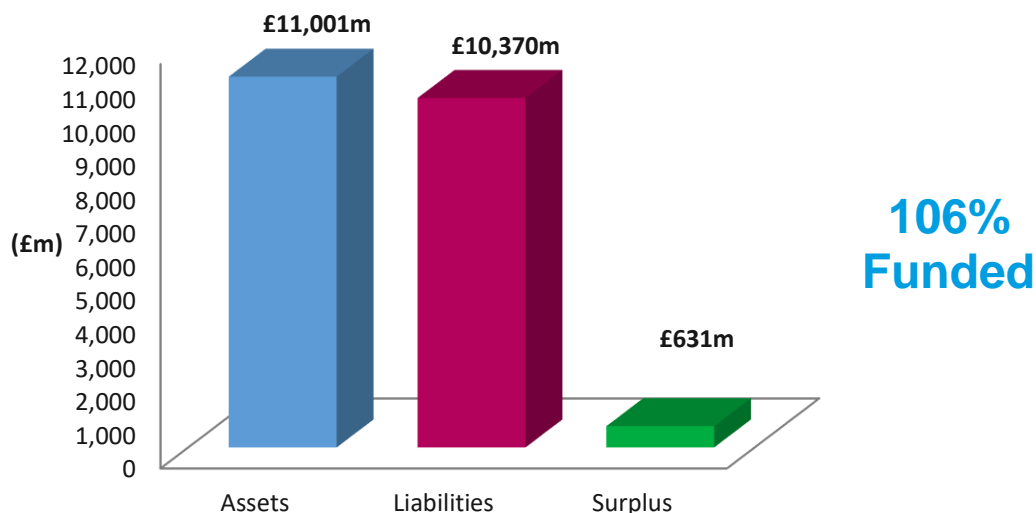
Accounts for the year ended
31 March 2024 – Statement by
the Consulting Actuary



This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the Merseyside Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026.

On the basis of the assumptions adopted, the Fund's assets of £11,001 million represented 106% of the Fund's past service liabilities of £10,370 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £631 million.



The valuation also showed that a Primary contribution rate of 18.7% of pensionable pay per annum was required from employers. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus it may be appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the recovery plan in respect of each employer. At the 2022 actuarial valuation the average recovery period adopted was 11 years for employers in deficit and 14 years for the employers in surplus, and the total initial recovery payment (the "Secondary rate" for 2023/26) was a surplus offset of approximately £37m per annum in £ terms (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated March 2023.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary rate of contribution were as follows:

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
Rate of return on investments (discount rate):		
Higher Risk Investment Bucket	4.60% per annum	5.10% per annum
Medium Risk Investment Bucket	4.35% per annum	4.85% per annum
Lower Risk Investment Bucket	2.70% per annum	2.70% per annum
Rate of pay increases (long term)*:		
Higher Risk Investment Bucket	4.60% per annum	4.60% per annum
Medium Risk Investment Bucket	5.10% per annum	5.10% per annum
Lower Risk Investment Bucket		
Rate of increases in pensions in payment (in excess of GMP):		
Higher Risk Investment Bucket	3.10% per annum	3.10% per annum
Medium Risk Investment Bucket	3.10% per annum	3.10% per annum
Lower Risk Investment Bucket	3.60% per annum	3.60% per annum

*allowance was also made for short-term public sector pay restraint over a 3 year period

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2025. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2026.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, we have used the following financial assumptions as at 31 March 2024 (the 31 March 2023 assumptions are included for comparison):

	31 March 2023	31 March 2024
Rate of return on investments (discount rate)	4.8% per annum	4.9% per annum
Rate of CPI Inflation / CARE benefit revaluation	2.7% per annum	2.7% per annum
Rate of pay increases	4.2% per annum*	4.2% per annum*
Increases on pensions (in excess of GMP) / Deferred revaluation	2.8% per annum	2.8% per annum

*An adjustment has been made for the short-term pay restraint in line with the 2022 actuarial valuation

The demographic assumptions are the same as those used for funding purposes for the 2022 actuarial valuation but with a long-term rate of life expectancy improvement of 1.5% p.a. For the year end assumptions, we have also updated to the latest CMI tables available (CMI 2022) and applied a suitable reweighting.

Full details of the demographic assumptions are set out in the formal report on the actuarial valuations dated March 2023.

The movement in the value of the Fund's promised retirement benefits for IAS 26 is as follows:

Start of period liabilities	£10,012m
Interest on liabilities	£472m
Net benefits accrued/paid over the period*	(£159m)
Actuarial (gains)/losses (see below)	(£205m)
End of period liabilities	£10,120m

*this includes any increase in liabilities arising as a result of early retirements

Key factors leading to actuarial gains above are:

Change in financial assumptions: Corporate bond yields increased slightly over the year, with a corresponding increase in discount rate from 4.8% p.a. to 4.9% p.a. The long-term assumed CPI is the same at the end of year as it was at the start of year. In combination, these factors lead to a small reduction in liabilities.

Change in demographic assumptions: As noted above, the assumptions have been updated to reflect the new CMI model available. This acts to reduce the liabilities.

Pension increases / recent high short-term inflation: The figures allow for the impact of the April 2024 pension increase of 6.7%, to the extent it wasn't allowed for in the 2023 statement, along with known CPI since September 2023 (which will feed into the 2025 pension increase). As inflation over the year was higher than the long-term assumption, this increases the liabilities.

Paul Middleman
Fellow of the Institute and
Faculty of Actuaries

Mark Wilson
Fellow of the Institute and
Faculty of Actuaries

Mercer Limited
June 2024

Appendix – additional considerations

The “McCloud judgment”: The figures above allow for the impact of the judgment based on the proposed remedy.

GMP indexation: The above figures allow for the provision of full CPI pension increases on GMP benefits for members who reach State Pension Age after 6 April 2016.

Covid 19 / Ukraine / Gaza conflict: The financial assumptions allow for these factors to the degree that they are reflected in the market values on which the assumptions are based. The mortality assumption includes no specific adjustment for COVID as our view is that it is not possible at this point to draw any meaningful conclusions on the long-term impact.

High inflation over last two years The period-end figures above allow for the impact of actual known CPI at the accounting date as noted above. The period-end assumptions then allow for expected (market implied) CPI from that point.