

# Oldham Council

**Statement of Accounts**

**2024/25**

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## 1.0 Preface

### Introduction to the 2024/25 Statement of Accounts by Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability



#### Councillor Abdul Jabbar MBE

This Statement of Accounts presents how the Council has performed in year, the costs of providing its services and the assets which have been developed in the borough to the people of Oldham. It is also an opportunity to reflect on the previous financial year and the major events that have occurred.

Firstly, I am delighted that in March 2025 Shelley Kipling was appointed as Chief Executive, Shelley's passion for Oldham shone through the recruitment process. The coming years will be so important for Oldham as we drive forward our plans to regenerate and transform our borough, continue to improve our vital public services, and work with collaboratively with staff, partners and residents to create a better Oldham.

I can think of no one better than Shelley to work alongside Members as we lead this crucial work to set a clear vision for the future of Oldham, deliver a new era of public service, and restore pride and hope to our wonderful borough.

Moving on to the Council's performance, I would like to briefly reflect on the Directorate Outturn for 2024/25 which is a product of the difficult environment in which we operate. The financial year 2024/25 has been another challenging year for Oldham Council and our Residents.

For many years now I have talked about the demand led pressures around social care and housing and this trend has continued once again this year, resulting in an additional contribution from Earmarked Reserves of just over £10m being required. These pressures are a common theme across the local government and an increasing number of local authorities are now facing financial difficulties.

This year – as in the last few years - the Council has financed much of the increased spending through its reserves but in order to maintain financial stability, this is simply not sustainable. The Council is therefore accelerating its programme to transform the way it delivers services, embracing the use of new technology, digitalisation and Artificial Intelligence (AI), all the time continuing to meet the needs of the most vulnerable within society.

Work to formulate the 2025/26 budget took place throughout the year and once again hard decisions about budget reductions were required amidst the growing pressures. The task to set a balanced budget is always a challenging process which becomes more and more difficult each year, given unprecedented demand for children's residential care provision, adult social care costs and for temporary accommodation for the homeless.

Whilst it was challenging, I am pleased that the Budget set for 2025/26 in March 2025, was achieved without the use of general reserves to balance the budget gap, which will increase the financial sustainability of the Council over the coming years. The Council's agreed budget strategy will look to replenish the reserves we have had to use over recent years and is a significant step in moving the Council forward.

However, the Council is still facing significant pressures in relation to social care costs, further demand on the Dedicated Schools Budget and Special Education Needs and Disabilities (SEND) activity, housing and homelessness, with further pressures on pay and contract inflation.

The implementation of planned Government reforms and the level of Government funding available for local authorities, whilst understanding the pressures of the current economic uncertainty and the demand for Council's services, will have an impact across the Council as we need to ensure that a balanced budget for future years is delivered.

The Medium Term Financial Strategy (MTFS) will be refreshed to reflect the recently announced Spending Review which brings multi-year settlements to aid our medium-term financial planning; we also welcome the opportunity to comment on the Government's Fair Funding Consultation announced this month.

Businesses, residents and partners can be assured that whilst we look forward, the Council will ensure that service delivery and resources are focused towards the 'Resident First' ethos of the Council.

As part of this introduction to the Accounts, I would also like to reflect on the major capital projects that are underway. This year saw the majority of Council staff move to the new offices in Spindles, bringing life back to the shopping centre and the wider town centre. During 2024, work continued with Muse to transform Oldham Town Centre with a view to building over 2,000 new homes and a new Town Centre Park.

The refurbishment at the Old Library is nearing completion which will then become the Council's new chambers and Councillor offices. This move is significant to allow the Council to vacate the current Civic complex and unlock the site for much needed housing in our town centre.

There is much to look forward to during 2025/26 with work on the Coliseum Theatre, the construction of the exciting new visitor and forestry skills centre at Northern Roots and the Sports Town development which will see much needed sports facilities built on the land surrounding Boundary Park. The Council is also committed to continue its programme to reduce carbon emissions and embed the Council's Green New Deal Strategy within our regeneration and capital schemes.

Finally, as always, I would like to recognise the hard work and dedication shown by the Finance and Internal Audit teams throughout the year. Along with colleagues across the Council, they have worked diligently to support the provision of essential Council services through often difficult circumstances.



**Councillor Abdul Jabbar MBE**  
**Deputy Leader and Cabinet Member for Finance, Corporate Services and**  
**Sustainability**

## 1.1 Narrative Report

### Message from the Interim Executive Director of Resources and Section 151 Officer (since March 2025) – Fiona Greenway, CPFA



Firstly, welcome to my first Statement of Accounts as Interim Executive Director of Resources and Section 151 Officer, having joined the authority in March 2025. Having only been in Oldham for a short time, I am pleased to present these accounts for the 2024/25 financial year.

2024/25 was another challenging year for local authorities as a whole and Oldham Council faced similar challenges. As a low tax base, high deprivation and needs authority, the Council works hard in balancing needs against available resources. Following on from previous years, the Council has continued to see an increase in demand for social care services and housing support. In spite of these challenges, the Council has remained focused on providing the best services it can for its residents whilst managing within a tight financial environment.

When setting its budget for 2024/25, the Council approved the use of £10.753m of Earmarked Reserves to support additional expenditure in those services facing increasing levels of demand. Continued pressures in Adult and Children's Social Care services and Temporary Accommodation meant that a further unplanned contribution from reserves of £10.155m has been required. The financial resilience of the Council has been of concern for some years, and with another financial year requiring reserves to support day to day expenditure, this continues to be a concern not just in Oldham but for many Councils across the country. It is therefore positive to note that the 2025/26 budget was the first budget since 2016/17 that was set without a budgeted use of general reserves to produce a balanced position. Further detail is contained within this Narrative Report and the Annual Governance Statement, both of which form part of the overall Statement of Accounts.

A key objective of Oldham Council's Finance Team is to prepare the Statement of Accounts to the highest standards and in accordance with the guidance for Local Authorities in the UK. The Statement of Accounts provides information so that members of the public, including

electors and residents of Oldham, Elected Members, partners, stakeholders and other interested parties can have:

- A full and understandable explanation of the overarching financial position of the Council including its ability to meet its future obligations; and 7
- Confidence that the public money with which the Council has been entrusted has been used and accounted for in an appropriate manner, thus ensuring the Council's fiduciary duty is met.

The draft Statement of Accounts was submitted to the External Auditor on 30 June 2025. The deadline for the completion of the audit of the 2024/25 Accounts is 27 February 2026. There continue to be national challenges impacting on the completion of Local Authority audits, and there is a risk that the audit of the 2024/25 Accounts will not be completed in accordance with the deadline. Despite these challenges, the Council is one of the few in the country which have achieved up to date unqualified audit opinions and the Council is on track to maintain this in the future.

The following Narrative Report provides information about Oldham, including the key issues affecting the Council and its accounts. It also provides a summary of the financial position as at 31 March 2025.

## Narrative Report

This Narrative Report provides an overview of the financial and operational performance of Oldham Council for the financial year ended 31 March 2025. It aims to offer a clear and accessible summary of the Council's financial position, key achievements, and future outlook.

## About Oldham

- Oldham is 1 of 10 Local Authorities in Greater Manchester 8
- Winston Churchill began his political career in Oldham being elected as MP in 1900
- There are circa 3,000 Council employees
- We are the gateway to the Saddleworth Moors and Yorkshire
- Oldham is the home of Colin the Caterpillar
- Oldham Athletic FC were founder members of the English Premier League in 1904



### Total population

The population of Oldham is **242,100** (2021 Census).

- **25.0%** aged under 18
- **58.8%** aged 18-64
- **16.2%** aged 65+

The age structure of Oldham is relatively youthful with a high proportion of residents aged under 18 (**25%**). Since 2001, the population across Oldham and England has aged, with more people aged over 65 and fewer under 18s. This change has been influenced by an increase in the average life expectancy. Source: ONS Census 2021

### Population projections 2023-2033

There will be over the next ten years:

- A **3.2%** increase in those aged under 64.
- A **14%** increase in those aged 65-84.
- A **27.8%** increase in those aged over 85.



Given the growth in Oldham's over 85 population over the next ten years there will be significant changes in demand of adult social care and health provision. Source: Oldham Council Strategy & Performance Service Population Projections, 2023



### Life expectancy 2018-2020

#### Life Expectancy

Oldham's life expectancy is significantly lower than the average in England.

- For men it's 77.2 years compared to the national average of 79.4
- For women it's 80.5 years compared to the national average of 83.1

#### Healthy Life Expectancy

Oldham's healthy life expectancy is also significantly lower than the average in England.

- For men it's 56.6 years v national average of 63.1
- For women it's 58.2 years v national average of 63.9

Source: ONS, calculated by OHID

### Deprivation & Inequality

On average, those living in the most deprived areas of Oldham can expect to live shorter lives than those in the least deprived.

Between Alexandra (Most deprived) and Saddleworth South (Least deprived) the difference is:

- **12.7** years for males.
- **12.8** years for females.

Source: Local Health



## About the Council - Political Structure

The Council is made up of 60 Councillors from the 20 wards across the borough. Following the May 2024 election, the Council was in a position of no overall control, with Labour having the largest administration with 27 of the 60 seats.

At the beginning of the municipal year in 2024/25 the composition of the Council in May 2024 was:

(i)	The Labour Group	27	Members
(ii)	The Liberal Democrat Group	9	Members
(iii)	The Conservative Group	8	Members
(iv)	The Oldham Group	6	Members
(v)	Failsworth Independent Party	2	Members
(vi)	Royton Independents	2	Members
(vii)	The Independent Group	2	Members
(viii)	Oldham Independents	2	Members
(ix)	Independent Members not aligned to a political group	2	Members

In July 2024, there was a further change whereby the Oldham Independents joined the Oldham Group, therefore the composition as at July 2024 was:

(i)	The Labour Group	27	Members
(ii)	The Liberal Democrat Group	9	Members
(iii)	The Conservative Group	8	Members
(iv)	The Oldham Group	8	Members
(v)	Failsworth Independent Party	2	Members
(vi)	Royton Independents	2	Members
(vii)	The Independent Group	2	Members
(viii)	Independent members not aligned to a political group	2	Members

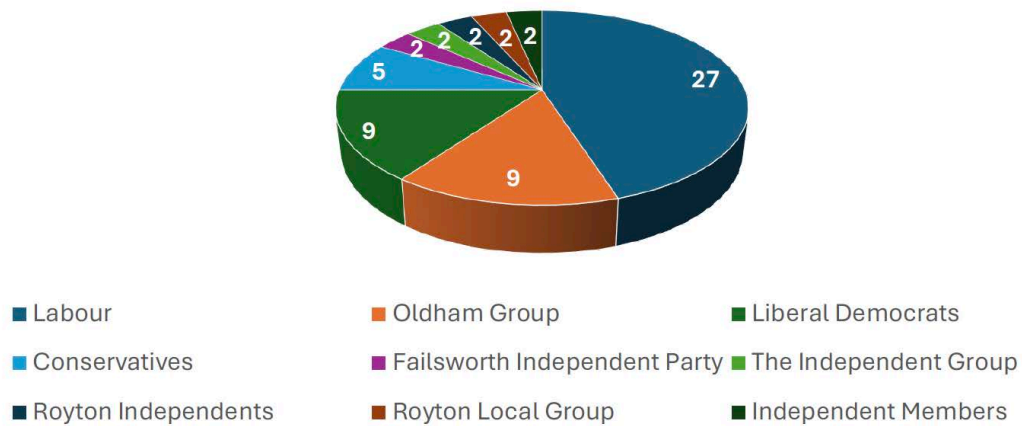
Between January 2025 and the end of the financial year, there were further changes between parties which altered the composition to the below as at the end of the financial year:

(i)	The Labour Group	27	Members
(ii)	The Liberal Democrat Group	9	Members
(iii)	The Oldham Group	9	Members
(iv)	The Conservative Group	5	Members
(v)	Failsworth Independent Party	2	Members
(vi)	Royton Independents	2	Members
(vii)	The Independent Group	2	Members
(viii)	Royton Local Group	2	Members
(ix)	Independent members not aligned to a political group	2	Members

This is diagrammatically represented below:

## Oldham Councillors – as at the financial year end

### Oldham Council Political Composition as at 31 March 2025



The Council operates a Leader and Cabinet model. The Full Council elects a Leader who, in turn, appoints members of the Cabinet, and allocates specific areas of responsibility to Cabinet Members.

The Cabinet comprises the Leader and eight Councillors, exercising responsibility for strategic decision making, implementation of agreed policies, providing political leadership and recommending proposals for approval by the full Council on the budget, Council Tax levels and the Council's policy framework.

Cabinet Portfolios are broadly aligned to the Council's key service Directorates, enabling the joint sharing of priorities. Effective working relationships exist between officers and Elected Members, with Cabinet Members regularly meeting with their respective senior officer leads to monitor the progress of business plans, consider key service developments and improvements, performance and financial management.

Cabinet Members are held to account by a system of scrutiny which is set out in the Constitution. Scrutiny arrangements have evolved since new arrangements in 2023/24 were established as below:

- Strategy, Governance and Resources Scrutiny Board
- Adults Social Care and Health Scrutiny Board
- Place, Economic Growth and Environment Scrutiny Board
- Children and Young People Scrutiny Board

The scrutiny function is central to the Council's corporate governance and provides the opportunity to shape key policy matters at an early stage, prior to decisions being made by the Cabinet. Scrutiny has the power to call-in decisions for review before they are implemented, and is a key democratic tool to hold the Cabinet to account.

### About the Council - Senior Management Team

Supporting the work of Elected Members is the organisational structure of the Council headed by the Chief Executive, Shelley Kipling. The Chief Executive leads the management of the Council via a Management Board comprising of all senior officers at Director level and above.

The Chief Executive and the members of Management Board provide managerial leadership of the Council and support Elected Members in:

- Developing and delivering the strategic plans and priorities set by the Council; 11
- Identifying and planning resources;
- Managing the Council’s budget, assets and financial planning;
- Delivering value for money for the residents of Oldham;
- Ensuring legal compliance and responsible financial stewardship;
- Leading and supporting the wider Council workforce;
- Promoting good management, staff development and workforce wellbeing;
- Monitoring and mitigating risks that could affect services or residents;
- Delivering effective services for the borough’s diverse communities; and
- Ensuring that Oldham plays a full part in national, regional and sub-regional activities.

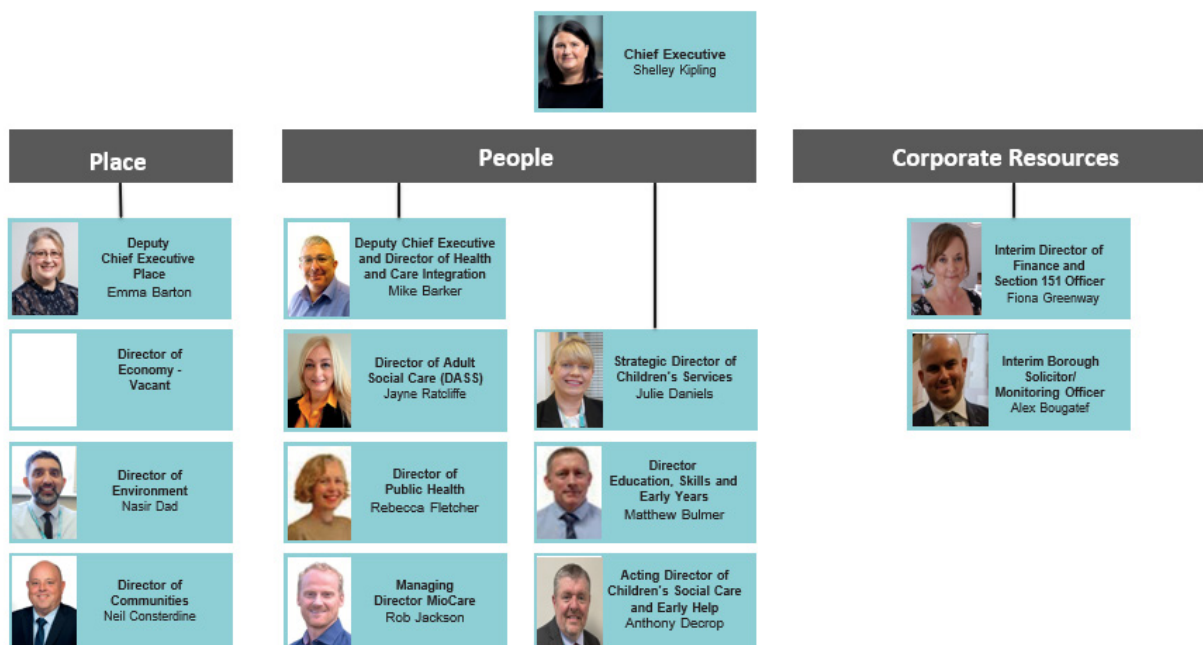
### Director Leadership Team structure as at 31 March 2025

The 2024/25 financial year started with Harry Catherall as the Council’s Chief Executive. During the year, an agreement was made with Tameside MBC for Mr Catherall to be seconded to that authority on a fixed term basis yet still working for Oldham one day a week. At this stage, following a recruitment process, Shelley Kipling became Acting Chief Executive to support the Council whilst this arrangement was in place.

Subsequently, Mr Catherall was seconded on a full-time basis to Tameside to lead as their Chief Executive with no return back to Oldham. The Council then began the process to recruit to this key role on a permanent basis with Shelley Kipling being successfully recruited to this post. This appointment was formally agreed by Council on 6 March 2025.

The diagram below shows the Director Leadership structure at the 31 March 2025.

#### Director Leadership Structure



## About the Council - Strategies

### The Oldham Plan / The Corporate Plan

**The Oldham Plan 2024 – 2030; Pride, Progress, Partnership** sets the direction for the borough as a whole, based on extensive consultation with residents and partners. It shows what the Council is trying to achieve overall, and specifically the minimum standards every resident should have by 2030. The three missions outlined in this plan are:

- **Healthier, Happier Lives**
  - People in Oldham will live healthier and longer lives.
  - Our children and young people will have the chance to reach their full potential.
  - Everyone will get the right health and care support, in the right place, when they need it.
  - More people will feel involved and connected to their communities.
  - Residents of all ages will see improvements in their mental health and wellbeing.
- **Great Place to Live**
  - More people will have access to good, affordable homes that suit their needs.
  - Residents will feel proud of where they live and more connected to their community.
  - Our neighbourhoods will be safer, more welcoming, and better connected.
  - Everyone will have the chance to enjoy great arts and culture right here in Oldham.
  - Oldham will be a fairer place where those who need help can easily get it.
- **Green and Growing**
  - Our town centres and high streets will be lively places where people want to visit and shop.
  - More local businesses will start, grow, and succeed, creating good jobs for residents.
  - Every resident will see the benefit of Oldham's growing economy.
  - Oldham will lead the way on green projects across the country.
  - We'll support the growth of tech, green industries, and advanced manufacturing in the borough.

Each of these is supported by a set of metrics to hold the Partnership accountable for progress on these priorities.

**The Corporate Plan 2024 – 2027; Ready for the Future**, is the Council's contribution to the Oldham Plan. It sets out our values and behaviours, which define how we, as an organisation, will operate and shape our culture, our decisions, and inspire us to deliver on our commitments for the people of Oldham. This plan also outlines our four pillars of change;

- Efficiency and value for money,
- Capacity building,
- Prevention and early help, and
- Digital.

These are crucial to the successful delivery of the Corporate Plan. Finally, the Corporate Plan has three missions (as mentioned above). The priorities in this plan are aligned to

service areas and business planning, ensuring that our resources, actions, and initiatives drive meaningful and sustainable change across the borough.

## Revenue Budget Monitoring

The Council's operations are divided into directorates. Each directorate has an approved budget which is updated throughout the year as additional funding is made available to the Council. Monitoring of actual expenditure against the revised budget takes place frequently, with monitoring reports progressing to Cabinet throughout the financial year. The final outturn position for 2024/25, which is considered in more detail over the following pages, is taken to Cabinet for approval. In addition the Council's Governance, Strategy and Resources Board considers Cabinet's budget monitoring reports throughout the year.

## Directorates

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## Revenue Outturn – General Fund

For the financial year 2024/25, the Council approved a General Fund net revenue budget of £299.818m at its meeting on 28 February 2024. During the year, a number of amendments were approved to the budget to reflect additional grant receipts such that by the year end the approved net revenue controllable budget was £306.837m. Controllable budgets exclude those costs for depreciation and impairment, central support service recharges and technical accounting adjustments that are outside of individual directorate control.

Since the start of the financial year, the Council has seen significant pressures on the Revenue Budget. At the end of Qtr 1, the forecast revenue outturn for 2024/25 was an

adverse variance of £26.033m after the application of £4.910m of service specific reserves. This forecast overspend was due to the continued pressures being reported across three directorate areas in particular:

- Children's Services (£14.187m)
- Place and Economic Growth - Temporary Accommodation (£8.850m)
- Adult Social Care (£5.616m)

This significant adverse forecast position was an early warning sign for the Council and one that was addressed urgently.

As a result of this forecast position, Elected Members and the Management Board worked collaboratively to implement a number of management actions, and these were:

- Rigorous management review and challenge of all planned expenditure and to maximise income;
- Maintaining escalation of approvals to Senior Management level to ensure nonessential expenditure was minimised;
- A robust vacancy management process with any external recruitment to be undertaken by exception with Senior Management sign off;
- Service panels in Adult Social Care and Children's Services to review high-cost placements and care packages and step-down costs where appropriate;
- Specific task and finish groups to look at reducing the cost in high demand service areas to create efficiencies and reduce cost;
- Reviewing existing budgetary contingencies and the ability to repurpose/ reposition some of these towards meeting the in-year challenge;
- Developing action plans to bring spend and savings back in line with budget projections;
- Acceleration of the transformation programme in-year to try to reduce the forecast overspend position; and
- Any previously approved Budget reduction proposals for 2025/26 to be accelerated where possible to relieve the in-year pressure.

In line with the action included as part of the 2023/24 Annual Governance Statement to increase the frequency of budget monitoring, the reporting cycle was changed to bi-monthly reports to Cabinet. The next monitoring report presented was for Month 4. At this stage, the adverse forecast outturn position had reduced with the projected overspend reducing by £4.968m to £21.065m after allowing for approved and pending transfers to and from reserves. This reduction in projected overspend was as a direct result of the implementation of the management actions agreed.

The Month 4 report also presented to Cabinet a number of budget adjustments totalling £6.138m as part of the strategy to accelerate the budget process and implement options earlier to reduce the in year overspend and support the delivery of the 2025/26 budget without the need to use reserves to support it.

At the end of Qtr 2 the forecast adverse position reduced further to £19.912m, a favourable change of £1.153m from that previously reported. Presented within this report to Cabinet was the conclusion of a full review of reserves which was completed as part of the Council's strategy to align reserves to priorities, enhance internal controls around use of reserves and increase financial resilience.

The next financial monitoring report presented to Cabinet at its meeting on 16 December 2024 reported the Month 8 position where the forecast overspend had increased to

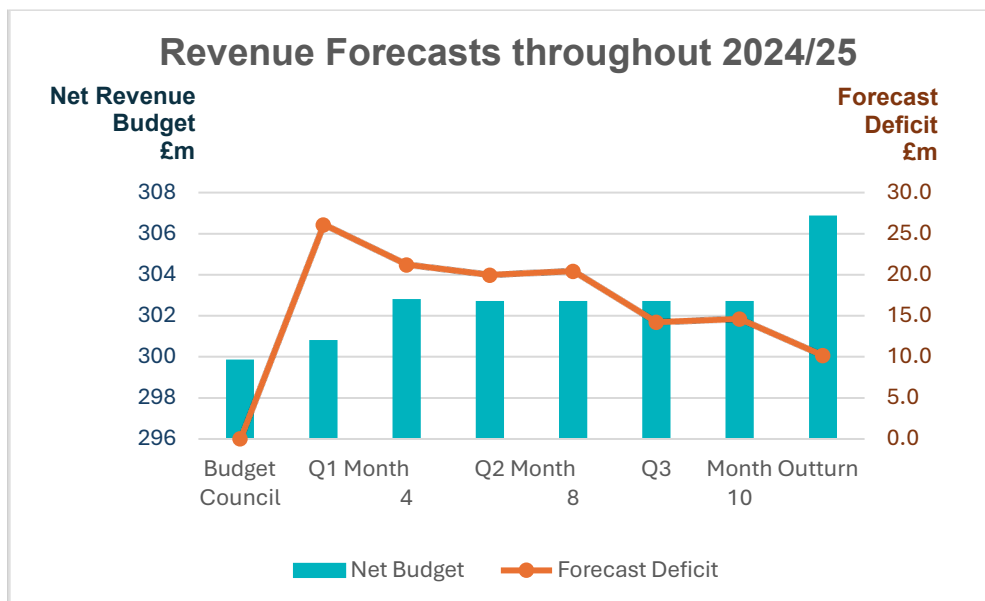
£20.390m. Continued further demand for services was the reason for this increase between periods. Included within this report was an update on the Council’s refreshed Medium Term Financial Strategy (MTFS) in advance of the Provisional Local Government Settlement for 2025/26.

To support the budget setting process for 2025/26, the Quarter 3 monitor was presented alongside the revenue budget report and MTFS which reflected the latest information from the Government. The Council meeting of 20 January 2025 approved a revised Minimum Revenue Provision (MRP) policy which, when reflected within the financial projections, resulted in the overspend position reducing to £14.178m; a positive change of £6.212m from that previously forecast.

The final formal reporting period of the year at Month 10 saw a further worsening of the projected outturn position with the forecast unfavourable variance increasing by £0.419m to £14.597m. The increase in the projected overspend was again a result of the demand for the three Council services, Children’s Services, Adults Social Care and Temporary Accommodation.

Outturn controllable spend against the approved net revenue budget was £315.520m with an additional shortfall of financing income of £1.472m, an overall adverse variance against budget of £10.155m. To address the financial position, an unbudgeted contribution from Reserves of £10.155m was made to cover the overspend.

The graph below, highlights the controllable budget movement together with the forecast adverse position throughout 2024/25.



The Council's 2024/25 outturn position is shown in the following table:

	2024/25 Annual Controllable Budget	2024/25 Controllable Actual	2024/25 Variance
Directorate	£000	£000	£000
Community Health and Adult Social Care	76,739	87,571	10,832
Children's Services	70,705	81,408	10,703
Public Health	23,054	21,552	(1,502)
Place and Economic Growth	67,001	72,084	5,083
Corporate Services	36,392	33,539	(2,853)
Capital, Treasury and Technical Accounting	32,946	19,365	(13,581)
<b>NET EXPENDITURE</b>	<b>306,837</b>	<b>315,520</b>	<b>8,683</b>
<b>FINANCING</b>			<b>1,472</b>
<b>OVERALL VARIANCE</b>			<b>10,155</b>
<b>Use of Reserves to support 2024/25 position</b>			<b>(10,155)</b>

### Analysis of Directorate Revenue Outturn

The following details the key variances across the directorates:

#### *Community Health & Adult Social Care (CHASC)*

The Community Health and Adult Social Care service area closed the financial year with an overspend of £10.832m primarily attributed to the cost of care placements, particularly for individuals with physical disabilities. There were also additional costs for clients within the learning disabilities and mental health services due to Supported Living costs, direct payments and homecare costs.

#### *Children's Services*

The Children's Services outturn position was an overspend of £10.703m. Much of the overspend related to pressures within the Children's Social Care service area for placements including high-cost external residential packages (£11.602m). The continual review of external placement packages in 2024/25 yielded cost reductions of £3.723m however, new placements cost £3.738m removing any financial benefit.

Pressures in permanent recruitment seen in recent years continued throughout 2024/25 with the use of agency staff in the Fieldwork and Family Support creating further overspends. These pressures were in part offset by vacant posts and additional income across the whole of the directorate.

#### *Place & Economic Growth*

The Place & Economic Growth directorate overspent by £5.083m. The biggest contributing factor to this adverse position and continuing the upwards trend over the last few years was due to the increased costs incurred for the use of Temporary Accommodation (£4.483m). The number of individuals and families in Temporary Accommodation during 2024/25 did follow a downward trajectory throughout the year. The numbers in temporary accommodation as reported at Month 10 was 637, the number in temporary accommodation as at 31 March 2025 was 616. The adverse position is as a direct result of the placement

cost in hotels, Bed & Breakfasts (B&Bs) and other temporary accommodation used to house increased demand.

Further pressures on the directorate budget arose from an overspend against the Estates and Property Management budget as a result of increased repairs and maintenance to the Council's asset base, increased expenditure on Business Rates and the non-achievement of planned savings in respect of the Creating a Better Place Programme.

Overspends in the areas highlighted above were offset by underspends in Corporate Services, Public Health and Capital, Treasury and Technical Accounting directorate areas.

Transfers from Reserves have been used to mitigate the impact of the overspend on the General Fund resulting in a nil change to the overall General Fund balance. As outlined elsewhere in this report, the use of Reserves to combat overspends is a short-term measure and must not be used indefinitely.

## Capital Spending

During 2024/25, capital monitoring reports were prepared monthly from Month 3 through to Month 10, with reporting of the Capital Programme to Cabinet completed alongside the revenue monitoring. These reports highlighted and sought approval for the reprofiling of the Programme. The capital expenditure incurred during the year compared to the final Month 10 forecast is shown in the table below.

Directorate	2024/25 Original Budget £000	2024/25 Budget M10 £000	2024/25 Actual £000	Variance To Revised Budget £000
Community Health & Adult Social Care	4,443	2,906	2,696	(210)
Children's Services	4,724	6,770	4,603	(2,167)
Communities	100	186	40	(146)
Heritage, Libraries and Arts	-	460	11	(449)
Place and Economic Growth	83,226	69,040	67,714	(1,326)
Housing Revenue Account	628	200	1	(199)
Corporate/Information Technology	2,919	3,298	3,510	212
Capital, Treasury & Technical Accounting	2,600	4,600	3,216	(1,384)
Funding for Emerging Priorities	1,043	-	-	-
<b>Total Expenditure</b>	<b>99,683</b>	<b>87,460</b>	<b>81,791</b>	<b>(5,669)</b>

The Summer Review 2024 of the programme resulted in a reduction in forecast expenditure from £99.683m to £87.460m and reflected a re-phasing of projects that had not progressed as much as originally forecast in March 2024. As highlighted above, the Council spent £81.791m against the revised Capital Programme in 2024/25, resulting in a variance of £5.669m. The variance of £5.669m is made up of underspends on school projects of circa £0.780m and capitalised redundancy costs of circa £1.384m. The balance of circa £3.505m is as a result of schemes reprofiled into future years.

The table below details the financing of the 2024/25 capital expenditure.

Financing	2024/25 Original Budget £000	2024/25 Budget M10 £000	2024/25 Actual £000	Variance To Revised Budget £000
Government Grants & Contributions	(43,834)	(32,783)	(29,875)	2,908
Capital Receipts	(49,638)	(47,566)	(46,961)	605
Revenue Contributions	(630)	(233)	(28)	205
Prudential Borrowing	(5,581)	(6,878)	(4,927)	1,951
<b>Total Financing</b>	<b>(99,683)</b>	<b>(87,460)</b>	<b>(81,791)</b>	<b>5,669</b>

### Medium Term Financial Strategy (MTFS)

The Council presented its budget for 2025/26, together with its forward estimates to Full Council for approval on 6 March 2025. Whilst presenting a balanced budget for 2025/26 without the support of reserves, the MTFS highlighted major challenges facing the Council which included:

- The continued pressure on Children’s Services due to demand for, and the costs associated with, placements and home to school transport.
- Adults Social Care demand and demographic pressures.
- The increased numbers of individuals and families presenting as homeless and requiring accommodation, a trend that is exacerbated by a current lack of housing supply.
- The impact of pay and inflation changes including National Insurance Contributions.

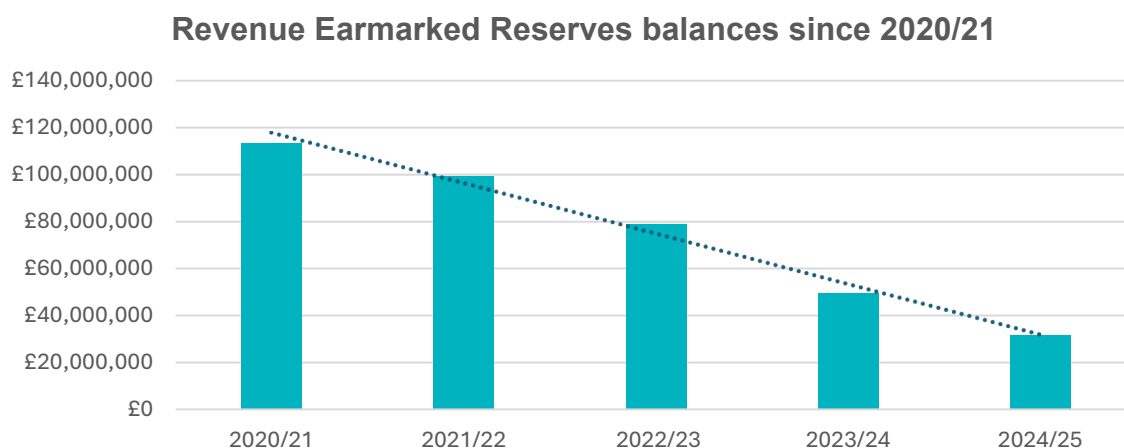
The pressures facing the Council reflect nationwide issues affecting the Local Government sector as a whole. There is no indication that these trends will curtail in the future meaning the Council must continue to make difficult decisions to maintain financial resilience and continue to provide effective services in the future.

Ambitious savings totalling £26.7m for 2025/26 have been implemented across the Council to address these pressures alongside a redeveloped transformation programme linked to the refreshed Corporate Plan. Significant budget gaps remain to be addressed over the forthcoming years. Further details can be found within the approved MTFS which is available on the Council’s website.

During 2025/26, the Government will be making major changes to the financing of Local Government via the Fair Funding Reform and National Business Rates Reset. The initial consultation with regards to the Business Rates Reset closed on 2 June 2025. The consultation on Fair Funding Reform was issued on 20 June 2025 with a closing date of 15 August 2025. The Council are working through the implications for Oldham. Both of these areas will impact on Oldham Council and its budget for 2026/27 onwards. Initial indications are that there will be a return of multiyear settlements to aid financial planning and funding will be redistributed across the system to deprived areas made up of low tax base and high needs, similar to Oldham. It is imperative that savings are delivered in full and the budget strategy agreed at the Budget Council in March 2025 (that reserves are replenished at every opportunity to ensure financial sustainability) is achieved.

## Revenue Account Earmarked Reserves General Fund balances

In previous years, the Council has utilised its Reserves to meet shortfalls in funding. The following graph shows the General Fund Revenue Earmarked Reserves balances since 2020/21. There has been a general downward trend in balances since that time and a significant overall decrease of 72.19%, as can be seen in the graph below:



In order to ensure the Council reaches financial sustainability over the medium term, there must be no reliance on the use of reserves to balance the budget. The MTFs must demonstrate this for 2026/27 onwards, not just for the 2025/26 financial year.

As outlined in the revenue monitoring reports throughout the year, reliance on usable reserves to fund routine revenue expenditure is unsustainable and, as demonstrated above, has significantly weakened the Council's financial resilience. The implementation of a refreshed transformation programme comprised of four pillars for change, including one focused on Efficiency and Value for Money, looks to address the financial challenges faced by the Council and increase its overall financial sustainability.

During 2024/25, several additional spend control measures were introduced to address the continued financial challenges being faced and provide support with the actions needed to deliver a mitigated balanced position. These included:

- The establishment of the Financial Sustainability Delivery Board (FSDB) chaired by the Leader to provide challenge of the overall MTFs, budget and savings delivery;
- The establishment of the Financial Sustainability Steering Group (FSSG), chaired by the Chief Executive to monitor and provide robust challenge on the delivery of approved savings;
- The implementation of detailed service reviews to identify additional cost reduction proposals that can be approved during the financial year for early delivery (wherever possible) to reduce in-year pressures and for full implementation in future financial years; and
- Additional controls (introduced in January 2024) in respect of spend and new recruitment.

Ongoing financial resilience continues to depend on the Council eliminating its reliance on the use of reserves to balance its budgets (with a clear example of this being the financing of the revenue budget for 2025/26) without the need to use reserves. The Council's policy to replenish reserves wherever possible will ensure that the Council is well placed to address future challenges.

## Capital Strategy

The Capital Strategy for the 5-year period from 2025/26 to 2029/30 was approved by Cabinet and subsequently Full Council alongside the MTFs on 6 March 2025.

The Capital Strategy was influenced by the principles which shaped the overarching budget process for the Council and is driven by the ethos of a Co-operative Council. The areas of expenditure and sources of funding as reported to Budget Council are summarised below. This programme will be updated with the final Outturn position and reviewed across the Capital Strategy period as part of the ongoing capital monitoring process.

Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Community Health & Adult Social Care	4,106	3,000	3,000	-	-
Children's Services	10,482	3,151	2,000	-	-
Communities	338	-	-	-	-
Place and Economic Growth	80,617	14,998	15,502	2,055	-
Housing Revenue Account	3,193	206	210	215	219
Corporate/Information Technology	3,165	3,123	2,595	1,877	
Capital, Treasury & Technical Accounting	3,600	2,628	4,373	2,500	5,000
Funding for Emerging Priorities	3,000	2,885	2,000	-	-
<b>Total Expenditure</b>	<b>108,501</b>	<b>29,991</b>	<b>29,680</b>	<b>6,647</b>	<b>5,219</b>

Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Ringfenced Grants	(52,250)	(3,962)	(7,700)	-	-
Un-ringfenced Grants	(8,449)	(5,775)	(1,858)	(780)	-
Other Contributions	(100)	-	-	-	-
Capital Receipts	(4,653)	(2,567)	(2,252)	(2,309)	(2,000)
Prudential Borrowing	(39,855)	(17,480)	(17,660)	(3,343)	(3,000)
Revenue (HRA & GF)	(3,193)	(206)	(210)	(215)	(219)
<b>Total Funding</b>	<b>(108,501)</b>	<b>(29,991)</b>	<b>(29,680)</b>	<b>(6,647)</b>	<b>(5,219)</b>

Potential projects are appraised via the Council's existing Gateway process with the outcomes being reported to Capital Investment Programme Board (CIPB) so that capital investment is directed to make a real and demonstrable impact on the economy of Oldham by:

- a) Regenerating the borough: building on the established investment programme by attracting and securing significant amounts of external investment to supplement Council resources and deliver an enhanced borough-wide regeneration offer.
- b) Prioritising regeneration schemes to develop the local economy through for example:

- Taking forward the vision for Oldham town centre, facilitated by the acquisition and redevelopment of 'The Spindles';
- Implementing key strands of the Housing Strategy to improve the housing offer; 21
- Improving connectivity across the borough; and
- Supporting job creation and the Get Oldham Working initiative which are key to the economic and social recovery of the borough as it addresses the legacy from the COVID-19 pandemic and the challenges facing the economy arising from national and international developments.

The table above shows that some £81.338m (45.18%) of the approved Capital Programme will be funded by prudential borrowing. This may reduce over time as the Council continues to review potential funding opportunities and apply for grant funding where appropriate. The overall borrowing requirement will be kept under review in light of the Council's forecast revenue position and any contractually uncommitted projects reliant on borrowing may be deferred or cancelled accordingly. We keep under regular review the levels of borrowing that we undertake to ensure Value for Money.

A more detailed list is provided as part of the Capital Strategy report and can be found on the Council's website.

### **LGA Corporate Peer Challenge**

The 2023 LGA Corporate Peer Challenge praised Oldham Council for its strong leadership, place-based approach, and growing financial resilience. These strengths were reaffirmed during the twelve-month follow-up visit in November 2024, which recognised the Council's continued progress in challenging circumstances. The review highlighted improvements in embedding a resident-focused culture, now clearly reflected in the refreshed Corporate Plan and business planning processes. The Council was also commended for strengthening financial planning, deepening cross-organisational ownership of the budget challenge, and maintaining momentum on place-based regeneration, and partnership working.

### **Non-Financial Achievements linked to the Corporate Plan**

#### **Happier, Healthier Lives**

- Oldham Children's Services was rated GOOD in all areas by Ofsted, highlighting the Council's improvement and commitment to giving children the best start in life.
- We have expanded Family Hubs across all districts, providing joined-up support for parents, carers, and children.
- Oldham Council's Strategic Transport Team has been awarded the prestigious ICE North West Future Resilience Award in recognition of its work to improve safety around local schools.
- Oldham's Pension Credit Campaign has seen more than £230,000 being distributed to 53 pensioners, with each household receiving an average of £3,494 annually. The ongoing campaign is projected to provide more than £1.7m in support to these residents in the coming years, with more eligible pensioners expected to be identified.

## Great Place to Live

- We have delivered the first major phase of Oldham's town centre regeneration, including the brand-new Spindles office space, setting the foundation for a thriving, modern business and retail hub.
- Launched The Hive, a dynamic new co-working hub at Spindles Shopping Centre, giving local businesses and freelancers a place to connect, innovate, and grow. 22
- Opened the doors to the Egyptian Room, Oldham's newest go-to destination for food, drink, and social experiences.
- Completed the landmark restoration of Royton Town Hall and Library, preserving its Victorian grandeur while creating a modern, community-focused space.

## Green and Growing

- Approved the Oldham Town Living Development Framework, setting out ambitious plans to deliver up to 2,000 new homes and reimagine urban living.
- Northern Roots is transforming 160 acres of underused green space into the UK's largest urban eco-park, right in the heart of Oldham.
- The launch of the Oldham Trading Platform is transforming the way businesses buy, sell, and grow – keeping more opportunities, investment, and jobs right here in Oldham.
- Atom Valley is transforming the region into a global leader in advanced manufacturing, clean energy, and digital innovation – and Oldham is right at its heart.

## Corporate Risks

The Council has an embedded process to manage risks and assist in the achievement of its objectives, alongside national and local performance targets. Risk Management is incorporated into the Business Planning Process with all risks reviewed and monitored quarterly.

The Corporate Risk Register, which is refreshed quarterly, plays an integral role in supporting production of the Corporate Plan and is subject to regular review by the Audit Committee.

This encompasses:

- Changes to the Council's financial resilience due to uncertainty and matters outside of the Council's control such as the future level of Government support meaning that the Council could not set a legal budget;
- The impact of changes in the delivery of Health and Care Services in Oldham which creates uncertainty and disrupts integration plans;
- The internal control environment including Adult Social Care systems;
- Cyber and information risks;
- The key regeneration projects planned for the future; and
- Workforce resilience.

The Annual Governance Statement (included within this document) outlines the arrangements through which the Council manages risks. It identifies the future risks and challenges the Council faces and actions required to mitigate those risks to a reasonable level. Significant issues identified include:

- The need to control expenditure and reduce the reliance on reserves; 23
- The impact of the Procurement Act 2023;
- Challenges associated with delivering the Council's Regeneration Programme;
- The impact of the financial pressures facing Manchester NHS in the light of provision of health and care services through Integrated Care Partnerships;
- Partnership governance;
- Workforce resilience and staff turnover at a senior level; and
- The increasing challenges associated with maintaining cyber security and protection of data.

### **Main Changes to the Statements and Significant Transactions**

The Council has followed the guidance in the CIPFA Code of Practice on Local Authority Accounting 2024/25 and subsequent Bulletin 19 for the closure of the 2024/25 Financial Statements. However, the Council has continued its policy of diverging from the Code in relation to the accounting treatment for the depreciation charge against Housing Revenue Account (HRA) dwellings. Details are provided in Section 4.1 of the Accounts. The Council's management believes that this alternative treatment is required in order to present a true and fair view of the financial position of the Council's HRA.

### **Basis of Preparation and Presentation of the Accounts**

The Council prepares its Statement of Accounts on a going concern basis, on the assumption that it will continue in existence into the foreseeable future. Disclosures are included within the Statement of Accounts based on an assessment of their materiality. A disclosure is considered material if through an omission or a misstatement, the decisions made by users of the accounts would be influenced. This could be due to the value or the nature of the disclosure.

The Council considers disclosures against an internally calculated materiality threshold which is reviewed each year. However individual items of income and expenditure over £6.000m which are not disclosed on the face of the Comprehensive Income and Expenditure Statement (CIES) are considered to be significant and are disclosed in Note 7. Some disclosures are included due to their nature even if the value of transactions is not over the materiality threshold, an example of this is Note 9 Officers' Remuneration.

The assessment of materiality also influences the Council's decision to produce Group Accounts. Each year the Council assesses the entities it exerts control or significant influence over to identify which fall within the Group boundary. If the value of transactions for the Group as a whole is material, Group Accounts are produced. The accounts for 2024/25 therefore consolidate the MioCare Community Interest Company.

### **Explanation of the Statements to the Accounts**

The Accounts and Audit (Amendment) Regulations 2024 require the Council to produce a Statement of Accounts for each financial year. These statements contain several different elements which are explained below:

**Statement of Responsibilities for the Statement of Accounts** sets out the respective responsibilities of the Authority and the Chief Financial Officer (Interim Executive Director of Resources and Section 151 Officer).

**Auditor's Report** gives the External Auditor's opinion of the financial statements and of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources (this report is not included in the draft accounts).

## **Financial Statements**

- **Comprehensive Income and Expenditure Statement (CIES)** shows the cost of providing services in the year in accordance with International Financial Reporting Standards. The top part of the CIES provides an analysis by Directorate and reflects the Council's local reporting format. The bottom half of the statement deals with corporate transactions and funding.
- **Movement in Reserves Statement** is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "usable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific purposes.
- **Balance Sheet** shows the value of the Council's assets, liabilities and reserves at a point in time.
- **Cash Flow Statement** shows the changes in the Council's cash and cash equivalents during the year and quantifies the movements in balances attributable to the day to day running of the Council (operating activities), investing activities or financing activities.
- **Housing Revenue Account (HRA)** shows the in-year economic cost of providing housing services in accordance with generally accepted accounting practices.
- **Collection Fund Statement** shows the transactions of the Billing Authority in relation to the collection from taxpayers of Council Tax and Business Rates and its distribution to precepting bodies. For Oldham, the Council Tax precepts payable are for the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire & Rescue Services).
- **Group Accounts** show the Group position of the Council and its material subsidiaries. The Council considers the Group Statements to be of equal prominence to the single entity statements.

## **Receipt of Further Information**

If you would like to receive further information about these accounts, please do not hesitate to contact Fiona Greenway, Interim Executive Director of Resources and Section 151 Officer, Oldham Council, West Street, Oldham, OL1 1UG.

## **Acknowledgements**

The production of the Statement of Accounts would not have been possible without the exceptional 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.

A handwritten signature in black ink that reads "Fiona Greenway". The signature is written in a cursive, flowing style.

**Fiona Greenway, CPFA**

Interim Executive Director of Resources and Section 151 Officer  
30 June 2025

## 1.2 Annual Governance Statement 2024/25

### INTRODUCTION

The Council is required by law to review its governance arrangements at least annually. Preparation and publication of the Annual Governance Statement (AGS) is done in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering Good Governance in Local Government'.

This AGS is a key corporate document which is intended to provide an accurate representation of the corporate governance arrangements in place which have supported the delivery of organisational objectives during the year. The governance framework has been in place across the Council for the year ending 31 March 2025 and up to the date of approval of the Statement of Accounts.

### SCOPE OF RESPONSIBILITY

The Local Audit and Accountability Act 2014 requires that local authorities publish an Annual Governance Statement alongside the accounts and a narrative commenting on the Council's economy, efficiency and effectiveness. This statement explains how the Council has complied with the Code and meets the requirements of Accounts and Audit (England) Regulations 2015.

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and provides value for money. The Council also has a duty under the Local Government Act 1999 to plan to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Council must put in place proper arrangements for the governance of its affairs, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

The Council has established governance arrangements which are consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering Good Governance in Local Government' and it has adopted a Local Code of Corporate Governance which was approved by the Standards Committee on 27 June 2024. A copy of the [Local Code of Corporate Governance is available on the Council's website](#).

### PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture, values, and behaviours, by which the Council's activities are directed and controlled, through which it accounts to, engages with, and leads the community, citizens and service users. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, effective services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to

identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively, and economically.

## **THE GOVERNANCE FRAMEWORK & REVIEW OF EFFECTIVENESS**

The Council has adopted a local governance framework consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016 edition. The Council will also ensure that governance and internal controls are considered in the context of the new guidance from CIPFA and SOLACE which will apply from 2025/2026 onwards. The Council aims to achieve good standards of corporate governance by adhering to the seven core principles of good governance as outlined in the CIPFA/ SOLACE guidance:

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

Set out below is how the Council has specifically complied with the seven core principles set out in the CIPFA / SOLACE framework during 2024/25.

## ASSURANCE STATEMENTS

As part of the Annual Governance Statement, CIPFA guidance recommends that the Monitoring Officer and Section 151 Officer provide "a key source of assurance that the Council's systems and procedures of internal control which are in operation are effective, efficient and being complied with". In essence this requires the Monitoring Officer, as the Officer charged with ensuring that the Council, and every part of it, acts legally and is not acting in a manner thought to constitute maladministration or injustice. In addition, the Chief Financial Officer/S151 Officer similarly ensures that all parts of the Council act in accordance with the budgetary and policy framework requirements in connection with the setting of the budget and financial stewardship standards within the Council.

### Monitoring Officer Assurance Statement

As the Council's Interim Borough Solicitor and designated Monitoring Officer under Section 5 of the Local Government and Housing Act 1989, it is incumbent upon me that the Council is operating lawfully within the confines of all laws of the land and the Council's constitution is effective and adhered to. Evidence of any potential unlawfulness or maladministration would give rise to circumstances leading to a report being prepared that would seek to stop a proposal or decision being implemented until the report is fully considered.

The Role of the Council's Monitoring Officer also requires assurance that the Council operates other key functions to a high standard, including having an effective and secure document sealing process, an accurate whistleblowing policy, ensuring that all legal proceedings and settlements are conducted in an accurate and effective manner and there is a suitable standards investigation process.

### Standards:

The Council has a challenging and complex political makeup. There are 60 Councillors with 8 separate groups, the largest being the Labour Group with 27 members. The large number of political groups with differing political ideologies has led to at times a fractious environment where challenging member behaviour is not uncommon both towards officers and in particular towards each other. In the last 8 months since I have been in post, I have received 20 separate member standards complaints. These complaints include officer complaints towards members, member to member complaints and members of the public complaining about members.

The Standards Committee met in June 2025 and all members in attendance accepted that while the standards framework nationally is wholly ineffective and absent of any ability to effectively sanction offending members and all looked forward to more robust legislation being provided in due course, there were still improvements that could be made. The current code of conduct was approved but a request that the following recommendations be progressed with a view to being resolved at Full Council and implementing into the current member code of conduct:

1. There should be mandatory training that occurs twice a year regarding the members code of conduct.
2. That training should be interactive possibly in the format of a workshop with an ability for members to work together in groups including some scenario-based examples.
3. Committee members felt that there needed to be more around publicity and transparency, members should be required to have their public profiles updated to indicate if they had completed the latest standards training, members that refused to

complete the training could then also be named, possibly in Full Council, there should also be more publicity about a member when a breach of the code is found.

4. Members also wanted it to be investigated if each Council member could be asked to sign a behaviour code of conduct contract and the Mayor would remind them of this contract at the start of each Council meeting. The Council should have implications for breaching it.

### **Conclusion:**

While the standards situation has been a point of difficulty for the Council, it is positive that all members of the Standards Committee recognised this and positively wanted to improve matters. I will continue to work with members and officers to work to improve the standards framework within the Council.

Considering the current position, I am satisfied that the Council is legally compliant and has sufficiently robust processes in place to ensure effective decision making and legal compliance. I will continue to work with all to improve the processes we have.

Alex Bougatef  
Interim Borough Solicitor / Monitoring Officer  
30 June 2025

### **S151 Officer Assurance Statement**

As the Council's Chief Financial Officer and designated Section 151 Officer under the Local Government Act 1972, I am required to ensure the proper administration of the Council's financial affairs. This includes providing assurance on the robustness of the Council's financial management and internal control environment.

#### **1. Financial Management and Governance**

I confirm that the Council has maintained a sound system of financial management throughout the financial year. This includes:

- Compliance with the CIPFA Financial Management Code
- Effective budget setting and monitoring processes
- Clear accountability for financial performance across departments
- Regular reporting to Members and Senior Leadership

#### **2. Internal Control and Risk Management**

The Council has in place a comprehensive framework of internal controls and risk management, which has been reviewed and updated during the year. This framework supports the achievement of the Council's objectives while safeguarding public funds. Internal Audit has highlighted certain challenges and weaknesses within internal controls and has therefore given limited assurances for those areas, as detailed within the Head of Internal Audit's Assurance Statement below, the Council has put processes in place to address these over the coming year and these are addressed within the 2025/26 action plan. To provide assurance, the AGS will be reported to Audit Committee quarterly during the year.

### 3. Resilience and Sustainability

In my professional opinion:

- The Council's budget estimates are challenging with upcoming fundamental changes to the Local Government financing system which will have an impact on the Council's financial resilience, and 30
- The level of reserves held by the Council needs to be increased, with the use of reserves to fund day to day revenue expenditure kept to a minimum.

This opinion is based on an assessment of:

- The Council's financial position and Medium-Term Financial Strategy
- The adequacy of contingency plans and Earmarked Reserves
- The effectiveness of internal audit and external audit findings

### 4. Conclusion

Based on the information available to me and the assurances provided by internal and external sources, I am satisfied that the Council has appropriate arrangements in place to ensure effective financial governance and stewardship of public resources.

I will continue to work with Members and officers to strengthen financial resilience and ensure that the Council remains well-placed to meet future challenges.

Fiona Greenway  
Section 151 Officer / Chief Financial Officer  
30 June 2025

## Head of Audit and Counter Fraud conclusions on the systems of internal control and governance in place during 2024/25 and 2024/25 Annual Audit Opinion

From our independent audit review work in connection with the Council's systems of governance and internal control examined in relation to the financial year 2024/25, we have concluded that the Council has received **Limited** assurance over the effectiveness of these controls in the following areas:

### 1. Financial Control and Resilience

Internal control arrangements in connection with five of the Council's Fundamental Financial Systems received **Limited** assurance opinions and have done for successive years. Three of these systems are in connection with Adult's and Children's Social care services support areas of delivery which have provided the bulk of the expenditure budget challenges for the Council for 2024/25 and prior years. One system, Debt Recovery, directly impacts the financial health of the Council where significant, and increasing levels of debt, across all areas, remain unpaid.

In terms of overall financial outcomes against budget for the year 2024/25, the unaudited financial results shows that the Council exceeded its annual budget again by over £10m. This overspend was, as in previous years, funded from the Council's reserve balances.

In the explanatory foreword to the Council's 2023/24 Financial statements, the Council's former Director of Finance and S151 Officer wrote:

*“When setting its budget for 2023/24, the Council approved the use of £11.5m of Earmarked Reserves to support additional expenditure in those services facing increasing levels of demand, in particular Children's Services. Unexpected and unprecedented pressures in Children's, but also other services meant that a further contribution from reserves of £16m was required. This is a concerning situation and the Council's current reliance on reserves to fund annual expenditure must be addressed as a matter of urgency.”*

Should the use of reserves to support revenue expenditure continue, the Council risks the prospect of reduced financial resilience in future periods.

## **2. ICT**

Three of the four specialist ICT reviews which reported during 2024/25 provided **Limited** assurance over the controls in place in connection with IT Supplier Management, Cloud Service Management and Physical Security & Environmental Controls. Secure and reliable ICT is fundamental to both front line operational services and corporate support services throughout the Council. Without functioning and reliable systems in place no modern organisation can operate either effectively, or in some cases at all.

## **3. Procurement**

Work in connection with the compilation of the Council's own internal Contracts Register continues into 2025/26, having initially been raised as an area for improvement during 2022/23. As a result, our opinion in this area remains that the controls in place continue to provide **Limited** assurance that the Council is achieving best value in procurement and that procurement activity is aligned to the Council's corporate objectives and goals.

## **4. Decision Making**

Findings from our review of the Council's Delegated Decision Recording System reflect a risk that the Council is not ensuring openness and accountability in its decision making and recording processes; that sensitive information may be shared inadvertently, and in some cases, decisions may be progressed in the absence of complete and accurate information. As a result of our findings as set out above, our opinion is that controls in connection with the Council's Delegated Decision Recording System provide **Limited** assurance on the transparency and accountability of the Council's decision making processes and records.

## **5. Corporate Performance Management**

Findings from our review of the Council's Corporate Performance Management Systems reflect a risk that the Council may not be able to measure performance in a way which is open, accountable, comparable, or in line with the Council's corporate and service objectives and identified risks. Our opinion is that controls in connection with Council's Corporate Performance Management provide **Limited** assurance in connection with the applicability, robustness and accuracy of the Council's performance management reporting processes.

## **6. Recruitment and discipline**

Our findings in connection with the Council's controls in connection with both recruitment and discipline reflect a risk that the Council is failing to adequately protect itself, its staff and residents from the risk presented by employing, or retaining, staff who have demonstrated challenges in adhering to acceptable standards of behaviour in either previous employments, or have been proven to have conducted themselves in a manner considered to be Gross Misconduct in the course of their duties for the Council. Our opinion is that controls in connection with the Council's Recruitment and Disciplinary Procedures provide **Limited** assurance in connection with the effectiveness and consistency of these systems.

## **7. Conclusion and Annual Audit Opinion**

Given the improvements required over successive periods in Financial Management and Procurement, and the wide ranging impact of the improvements required in corporate systems in ICT, Decision Making, Performance Monitoring and Recruitment and Discipline, the overall Annual Audit Opinion is that the Council's systems of governance and internal control during 2024/25 provided **Limited** assurance that these systems have been effective in supporting the Council in meeting its corporate objectives and goals.

John Miller  
Head of Internal Audit and Counter Fraud  
30 June 2025

## REVIEW OF EFFECTIVENESS

### **Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

We have a clear set of [values and behaviours](#) that outline how we do business. We share these borough-wide with our residents, partners and businesses. We use core values as a guide for decision making and as a basis for developing positive and trusting relationships within the Council. We demonstrate this by adherence to the constitution.

A new Code of Conduct was adopted by the Council in Sept 2024, following approval by the Standards Committee and reviewed on 24<sup>th</sup> June 2025. Under the new Code all Elected Members are required to confirm adherence to the code.

Throughout the year the conduct of Elected Members is monitored by the Monitoring Officer who reports annually on the outcome of complaints reported through to the Standards Committee. The Standards Committee met during 2024/25 to investigate complaints about Members and Co-opted Members and has met on the 24<sup>th</sup> June 2025.

Registers of declarations of interests, gifts and hospitality are held for both employees and Elected Members. Elected Members register of interests are published on the Council's website.

Council and Committee minutes show any declarations made at meetings are viewable on each Councillor's record on the website.

Training is provided for regulatory committees on a regular basis.

The Council's Constitution is updated annually and was approved by Council on 21 May 2025. The Constitution includes terms of references, defines decision making powers and describes roles and functions. The Financial Procedure Rules and Contract Procedure Rules were presented to Audit Committee for scrutiny and approval on 20 July 2023.

The Employee Code of Conduct is available to all staff on the intranet. There is also a summary document which explains the standards expected of officers. The Code of Conduct training forms part of the mandatory eLearning programme and officers are expected to complete this training course every two years.

The Council has a comprehensive suite of e-learning for staff which includes 12 mandatory modules. The system allows managers to monitor employees completion and compliance with policies. The mandatory training modules are approved by the senior leadership team and annual completion reports are shared with senior leadership and further reports are shared with services to support with compliance and completion.

The Head of Internal Audit maintains a comprehensive suite of counter fraud and anti-corruption policies. An annual fraud and loss assessment is undertaken which feeds into the annual audit and counter fraud plan which is reported regularly to Audit Committee. This work feeds into the annual report on the adequacy and effectiveness of internal controls.

The Director of Legal Services is the Council's Monitoring Officer and maintains the Council's Whistleblowing Policy and receives allegations on behalf of the Council.

Legal advice is sought where required. All legal challenges are recorded in a legal risk register, which is reviewed by the Monitoring Officer. Cases with significant implications

for the Council are discussed with the Chief Executive and where appropriate referred to Management Board for consideration.

Regular 'Golden Triangle' meetings between the Chief Executive, Monitoring Officer and Director of Finance.

The Council uses its Equality Impact Assessment (EIA) tool to ensure that impact on disadvantaged or vulnerable residents is considered when introducing new policies and decisions and consideration of EIA implications is a mandatory requirement for all formal reports.

## **Principle B: Ensuring openness and comprehensive stakeholder engagement**

Effective mechanisms are in place for engaging with and consulting with relevant stakeholders.

All Committee meetings have been held in public unless legislation prevents this or allows them not to be. All meeting dates, agendas and minutes have been published in accordance with legislation and are available online and can be inspected at the Civic Centre. The Council publishes all key decisions on its website.

The Council also live-streams Full Council and Cabinet meetings. The Council encourages public questions at meetings and have procedures for speaking at meetings, for example, Full Council and planning committee.

The Council's Overview and Scrutiny arrangements supports and monitors the work of the Executive (Cabinet). A "call-in" procedure allows Scrutiny to review Executive decisions before they are implemented, presenting challenge and the opportunity for a decision to be reconsidered.

The Council, in November 2024 adopted a new Borough Plan, developed collaboratively with the Leading Oldham Board, and which serves as the blueprint and is going to guide the next six years of the Leading Oldham Board.

The Leading Oldham Partnership brings together leaders from the Council, health services, housing, education, police, fire services, Voluntary, Community, Faith and Social Enterprise (VCFSE), and local businesses. Together they guide important conversations, track progress, and solve issues along the way.

The Leading Oldham Board is supported by three subgroups:

- **The Growth Board** - The Growth Board works to creates jobs and helps Oldham's economy grow. They will work closely with local businesses, developers, and schools to attract new investments and improve job training.
- **The Communities Board** - The Communities Board makes sure Oldham's neighbourhoods are strong, welcoming, and safe. They will work with local organisations, volunteers, and community leaders to support projects that bring people together and improve public spaces.
- **The Health and Wellbeing Board** - The Health and Wellbeing Board works to improve the health and happiness of Oldham's residents. They will team up with doctors, hospitals, the Council, and community groups to make healthcare more accessible and support mental health.

The Oldham Plan is the partnerships shared vision for shaping the future of our borough. It's grounded in partnership and collaboration, bringing together the public sector, local businesses, community groups, and residents. By working together, we've set three clear missions to achieve by 2030 to make Oldham a fantastic place to live and work. Each of our collective missions will deliver real improvements to the lives of Oldham people.

- **Healthier, Happier Lives** – In Oldham, every individual matters. We aim to build a community where everyone has access to the care, support and opportunities they need to live a good life. We are committed to tackling poverty, improving health and wellbeing, providing high-quality social care and promoting lifelong learning.

- **Great Place to Live** – We know Oldham is a place where people love to live, and we're committed to building on that pride by providing more affordable, quality homes, improving public spaces, and creating a strong local economy with vibrant communities that get on well.
- **Green & Growing** - We will make Oldham a place where economic growth benefits all residents, creating opportunities for businesses to succeed while ensuring our community and environment thrive. By attracting new investment, supporting local businesses, and leading in green technologies, we will generate quality job opportunities and equip people with the skills they need to succeed.

The Council continues to engage with all sectors of the community through Partnership and Community Engagement, District Partnership engagement and panels, Area Committees, Ward Committees and Scrutiny Committees, and through targeted consultation and engagement. In addition to corporate consultation exercises, directorates conduct specific consultation.

The 2023 LGA Corporate Peer Challenge praised Oldham Council for its strong leadership, place-based approach, and growing financial resilience. These strengths were reaffirmed during the twelve-month follow-up visit in November 2024, which recognised the Council's continued progress in challenging circumstances. The review highlighted improvements in embedding a resident-focused culture, now clearly reflected in the refreshed Corporate Plan and business planning processes. The Council was also commended for strengthening financial planning, deepening cross-organisational ownership of the budget challenge, and maintaining momentum on place-based regeneration, and partnership working.

The Council is committed to engaging with its staff and does this in a number of methods. In 2021 the Council reintroduced a full staff survey to understand levels of engagement and satisfaction amongst staff. The outcome of this survey led to the development of an action plan to address issues raised and continuing with the pledge to maintain engagement, a further survey was carried out in the early part of 2024. The results from the 2024 survey were published on the Council's intranet site for staff to see. Areas of strength and development needs have been highlighted with several initiatives introduced to make improvements, for example introduction of peer support groups, relaunch of change champions, rollout of GM People Inclusion Standards, and a new Dignity at Work policy. All designed to support staff to have a meaningful voice and increase engagement, diversity, equity, inclusivity, and belonging. The next staff survey is expected to be rolled out in January 2026 and at least annually thereafter.

Weekly Team Briefings are distributed to staff via an e-newsletter. This briefing includes important service updates, upcoming events and a range of initiatives that staff can get involved with. Weekly updates from the Chief Executive are distributed that summarises the key themes from the weekly Management Board meeting. There is also an 'Ask the Chief' email address, which staff can use at any time to provide direct feedback or ideas to the Chief Executive.

## **Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

On November 06, 2024, we adopted a new Corporate Plan: Ready for the Future – covering 2024 to 2027. The Corporate Plan ‘Ready for the Future’ also provides the core of the Council’s contribution to delivering the new Oldham Plan: Pride, Progress, Partnership.

Oldham Council’s Corporate Plan 2024-27 describes how the Council will maximise the impact of our efforts and resource to improve the lives of residents in the borough over the next three years. The plan, which aligns with the Oldham Partnership’s vision document (Pride, Progress, Partnership), focuses specifically on responding to the needs and aspirations of our communities. The plan outlines how we will contribute to the Oldham Plan missions, our organisational values and behaviours, and how we will create the right conditions for success.

The plan sets out three key missions:

- **Happier, Healthier Lives** - In Oldham, every individual matters. We aim to build a community where everyone has access to the care, support, and opportunities they need to live a good life. We are committed to tackling poverty, improving health and well-being, providing high-quality social care, and promoting lifelong education.
- **Great Place to Live** - We know Oldham is a place where people love to live, and we’re committed to building on that pride by providing more affordable, quality homes, improving public spaces, and creating a strong local economy with vibrant communities that get on well.
- **Green and Growing** - We will make Oldham a place where economic growth benefits all residents, creating opportunities for businesses to succeed while ensuring our community and environment thrive. By attracting new investment, supporting local businesses, and leading in green technologies, we will generate quality job opportunities and equip people with the skills they need to succeed.

The Corporate Plan also sets out our organisational values and behaviours. Our values – Proud, Ambitious, Together – define who we are and how we operate. They shape our culture, inform our decisions, and inspire us to deliver on our commitments to the people of Oldham. They are the standards we hold ourselves to, day in and day out. Alongside these values, a set of key behaviours guides how we work, ensuring consistency and focus across all areas of the Council.

The Corporate Plan will be underpinned by an Annual Delivery Plan, developed through our business planning process, to ensure clear, actionable steps align with our strategic goals each year. From April, we will also introduce an Annual Performance Report, providing transparency and accountability by measuring our progress against the three missions. This approach allows us to adapt to emerging challenges and opportunities while maintaining a strong focus on delivering meaningful outcomes for our residents.

**Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

All decision reports (including Cabinet, Council and Delegated decisions) include a section on compliance with legal requirements, financial aspects and risk.

Member and Officer briefings take place for more complex areas of decision making.

The Audit Committee, working alongside officers, provides independent assurance to the Council that its overall governance arrangements are working effectively and reviews the arrangements that exist to safeguard the Council's money and assets and to provide proper value for money; manage the Council's exposure to risk having regard to its control environment including potential exposure to fraud and corruption and ensure the adequacy of the Council's financial reporting processes.

Each of the Council's Directorates develop annual business plans. Plans focus on contributions to the corporate plan, performance, key activities for the coming year, challenges/risks covering changes affecting the service and the service's finance/budget.

The Council actively consults with stakeholders and service users when making decisions about service improvements, changes to service delivery or proposing any reductions to service delivery. This is supported by effective service planning, budget planning and performance planning processes, all of which are underpinned by the Medium-Term Financial Strategy.

Alongside the adoption of our new corporate plan, we outlined a new approach to transformation and launched the new programme. Our four pillars of change are what will support the implementation of our strategy, driving our change and improvement programme forward. These tools and approaches ensure that we remain dynamic and responsive, even as we navigate the complex and evolving landscape of local government in the UK.

The four pillars of change are:

- **Efficiency and Value for Money** - We're committed to ensuring the best use of our resources across the organisation. Through centralising our support functions, improving service delivery, and maximising our income, we aim to drive efficiency while maintaining good quality. Our workforce strategy promotes the development of our people, skills and a culture to deliver sustainability and value for money.
- **Capacity Building** - We will create resilient infrastructure that help to meets our current and future needs. By making sure we have enough residential placements and developing a range of accommodation solutions, we will provide fit-for purpose and essential support for our communities. Our housing developments are designed to promote sustainability, foster growth, and ensure long-term stability throughout the borough.
- **Prevention and Early** - We are proactive in reducing demand and need for our services with a focus on prevention and early help. Through place-based integration, collaborative working, and early intervention, we will provide support before crises develop. This helps manage demand effectively, with better outcomes for our residents and a more sustainable future for Oldham.
- **Digital** - We will drive digital transformation to improve and enhance service delivery and organisational efficiency. By reviewing our systems, maximising use of our IT solutions, and adopting a data-led insights approach, we will make our services agile, responsive and effective. Greater use of automation, AI, and a focus on customer channel shift enables us to better meet the demand and evolving needs of our communities in a fast-changing digital landscape.

**Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it**

The Council provides a programme of learning and development for Councillors, which includes an induction for new Councillors. The content of the programme changes annually but the emphasis is to support members in the variety of roles they have including advocacy skills to support members in their community leadership role, regulatory specific training for members serving on the Licensing Committee and Planning Committee, support for members in their scrutiny role and mandatory training for all members in relation to safeguarding. Cabinet Members are supported through role descriptions and regular briefings on their areas of responsibility. Newly Elected Members receive training on the code of conduct and related governance matters. The programme ensures that feedback is captured, and adaptations are made ensuring that the learning requirements Elected Members are met. Attendance is captured and added to members learning records to ensure completion. Additional resources are also shared with members which include podcasts, videos & articles ensuring all learning needs are met.

To support the achievement of the Council's strategic priorities, the Council reviews the organisational framework annually to ensure that it has the right people with the right skills. To support this, the Council has an agreed People (workforce) Strategy, which is currently under review to ensure it addresses recruitment and retention challenges across a number of services and is brought up to date to align with the Council's new Corporate Plan and Transformation ambitions.

All officers are supported with regular performance conversations through the appraisal system, Let's Talk, with targeted, relevant training identified to meet agreed objectives. The Council's Learning Needs Analysis ensures appropriate spend of the General Training Budget to build capability across the workforce.

Using psychometric profiling, an extensive training programme is being rolled out to upskill staff in self-awareness and self-management, increasing leadership capability at all levels and promoting the benefits of strong relationship building, communication, and collaboration, aligned to our values and behaviours.

A new manager's induction and management development programme will complement the existing Greater Leaders offer, ensuring a bespoke offer which is aligned to addressing skills gaps and future-proofing the workforce with a strengthened leadership pipeline.

All human resources policies and procedures are available to staff on the Council's intranet site, together with an Employee Handbook and a Manager's Handbook. There are targeted programmes, often using e-learning, within the Organisational Development Team supporting these policies and helping ensure appropriate consideration is given to the future capacity of the organisation. The training courses are aligned to strategic ambitions and underpinned by the Council's values and behaviours.

Staff are required to complete a programme of mandatory training every one to three years. Progress is recorded centrally, and service managers are informed of noncompliance. Staff also have access to a catalogue of e-learning training to support with continuous professional development. Embedding e-learning into our development offer supports the culture of growth and curiosity whilst also building a baseline of shared knowledge supporting consistency and collaboration.

**Principle F: Managing risk and performance through robust internal control and strong public financial management**

A Risk management policy is in place and was updated in July 2023.

Decision making is supported by risk management arrangements. All Council and Committee reports include a risk management section.

Service Business Plans contain risk matrices and significant risks are captured in the Corporate Risk Register.

The Corporate Risk Register is regularly updated from the risks highlighted in the business plans alongside corporate risks identified separately. Management Board receive regular in-year updates, at least quarterly on the management of risks within the Corporate Risk Register and the updated Corporate Risk Register is shared with Audit Committee.

There are robust policies, guidance and systems in place to ensure that data is as secure as possible. Annual mandatory data protection and cyber awareness training is in place for all staff.

The Data Protection team, led by the Data Protection Officer provide a corporate approach to information governance processes and procedures ensuring they are met and implemented. The Council's Senior Information Risk Owner (SIRO) is the role of Executive Director of Resources and reports through to Management Board and Audit Committee annually on security breaches, information risk issues and other data issues.

During 2023/24, the Internal Audit Section was independently assessed by CIPFA as part of its five yearly assessment cycle which confirmed full compliance with the Public Sector Internal Audit Standards. The Head of Internal Audit and Counter Fraud reports regularly to the Audit Committee.

Progress against the audit plan and the outcomes of all audits are reported through to Audit Committee throughout the year and follow ups are routinely revisited as part of the following year's audit plan.

The Head of Internal Audit also provides an Annual Report and Opinion to the Audit Committee on the adequacy of the Council's Internal Control Environment for the year. A summary statement on the outcomes of the work of the Internal Audit and Counter Fraud Service is included earlier in this statement. The Head of Internal Audit's opinion is that the Council's control environment during 2024/25 provided **Limited** assurance that the Council's systems of governance and internal control met its needs in monitoring and controlling its performance and resources.

The Council's compliance with the CIPFA Financial Management Code was reported to the Audit Committee on 5 September 2023 and advised Members that the Council complied with the key requirements of the Code.

Whilst the exercise identified strong financial management practices, the Council has continued to face significant pressures on the revenue budget arising as a consequence of demand pressures in social care services, homelessness and in respect of premises costs. For 2024/25 these pressures resulted in an initial forecast adverse variance at Quarter 1 of £26m against the approved budget. However, the overall impact for 2024/25 was mitigated downwards due to underspends as a result of changes in policy, one off return of resources and the implementation of management actions such as recruitment and expenditure controls. The final position required the use of £10m of Reserves to balance the position which was a continuation of the actions required to balance the 2023/24 position (£16m). The impact of this has been to reduce Earmarked Reserves to £31m which in turn impacts on financial resilience. The continuation of those actions

implemented in 2024/25 alongside further management action will be required during 2025/26 to avoid similar action being required to balance the budget.

**Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

The Council publishes a wide range of information on its website, with the aim of increasing transparency and accountability, and to comply with the local government transparency code.

We seek to publish all committee items in the public part of the agenda unless there is the need to preserve confidentiality where it is proper and appropriate to do so, and in those cases we aim to produce a public summary paper for increased transparency.

The Council has a clear process for dealing with Freedom of Information (FOI) requests from the public. These are logged onto a central system and the Council's Information Governance team co-ordinate and track progress on all requests to ensure responses are properly co-ordinated and to the right quality, standard and timescales.

The Council complies with the requirements of the Local Government Transparency Code 2015. This information can be found on the Council's website at [https://www.oldham.gov.uk/info/100004/about\\_the\\_Council/1429/open\\_data/3](https://www.oldham.gov.uk/info/100004/about_the_Council/1429/open_data/3) Work has been undertaken to ensure commissioning procurement is fair, transparent, ethical and based on the needs of the community and an understanding of the marketplace. Training was provided to improve compliance with the Public Contracts Regulations 2015 and the new Procurement Act 23 supporting the rules and principles of fair and transparent procurement. A more focused category management approach supports the emphasis on the needs of the community and marketplace. The Social Value Portal is used for all procurements over £100k requiring suitable measures to be put in place in contracts for suppliers to deliver against. To ensure a consistency of approach, decision making, and a full audit trail of procurement processes over £30k an e-procurement system (the Chest), is used to support procurement activity. Oldham Council is fully signed up to the new Government Central Digital Platform which is where all mandatory notices are published ensuring public knowledge of procurement activity and also the sharing of data of suppliers including a debarment list of suppliers. The Audit Committee is chaired by an independent member and the Committee oversees the work of Internal and External Audit. External training is provided to Members of the Audit Committee to help them dispense with their responsibilities. To assist in developing the skills and capacity of the Committee, recruitment has commenced to bring in a second independent member to the Committee.

We continue to develop effective the overview and scrutiny function which encourages constructive challenge and enhances the Council's performance overall.

We maintain an effective Audit Committee which is independent of the Cabinet and the Overview and Scrutiny committee.

The Council has a comprehensive annual audit and counter fraud plan which takes a risk based approach to identifying an organisational wide internal audit plan. The plan is developed in conjunction with Directors and Management Board. The Council's fundamental financial systems are reviewed annually and the output from these audits provides significant input into the Head of Internal Audit's annual opinion.

It is a requirement of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that, "Where an authority is in a group relationship with other entities and undertakes significant activities through the group, the review of the effectiveness of the system of internal control should include its group activities". This was undertaken via

the development of a Partnership Dashboard, that sets out the key financial risks associated with the Council's subsidiaries and other related parties. During the year a report was presented to the Governance, Strategy & Resources Scrutiny Board highlighting the risks.

To continue the development of the Council's governance arrangements and to strengthen the process, a new Assistant Director of Governance has been recruited during 2024/25. To further enhance, the Council is currently recruiting for an Executive Director of Resources that will give further core assurance and bring all the Governance functions under one Directorate to give greater Senior Management oversight and ownership.

In June 2025, Oldham Council was proud to be named LGC Most Improved Council, a significant national recognition of our progress and commitment to transformation. This award reflects the impact of our renewed focus on leadership, governance, resident engagement, and financial resilience. It highlights how we have worked collaboratively across political, corporate, and community boundaries to improve outcomes, strengthen trust, and deliver better services for the people of Oldham. While challenges remain, the award provides independent validation of the strides we have made in creating a more responsive, inclusive, and resident focused organisation.

## Key Sources of Assurance

In assessing the effectiveness of arrangements, consideration has been given to a range of sources through which the Council gains assurances.

Internal Audit	<ul style="list-style-type: none"> <li>• Annual Head of Internal Audit Opinion</li> <li>• Internal Audit reports</li> <li>• Public Sector Internal Audit Standards compliance</li> </ul>
External Audit	<ul style="list-style-type: none"> <li>• Annual Statement of Accounts audit</li> <li>• Value for Money opinion</li> <li>• Grant certification</li> </ul>
Information Governance (IG)	<ul style="list-style-type: none"> <li>• IG policies and procedures</li> <li>• Annual SIRO reporting</li> </ul>
Counter fraud	<ul style="list-style-type: none"> <li>• Counter fraud policies</li> <li>• Annual report</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• Corporate Risk Register</li> <li>• Service Risk Registers</li> <li>• Quarterly reporting on risk</li> <li>• Internal audit reviews</li> </ul>
Complaints	<ul style="list-style-type: none"> <li>• Internal complaints procedure</li> <li>• Internal complaints monitoring and reporting</li> <li>• Ombudsman</li> </ul>
External Reviews	<ul style="list-style-type: none"> <li>• Ofsted Children's Service Inspection</li> <li>• Local Government Chronicle (LGC) Awards</li> </ul>
Management and Statutory Officers	<ul style="list-style-type: none"> <li>• Monitoring Officer (legal assurances and ethics)</li> <li>• Chief Finance Officer role compliance</li> </ul>
Committees	<ul style="list-style-type: none"> <li>• Scrutiny</li> <li>• Standards reports</li> <li>• Audit Committee self-assessment</li> </ul>

## SIGNIFICANT GOVERNANCE ISSUES

Based on the work undertaken to complete this AGS, the most significant governance issue facing the Council relates to its financial position and its financial resilience.

The Council's financial position has become more challenging over recent years as a result of significant overspends in key demand led service areas. For some time there has been a high reliance on applying reserves to support the budget and this was again the case for the 2024/25 financial year. Whilst reserves have been available to support this approach, this is not a sustainable long term plan with a growing impact on the Council's financial resilience. The use of reserves should only be used to balance a budget as part of a strategy to try to lessen the severity of the budget reductions required to achieve financial sustainability, with plans to replenish reserves also included.

Whilst reserves were used to support day to day revenue expenditure in 2024/25, it should be noted that this use was kept to a minimum. As detailed within the Narrative Report of the Statement of Accounts, the overspend position at Quarter 1 of 2024/25 was reported at £26m. At this point, several management actions were implemented to address this worrying position which had the positive result of reducing this adverse variance to £10m by the financial year end which was met from usable reserves.

Furthermore, at the Budget Setting Council meeting held in March 2025, the Council approved its first budget in a long time that did not require the use of reserves to balance its position, with a replenishment of reserves budgeted. This is a significant step forward to increase the Council's financial resilience.

There are three key drivers for the financial challenges that the Council faces and these are Adult Social Care, Children's Social Care and Homelessness. These pressures are driven both in terms of the numbers accessing the services but also in respect of the costs to the Council in commissioning packages of care and temporary accommodation.

Children's Social Care services have faced the biggest impact over the last few years, primarily due the increased cost of care, the increase in the support that is required and the number of residential care placements for looked after children. Since 2022/23, Children's Services have overspent by £37.9m with £10.7m of this being the adverse position in 2024/25. The Council has once again approved additional resources in this area when setting its budget for 2025/26 with £11.095m pressures funding allocated. Early indications are that there are continued pressures in this area and it is imperative that mitigations are agreed to offset any financial pressures that are faced.

Another area of financial impact is homelessness with the significant costs faced by the Council to provide temporary accommodation to vulnerable residents. Likewise with Children's and Adult's Social Care services, additional financial resource was approved at Budget Setting Council in March 2025 for 2025/26 with £3m being allocated for this area. Current information indicates that with this additional funding and the work being completed by the service, that costs for this area of spend will be met from within the resources available.

The other major factor that has impacted on the Council's financial position is the failure to generate savings in line with the underlying need to reduce the budget. As highlighted above, over several years, the Council has employed a strategy of applying specific earmarked reserves to mitigate the impact of the necessary budget reductions to protect front line services. Whilst this has to some extent insulated services, this strategy inevitably could not be continued indefinitely with the 2025/26 revenue budget set without the need of

reserves to support its position. As Earmarked Reserves now stand around £31.5m, the focus for 2025/26 onward is on achieving financial sustainability by achieving the delivery of the approved budget reductions without a continued reliance on contributions from reserves.

Significant savings plans of over £26.7m were approved when setting the 2025/26 budget to help address the budgetary challenges over the next twelve months, however over the projected MTFs, residual budget gaps remain. One of the greatest challenges the Council will face is ensuring that programmes are kept to plan to ensure delivery in line with expected timescales. Slippage from this will undoubtedly present challenges and reduce the Council's financial resilience further.

Furthermore, during 2025/26 several changes will be made to the financing of Local Government through the Fair Funding Reforms and the Business Rates Reset. There is significant uncertainty around how these will impact the Council over the short to medium term, however it has been indicated that a multi year finance settlement will be issued in December 2025 for 2026/27 onwards which will provide the Council with more certainty around its funding levels and financial strategies.

To address the issues in 2024/25, a number of actions were put into place, and these can be found below:

2024/25 Action	Responsible Officer	Progress
1) Moving to bi-monthly (from quarterly) reporting of the Council's financial position.	Director of Finance	<p><b>Complete</b></p> <p>The Council's financial position was reported to Cabinet for periods Qtr1, Month 4, Qtr 2, Month 8, Qtr 3 and Month 10.</p>
2) Incorporating savings updates as part of the Budget Monitoring Reporting cycles together with the Establishment of a Delivery Board, chaired by the Leader, to hold directors to account in respect of the savings proposals put forward.	Director of Finance	<p><b>Complete</b></p> <p>Within the Council's budget monitoring report presented to Cabinet was a section detailing the progress of the 2024/25 savings. Furthermore, a Financial Sustainability Steering Group (FSSG) was established during 2024/25 to hold Directors to account and challenge progress on the delivery of savings. This group was chaired by the Leader of the Council.</p>

<p>3) Devising a new and accelerated budget timetable to support early decision making with strong support from the Administration.</p>	<p>Director of Finance</p>	<p><b>Complete</b> An early timetable was established with several Elected Member and Senior Officer budget challenge sessions being held throughout the financial year. In July 2024, a number of budget adjustments at £6.1m were approved by Cabinet for early delivery to assist with the 2024/25 financial position whilst also supporting the 2025/26 budget process.</p>
<p>4) Reviewing and refreshing the transformation and change programme to identify options for acceleration of schemes that will drive financial savings.</p>	<p>Assistant Director of Strategy &amp; Transformation</p>	<p><b>Ongoing</b> In November 2024, alongside the adoption of our new corporate plan, we outlined a new approach to transformation and launched the new programme. We've assessed all of our projects, and reset their outcomes and deliverables, including the potential financial savings. Alongside this, Newton have been commissioned to complete a discovery of opportunities in our key demand / financial pressure.</p>
<p>5) Work to align financial planning with colleagues at the ICB to ensure resource planning is efficient and aligned.</p>	<p>Director of Finance</p>	<p><b>Complete</b> Budget meetings held to align the Council's budget setting timetable and assumptions with the ICB process to ensure a more streamlined and effective process.</p>
<p>6) Demonstrating how risks identified have informed the budget setting process and MTFS financial strategy.</p>	<p>Director of Finance</p>	<p><b>Complete</b> A risk based approach was applied when setting the budget for 2025/26 working with Senior Officers and Elected Members to inform the financial strategy. This work was conducted alongside reviewing the ongoing impacts of the financial pressures across services and allocating additional financial resource to the areas needed. This risk based approach also removed the need for the Council to rely upon Earmarked Reserves to set a balanced budget for 2025/26.</p>

<p>7) Ensuring that all income and debts due to the Council are collected efficiently and effectively. All debt management activity will be centralised under the Assistant Director for Revenues and Benefits with new consistent debt management policies.</p>	<p>Head of Revenues and Benefits</p>	<p><b>Ongoing</b>  A Corporate Debt Policy has been developed and implemented, covering all Council income streams except Adult Social Care, Parking, and services where residents, or businesses pay up front. In parallel, a separate Adult Social Care Debt policy has been introduced specifically for those cases, ensuring tailored and appropriate recovery processes. Debt management activity is now aligned under the Assistant Director for Revenues and Benefits, supporting a more consistent and co-ordinated approach to income collection across Council Tax, Non-Domestic Rates, Sundry Debts, and Housing Benefit Overpayments. Please note that parking debts remain outside the remit of the Assistant Director for Revenues and Benefits and is managed separately.</p>
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As evidenced above, progress was made during 2024/25, however there continues to be further work needed in this regard for 2025/26, with further information provided below:

2025/26 Proposed Action	Responsible Officer	Timeline
<p>1) Implementation of budget saving delivery plan documents to hold directors to account on the delivery of budget reductions including mitigations for approved plans.</p>	<p>Director of Finance</p>	<p>June 2025</p>
<p>2) Continuation of the Financial Sustainability Steering Group, chaired by the Leader, to hold directors to account in respect of the savings proposals and to monitor and manage the MTFP and MTFS processes to deliver a balanced budget.</p>	<p>Chief Executive</p>	<p>June 2025</p>
<p>3) Development of budget monitoring information to include further analysis of any variances split by non delivery of savings, expenditure or income pressures with mitigations.</p>	<p>Director of Finance</p>	<p>August 2025</p>

4) Working with our approved strategic partner to develop a robust transformation and change programme to drive financial savings over the MTFS period.	Assistant Director of Strategy & Transformation	March 2026
5) Development of the Council's Medium Term Financial Strategy to include the impacts of the Fair Funding Review and Business Rates Reset from 2026/27.	Director of Finance	March 2026
6) Completion of a comprehensive review of Revenues and Benefits, including, processes, customer experience and technology usage with the aim to build a resilient service model.	Assistant Director of Revenues & Benefits	December 2025
7) Develop a mandatory training Programme for Elected Members in relations to the Members Code of Conduct	Monitoring Officer	March 2026
8) Explore options to review the Members Code of Conduct to improve compliance.	Monitoring Officer	December 2025

## RISKS AND OTHER KEY ISSUES

The table below highlights some of the key risk and issues that the Council faces, together with proposed actions to reduce and mitigate these risks.

Issue	Proposed Action
<p><b>Procurement Act 23 (PA23)</b> Not all staff understand the implications of procurement and the changes brought about by PA23. In addition, Councillors are at risk where they engage with suppliers or drive initiatives.</p>	Initial training has been provided to staff outside CPU but not all senior managers, operational staff have attended. Additional internal sessions for teams are proposed to be run and managed by CPU on a category basis. It is encouraged that Councillors are also provided with training and this needs to be considered by Management Board.
<p><b>Procurement Act 23 - Staffing</b> Procurement Act 23 went live in February 2025 which brings about new rules and regulations. Although some of the current CPU are trained, these are predominantly interim staff and recruiting new staff in 2025 is likely to be a challenge as not all professionals have undergone training, and many professionals are not looking for new</p>	The Procurement function is facing challenges with recruiting and retaining staff so there will be a challenge to ensure the Council retains sufficient in-house knowledge to continue to drive through and implement these changes. PA23 experience will be included in job descriptions when advertising against the proposed structure,

Issue	Proposed Action
<p>opportunities while they adjust to the Act in their current organisations.</p>	<p>in the meantime maintaining the current interims within the CPU budget.</p>
<p><b>Regeneration – Creating a Better Place</b>  The Council has a number of key regeneration projects planned for the future as detailed in the Creating a Better Place Programme. This programme is central both to the regeneration of the Borough and the projected savings stemming from asset rationalisation. Failure to deliver on any aspect of this programme is likely to have a financial impact on the Council: either through loss of budgeted grant income, reputational damage and/or an increase in the overall financing of current plans from the Council’s own resources.</p>	<p>The continued bi-monthly reporting will provide early warnings of pressures. An annual review of major Regeneration Projects included within the agreed Capital Programme will be undertaken by the Council during 2025/26 to assess the affordability of the Capital Programme in light of the revised cost forecasts, the MTFs position and the changes to local government funding.  There will continue to be close engagement with the Ministry for Housing, Communities and Local Government who administer key grant programmes. Where there is considered a risk of slippage, agreement to re-profile expenditure to later financial years will be sought.</p>
<p><b>Health Integration</b>  Under the Health and Care Act 2022, Integrated Care Systems (ICS) are now responsible for planning and funding health and care services in the area they cover. There are 42 ICSs across England and Greater Manchester is an ICS on its own with Oldham being one of ten Localities under the GM ICS. ICSs are partnerships that bring together the health and care organisations in a particular local area, to improve population health and healthcare, tackle unequal outcomes and access, enhance productivity, value for money, and help the NHS to support broader social and economic development - the cited Triple Aim - better health for everyone, better care for all and efficient use of health and care resources.  GM ICS has significant financial pressures that the Locality and System arrangements are intended to address. There is a potential risk that the new ways of working and the current proposed reforms to the NHS do not result in the efficiencies anticipated.</p>	<p>The Council can, with its current Decision-Making processes, increase its flexibility to increase/ decrease the contribution to the pooled budget managed under a Section 75 Agreement with Oldham NHS partners in the locality (using the powers of the NHS Act 2006). This is on the assumption this flexibility will enable the whole health and care system to implement future efficiencies to generate overall savings/ improved service. This flexibility will be kept under continued review to maximise future opportunities for efficiency in Adult Social Care.  The Oldham Commissioning Business Partnership Board retains the duty to agree plans for spending against the Better Care Fund which are the funds that currently make up the Section 75 pooled budget. Oldham’s integrated system mechanism for measuring and monitoring performance, improvement and assurance is currently being enhanced. The developing framework will enable Oldham to provide regular reports of the impact that integrated system working is achieving. The reporting mechanism at Locality and GM will be to ensure Oldham benefits and has access to GM initiatives and resources and ensure the Council is involved at the GM system level. The</p>

Issue	Proposed Action
	Council will consider all the emerging risks arising from Health Integration throughout 2025/26 and it will be considered as part of the review of the Council's reserves/ financial resilience and the on-going budget monitoring for 2025/26.
<p><b>Partnership Governance</b></p> <p>The Council has a number of wholly owned subsidiaries including MioCare CIC, Northern Roots and Oldham Total Care Limited (OTC).</p> <p>Separate governance arrangements are required to monitor the Council's exposure to risks associated with its subsidiaries and other related party undertakings.</p> <p>In particular the purchase of a distressed care home through OTC presents the challenge of restoring the business to a financially sustainable business model.</p>	<p>The Partnership Dashboard, which identifies the risks and issues faced by all the Council's partnerships, will continue to be updated and presented to Audit Committee for review.</p> <p>In respect of OTC:</p> <ul style="list-style-type: none"> <li>• Governance arrangements including the composition of the board of directors will be reviewed to ensure they meet the long term needs of the organisation.</li> <li>• A robust business plan will be developed to outline optimal and sustainable long term arrangements for both the Council and OTC.</li> </ul>
<p><b>Workforce Resilience</b></p> <p>The Council has had a number of key personnel leave the authority over the last couple of years which has resulted in several interim arrangements at a senior level.</p>	<p>The Council undertook the recruitment of a permanent Chief Executive in March 2025 which will provide much needed stability for the organisation with a restructure of the Senior Leadership Team taking place soon thereafter. During June 2025, a recruitment drive has taken place to permanently recruit to the Senior Leadership Team which, when complete, will reduce the risk to the organisation and provide the robust strategic leadership needed.</p>
<p><b>IT Security</b></p> <p>Failure to protect the Council network from external and internal attacks could lead to a loss of service for a period of time potentially resulting in harm to individuals, damage to reputation and financial loss.</p>	<p>The Council has a number of mitigations in place for cyber security but cannot provide full details of these in this document. These include: managed detection and response, 24/7 SOC, network traffic analysis, lateral movement detection, unidentified devices, immutable backup storage and multiple layered ransomware detection. All of these including plans, policies, training and controls underpin the Council's threat detection. The Council has backup solutions which underpin its recovery strategies.</p>

## SUMMARY

The Council has identified a need to invest in and improve the governance, risk and audit functions. Some activities have already taken place, and the Council fully recognises that there is more to strengthen in this area. The action plan within this AGS will be monitored and reported to Audit Committee in a regular basis during 2025/26. The current arrangements in place protect its interests and provide necessary assurances to citizens and stakeholders and this process will be further enhanced throughout the coming year. Like all organisations, we cannot stand still and therefore we seek to take steps to address issues and strengthen the internal control environment as necessary and enhance our governance arrangements.



Councillor Arooj Shah  
Leader of Oldham Council



Shelley Kipling  
Chief Executive Oldham Council

## 2.0 Statements to the Accounts

### 2.1 Statement of Responsibilities for the Statement of Accounts

#### 2.1.1 The Council's Responsibilities

The Council is required to:

- i. 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 Oldham Council, that officer is the Director of Finance.
- ii. Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- iii. Approve the Statement of Accounts.

#### 2.1.2 The Section 151 (S151) Officer Responsibilities

The Section 151 Officer is responsible for the preparation of Oldham Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

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

- i. Selected suitable accounting policies and then applied them consistently.
- ii. Made judgements and estimates that were reasonable and prudent.
- iii. Complied with the Code of Practice on Local Authority Accounting.
- iv. Kept proper accounting records which were up to date.
- v. Taken reasonable steps for the prevention and detection of fraud and other irregularities.

#### 2.1.3 Certification of Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of Oldham Council at 31 March 2025 and its income and expenditure for the year then ended.



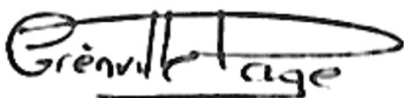
**Lee Walsh, BA (Hons), CPFA**

Section 151 Officer

Dated: 16 February 2026

#### Approval of Accounts

In accordance with the Accounts and Audit (Amendment) Regulations 2022, I certify that the Statement of Accounts was approved by the Audit Committee on 26/11/2025



Chair of Audit Committee

Dated 16 February 2026

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

## Report on the audit of the financial statements

### Opinion on the financial statements

We have audited the financial statements of Oldham Metropolitan Borough Council ('the Council') and its subsidiaries ('the Group') for the year ended 31 March 2025, which comprise Council Comprehensive Income and Expenditure Statement, the Council Movement in Reserves Statement, the Council Balance Sheet, the Council Cash Flow Statement, the Housing Revenue Account (HRA) Income and Expenditure Statement, the Statement of Movement in the Housing Revenue Account, the Collection Fund statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including material accounting policy information. 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 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and the Group as at 31st March 2025 and of the Council's and the Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

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 financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events or conditions that, individually

or collectively, may cast significant doubt on the Council's or Group'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 financial statements and our auditor's report thereon. 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 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 or a material misstatement of the other information. 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.

## **Responsibilities of the Director of Finance for the financial statements**

As explained more fully in the Statement of the Director of Finance's Responsibilities, the Director of Finance 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 2024/25, and for being satisfied that they give a true and fair view. The Director of Finance is also responsible 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.

The Director of Finance is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis, on the assumption that the functions of the Council and Group will continue in operational existence for the foreseeable future. The Director of Finance is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

## **Auditor's responsibilities for the audit of the financial statements**

Our 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015 and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Audit Committee, as to whether the Council is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- reviewing relevant meeting minutes in the year;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council and Group which were contrary to applicable laws and regulations, including fraud.

We evaluated Director of Finance's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Head of Internal Audit and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;

- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the Audit Committee.

As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Director of Finance’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

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

### Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in the Council’s arrangements for the year ended 31 March 2025:

Significant weakness in arrangements	Recommendation
<p><b>Financial Sustainability</b></p> <p>In February 2024, the Council set a balanced budget for the 2024/25 financial year which included the need to deliver £20.4m of savings. By the end of the first quarter of the financial year, the Council was forecasting significant overspends and by year-end reported an outturn position of £10.1m overspent. The Council failed to deliver its savings requirement</p>	<p><b>The Council should:</b></p> <ul style="list-style-type: none"> <li>• review its budget setting process to identify areas where demand-led expenditure is consistently in excess of planned levels and determine whether revised forecasting procedures are required;</li> </ul>

<p>in full, with only £15.9m out of the target £20.4m achieved. This resulted in the Council's earmarked general fund reserves reducing by 38% to £44.9m.</p> <p>We consider this to be a weakness in how the Council plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities.</p>	<ul style="list-style-type: none"> <li>• consider whether required levels of savings are sufficient to mitigate the likely increases in future demand</li> <li>• ensure savings plans are realistic and achievable and are subject to regular detailed monitoring so the Council can identify alternative budget reduction options when existing plans are at risk of non-delivery by year end; and</li> <li>• review its Medium Term Financial Strategy and Reserves Policy to identify ways of increasing reserves to provide long-term resilience in the Council's financial position.</li> </ul>
<p><b>Governance</b></p> <p>The Head of Internal Audit issued a limited assurance opinion over the Council's governance, risk management, and internal control arrangements in place during 2024/25.</p> <p>We consider the findings to be evidence of a significant weakness in the Council's arrangements for governance, specifically monitoring and assessing risk and ensuring the effective operation of internal controls.</p>	<p><b>The Council should:</b></p> <ul style="list-style-type: none"> <li>• take immediate action to implement the outstanding Internal Audit recommendations;</li> <li>• put in place arrangements to monitor the implementation of Internal Audit recommendations by the Council's senior leadership team to ensure action is taken in line with a agreed timescales; and</li> <li>• ensure Audit Committee receives regular reports on progress in implementing recommendations and can hold management to account for failures to take agreed actions.</li> </ul>

## Responsibilities of the Council

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

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

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

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

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

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

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

We have nothing to report in these respects.

## **Use of the audit report**

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

## **Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us



Daniel Watson, Key Audit Partner  
For and on behalf of Forvis Mazars LLP (Local Auditor)

One St Peter's Square  
Manchester  
M2 3DE

16 February 2026

# **Financial Statements and Explanatory Notes**

### 3.2 Movement in Reserves Statement

2024/25	Note	Usable Reserves								Unusable Reserves	Total Reserves
		General Fund Balance	Fund Reserves	Total General Fund Balance	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserve		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April Brought Forward</b>		(18,865)	(72,540)	<b>(91,405)</b>	(21,106)	0	(1,222)	(28,306)	<b>(142,039)</b>	(549,590)	<b>(691,629)</b>
<b>Movement in reserves during 2024/25</b>				-							
Total Comprehensive Income and Expenditure Adjustments between accounting basis and funding basis under regulations	<b>14</b>	68,019	-		23,022	-	-	-		(56,144)	
		(40,409)	-	<b>(40,409)</b>	(26,363)	0	(121)	(17,346)	<b>(84,239)</b>	84,239	-
<b>Net (increase)/decrease before transfers to Earmarked Reserves</b>		<b>27,610</b>	-	<b>27,610</b>	<b>(3,341)</b>	<b>0</b>	<b>(121)</b>	<b>(17,346)</b>	<b>6,802</b>	<b>28,095</b>	<b>34,897</b>
Transfers to/from Earmarked Reserves	<b>15</b>	(27,610)	27,610	-	-	-	-	-	-	-	-
<b>(Increase)/Decrease in Year</b>		<b>(0)</b>	<b>27,610</b>	<b>27,610</b>	<b>(3,341)</b>	<b>0</b>	<b>(121)</b>	<b>(17,346)</b>	<b>6,802</b>	<b>28,095</b>	<b>34,897</b>
<b>Balance at 31 March carried forward</b>		<b>(18,865)</b>	<b>(44,930)</b>	<b>(63,795)</b>	<b>(24,447)</b>	<b>0</b>	<b>(1,343)</b>	<b>(45,653)</b>	<b>(135,237)</b>	<b>(521,495)</b>	<b>(656,732)</b>

### 3.1 Comprehensive Income and Expenditure Statement (CIES)

2023/24				Note	2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
67,663	(58,021)	9,643	Corporate Services		71,491	(58,913)	12,578
340,800	(233,067)	107,734	Children's Services		360,117	(247,590)	112,528
146,789	(59,003)	87,786	Community Health and Adult Social Care		158,189	(61,984)	96,206
14,123	(4,608)	9,515	Capital, Treasury and Technical Accounting		22,818	(3,333)	19,485
111,937	(40,285)	71,651	Place and Economic Growth		127,697	(45,248)	82,448
31,171	(3,451)	27,720	Public Health		37,624	(3,254)	34,370
21,021	(29,151)	(8,130)	Housing Revenue Account		45,074	(31,441)	13,633
<b>733,504</b>	<b>(427,585)</b>	<b>305,919</b>	<b>Cost of Services</b>		<b>823,010</b>	<b>(451,762)</b>	<b>371,248</b>
		329	Other Operating Expenditure				354
			Parish Council precepts				
			Payments to Housing capital receipts to government				
		444	pool				246
		34,292	Levies	12			35,069
		(951)	(Gains)/losses on the disposal of non-current assets				9,577
		<b>34,114</b>	<b>Total Other Operating Expenditure</b>				<b>45,246</b>
		17,695	Financing and Investment Income and Expenditure	3			19,334
		(321,604)	Taxation and Non-Specific Grant Income	4			(344,787)
		<b>36,124</b>	<b>(Surplus) or Deficit on Provision of Services</b>				<b>91,041</b>
		(78,990)	Other Comprehensive Income and Expenditure				(52,913)
		130	Revaluation (gains)/losses non-current assets	16a			13
			Impairment losses on non-current assets	16a			
		(25,027)	(Surplus) or deficit on Financial Assets measured at Fair Value through Other Comprehensive Income				2,615
		112,939	Remeasurement of net defined benefit liability	31			(5,859)
		<b>9,052</b>	<b>Total Other Comprehensive Income and Expenditure</b>				<b>(56,144)</b>
		<b>45,176</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>34,897</b>

2023/24	Note	Usable Reserves								Unusable Reserves	Total Reserves
		General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserve		
		£000	£000	£000	£000	£000	£000	£000	£000		
<b>Balance at 1 April Brought Forward</b>		(18,865)	(99,152)	(118,016)	(22,585)	-	(1,004)	(22,298)	(163,904)	(572,901)	(736,805)
<b>Movement in reserves during 2023/24</b>				-							
Total Comprehensive Income and Expenditure		35,005	-		1,119	-	-	-		9,052	
Adjustments between accounting basis and funding basis under regulations	14	(8,352)	(41)	(8,393)	360	-	(218)	(6,008)	(14,259)	14,259	-
<b>Net (increase)/decrease before transfers to Earmarked Reserves</b>		<b>26,653</b>	<b>(41)</b>	<b>26,612</b>	<b>1,479</b>	<b>-</b>	<b>(218)</b>	<b>(6,008)</b>	<b>21,865</b>	<b>23,311</b>	<b>45,176</b>
Transfers to/from Earmarked Reserves	15	(26,653)	26,653	-	-	-	-	-	-	-	-
<b>(Increase)/Decrease in Year</b>		<b>-</b>	<b>26,612</b>	<b>26,612</b>	<b>1,479</b>	<b>-</b>	<b>(218)</b>	<b>(6,008)</b>	<b>21,865</b>	<b>23,311</b>	<b>45,176</b>
<b>Balance at 31 March carried forward</b>		<b>(18,865)</b>	<b>(72,540)</b>	<b>(91,405)</b>	<b>(21,106)</b>	<b>-</b>	<b>(1,222)</b>	<b>(28,306)</b>	<b>(142,039)</b>	<b>(549,590)</b>	<b>(691,629)</b>

### 3.3 Balance Sheet

31 March 2024 £000		Note	31 March 2025 £000
791,202	Property Plant & Equipment	17	832,993
169,298	Infrastructure Assets	18	170,874
21,141	Heritage Assets	19	21,141
19,624	Investment Property	20	20,487
6,033	Intangible Assets		4,894
72,725	Long Term Investments	22	68,066
42,754	Long Term Debtors	23	45,074
<b>1,122,777</b>	<b>Long Term Assets</b>		<b>1,163,529</b>
10,273	Short Term Investments	22	0
642	Inventories		708
61,557	Short Term Debtors	23	67,052
7,652	Cash & Cash Equivalents	24	35,538
610	Assets Held For Sale (less than 1 year)		782
<b>80,734</b>	<b>Current Assets</b>		<b>104,080</b>
(21,820)	Short Term Borrowing	22	(27,468)
(83,265)	Short Term Creditors	25	(107,880)
(5,302)	Short Term Provisions	26	(7,057)
	<b>Short Term Liabilities</b>		
(11,406)	- Private Finance Initiatives	22, 29	(12,557)
(302)	- Leases	13, 22	(765)
(6)	- Transferred Debt	22	(6)
<b>(122,101)</b>	<b>Current Liabilities</b>		<b>(155,731)</b>
(7,134)	Long Term Provisions	26	(7,642)
(161,484)	Long Term Borrowing	22	(210,291)
	<b>Other Long Term Liabilities</b>		
(38,380)	- Net Pension Liabilities	31	(32,300)
(181,704)	- Private Finance Initiatives	22,29	(201,293)
(445)	- Leases	13,22	(3,164)
(27)	- Transferred Debt		(22)
(17)	- Deferred Credits		(16)
(590)	Capital Grants Receipts In Advance		(418)
<b>(389,781)</b>	<b>Long Term Liabilities</b>		<b>(455,146)</b>
<b>691,629</b>	<b>Net Assets</b>		<b>656,732</b>
(142,039)	<b>Usable Reserves</b>	MiRS	(135,237)
(549,590)	<b>Unusable Reserves</b>	MiRS, 16	(521,495)
<b>(691,629)</b>	<b>Total Reserves</b>		<b>(656,732)</b>

These draft financial statements were authorised for issue by the S151 Officer on 16 February 2026.



Lee Walsh, BA (Hons) CPFA  
Director of Finance and Section 151 Officer

### 3.4 Cash Flow Statement

	Notes	2023/24 £000	2024/25 £000
Net deficit on the provision of services		(36,125)	(91,041)
Adjustment to surplus or deficit on the provision of services for non-cash movements	32	57,870	137,605
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	32	(46,826)	(49,788)
<b>Net cash flows from operating activities</b>		<b>(25,081)</b>	<b>(3,224)</b>
Net Cash flows from Investing Activities	33	(6,702)	(10,049)
Net Cash flows from Financing Activities	34	9,341	41,159
<b>Net increase or (decrease) in cash and cash equivalents</b>		<b>(22,442)</b>	<b>27,886</b>
Cash and cash equivalents at the beginning of the reporting period		30,094	7,652
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>7,652</b>	<b>35,538</b>

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## **3.6 Explanatory Notes to the Financial Statements**

### **Introduction**

The financial statements have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) and the Accounting Policies set out in Note 35. The Notes that follow (1 to 39) set out explanatory information for readers of the accounts.

### **1. Expenditure and Funding Analysis**

The Expenditure and Funding Analysis demonstrates how the funding available to the Council for the year 2024/25 (i.e. Government grants, rents, Council Tax and Business Rates) has been used to provide services in comparison with those resources consumed or earned under generally accepted accounting practice (GAAP). The Expenditure and Funding analysis also shows how this expenditure is allocated for decision making purposes between the Council's Directorates. Income and expenditure accounted for under GAAP is presented more fully in the Comprehensive Income and Expenditure Statement.

1a. Expenditure and Funding Analysis

2024/25	As reported for resource management (including HRA)	Adjustment to arrive at the amount chargeable to the General Fund and HRA balances	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Directorate	£000	£000	£000	£000	£000
Corporate Services	33,539	(24,866)	8,673	3,906	12,578
Children's Services	81,408	4,924	86,332	26,195	112,528
Community Health and Adult Social Care	87,571	6,371	93,942	2,264	96,206
Capital, Treasury and Technical Accounting	19,363	35,920	55,283	(35,798)	19,485
Place and Economic Growth	72,084	(19,634)	52,450	29,998	82,448
Public Health	21,552	1,194	22,746	11,624	34,370
Housing Revenue Account	(0)	(12,730)	(12,730)	26,363	13,633
<b>Net cost of services</b>	<b>315,518</b>	<b>(8,821)</b>	<b>306,696</b>	<b>64,551</b>	<b>371,248</b>
Other income and expenditure	(305,363)	22,936	(282,427)	2,220	(280,207)
<b>Deficit</b>	<b>10,155</b>	<b>14,115</b>	<b>24,269</b>	<b>66,772</b>	<b>91,041</b>

The table below shows the comparative information for 2023/24.

2023/24	As reported for resource management (including HRA)	Adjustment to arrive at the net amount chargeable to the General Fund and HRA balances	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Directorate	£000	£000	£000	£000	£000
Corporate Services	(1,726)	8,310	6,584	3,059	9,643
Children's Services	119,116	(30,670)	88,446	19,288	107,735
Community Health and Adult Social Care	86,362	(2,314)	84,048	3,738	87,786
Capital, Treasury and Technical Accounting	(19,885)	75,807	55,922	(46,407)	9,515
Place and Economic Growth	110,277	(60,233)	50,043	21,608	71,650
Public Health	27,460	(3,517)	23,942	3,777	27,720
Housing Revenue Account	(0)	(7,770)	(7,770)	(360)	(8,130)
<b>Net cost of services</b>	<b>321,604</b>	<b>(20,388)</b>	<b>301,216</b>	<b>4,703</b>	<b>305,919</b>
Other income and expenditure	(321,604)	48,519	(273,085)	3,289	(269,796)
<b>Deficit</b>	<b>0</b>	<b>28,131</b>	<b>28,131</b>	<b>7,992</b>	<b>36,123</b>

The table below reconciles between the opening and closing balances of the General Fund (including earmarked reserves) and Housing Revenue Account (HRA) balances.

Additional information on the movements in General Fund and HRA balances can be found on the Movement in Reserves Statement.

<b>Movement in General Fund and HRA Balance</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Opening General Fund and HRA Balance as at 1 April	(140,642)	(112,510)
Add (Surplus)/Deficit on General Fund and HRA Balance in Year	28,132	24,268
<b>Closing General Fund and HRA Balance as at 31 March</b>	<b>(112,510)</b>	<b>(88,242)</b>

## 1b. Note to the Expenditure and Funding Analysis

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

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Movement in Reserves	Other adjustments	Total to arrive at amount charged to the general fund & HRA	Adjustments between Accounting Basis and Funding Basis 2024/25			
				Adjustment for capital purposes £000 (Note 1)	Net change for pension adjustment £000 (Note 2)	Other Differences £000 (Note 3)	Total Adjustments £000
Corporate Services	51	(3,124)	(3,073)	5,013	(1,108)	-	3,905
Children's Services	4,600	(37,226)	(32,626)	28,173	(1,978)	-	26,195
Community Health and Adult Social Care	3,281	(2,264)	1,017	2,759	(496)	-	2,263
Capital, Treasury and Technical Accounting	19,174	52,210	71,384	(40,532)	5,285	(551)	(35,798)
Place and Economic Growth	175	(60,183)	(60,008)	31,864	(1,865)	-	29,999
Public Health	329	(12,270)	(11,941)	11,683	(59)	-	11,624
Housing Revenue Account	(3,341)	(9,389)	(12,730)	26,484	-	(121)	26,363
<b>Net cost of services</b>	<b>24,269</b>	<b>(72,246)</b>	<b>(47,977)</b>	<b>65,445</b>	<b>(221)</b>	<b>(672)</b>	<b>64,551</b>
Other income and expenditure from the Expenditure and Funding Analysis	-	72,246	72,246	-	-	2,220	2,220
<b>Difference between General Fund surplus/deficit and Comprehensive Income and Expenditure Statement surplus/deficit</b>	<b>24,269</b>	<b>-</b>	<b>24,269</b>	<b>65,445</b>	<b>(221)</b>	<b>1,548</b>	<b>66,772</b>

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Movement in Reserves	Other adjustments	Total to arrive at amount charged to the general fund & HRA	Adjustments between Accounting Basis and Funding Basis 2023/24			
				Adjustment for capital purposes & £000 (Note 1)	Net change for pension adjustment £000 (Note 2)	Other Differences £000 (Note 3)	Total Adjustments £000
Corporate Services	(30)	(2,694)	(2,724)	3,489	(430)	-	3,059
Children's Services	(3,862)	(26,807)	(30,670)	19,931	(644)	-	19,288
Community Health and Adult Social Care	2,453	(4,767)	(2,314)	3,929	(190)	-	3,738
Capital, Treasury and Technical Accounting	25,986	60,855	86,841	(44,290)	(2,365)	248	(46,407)
Place and Economic Growth	1,205	(61,438)	(60,233)	22,297	(689)	-	21,608
Public Health	901	(4,419)	(3,517)	3,801	(23)	-	3,777
Housing Revenue Account	1,478	(9,248)	(7,770)	(142)	-	(217)	(360)
<b>Net cost of services</b>	<b>28,131</b>	<b>(48,519)</b>	<b>(20,388)</b>	<b>9,014</b>	<b>(4,342)</b>	<b>31</b>	<b>4,703</b>
Other income and expenditure from the Expenditure and Funding Analysis	-	48,519	48,519	-	-	3,289	3,289
<b>Statement surplus/deficit</b>	<b>28,131</b>	<b>-</b>	<b>28,131</b>	<b>9,014</b>	<b>(4,342)</b>	<b>3,320</b>	<b>7,992</b>

### (i) Adjustments for Depreciation/Rental Income

For resource management purposes, the Council includes depreciation in its reporting at Directorate level. However, these charges are removed as they are not included in the net expenditure chargeable to the General Fund and HRA balances. Also, the Council includes rental income from investment properties in the Place and Economic Growth Directorate. However, this is reported in the financial statements below the cost of services line and, therefore the table above shows the item being reallocated.

### (ii) Adjustments for Capital Purposes

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

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

### (iii) Net Change for Pension Adjustments

The removal of pension contributions and the addition of the International Accounting Standard (IAS) 19 Employee Benefits pension related expenditure and income are reflected as follows:

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

### (iv) Other Differences

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

- **For financing and investment income and expenditure** - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts for Long Term Borrowing.
- **For taxation and non-specific grant income** - the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates to that which was forecast to be received at the start of the year, and the income recognised under GAAP. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.

## 2. Expenditure and Income Analysed by Nature

	2023/24 £000	2024/25 £000
<b>Expenditure</b>		
Employee Benefit Expenses	244,611	245,046
Other services expenses	439,613	475,745
Asset revaluations, depreciation, amortisation and impairment	55,573	105,766
Interest Payments	21,727	28,095
Precepts and levies	34,621	35,424
Payments to the housing capital receipts pool	444	246
Loss on transfer to academy status	6,588	13,036
Movement on Pooled Investments	542	-
<b>Total expenditure</b>	<b>803,719</b>	<b>903,358</b>
<b>Income</b>		
Fees, charges and other service income	(101,298)	(107,778)
Interest and investment income	(8,022)	(9,374)
Income from Council Tax and Business Rates	(164,364)	(171,072)
Government grants and contributions	(452,969)	(483,990)
(Gain)/Loss on the Disposal of assets	(7,540)	(3,459)
Movement on Pooled Investments	-	(257)
Other revenue receipts	(33,402)	(36,387)
<b>Total income</b>	<b>(767,594)</b>	<b>(812,317)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>36,124</b>	<b>91,041</b>

## 3. Financing and Investment Income and Expenditure

	2023/24 £000	2024/25 £000
Interest payable and similar charges	25,085	26,274
Net interest on the net defined benefit liability	(3,358)	1,821
Interest receivable and similar income	(7,180)	(7,632)
Income and expenditure in relation to investment properties and changes in their fair value	(945)	(2,732)
Other investment income	(842)	(1,742)
Expected Credit Loss	4,393	3,602
Fair Value movement on Pooled Investment Funds	542	(257)
<b>Total</b>	<b>17,695</b>	<b>19,334</b>

#### 4. Taxation and Non-Specific Grant Income

The Council raises Council Tax, Business Rates and receives non-specific unringfenced grants from Central Government each year to finance revenue expenditure. This income is not attributable to specific services. The Council Tax and Retained Business Rates income together with non-specific unringfenced Government Grants underpin the overall expenditure of the Council. The Grants are set out below:

	2023/24 £000	2024/25 £000
Council Tax Income - General Purposes	(94,675)	(98,343)
Council Tax Income - Adult Social Care Precept	(14,874)	(17,311)
Retained Business Rates	(54,814)	(55,418)
Business Rates Top Up Grant	(45,974)	(47,944)
Grants in Lieu of Business Rates	(25,162)	(29,342)
Capital Grants and Contributions	(39,566)	(45,120)
Private Finance Initiative (PFI) Grant	(7,126)	(6,674)
Improved Better Care Fund Grant	(11,188)	(11,188)
Social Care Support Grant	(21,454)	(27,500)
Housing and Council Tax Benefit Administration Grants	(810)	(748)
New Homes Bonus Grant	(252)	(205)
Services Grant	(2,620)	(452)
Family Hubs and Start for Life Programme Grant	(1,444)	(1,177)
Other Non-Ringfenced Government Grants	(1,645)	(3,365)
<b>Total</b>	<b>(321,604)</b>	<b>(344,787)</b>

#### 5. Grant Income Credited to Services

The Council credited the following grants and contributions to the CIES:

	2023/24 £000	2024/25 £000
<b>Government Grants</b>		
Dedicated Schools Grant (DSG)	(176,286)	(184,849)
Housing Benefit Subsidy - Rent Allowances	(36,707)	(35,447)
Housing Benefit Subsidy - Rent Rebates	(5,738)	(7,053)
Private Finance Initiative (PFI) Credit	(24,942)	(25,394)
Household Support Fund	(4,679)	(4,999)
Pupil Premium	(9,893)	(9,408)
Discretionary Housing Payments	(429)	(422)
Education and Skills Funding Agency (ESFA) - Adult and Community Learning Income	(3,050)	(2,734)
Holiday Activities and Food Grant	(1,340)	(1,273)
Other Government Grants	(28,302)	(34,566)
Other Grants	(4,362)	(4,130)
<b>Total</b>	<b>(295,728)</b>	<b>(310,275)</b>

## 6. Dedicated School's Grant (DSG)

The Council's expenditure on schools is financed primarily by Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring-fenced and can only be used to finance expenditure that is included in the School's Budget, as defined in the Schools and Early Years Finance and Childcare (England) Regulations 2024. The School's Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each Council maintained school.

Details of the deployment of the DSG receivable for 2024/25 are as follows:

		2024/25		
		Central Expenditure	Individual Schools Budget	Total
Note		£000	£000	£000
A	Final DSG for 2024/25 before academy and high needs recoupment			351,177
B	Academy and high needs figure recouped for 2024/25			(166,110)
C	Total DSG after academy and high needs recoupment for 2024/25			185,067
D	Plus: Brought forward from 2023/24			6,516
E	Less: Carry-forward to 2025/26 agreed in advance			(1,380)
F	Agreed initial budgeted distribution in 2024/25	75,648	114,555	190,203
G	In year adjustments	(77)	(141)	(218)
<b>H</b>	<b>Final budget distribution for 2024/25</b>	<b>75,571</b>	<b>114,414</b>	<b>189,985</b>
I	Less: Actual central expenditure	(73,277)		(73,277)
J	Less: Actual ISB deployed to schools		(114,092)	(114,092)
K	Plus: Local authority contribution for 2024/25			-
<b>L</b>	<b>In Year Carry-forward to 2025/26</b>	<b>2,294</b>	<b>322</b>	<b>2,616</b>
M	Plus: Carry-forward to 2025/26 agreed in advance			1,380
N	Carry-forward to 2025/26			3,996
O	DSG unusable reserve at the end of 2023/24			(2,814)
P	Addition to DSG unusable reserve at the end of 2024/25			-
Q	Total of DSG unusable reserve at the end of 2024/25			(2,814)
<b>R</b>	<b>Net DSG position at the end of 2024/25</b>			<b>1,182</b>

A Final DSG figure before any amount has been recouped from the Authority as published in March 2025, excluding the Early Years Block adjustment to be made during 2024/25 based on January 2024 pupil numbers.

B Figure recouped from the Authority in 2024/25 by the DfE for the conversion of maintained schools into academies and for high needs payments made by the Education and Skills Funding Agency (ESFA).

C Total DSG figure after academy and high needs recoupment for 2024/25, as published March 2025.

- D Balance brought forward (where in surplus) from 2023/24.
- E The amount which the Authority decided after consultation with the School's Forum to carry forward to 2025/26 rather than distribute in 2024/25.
- F Budgeted distribution of DSG as agreed with the School's Forum. 79
- G Changes to the initial distribution, for the final Early years Block adjustment re 2023/24.
- H Budgeted distribution of DSG as at the end of the financial year.
- I Actual amount of central expenditure items in 2024/25.
- J Amount of ISB distributed to schools in 2024/25.
- K Any Local Authority contribution for 2024/25 - there was no contribution from Oldham Council in 2024/25. L In year position at end of 2024/25.
- M Carry-forward to 2025/26 already agreed.
- N Carry-forward to 2025/26 (before any unusable reserve brought forward).
- O DSG unusable reserve at the end of 2023/24.
- P Addition to DSG unusable reserve at the end of 2024/25.
- Q Total of DSG unusable reserve at the end of 2024/25
- R Net DSG position at the end of 2024/25

At the end of 2024/25 the DSG surplus has reduced to £1.182m, a reduction of £2.520m compared to the 2023/24 surplus of £3.702m.

Details of the deployment of the DSG receivable for 2023/24 were as follows:

		2023/24		
		Central Expenditure	Individual Schools Budget	Total
Note		£000	£000	£000
A	Final DSG for 2023/24 before academy and high needs recoupment			322,019
B	Academy and high needs figure recouped for 2023/24			(145,733)
C	Total DSG after academy and high needs recoupment for 2023/24			<b>176,286</b>
D	Plus: Brought forward from 2022/23			<b>3,713</b>
E	Less: Carry-forward to 2024/25 agreed in advance			(616)
F	Agreed initial budgeted distribution in 2023/24	61,138	118,245	<b>179,383</b>
G	In year adjustments	(101)	38	(63)
H	<b>Final budget distribution for 2023/24</b>	<b>61,037</b>	<b>118,283</b>	<b>179,320</b>
I	Less: Actual central expenditure	(55,460)	-	(55,460)
J	Less: Actual ISB deployed to schools	-	(117,960)	(117,960)
K	Plus: Local authority contribution for 2023/24	-	-	-
L	<b>In Year Carry-forward to 2024/25</b>	<b>5,577</b>	<b>323</b>	<b>5,900</b>
M	Plus: Carry-forward to 2024/25 agreed in advance			616
N	Carry-forward to 2024/25			6,516
O	DSG unusable reserve at the end of 2022/23			(2,773)
P	Addition to DSG unusable reserve at the end of 2023/24			(41)
Q	Total of DSG unusable reserve at the end of 2023/24			(2,814)
R	<b>Net DSG position at the end of 2023/24</b>			<b>3,702</b>

## 7. Material Items of Income and Expenditure

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement. For the purposes of this note the Council considers material items to be those greater than £6.000m.

Alexandra Park Junior School was derecognised on the Council's Balance Sheet as it transferred to academy status in 2024/25. The value of the disposal is £9.485m (Net Book Value).

## 8. Members' Allowances

The Council paid the following amounts to Members during the year:

	2023/24 £000	2024/25 £000
Allowances	1,143	1,285
Expenses	1	0
<b>Total</b>	<b>1,144</b>	<b>1,285</b>

## 9. Officers' Remuneration

The remuneration of senior employees is detailed below.

	2023/24				2024/25				Note
	Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total	Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	
H Catherall, Chief Executive Oldham Council, Head of Paid Service	156	-	-	<b>156</b>	160	-	-	<b>160</b>	A
S Kipling, Chief Executive Oldham Council, Head of Paid Service	-	-	-	-	15	-	3	<b>18</b>	B
S Kipling, Acting Chief Executive	-	-	-	-	58	-	11	<b>69</b>	C
Assistant Chief Executive	102	-	19	<b>121</b>	62	-	12	<b>74</b>	D
Deputy Chief Executive: People Services	144	-	27	<b>171</b>	12	99	2	<b>113</b>	E
Deputy Chief Executive: Place	70	-	13	<b>83</b>	145	-	27	<b>172</b>	F
Executive Director: Place and Economic Growth	65	-	12	<b>77</b>	-	-	-	-	G
Managing Director Children and Young People (Director of Children's Services)	137	-	26	<b>163</b>	70	24	13	<b>107</b>	H
Strategic Director of Children's Services (Director of Children's Services)	-	-	-	-	70	-	13	<b>83</b>	I
Director of Adult Social Care Services (Director of Adult Social Services)	116	-	22	<b>138</b>	119	-	23	<b>142</b>	J
Director of Education, Skills and Early Years (Chief Education Officer)	27	-	5	<b>32</b>	-	-	-	-	K
Director of Education, Skills and Lifelong Learning (Chief Education Officer)	76	-	14	<b>90</b>	105	-	20	<b>125</b>	L
Director of Finance and Chief Financial Officer (Section 151 Officer)	110	-	18	<b>128</b>	105	-	20	<b>125</b>	M
Director of Legal Services and Monitoring Officer	108	-	21	<b>129</b>	72	151	11	<b>234</b>	N
Interim Borough Solicitor and Monitoring Officer	-	-	-	-	48	-	9	<b>57</b>	
Director of Public Health	25	-	5	<b>30</b>	-	-	-	-	
Interim Director of Public Health	80	-	15	<b>95</b>	-	-	-	-	
Director of Public Health	-	-	-	-	106	-	20	<b>126</b>	

Senior Officers served for the whole of 2023/24 and 2024/25 unless stated below:

- A The Chief Executive and Head of Paid Services: was seconded to Tameside Council on 1 October 2024 to 6 March 2025. The contribution to the salary cost paid by Tameside Council was £70,145.
- B The Acting Chief Executive: was appointed on 1 October 2024 to 6 March 2025. The appointment to the post of Chief Executive and Head of Paid Service was confirmed at the Council meeting on 6 March 2025 with effect from 7 March 2025. 83
- C The Assistant Chief Executive: was appointed Acting Chief Executive on 1 October 2024.
- D The Deputy Chief Executive People: left the Council on 30 April 2024.
- E The Executive Director Place and Economic Growth was appointed Deputy Chief Executive Place on 1 October 2023.
- F The Managing Director Children and Young People (Director of Children's Services): left the Council on 30 September 2024.
- G The Strategic Director Children's Services (Director of Children's Services): was appointed 1 October 2024.
- H The Director of Education, Skills and Early Years (Chief Education Officer): left the Council on 2 July 2023.
- I The Director of Education, Skills and Lifelong Learning (Chief Education Officer): was appointed 1 June 2023.
- J The Director of Finance and Chief Financial Officer (Section 151 Officer) left the Council on 2 February 2025. From the 5 March 2025 the Director of Finance and Chief Financial Officer (Section 151 Officer) post was covered on an interim basis.
- K The Director of Legal and Monitoring Officer: left the Council on 30 September 2024. Compensation for loss of office in 2024/25 was a lump sum payment to Greater Manchester Pension Fund (GMPF) in relation to pension fund contribution.
- L The Interim Borough Solicitor and Monitoring Officer: was appointed on 1 October 2024.
- M The Director of Public Health: left the Council on 30 June 2023.
- N The Interim Director of Public Health: was appointed 19 February 2023 and permanently appointed on 22 February 2024.

All of the Council's employees (excluding the Chief Executive, other Executive Management Team Members and Statutory Officers) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	2023/24 Number of Employees Including Severance or Other Related Payments	2024/25 Number of Employees Including Severance or Other Related Payments
£50,000 - £55,000	178	233
£55,001 - £60,000	121	132
£60,001 - £65,000	42	74
£65,001 - £70,000	42	44
£70,001 - £75,000	29	37
£75,001 - £80,000	13	20
£80,001 - £85,000	18	12
£85,001 - £90,000	13	15
£90,001 - £95,000	8	14
£95,001 - £100,000	-	4
£100,001 - £105,000	3	1
£105,001 - £110,000	4	2
£110,001 - £115,000	1	3
£115,001 - £120,000	-	2
£120,001 - £125,000	2	2
£125,001 - £130,000	-	-
£130,001 - £135,000	-	1
	<b>474</b>	<b>596</b>

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit Package Cost band (including special payments)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
	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	
							£	£
£0 - £20,000	2	5	18	28	20	33	128,427	254,191
£20,001- £40,000	-	3	1	20	1	23	28,382	623,691
£40,001- £60,000	-	-	3	5	3	5	133,153	246,102
£60,001- £80,000	-	1	1	4	1	5	70,867	347,676
£80,001- £100,000	-	-	-	2	-	2	-	190,384
£100,001- £150,000	-	-	-	4	-	4	-	450,641
£150,001- £200,000	-	-	-	1	-	1	-	186,574
	<b>2</b>	<b>9</b>	<b>23</b>	<b>64</b>	<b>25</b>	<b>73</b>	<b>360,829</b>	<b>2,299,259</b>

## 10. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts by the Council's External Auditors, which for 2023/24 and 2024/25 was Forvis Mazars LLP.

	2023/24 £000	2024/25 £000
Fees payable to Mazars LLP with regard to external audit services carried out by the appointed auditor for the year	360	399

The 2023/24 amount has increased to £396k due to additional fee notifications in relation to the 2023/24 audit received in the 2024/25 financial year.

## 11. Pooled Budget

### Section 75 Agreement

Since April 2016, Greater Manchester has been working to deliver its own sustainable Health and Social Care system. Oldham Council and NHS Greater Manchester Integrated Care Board (ICB); previously Oldham CCG, have worked closely together and for a number of years have entered into a pooled funding agreement under the powers of the NHS Act 2006 to facilitate a whole system approach to delivering care to the citizens of Oldham.

The Commissioning Partnership Board which previously had Governance and oversight of health and social care integration services and developments within Oldham was decommissioned on 20 September 2024 and replaced with the Oldham Integrated Care Partnership Committee. In 2024/25 NHS Greater Manchester ICB and Oldham Council adopted a revised Section 75 agreement for 2024/25 which was approved by the Partnership Committee on 25 September 2024.

The revised Section 75 moved away from the previous pool and pool aligned fund designations, and reclassified the funds into two new elements; a Pooled Budget and a Non-Pooled Budget, as a result both Oldham Council and NHS GM reviewed the contributions made to the pool: Oldham Council, as is mandatorily required, expanded the pool to include the Better Care Fund and the Improved Better Care Fund, and re-classified the remainder of the expenditure (£230.221m), previously designated as Pool Aligned as Non-Pooled. Correspondingly NHS GM elected to remove Prescribing expenditure from the pool. Both organisations continue to incur the equivalent expenditure in 2024/25, however, this is now done outside of the pool. Information in respect of the expenditure is still mutually shared between the organisations under streamlined governance arrangements. There are no risk sharing arrangements within the agreement, the resolution of any overspends being the responsibility of the relevant organisation.

As shown in the table below the Council spent pooled funds of £34.666m and Oldham NHS Integrated Care Board - Oldham Locality spent £9.413m; a total pooled fund of £44.079m. Each of the partner organisations accounts for their own contributions and details are contained within the respective organisation's annual accounts.

The variance between funding provided to the pool and met from the pool by respective partners is due to funds being transferred from one partner to facilitate expenditure by the other partner.

<b>Section 75 Pooled Fund - Incorporating Better Care Fund &amp; Improved Better Care Fund</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
<b>Funding provided to the pooled funds:</b>		
Council	(221,257)	(18,542)
NHS GM Integrated Care Board – Oldham Locality	(125,066)	(25,537)
	<b>(346,323)</b>	<b>(44,079)</b>
<b>Expenditure met from the pooled funds:</b>		
Council	248,449	34,666
NHS GM Integrated Care Board – Oldham Locality	97,874	9,413
	<b>346,323</b>	<b>44,079</b>
<b>Net surplus arising on the pooled budget during the year</b>	-	-

## 12. 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 shows the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

### Central Government

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax billing, Housing Benefit administration). Grants received from Government Departments are disclosed in Notes 4 and 5.

### Elected Members of the Council

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2024/25 is disclosed in Note 8.

The Register of Members' Interests is open to public inspection at the Civic Centre during office hours, on application, and is also available on the Council's website. The Council is compliant in this regard with the requirements of the Localism Act 2012.

Any material transactions with entities disclosed by Members have been incorporated into the Related Party Transactions table below.

### Officers

There are no material related party transactions identified between the entities disclosed by Chief Officers as interests/related parties during both the 2023/24 and 2024/25 financial years.

### Other Public Bodies (subject to common control by Central Government)

The Council has a pooled fund (Section 75) arrangement. The agreement encompasses a range of Council services as follows, for further details see Note 11 Pooled Budget.

The Council also pays levies towards the services provided by the Greater Manchester Combined Authority (GMCA) for Waste Disposal and for Transport services (plus a statutory charge for Transport) and also to the Environment Agency. The levies payable are shown in the following table.

Levying Body/Statutory Charging Body	31 March 2024 £000	31 March 2025 £000
Greater Manchester Combined Authority - Waste Disposal	17,477	17,680
Greater Manchester Combined Authority - Transport (Levy and Statutory Charge)	16,700	17,271
Environment Agency	115	118
<b>Total</b>	<b>34,292</b>	<b>35,069</b>

The following table shows the income and expenditure and balances attributable to the Council's subsidiaries, associate companies, joint ventures and non-group entities where appropriate.

Related Party Transactions	Details of Arrangement	2023/24			2024/25		
		Receipts	Payments	Outstanding Balances owed to Council	Receipts	Payments	Outstanding Balances owed to Council
		£000	£000	£000	£000	£000	£000
<b>Subsidiaries</b>							
MioCare Group Community Interest Company (formerly Oldham Care Services Limited)	MioCare Group CIC is a care and support provider and is wholly owned by the Council. It delivers services through two subsidiaries: Oldham Care and Support Ltd (OCS); and MioCare Services Ltd (formerly Oldham Care and Support at Home (OCSH)).	(953)	19,172	225	(870)	21,192	50
Unity Partnership Limited (Unity)	On 2 July 2018 the ownership of Unity Partnership Ltd transferred to Oldham Council and Unity Partnership became a 100% wholly owned Council subsidiary company providing a variety of services within the Council and to residents. On 1 April 2022, the staff of the Unity Partnership Ltd were transferred back into the Council and the Company's functions were taken over by the Council.	12	67	1	-	8	11
Oldham Economic Development Association Limited (OEDA)	OEDA is a company without share capital which is wholly owned by the Council and was set up to aid economic development and regeneration across the Borough. The company has remained inactive in 2024/25.	-	-	-	-	-	-
Southlink Developments Limited	The principal activity of the company is that of a property developer. However, the development land now owned by the company is reduced to a few acres located on Southlink Business Park. The company has remained inactive in 2024/25.	-	-	-	-	-	-
Meridian Group (Interurban)	The Meridian Group is comprised of the Meridian Development Company Ltd and its subsidiary, Interurban, was created to enable the purchase and development of key sites in Oldham. In 2021/22, the Council became the sole shareholder of the Company.	-	72	-	-	60	-
Northern Roots (Oldham) Ltd	Northern Roots (Oldham) Ltd is a Charity limited by shares and a wholly owned Council company incorporated to develop and operate a new Urban Park in the Snipe Clough area of Oldham. The Council is the sole shareholder.	-	-	-	-	49	-
Oldham Total Care	Oldham Total Care is a company wholly owned by Oldham Council that provides 24-hour residential care services to adults in the borough of Oldham. The company was incorporated on 11 July 2023 following the failure of the previous independent provider.	(7)	1,288	3,842	(18)	3,055	4,923
<b>Associates</b>							
<b>Joint Ventures</b>							
Community 1st Oldham (Chadderton) Ltd	Community 1st Oldham (Chadderton) Ltd was incorporated on 29 March 2008 and commenced trading on 30 April 2008. The principal activity of the company is the development and property management of a Multi-Purpose Health and Wellbeing Centre in Chadderton.	(153)	2,197	2	(153)	1,671	-
FO Development LLP	This joint venture was formed to deliver the development of the Foxdenton employment area in order to create a premium business location, new jobs and housing. The Council has a 20% shareholding.	(663)	-	-	(1,646)	-	-
<b>Non-Group Entities</b>							
Positive Steps Oldham	The Council has a number of contracts with Positive Steps which is a charitable trust that delivers a range of targeted and integrated services for young people, adults and families. It is a not for profit company for which Council Members occupy 4 of the 12 Trustee positions.	(18)	2,888	2	(18)	3,843	-
	<b>Total</b>	<b>(1,782)</b>	<b>25,684</b>	<b>4,072</b>	<b>(2,705)</b>	<b>29,879</b>	<b>4,984</b>

## 13. Leases

### Change in Accounting Policy and Transition to IFRS 16 Lease Accounting

In 2024/2025 the Council applied IFRS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability were brought onto the balance sheet at 1 April 2024. For leases that were classified as finance leases under IAS17, the carrying amount of the right-of-use-asset and the lease liability at 1st April 2024 are determined at the carrying amount of the lease asset and lease liability under IAS17 immediately before that date. There is no change to the accounting treatment where the Council is the lessor as a result of the transition to IFRS16.

#### The Council's as lessee:

The Council leases in property, vehicles and equipment from third parties under operating leases, to include but not limited to provision of service delivery.

The Council adopted IFRS 16 from 1 April 2024. Properties, vehicles, plant and equipment that fall under the scope of IFRS16 have now been reclassified as right of use assets on the balance sheet with a corresponding lease liability and are recognised at commencement of the lease. The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the PWLB annuity rate specific to the term and the start date of the lease.

The lease liability is subsequently measured the Net Present Value (NPV) of the remaining lease payments. There are currently no leases where there is a requirement to re-measure as a result in changes in future lease payments and/or rent reviews. This will be reviewed annually and if applicable will be re-measured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost comprising the initial lease liability; less any lease payments made at or before the commencement date, less any lease incentives received. The right of use asset is subsequently depreciated on a straight-line bases over the shorter of the lease term or the useful life of the underlying asset.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have;

- a term of 12 months or less;
- a lease term greater than 12 months but less than 12 months remaining at the balance sheet date; and
- low value assets (less than £10,000).

The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under these operating leases the Council is committed to paying the following sums and the maturity analysis of lease liabilities as illustrated below.

<b>Right of Use lease liability</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Value at 1 April	475	747
Adjustment for Right of Use Assets	-	3,033
Additions during the year	729	1,429
Principal repaid	(374)	-
Disposal / Derecognition	(83)	(1,281)
<b>Value at 31 March</b>	<b>747</b>	<b>3,928</b>
Vehicles, plant, equipment and furniture	747	3,928
<b>Value at 31 March</b>	<b>747</b>	<b>3,928</b>

<b>Maturity analysis of Lease Liabilities</b>	<b>2023/24 * £000</b>	<b>2024/25 £000</b>
Within 1 year	302	765
Between 2 and 5 years	445	2,613
Over 5 years	-	550
<b>Total Liabilities</b>	<b>747</b>	<b>3,928</b>

\* 2023/24 fleet and property were not included within the Note as the requirements of IFRS 16 are prospective and do not require a prior period adjustment.

## Right of Use Assets

Properties, vehicles, plant and equipment where they fall within the scope of IFRS16 have been reclassified as right of use assets and are shown in the table below, which form part of the balances for the respective asset classes in Note 17-Property Plant and Equipment.

Right To Use Assets	Land & Buildings	Vehicle Plant & Equipment	Total
	£000	£000	£000
<b>Cost or Valuation</b>			
As at 1 April 2024	-	-	-
Leases reclassified under IFRS 16	-	2,640	2,640
IFRS 16 Adjustment	1,808	927	2,735
Additions	-	1,429	1,429
Derecognition-disposals	-	-	-
<b>As at 31 March 2025</b>	<b>1,808</b>	<b>4,996</b>	<b>6,804</b>
<b>Accumulated Depreciation &amp; Impairment</b>			
As at 1 April 2024	-	-	-
Leases reclassified under IFRS 16	-	(1,679)	(1,679)
IFRS 16 Adjustment	-	-	-
Depreciation Charge	-	(240)	(240)
Derecognition -disposals	-	240	240
<b>As at 31 March 2025</b>	<b>-</b>	<b>(1,679)</b>	<b>(1,679)</b>
<b>Net Book Value at 31 March 2024</b>	<b>-</b>	<b>961</b>	<b>961</b>
<b>Net Book Value at 31 March 2025</b>	<b>1,808</b>	<b>3,318</b>	<b>5,126</b>

The Council's as lessor:

### Operating Leases

There have been no changes to lessor lease accounting as a result of the transition to IFRS 16. The Council leases out property to third parties under operating leases, to include but not limited to, the following purposes:

- for the provision of community services such as community centres; and
- for economic development purposes to provide suitable affordable accommodation for local businesses.

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

	2023/24 £000	2024/25 £000
No later than 1 year	3,899	3,657
2 years	3,441	3,253
3 years	3,056	2,818
4 years	2,681	2,352
5 years	2,258	2,053
Later than 5 years	127,630	120,013
<b>Total</b>	<b>142,965</b>	<b>134,145</b>

The only material leased out asset is the Spindles Shopping centre. The Council, through its managing agent, leases retail units to individual retailers. The lease payments are generally fixed for the period of the lease, although, some tenants are subject to rents based wholly or partially on the tenant's turnover. Lease periods are typically between 5 to 15 years for individual tenants. There were 47 individual leases in operation during the 2024/25 financial year.

#### 14. 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						2024/25					
	General Fund Balance £000	Usable Reserves			Movements in Unusable Reserves £000	General Fund Balance £000	Usable Reserves			Movements in Unusable Reserves £000		
		Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000			Capital Grants Unapplied £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000		Major Repairs Reserve £000	Capital Grants Unapplied £000
<b>Adjustments primarily involving the Major Repairs Reserve (MRR):</b>												
Transfer of Excess of Depreciation over Notional MRA to MRR	-	(5,720)	-	5,720	-	-	121	-	(121)	-	-	-
Credit MRR with a sum equal to HRA Depreciation	-	5,937	-	(5,937)	-	-	-	-	-	-	-	-
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>												
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	294	-	-	-	(294)	294	-	-	-	-	(294)	-
<b>Adjustments primarily involving the Financial Instruments Revaluation Reserve:</b>												
Amount by which Financial Instruments held under Fair Value through Profit & Loss are subject to MHCLG statutory over-ride.	(542)	-	-	-	542	257	-	-	-	-	(257)	-
<b>Adjustments primarily involving the Pensions Reserve:</b>												
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 31)	(18,680)	-	-	-	18,680	(24,367)	-	-	-	-	24,367	-
Employer's pension contributions and direct payments to pensioners payable in the year	23,022	-	-	-	(23,022)	24,588	-	-	-	-	(24,588)	-
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>												
Amount by which Council Tax and Business Rates income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(2,779)	-	-	-	2,779	(2,470)	-	-	-	-	2,470	-
<b>Adjustments primarily involving the Accumulated Absences Account:</b>												
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	(510)	-	-	-	510	249	-	-	-	-	(249)	-
<b>Adjustments primarily involving the Dedicated Schools Grant Adjustment Account</b>												
Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account	(41)	-	-	-	41	-	-	-	-	-	-	-
<b>Total</b>	<b>(8,393)</b>	<b>360</b>	<b>-</b>	<b>(217)</b>	<b>(6,008)</b>	<b>14,259</b>	<b>(40,409)</b>	<b>(26,363)</b>	<b>-</b>	<b>(121)</b>	<b>(17,346)</b>	<b>84,240</b>
<b>Adjustments</b>												

## 15. Earmarked Reserves

This note discloses the amounts set aside from the General Fund as Earmarked Reserves to provide financing for future expenditure plans. The note also discloses the value of transfers to or from General Fund Earmarked Reserves during 2023/24 and 2024/25. All Earmarked Reserves are managed in accordance with the Council's reserves policy which was refreshed during 2024/25.

	Balance as at 31 March 2023	Transfers Out 2023/24	Transfers In 2023/24	Balance as at 31 March 2024	Transfers Out 2024/25	Transfers In 2024/25	Balance as at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000
Integrated Working Reserve	(12,951)	3,991	(471)	(9,430)	9,430	-	-
Transformation Reserve	(5,253)	42	-	(5,211)	5,211	-	-
Adverse Weather Reserve	(1,000)	-	-	(1,000)	1,000	-	-
Regeneration Reserve	(2,107)	1,272	-	(836)	836	-	-
Emergency and External Events Reserve	(2,000)	-	-	(2,000)	2,000	-	-
Council Initiatives Reserve	(1,991)	268	-	(1,723)	1,722	-	-
Fiscal Mitigation Reserve	(28,071)	24,427	(6,592)	(10,236)	12,322	(2,086)	-
Life Cycle Costs Reserve	(1,518)	218	-	(1,300)	1,300	-	-
Insurance Reserve	(3,140)	735	-	(2,405)	2,405	-	-
Directorate Reserve	(3,836)	2,714	(1,653)	(2,775)	268	(876)	(3,384)
Balancing Budget Reserve	(16,718)	12,786	(8,253)	(12,185)	12,185	-	-
District Partnership Reserve	(545)	-	-	(545)	545	-	-
Corporate Budget Strategy Reserve	-	-	-	-	8,421	(24,501)	(16,080)
Corporate Other Reserve	-	-	-	-	4,943	(12,487)	(7,544)
Joint Fund Reserve	-	-	-	-	1,345	(5,900)	(4,555)
<b>Total Revenue Account Earmarked Reserves</b>	<b>(79,130)</b>	<b>46,453</b>	<b>(16,969)</b>	<b>(49,646)</b>	<b>63,933</b>	<b>(45,850)</b>	<b>(31,563)</b>
<b>Other Earmarked Reserves</b>							
Revenue Grants Reserve	(7,968)	2,454	(2,285)	(7,800)	6,227	(638)	(2,211)
Schools Reserve	(8,381)	8,381	(8,578)	(8,578)	8,578	(7,160)	(7,160)
Dedicated Schools Grant Surplus Reserve	(3,672)	-	(2,844)	(6,516)	-	2,520	(3,996)
<b>Total Other Earmarked Reserves</b>	<b>(20,022)</b>	<b>10,835</b>	<b>(13,707)</b>	<b>(22,894)</b>	<b>14,805</b>	<b>(5,278)</b>	<b>(13,367)</b>
<b>Total Earmarked Reserves</b>	<b>(99,152)</b>	<b>57,288</b>	<b>(30,676)</b>	<b>(72,540)</b>	<b>78,738</b>	<b>(51,128)</b>	<b>(44,930)</b>

## Revenue Account Earmarked Reserves

During 2024/25 the Council conducted a reserves review to align the reserves to the Council's refreshed Corporate Plan and priorities. The approved reserves policy created four distinct categories for Earmarked Reserves which are reflected within the accounts, with details of each category as follows:

**Corporate Budget Strategy Reserve** - This reserve represents resources that have been set aside to support the corporate budget strategy of the Council.

**Corporate Other Reserve** - This reserve holds resources set aside to provide for any costs of other corporate areas that are required to be held for a specific purpose or support the delivery of corporate priorities.

**General Directorate Reserves** - There are a range of Directorate initiatives which span more than one financial year or for which funds have been budgeted but not yet utilised. This reserve will ensure that such initiatives can be completed.

**Joint Fund Reserve** - This reserve is hosted by the Council and is held to provide resources to support further integration between health and social care providers in line with Government policy and the local direction of travel.

## Other Earmarked Reserves

In addition to the reserves detailed above there are three Earmarked Reserves held in the Council's General Fund which have to be itemised separately given the nature of the funds held. These are:

- **Revenue Grants Reserve** - this represents income from grants received which have no conditions attached or where the conditions have been met but no expenditure has yet been incurred.
- **Schools Reserve** - this includes the balances held by Schools under the scheme of delegation.
- **Dedicated Schools Grant Surplus Reserve** – this reserve contains any surpluses in the DSG and offsets the DSG unusable reserve deficit position which is shown under unusable reserves within the MiRS.

## 15. Earmarked Reserves

This note discloses the amounts set aside from the General Fund as Earmarked Reserves to provide financing for future expenditure plans. The note also discloses the value of transfers to or from General Fund Earmarked Reserves during 2023/24 and 2024/25. All Earmarked Reserves are managed in accordance with the Council's reserves policy which was refreshed during 2024/25.

	Balance as at 31 March 2023	Transfers Out 2023/24	Transfers In 2023/24	Balance as at 31 March 2024	Transfers Out 2024/25	Transfers In 2024/25	Balance as at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000
Integrated Working Reserve	(12,951)	3,991	(471)	(9,430)	9,430	-	-
Transformation Reserve	(5,253)	42	-	(5,211)	5,211	-	-
Adverse Weather Reserve	(1,000)	-	-	(1,000)	1,000	-	-
Regeneration Reserve	(2,107)	1,272	-	(836)	836	-	-
Emergency and External Events Reserve	(2,000)	-	-	(2,000)	2,000	-	-
Council Initiatives Reserve	(1,991)	268	-	(1,723)	1,722	-	-
Fiscal Mitigation Reserve	(28,071)	24,427	(6,592)	(10,236)	12,322	(2,086)	-
Life Cycle Costs Reserve	(1,518)	218	-	(1,300)	1,300	-	-
Insurance Reserve	(3,140)	735	-	(2,405)	2,405	-	-
Directorate Reserve	(3,836)	2,714	(1,653)	(2,775)	268	(876)	(3,384)
Balancing Budget Reserve	(16,718)	12,786	(8,253)	(12,185)	12,185	-	-
District Partnership Reserve	(545)	-	-	(545)	545	-	-
Corporate Budget Strategy Reserve	-	-	-	-	8,421	(24,501)	(16,080)
Corporate Other Reserve	-	-	-	-	4,943	(12,487)	(7,544)
Joint Fund Reserve	-	-	-	-	1,345	(5,900)	(4,555)
<b>Total Revenue Account Earmarked Reserves</b>	<b>(79,130)</b>	<b>46,453</b>	<b>(16,969)</b>	<b>(49,646)</b>	<b>63,933</b>	<b>(45,850)</b>	<b>(31,563)</b>
<b>Other Earmarked Reserves</b>							
Revenue Grants Reserve	(7,968)	2,454	(2,285)	(7,800)	6,227	(638)	(2,211)
Schools Reserve	(8,381)	8,381	(8,578)	(8,578)	8,578	(7,160)	(7,160)
Dedicated Schools Grant Surplus Reserve	(3,672)	-	(2,844)	(6,516)	-	2,520	(3,996)
<b>Total Other Earmarked Reserves</b>	<b>(20,022)</b>	<b>10,835</b>	<b>(13,707)</b>	<b>(22,894)</b>	<b>14,805</b>	<b>(5,278)</b>	<b>(13,367)</b>
<b>Total Earmarked Reserves</b>	<b>(99,152)</b>	<b>57,288</b>	<b>(30,676)</b>	<b>(72,540)</b>	<b>78,738</b>	<b>(51,128)</b>	<b>(44,930)</b>

## 16. Unusable Reserves

All unusable reserves are described below. The movements in year for all reserves with a material balance are also disclosed.

	Note	31 March 2024 £000	31 March 2025 £000
Revaluation Reserve	16a	(442,438)	(457,951)
Financial Instruments Revaluation Reserve	16b	(40,369)	(35,766)
Capital Adjustment Account	16c	(120,046)	(76,886)
Financial Instruments Adjustment Account	16d	7,343	7,049
Deferred Capital Receipts	16e	(523)	(523)
Pensions Reserve	16f	38,380	32,300
Collection Fund Adjustment Account	16g	(968)	1,501
DSG Adjustment Account	16h	2,814	2,814
Accumulated Absences	16i	6,216	5,967
<b>Total Unusable Reserves</b>		<b>(549,590)</b>	<b>(521,495)</b>

### (16a) Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost.
- used in the provision of services and the gains are consumed through depreciation; and
- disposed of and gains are realised.

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

	2023/24 £000	2024/25 £000
<b>Balance at 1 April</b>	<b>(390,515)</b>	<b>(442,438)</b>
Upward revaluation of assets	(78,990)	(52,913)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	130	13
Difference between fair value depreciation and historic cost depreciation	22,288	25,754
Accumulated gains on non-current assets sold or decommissioned (excluding Academies)	801	1,162
Accumulated gains on Academy assets sold or decommissioned	3,848	10,470
<b>Balance at 31 March</b>	<b>(442,438)</b>	<b>(457,951)</b>

## (16b) Financial Instruments Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost; and
- disposed of and the gains are realised.

	2023/24 £000	2024/25 £000
<b>Balance at 1 April</b>	<b>(15,885)</b>	<b>(40,369)</b>
Transfer from AFS		
Revaluation of Shareholding in Manchester Airport	(26,300)	2,900
Reversal of Pooled Investment Funds	(1,104)	(1,646)
	<b>(27,404)</b>	<b>1,254</b>
Other movements	1,274	1,960
Financial Instruments held under Fair Value through Profit & Loss subject to MHCLG Statutory override*	1,646	1,389
<b>Balance at 31 March</b>	<b>(40,369)</b>	<b>(35,766)</b>

\* The Ministry for Housing, Communities and Local Government introduced a statutory override to protect the General Fund balance from any fluctuations in fair value movements in quoted investment funds. In the Council's case this relates to its investments in the Churches, Charities and Local Authorities (CCLA) Property Fund. The override has been extended to 31 March 2029 for investments in place as at 1 April 2024.

## (16c) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement element of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 14 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2023/24 £000	2024/25 £000
<b>Balance at 1 April</b>	<b>(108,131)</b>	<b>(120,046)</b>
<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</b>		
Charges for depreciation of non-current assets	45,416	54,065
Charges for impairment of non-current assets	3,780	28,463
Revaluation (gains)/losses on Property, Plant and Equipment	4,740	20,663
Amortisation of intangible assets	1,637	2,574
Revenue expenditure funded from capital under statute	10,921	8,986
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 (excluding Academies)	(504)	1,104
Amounts written off on disposal or sale as part of the gain/loss on disposal of Academies to the Comprehensive Income and Expenditure Statement	2,740	2,566
Adjusting amounts written out of the Revaluation Reserve	(23,088)	(26,917)
Repayment of Long-Term Debtors	-	-
<b>Capital financing applied in the year:</b>		
Use of the Capital Receipts reserve to finance new capital expenditure	(6,817)	(6,667)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(25,301)	(21,514)
Application of grants to capital financing from the Capital Grants Unapplied Account	(8,257)	(6,260)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(16,838)	(13,027)
Voluntary MRP	(1,000)	-
Capital expenditure charged against the General Fund and HRA balances	(389)	(13)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	1,045	(863)
<b>Balance at 31 March</b>	<b>(120,046)</b>	<b>(76,886)</b>

### (16d) Financial Instrument Adjustment Account

The Financial Instrument Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions. The Council uses the Account to manage premiums paid and discounts received on the early redemption of loans. Premiums are debited and discounts are credited to the CIES when they are incurred but reversed out of the General Fund Balance to the Account in the MiRS. Over time, the net expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on Council Taxpayers. In the Councils case this period is the unexpired term that was outstanding on loans when they were redeemed.

	2023/24 £000	2024/25 £000
<b>Balance as 1 April</b>	7,638	7,343
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(329)	(329)
Proportion of discounts received in previous financial years to be transferred to the General Fund Balance in accordance with statutory requirements	34	34
<b>Balance at 31 March</b>	<b>7,343</b>	<b>7,049</b>

### (16e) Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place. Under statutory arrangements the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve. The balance of this reserve was £0.523m for the year end of 2023/24 and 2024/25.

### (16f) 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 CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible. In 2023/24, the actuarial valuation has seen a significant movement from a deficit to a surplus position. Under the International Accounting Standard (IAS 19) the Council must disclose the lower of the actuarial valuation or Asset Ceiling calculation. The Asset Ceiling calculation resulted in a lower valuation and has therefore been included within the accounts for 2024/25.

	2023/24 £000	2024/25 £000
<b>Balance at 1 April</b>	(70,217)	38,380
Remeasurement of net defined benefit liability	(65,098)	(468,600)
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	18,680	24,367
Employer's pension contributions and direct payments to pensioners payable in the year	(23,022)	(24,588)
Asset Ceiling Adjustment	178,037	462,741
<b>Balance at 31 March</b>	<b>38,380</b>	<b>32,300</b>

### (16g) Collection Fund Adjustment Account

The Collection Fund Adjustment Account is used to manage the differences arising from the recognition of Council Tax and Business Rates income in the CIES as it falls due from Council Tax and Business Rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

### (16h) Dedicated Schools Grant (DSG) Adjustment Account

On 6 November 2020, the Secretary of State for the Department of Levelling Up, Housing and Communities (now Ministry for Housing, Communities & Local Government) laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The statutory override came into effect from 29 November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools' budget relating to its accounts for a financial year beginning on 1 April 2020, 1 April 2021 or 1 April 2022, it must not charge the amount of that deficit to a revenue account. The requirement being that the Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget, thereby separating schools budget deficits from the Councils' General Fund. The accounting treatment introduced by this regulation was initially for a period of three financial years and was applicable to the financial reporting periods 2020/21, 2021/22 and 2022/23 to provide time for Government and Councils to look at budgetary and financial management strategies to reduce the deficit.

The provision was due to expire at the end of March 2023, however the local government finance policy statement 2023/24 to 2024/25, published on 12 December 2022, confirmed that the override for the Dedicated Schools Grant will be extended for the next three years from 2023/24 to 2025/26. Subsequently, on 20 June 2025, it was indicated that the DSG statutory override will be further extended for two years to March 2028.

### (16i) Accumulated Absences Reserve

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

## 17. Property, Plant and Equipment

### Movements on Balances

2024/25	Property, Plant and Equipment (PPE)						
	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	PPE Under Construction	Total PPE
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1 April 2024	87,286	706,990	47,188	3,230	4,590	-	849,284
IFRS 16 Leases Adjustments	-	1,808	929	-	-	-	2,737
IFRS 16 PFI Adjustments	24,336	8,359	-	-	-	-	32,695
Additions	-	55,437	5,694	33	22	2,083	63,270
Revaluation Increases/(decreases) to Revaluation Reserve	5,000	6,252	-	-	(99)	-	11,153
Revaluation Increases/(decreases) to Surplus/Deficit on the Provision of Services	(44)	(22,769)	-	-	(22)	-	(22,836)
Derecognition – Disposals	-	(14,966)	(1,354)	-	-	-	(16,320)
Reclassified to/from Held for Sale	(50)	(1,169)	-	-	(122)	1,173	(168)
Other Reclassifications	-	-	-	-	-	-	-
<b>At 31 March 2025</b>	<b>116,526</b>	<b>739,943</b>	<b>52,457</b>	<b>3,262</b>	<b>4,367</b>	<b>3,256</b>	<b>919,815</b>
<b>Accumulated Depreciation and Impairment</b>							
At 1 April 2024	5,878	12,719	36,261	3,225	-	-	58,082
Depreciation Charge	6,199	36,926	3,024	-	-	-	46,148
Depreciation written out on revaluation	(5,782)	(35,680)	-	-	-	-	(41,462)
Depreciation written out to Surplus/Deficit on the Provision of Services	(33)	(2,139)	-	-	-	-	(2,172)
Impairment losses/reversals to Revaluation Reserve	-	(285)	-	-	-	-	(285)
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	24,336	4,331	-	24	-	-	28,691
Derecognition – Disposals	-	(604)	(1,576)	-	-	-	(2,180)
Derecognition - Other Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-
Other Reclassifications	-	(422)	-	-	-	422	-
<b>At 31 March 2025</b>	<b>30,597</b>	<b>14,845</b>	<b>37,709</b>	<b>3,248</b>	<b>-</b>	<b>422</b>	<b>86,822</b>
<b>Net Book Value</b>							
At 31 March 2025	85,931	725,098	14,748	14	4,367	2,834	832,993
At 31 March 2024	81,408	694,271	10,927	5	4,590	-	791,202

## Comparative Movements in 2023/24

2023/24							
<b>Cost or Valuation</b>							
<b>At 1 April 2023</b>	<b>84,585</b>	<b>622,315</b>	<b>43,842</b>	<b>3,260</b>	<b>5,582</b>	<b>3,608</b>	<b>763,193</b>
Additions	64	49,984	3,346	15	341	-	53,750
Revaluation Increases/(decreases) to Revaluation Reserve	2,858	44,787	-	-	(255)	-	47,390
Revaluation Increases/(decreases) to Surplus/Deficit on the Provision of Services	(1)	(4,616)	-	(45)	(316)	-	(4,978)
Derecognition – Disposals	(220)	(5,336)	-	-	(1,029)	(3,608)	(10,192)
Other Reclassifications	-	(145)	-	-	267	-	122
<b>At 31 March 2024</b>	<b>87,286</b>	<b>706,990</b>	<b>47,188</b>	<b>3,230</b>	<b>4,590</b>	<b>-</b>	<b>849,284</b>
<b>Accumulated Depreciation and Impairment</b>							
<b>At 1 April 2023</b>	<b>5,618</b>	<b>6,588</b>	<b>33,713</b>	<b>3,231</b>	<b>-</b>	<b>3,608</b>	<b>52,756</b>
Depreciation Charge	5,819	29,358	2,632	-	-	-	37,810
Depreciation written out on revaluation	(5,548)	(26,031)	-	-	-	-	(31,579)
Depreciation written out to Surplus/Deficit on the Provision of Services	-	(238)	-	-	-	-	(238)
Impairment losses/reversals to Revaluation Reserve	-	109	-	-	-	-	109
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	-	3,339	-	(6)	-	-	3,333
Derecognition – Disposals	(11)	(406)	(83)	-	-	(3,608)	(4,108)
Derecognition - Other							
<b>At 31 March 2024</b>	<b>5,878</b>	<b>12,719</b>	<b>36,261</b>	<b>3,225</b>	<b>-</b>	<b>-</b>	<b>58,093</b>
<b>Net Book Value</b>							
<b>At 31 March 2024</b>	<b>81,408</b>	<b>694,271</b>	<b>10,927</b>	<b>5</b>	<b>4,590</b>	<b>-</b>	<b>791,202</b>
<b>At 31 March 2023</b>	<b>78,967</b>	<b>615,727</b>	<b>10,129</b>	<b>29</b>	<b>5,582</b>	<b>-</b>	<b>710,437</b>

In 2024/2025 the Council applied IFRS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability), a right-of-use asset and a lease liability were brought onto the balance sheet at 1 April 2024.

The impacts of IFRS 16 on the PFI assets have been taken through the CIES as additions and impairments.

## Depreciation

The following asset lives have been used in the calculation of depreciation:

Council Dwellings	Up to 50 years
Other Land and Buildings and Community Assets	Up to 50 years
Vehicles, Plant, Furniture, and Equipment	Between 3 and 20 years

Assets in the course of construction are not depreciated until they are brought into use.

## Capital Commitments

As at 31 March 2025, the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment with outstanding contractual commitments of £18.297m (similar commitments were £23.113m at 31 March 2024). The major commitments are:

Scheme	Commitment
	£000
Northern Roots	9,354
Old Library Refurbishment	5,943
Spindles	3,000
<b>Total</b>	<b>18,297</b>

## Effects of Changes in Estimates

In 2024/25, the Council made no material changes to its accounting estimates for Property, Plant and Equipment.

## Revaluations

The Council undertakes a rolling programme of valuation that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years, or when it is anticipated that there has been significant movement in the value of the asset. All valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations are carried out internally by a team of suitably qualified professionals.

The revaluation programme was carried out throughout the year and the effective date of each revaluation is the date that the valuation was carried out excluding assets valued at Depreciated Replacement Cost which were valued at 31 March.

The significant assumptions applied in estimating current values (fair value for Surplus Assets) are that:

- good title can be shown, and all valid planning permissions and statutory approvals are in place;
- the property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted;
- an inspection of those parts not inspected would not reveal defects that would affect the valuation;
- the testing of electrical or other services would not reveal defects that would cause the valuation to alter; and
- there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.

In addition, the Council instructed its valuers to undertake a review of all assets held in the other land and buildings category to ensure that the carrying value of assets is not materially different from their current value.

The review concluded that the current value for assets valued at Depreciated Replacement Cost (DRC) experienced a significant change in values due to increases in building costs. As a result of this review, desktop valuations were conducted for all assets that are valued on a DRC basis.

#### Gross Valuations by Valuation Date

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	-	-	52,456	3,263	-	3,256	58,975
Valued at fair value as at:							
31 March 2025	108,814	243,294			3,870		355,978
31 March 2024	-	54,753			499		55,252
31 March 2023	-	301,490			-		301,490
31 March 2022	2,160	91,575			-		93,736
31 March 2021	5,554	48,830			-		54,384
<b>Total Cost or Valuation</b>	<b>116,528</b>	<b>739,942</b>	<b>52,456</b>	<b>3,263</b>	<b>4,369</b>	<b>3,256</b>	<b>919,815</b>

## 18. Highways Infrastructure Assets

### Movements on balances

Highways Infrastructure Asset	2023/24 £000	2024/25 £000
<b>Net Book Value (modified Historical Cost)</b>		
<b>Balance as 1 April</b>	<b>165,298</b>	<b>169,298</b>
IFRS 16 Adjustment – PFI	-	(310)
Additions	11,607	9,502
Net Impairment	-	302
Depreciation	(7,607)	(7,918)
<b>Net Book Value Balance at 31 March</b>	<b>169,298</b>	<b>170,874</b>

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

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

The Council has an individual asset life for each of the components of its Highways Network. All asset life estimates have been calculated with the methodology and basis for estimation in consultation with the Council's internal Highways department and external highways partners. The following table indicate the asset life for each component of the network. Further information can be found in the Council's Accounting Policies in Note 35.

Category of the Highway Network	Useful Life (Years)
Carriageways	27
Footways and Cycle Tracks	45
Structures	107
Street Lighting	40
Street Furniture	40
Traffic Management Systems	15

## 19. Heritage Assets

### Tangible and Intangible Heritage Assets

The three principal collections of heritage assets held in Gallery Oldham include:

- **Natural History** - Gallery Oldham holds an extensive natural history collection, made up of over 110,000 items of invertebrate, vertebrate and geological specimens.
- **Social History** - This collection consists of around 22,000 items and is of significant value as material evidence of the social history of Oldham and its people. The collections relate to the area's industrial history, archaeology, textiles and ephemera representing the everyday life of the Borough.
- **Fine and Decorative Art** - This collection consists of over 450 oil paintings, 500 watercolours and around 1,400 prints. Of particular interest are the Charles Lees collection of oil paintings, watercolours, drawings and engravings and 55 watercolours and drawings from the S. C. Turner Collection. A valuation in 2020 (see paragraph below) identified three paintings in the collection each with a market value in excess of £1.000m. These are works by J. W. Waterhouse, Alfred Munnings and William Orpen. There are also a small number of assorted photographic prints, drawings and mixed media works, sculptures, and decorative arts.

The Gallery Oldham collections were valued by external valuer, James Glennie (Arts & Antiques Appraisals) on a market value basis and assessed at £18.295m in March 2020.

In addition to the above three collections, the Council also has Civic Regalia which is either stored or displayed at the Civic Centre, statues and other heritage assets.

- **Civic Regalia** - The Council's Civic Regalia is reported in the Balance Sheet at the insurance valuation, and at 31 March 2025, the value was £1.521m.
- **Statues/Other** - Council owned statues are held on the Balance Sheet at their nominal value, and at 31 March 2025, the value was £1.325m.

Regularly, the Council's Gallery Team use their expert knowledge and understanding to determine if a change in insurance valuation is needed. This is based on the valuations given to items when agreeing loans to other museums and galleries as required. The 2020 valuation was based on wide research into sale prices at auctions around the world. This valuation was commissioned from Arts & Antiques Appraisals for the Gallery Oldham Collection, and this has been updated accordingly. It is the view of the Council that the most recent valuation is still relevant and there are no events which would materially change the financial statements.

Heritage assets are deemed to have indeterminate lives; hence the Council does not consider it as appropriate to charge depreciation.

The following table summarises balances relating to Heritage Assets and the movements during the year:

	Art Collection £000	Civic Regalia £000	Statuses / Other £000	Total Assets £000
<b>Cost or Valuation</b>				
1 April 2023	18,295	1,521	1,325	21,141
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	-	-	-
Additions	-	-	446	446
Impairment to CIES	-	-	(446)	(446)
<b>31 March 2024</b>	<b>18,295</b>	<b>1,521</b>	<b>1,325</b>	<b>21,141</b>
<b>Cost or Valuation</b>				
1 April 2024	18,295	1,521	1,325	21,141
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	-	-	-
Additions	-	-	24	24
Impairment to CIES	-	-	(24)	(24)
<b>31 March 2025</b>	<b>18,295</b>	<b>1,521</b>	<b>1,325</b>	<b>21,141</b>

## 20. Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line of the CIES:

	2023/24 £000	2024/25 £000
Rental Income from Investment Properties	(2,620)	(2,572)
Direct Operating Expenses (including repairs and maintenance)	855	808
<b>Net Gain</b>	<b>(1,765)</b>	<b>(1,764)</b>
Fair value movements on investment properties	1,045	(863)
(Profit)/Loss on disposal	(225)	(105)
Total Income and Expenditure on relation to investment properties and changes in their fair value	<b>(945)</b>	<b>(2,732)</b>

The movement in the value of investment properties is disclosed below:

	2023/24 £000	2024/25 £000
Balance at 1 April	<b>20,790</b>	<b>19,624</b>
Disposals	(13)	(14)
Net (Loss)/Gain from Fair Value Adjustments	(1,031)	877
Transfers (to)/from Other Land and Buildings	(122)	-
<b>Balance at 31 March</b>	<b>19,624</b>	<b>20,487</b>

## **Fair Value Hierarchy**

All the Council's investment properties have been valued as Level 2 on the fair value hierarchy for valuation purposes (see Note 35 Accounting Policy Section 1.23 for an explanation of the fair value levels).

## **Valuation Techniques Used to Determine Level 2 Fair Values for Investment Properties**

The fair value of investment properties has been measured using a market approach, which considers quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's Investment Property Portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy. There has been no change in the valuation techniques used during the year for investment properties.

## **Highest and Best Use**

In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

## **21. Capital Expenditure and Capital Financing**

The total value of capital expenditure incurred during the year is disclosed in the table below (including the value of assets acquired under leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Council, the expenditure results in a decrease in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

	2023/24 £000	2024/25 £000
<b>Opening capital financing requirement</b>	<b>465,723</b>	<b>488,980</b>
<b>Capital Investment</b>		
Property Plant and Equipment	53,750	98,702
Infrastructure Assets	11,607	9,192
Heritage Assets	446	24
Revenue Expenditure Funded from Capital Under Statute	10,921	8,986
Intangible Assets	2,320	1,436
Long Term Debtors	2,814	-
<b>Sources of Finance</b>		
Capital Receipts	(6,817)	(6,667)
Government Grants and Other Contributions	(33,558)	(27,774)
Sums Set aside from Revenue	(18,226)	(13,040)
<b>Closing Capital Financing Requirement</b>	<b>488,980</b>	<b>559,839</b>
<b>Explanation of movements in year</b>		
Decrease in Need to Borrow Supported by Government Financial Assistance	(2,742)	(806)
(Decrease)/Increase in Need to Borrow Unsupported by Government Financial Assistance	25,353	35,115
Assets Acquired Under Leases including IFRS16 transition	646	4,165
IFRS 16 PFI Adjustments		32,385
<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>23,257</b>	<b>70,859</b>

## 22. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instruments 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.

All of 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;
- transferred debt; 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 classifications:

- 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 with banks;
  - fixed term deposits with banks and building societies;
  - loans to other Local Authorities;
  - certificates of deposit and covered bonds issued by banks and building societies;
  - treasury bills and gilts issued by the UK Government;
  - loans to strategic partners made for service purposes;
  - lease receivables; and
  - trade receivables for goods and services provided.
  
- 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) consisting of equity investments in Manchester Airport Group, Community 1<sup>st</sup> Oldham and Meridian Developments held for service and strategic purposes.
  
- Fair value through profit and loss (all other financial assets) consists of pooled bond, equity and property funds managed by CCLA.

Financial assets held at amortised cost and some assets held at fair value through other comprehensive income 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 for general debt. Individual significant debtors are examined on a case by case basis.

## Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long Term		Short Term	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025
	£000	£000	£000	£000
<b>Loans at Amortised Cost</b>				
Principal sum borrowed	(160,742)	(209,560)	(20,367)	(25,257)
Accrued Interest	-		(1,453)	(2,211)
Effective Interest Rate (EIR) Adjustment	(742)	(731)	-	
<b>Total Borrowing *</b>	<b>(161,484)</b>	<b>(210,291)</b>	<b>(21,820)</b>	<b>(27,468)</b>
<b>Liabilities at Amortised Cost</b>				
Transferred Debt	(27)	(22)	(6)	(6)
Trade Payables included in creditors	-		(56,688)	(68,807)
<b>Total</b>	<b>(161,511)</b>	<b>(210,313)</b>	<b>(78,513)</b>	<b>(96,280)</b>

\* The total short-term borrowing includes £2.211m (2023/24: £1.453m) representing accrued interest and principal repayments due within 12 months on long-term borrowing.

\*\* The creditors lines on the Balance Sheet include £39.072m (2023/24: £26.577m) short-term creditors that do not meet the definition of a financial liability as they relate to non-exchange transactions.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

Financial Assets	Long Term		Short Term	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025
	£000	£000	£000	£000
<b>At Amortised Cost</b>				
Principal	221	165	10,000	-
Accrued Interest	-	-	273	-
<b>At Fair Value Through Other Comprehensive Income</b>				
Equity Investments elected FVOCI	59,150	54,290	-	-
<b>At Fair Value Through Profit and Loss</b>				
Fair Value	13,354	13,611	-	-
<b>Total Investments</b>	<b>72,725</b>	<b>68,066</b>	<b>10,273</b>	<b>-</b>
<b>At Amortised Cost</b>				
Principal	-	-	7,606	35,423
Accrued Interest	-	-	46	113
<b>Total Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>	<b>7,652</b>	<b>35,536</b>
<b>At Amortised Cost</b>				
Trade Receivables	-	-	25,233	24,365
Loss Allowance	-	-	4,393	3,602
Loans made for service purposes	33,605	35,571	-	-
Accrued Interest	9,149	9,503	-	-
<b>Included in Debtors*</b>	<b>42,754</b>	<b>45,074</b>	<b>29,626</b>	<b>27,967</b>
<b>Total</b>	<b>115,479</b>	<b>113,140</b>	<b>47,551</b>	<b>63,503</b>

\* The debtors lines on the Balance Sheet include £42.688m (2023/24: £36.326m) short-term debtors that do not meet the definition of a financial asset as they relate to non-exchange transactions or payments in advance.

## Equity Instruments Elected to Fair Value through Other Comprehensive Income

The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

	Fair Value Level	Valuation technique used to measure Fair Value	Fair Value	
			2023/24	2024/25
			£000	£000
Manchester Airport Shares	2	Earnings Based	46,300	43,400
Manchester Airport Car Park (1) Shares	2	Earnings Based	4,400	4,400
Oldham Property Partnership (OPP)	2	Earnings Based	2,245	0
Meridian Developments	2	Earnings Based	4,162	3,996
Community 1st Oldham (Chadderton) Ltd	2	Earnings Based	2,043	2,494
<b>Total</b>			<b>59,150</b>	<b>54,290</b>

The Council holds 3.22% shares in Manchester Airport Holdings Ltd, the shareholding is a strategic investment and not held for trading and therefore the Council has opted to designate it as fair value through Other Comprehensive Income. This means that there is no impact on the revenue budget and the decision to designate to fair value through other comprehensive income is irrevocable. Any gains or losses on the valuation of the shareholding will therefore be transferred to a Financial Instruments Revaluation Reserve.

The Council along with the other nine Greater Manchester District Councils holds an equity investment in Manchester Airport Car Park (1) Limited. The Council's total original investment of £5.610m was to assist in funding the capital build of a car park in return for the issue of 3 C Shares in Manchester Airport Car Park (1) Limited. The valuation of the Council's shareholding was undertaken by BDO. The value has remained unchanged in 2024/25 as can be seen in the above table. As in 2023/24, the shareholding is classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS 9 the shareholding (investment) is designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income. This means that there is no impact on the revenue budget and the Council's decision to designate to fair value through other comprehensive income is irrevocable.

The Council also holds shares in both Meridian Developments and Community 1<sup>st</sup> Oldham (Chadderton) Limited which have been elected to be accounted as fair value through other comprehensive income. For further information see note 37 Critical Judgements in Applying Accounting Policies. In 2024/25 the Council disposed of its shareholding in Oldham Property Partnerships.

## Financial Instruments Gains and losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities at Amortised Cost £000	Financial Assets					
		Amortised Cost £000	Fair Value through OCI £000	Elected to Fair Value through OCI £000	Fair Value through Profit & Loss £000	2024/25 Total £000	2023/24 Total £000
Interest Expense	26,274	-	-	-	-	26,274	25,085
Losses on de-recognition	-	-	-	2,245	-	2,245	-
Losses from changes in fair value	-	-	-	3,066	-	3,066	1,816
<b>Interest Payable and similar charges</b>	<b>26,274</b>	-	-	<b>5,311</b>	-	<b>31,585</b>	<b>26,901</b>
Interest Income	-	(3,806)	-	(3,825)	-	(7,631)	(7,179)
Dividend Income	-	-	-	(898)	(845)	(1,743)	(842)
Gains from changes in fair value	-	-	-	(451)	(257)	(708)	(28,456)
<b>Interest and investment income</b>	-	<b>(3,806)</b>	-	<b>(5,174)</b>	<b>(1,102)</b>	<b>(10,082)</b>	<b>(36,477)</b>
<b>Expected Credit Loss Movement</b>	-	<b>3,602</b>	-	-	-	<b>3,602</b>	<b>4,393</b>
<b>Net Impact on (surplus)/deficit on provision of services</b>	<b>26,274</b>	<b>(204)</b>	-	<b>137</b>	<b>(1,102)</b>	<b>25,104</b>	<b>(5,183)</b>

## Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms-length transaction. Where liabilities are held as an asset by another party, such as the Council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price. The fair value of shares in Meridian Developments and Community 1<sup>st</sup> Oldham (Chadderton) Limited, have been calculated from the company's balance sheet net assets.

Financial instruments classified at amortised cost are carried in the Balance Sheet at their amortised cost. Their fair values disclosed below have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025, 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. 116
- 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 31 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.
- 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 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 that are observable for the asset or liability, other than quoted prices, 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 Council holds a 3.22% share in Manchester Airports Holdings Limited (MAHL) and 10% of the issued C Shares in Manchester Airport Car Park (1) Limited which represents a minority holding and does not confer any voting rights. The shares in both these companies are not traded in an active market; however, the fair value in MAHL shown above is based on a high degree of comparability to listed company data including any movement in share prices. The earnings-based method has been employed which takes as its basis the profitability of the company, assessing its historic earnings and arriving at a view of “maintainable” or “prospective” earnings.

The method involves the application of a price earnings ratio to maintainable or prospective earnings or post tax profits and draws on data from comparable quoted companies. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. These unobservable inputs have been developed using the best information about the assumptions that the market participants would use when pricing the asset.

The valuation has been made using the audited accounts of MAHL for the annual periods between 2022/23 and 2023/24 along with an interim 6-month report for the period ending 30 September 2024. These shares are subject to an annual valuation. In 2024/25 this has seen a reduction in value of £2.9m. The valuation of the shareholdings was undertaken by independent valuers, BDO, on behalf of the Council.

The 10% holding in Manchester Airport Car Park (1) Limited is valued on the updated financial forecast and taking into account the Council valuation of its shareholding in MAHL. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights.

The Council also holds units within the CCLA Property Fund. The fair value has been calculated using quoted share prices.

The valuation treatment used for Meridian Developments and Community 1<sup>st</sup> Oldham (Chadderton) Limited, is to fair value and the Council has elected to charge the movements on value of the investments through other comprehensive income. In line with IFRS 9 the shareholding investment is designated as a strategic investment and not held for trading, the Council's decision to designate Fair Value through Other Comprehensive Income (FVOCI) is irrevocable.

All other long-term investments are carried at historic cost, as these are the Council's investments in subsidiaries and associates. The total value of the other long-term investments at 31 March 2025 is £0.165m.

	Fair Value Level	31 March 2024		31 March 2025	
		Balance sheet	Fair Value	Balance sheet	Fair Value
		£000	£000	£000	£000
Financial Liabilities held at amortised cost:					
Long-term loans from PWLB	2	(35,377)	(24,938)	(84,515)	(72,099)
Long-term LOBO loans	2	(86,419)	(102,795)	(87,132)	(95,987)
Other long-term loans	2	(40,409)	(35,217)	(40,404)	(29,342)
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>(162,205)</b>	<b>(162,950)</b>	<b>(212,051)</b>	<b>(197,429)</b>
Recorded on balance sheet as:					
Short-term creditors		(56,688)	(56,688)	(68,807)	(68,807)
Short-term borrowing		(20,369)	(20,369)	(25,707)	(25,864)
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>(239,262)</b>	<b>(240,007)</b>	<b>(306,565)</b>	<b>(292,099)</b>

	Fair Value Level	31 March 2024		31 March 2025	
		Balance sheet	Fair Value	Balance sheet	Fair Value
		£000	£000	£000	£000
Financial Assets held at Fair Value:					
Property funds	2	13,354	13,150	13,611	13,403
Strategic Partner Loans	2	41,809	50,432	39,168	50,348
<b>TOTAL FINANCIAL Assets</b>		<b>55,163</b>	<b>63,582</b>	<b>52,779</b>	<b>63,751</b>
Recorded on balance sheet as:					
Short-term debtors		25,233	25,233	28,668	28,668
Short-term investments		10,273	10,273	0	0
Cash and cash equivalents		7,606	7,606	35,423	35,423
Long-term debtors		3,940	3,940	5,906	5,906
Long-term investments		59,371	59,371	54,455	54,455
<b>TOTAL FINANCIAL Assets</b>		<b>106,423</b>	<b>106,423</b>	<b>124,452</b>	<b>124,452</b>

## Financial Instruments - Risks

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year, for the year 2024/25 this was approved at full Council 28 February 2024. 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. This Strategy was set using Arlingclose as the Council's Treasury Management advisors.

The Treasury Management Strategy includes an Investment Strategy in compliance with Central Government guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- *Credit Risk*: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- *Liquidity Risk*: The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

### Credit Risk: Overview

The Council is exposed to credit risk on the following categories of financial assets and commitments:

Exposure Category	31 March 2024 £000	31 March 2025 £000
Treasury Investments	23,600	48,975
Treasury Loans	42,857	45,074
Trade Receivables	27,797	28,668
<b>Total Credit Risk Exposure</b>	<b>94,254</b>	<b>122,717</b>

### Credit Risk: Treasury Investments and Commitments

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, 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.

The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made unless they meet the minimum requirements of the investment criteria outlined above and detailed below.

Oldham Council used the creditworthiness service provided by Arlingclose for the financial year ending 31 March 2025. This service used a sophisticated modelling approach with credit ratings from all three rating agencies forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

Institutions are split into colour bandings to determine the maximum level and duration of the investment.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating	31 March 2024		31 March 2025	
	Long - term	Short - term	Long - term	Short - term
	£000	£000	£000	£000
AAA	0	13,600	0	30,885
A +	0	0	0	3,090
A -	0	0	0	0
Unrated Local Authorities	0	10,000	0	0
<b>Total Credit Risk Investments</b>	<b>0</b>	<b>23,600</b>	<b>0</b>	<b>33,975</b>

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies, multiplied by 86% (2023/24: 86%) to adjust for current and forecast economic conditions. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. The Council has not incurred any amounts of loss allowances related to treasury investments in the year to 31 March 2025 or the previous financial year.

The table above does not include the Council's CCLA Property Fund investment which is detailed in the Price Risk Section below.

### Credit Risk: Trade Receivables

The Council does not generally allow credit for customers. The following analysis summarises the Council's trade and lease receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

Credit Rating	2023/24	2024/25
	Trade Receivables	Trade Receivables
	£000	£000
Neither past due nor impaired	10,669	9,245
Past due < 3 months	1,722	1,759
Past due 3 - 6 months	1,958	619
Past due 6 - 12 months	3,175	4,364
Past due 12 + months	10,273	12,681
<b>Total Receivables</b>	<b>27,797</b>	<b>28,668</b>

As at 31 March 2025, the Council had a balance of short-term debtors of £127.260m. A review of significant balances suggested that an expected credit loss of £60.208m was appropriate and sufficient (£115.135m short term debtors with an expected credit loss of £53.578m as at 31 March 2024). The calculation is based on the life-time expected credit losses for trade receivables, and they have been collectively assessed according to the groupings shown in the Note 23, for the purposes of calculating expected credit losses. Write offs occur only when all possible debt recovery procedures have been unable to secure payment. The Council's Long-Term Debtors have been reviewed and assessed for an Expected Credit Loss. This review has not identified that any impairment is required.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

### **Credit Risk: Service Loans and Loan Commitments**

Of the £45.074m Treasury Loans disclosed above, in furtherance of the Council's service objectives, it has lent money to a strategic partner at market rates. The amounts recognised on the balance sheet, and the Council's total exposure to credit risk from these instruments are:

Exposure Type	31 March 2024		31 March 2025	
	Balance Sheet	Risk Exposure	Balance Sheet	Risk Exposure
	£000	£000	£000	£000
Loans at market rates	29,665	29,665	29,665	29,665
	<b>29,665</b>	<b>29,665</b>	<b>29,665</b>	<b>29,665</b>

### **Liquidity Risk**

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other Local Authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans.

The Council holds £33.975m (2023/24: £13.360m) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

The maturity analysis of financial liabilities is as follows.

31/03/2025	< 1 yr	1 -2 yrs	2 -5 yrs	5- 10 yrs	10 20 yrs	20 - 30 yrs	30 - 40 yrs	> 40 yrs	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	(69,121)	(19,864)	(53,591)	(31,559)	(5,682)	(5,000)	(5,000)	(45,001)	(234,817)
Trade Payables	(68,807)	-	-	-	-	-	-	-	(68,807)
<b>Financial Liabilities</b>	<b>(137,927)</b>	<b>(19,864)</b>	<b>(53,591)</b>	<b>(31,559)</b>	<b>(5,682)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(45,001)</b>	<b>(303,624)</b>
Liquid financial assets	33,975								33,975
<b>Net Liquidity Risk</b>	<b>(103,953)</b>	<b>(19,864)</b>	<b>(53,591)</b>	<b>(31,559)</b>	<b>(5,682)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(45,001)</b>	<b>(269,649)</b>

31/03/2024	< 1 yr	1 -2 yrs	2 -5 yrs	5- 10 yrs	10 20 yrs	20 - 30 yrs	30 - 40 yrs	> 40 yrs	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	(77,208)	(5,000)	(27,500)	(12,741)	(5,000)	(5,000)	(5,000)	(45,001)	(182,450)
Trade Payables	(56,688)	-	-	-	-	-	-	-	(56,688)
<b>Financial Liabilities</b>	<b>(133,896)</b>	<b>(5,000)</b>	<b>(27,500)</b>	<b>(12,741)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(45,001)</b>	<b>(239,138)</b>
Liquid financial assets	13,360								13,360
<b>Net Liquidity Risk</b>	<b>(120,536)</b>	<b>(5,000)</b>	<b>(27,500)</b>	<b>(12,741)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(45,001)</b>	<b>(225,778)</b>

The Council has £85.500m (2023/24: £85.500m) of “Lender’s option, borrower’s option” (LOBO) loans where the lender has the option on set dates 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. The lender therefore has the effective right to demand repayment and these loans are therefore shown in the tables above as maturing on the next option date.

### Market Risk – Interest Rate Risk

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

- borrowings at 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; and
- 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:

	31 March 2024 £'000	31 March 2025 £'000
Increase in interest payable on variable rate borrowings	299	327
Increase in interest receivable on variable rate investments	(188)	(267)
<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>111</b>	<b>60</b>
Decrease in fair value of loans and investments at amortised cost	(4,346)	(4,143)
Decrease in fair value of fixed rate borrowing	(24,277)	(22,530)

The Council's variable rate borrowings for the calculation are any LOBO investments with a call-date due and any loan principal that is due to become repayable in the 2025/26 financial year. The approximate impact of a 1% fall in interest rates would be a reduction in interest payable of £97k rather than £327k as it is assumed that any LOBO's would remain at their existing rates following the call date.

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed for variable rate investments.

The Council has £85.500m (2022/23: £85.500m) of "Lender's option, borrower's option" (LOBO) loans with maturity dates between 2053 and 2078 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.

### Market Risks: Price Risk

The market prices of the Council's 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 as described above.

The Council does not generally invest in equity shares or marketable bonds but does have shareholdings to the value of £67.901m in a number of joint ventures and in local companies. Whilst these holdings are generally illiquid, the Council is consequently exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for 'open book' arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

Of the shares mentioned above £54.290m have been elected as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) may occur, which would have resulted in a £2.714m gain or loss being recognised in the Financial Instrument Revaluation Reserve for 2024/25.

The Council holds investment units within the CCLA Property Fund that have been classified as Fair Value through Profit and Loss, however the Council has chosen to use the override as allowed by DLUHC that provides a statutory override which allows the Fair Value movements during the year (any gain or loss in price) to be taken to the Financial Instrument Revaluation Reserve. A gain of £0.257m was recognised in 2024/25 in relation to the Council's holding in the CCLA Property Fund valued at £13.611m as at 31 March 2025.

In 2023/24 the Council's holding in Manchester Airport, was re-valued resulting in a loss of £2.900m, which was recognised in the Financial Instruments Revaluation Reserve. The shareholding in Manchester Airport Car Park (1) Limited did not change in value in 2024/25

The Council also holds shares in both, Meridian Developments, and Community 1st Oldham (Chadderton) limited which have been elected to be accounted as fair value through other comprehensive income. Meridian Developments experience a loss of £0.166m and Community First Oldham (Chadderton) increased in value by £0.451m.

### Market Risks: Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies, and therefore has no exposure to loss arising from movement in exchange rates.

## 23. Debtors

The Council's short-term debtors (net of the expected credit loss) are as follows:

	31 March 2024	31 March 2025
	£000	£000
Central Government Bodies	9,467	14,298
Other Local Authorities	1,236	1,759
NHS Bodies	5,051	4,837
Capital Debtors	4,123	3,623
Other Entities and Individuals	88,524	95,280
Payments in Advance	6,716	7,463
Impairment allowance for doubtful debts	(53,578)	(60,208)
<b>Total</b>	<b>61,557</b>	<b>67,052</b>

The Council's long-term debtors (net of the expected credit loss) are as follows:

	31 March 2024	31 March 2025
	£000	£000
Mortgages	6	6
Loans to Trusts, Community Interest Groups & Third Sector Organisations	301	301
Manchester Airport Debt	38,814	39,168
Other Capital Loans & Advances	3,633	5,599
<b>Total</b>	<b>42,754</b>	<b>45,074</b>

The Council's past due but not impaired amount for local taxation (Council Tax and Non-Domestic Rates) can be analysed by age as follows:

	31 March 2024	31 March 2025
	£000	£000
Less than three months	1,212	1,279
Three to six months	1,790	1,918
Six months to one year	4,270	4,476
More than one year	14,075	14,469
<b>Total</b>	<b>21,348</b>	<b>22,141</b>

#### 24. Cash and Cash Equivalents

	31 March 2024	31 March 2025
	£000	£000
Cash held by the Authority	110	97
Bank Current Accounts	17,743	39,643
Bank Overdraft	(10,201)	(4,202)
<b>Total</b>	<b>7,652</b>	<b>35,538</b>

#### 25. Creditors

The Council's creditors are as follows:

	31 March 2024	31 March 2025
	£000	£000
Central Government Bodies	(6,552)	(8,699)
Other Local Authorities	(2,885)	(2,515)
NHS Bodies	(170)	(465)
Capital Creditors	(6,496)	(8,238)
Other entities and individuals	(54,899)	(69,813)
Accumulated Absences	(6,216)	(5,966)
Receipts in Advance	(6,047)	(12,184)
<b>Total</b>	<b>(83,265)</b>	<b>(107,880)</b>

## 26. Provisions

The Council's provisions are as follows:

	Short Term		
	Insurance Provision £000	Other Provisions £000	Total £000
<b>Balance at 1 April 2024</b>	(250)	(5,052)	(5,302)
Provisions released in 2024/25	-	1,930	1,930
Increase in Provision 2024/25	-	(3,685)	(3,685)
<b>Balance at 31 March 2025</b>	<b>(250)</b>	<b>(6,807)</b>	<b>(7,057)</b>

	Long Term		
	Insurance Provision £000	Other Provisions £000	Total £000
<b>Balance at 1 April 2024</b>	(4,634)	(2,500)	(7,134)
Provisions released in 2024/25	-	-	-
Increase in Provision 2024/25	(508)	-	(508)
<b>Balance at 31 March 2025</b>	<b>(5,142)</b>	<b>(2,500)</b>	<b>(7,642)</b>

The Insurance Provision covers all historic legal liability claims including risks to employees whilst carrying out their duties, risks to the public and all other liability claims.

The Other Provisions represent amounts set aside to meet potential future liabilities; this includes a provision for Business Rates Appeals and changes in legislation

## 27. Contingent Assets

A contingent asset is an asset that may be received but only if a future event occurs that is not under the control of the Council. The Council has identified the following contingent assets at 31 March 2025.

### Housing Stock Transfer

The Housing Stock Transfer has resulted in two remaining contingent assets to the Council.

#### a) Right to Buy Sharing Agreement

As with other agreed housing stock transfers, the Council entered into an agreement with First Choice Homes Oldham (FCHO) and the Council's Housing PFI partners relating to the future sales under the Prescribed Right to Buy (PRTB) regulations. This relates to any future sales of the transferred stock to existing tenants.

The Council will receive capital receipts at the end of each financial year for any properties sold within the year. The value of the receipt is calculated using a formula that takes the net income forgone by FCHO/Housing PFI from the total proceeds from the sale of dwellings for that year. The amounts received in 2024/25 were £1.825m with £0.210m received in 2023/24 and £1.592m in 2022/23.

## **b) VAT Shelter Arrangements**

In normal circumstances, FCHO is not able to reclaim VAT on improvement works to dwellings. The VAT Shelter is an arrangement, used in every housing stock transfer since 2002, with HMRC's agreement, whereby FCHO can reclaim VAT on future improvement works to the transferred housing stock. Of the £229.792m of improvement works to be undertaken, an estimated £45.958m of VAT would be recoverable by FCHO over the 15 years post transfer.

The Council agreed a 50/50 share of the VAT Shelter with FCHO, after FCHO has retained its first tranche of recoverable VAT; this is a sum of £14.900m. This first tranche of VAT was utilised by FCHO during the first 4 years post transfer. FCHO also retained a second tranche of VAT shelter savings, totalling £6.000m. This second tranche was used solely for asbestos works that exceeded the amount estimated within the Stock Condition Survey of £7.200m, (net of inflation, fees, and VAT). This arrangement was agreed to mitigate the Council's overall risk of a contingent liability through an asbestos warranty. If the total amount of the second tranche is not needed, the remaining balance will be shared under the 50/50 sharing agreement.

The estimated value of VAT shelter savings for the Council is £14.900m. The amount received in any given year by the Council will be dependent on the value of works undertaken by FCHO on which VAT can be reclaimed. The Council is expected to have received VAT savings totalling £8.437m up to 31 March 2025 and will continue to receive payments up to the value given above over the 15 years post transfer, 2025/2026 is the final year of the 15 years. The savings that are received by the Council will be treated as a capital receipt to support the Council's Capital Programme.

## **28. Contingent Liabilities**

A contingent liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events, as a result the Council cannot reliably estimate the total financial impact of the Contingent Liabilities. The Council has identified the following contingent liabilities at 31 March 2025.

### **1) Stock Transfer Warranties**

The Council agreed to a number of warranties under the stock transfer agreements with First Choice Homes Oldham (FCHO) and other housing providers. Such arrangements give rise to a possible obligation of the Council, which will be confirmed upon the occurrence or non-occurrence of the invocation of the warranties.

### **2) Historical Disputes**

There are potential liabilities arising from an education setting where a former employee has been convicted of criminal offences. As some of these actions are at an early stage there is insufficient certainty about the potential implications and the amounts being claimed.

## 29. PFI and Similar Contracts

### Overview of PFI and Similar Contracts

Scheme	Library and Lifelong Learning Centre	Sheltered Housing	Gateways to Oldham Housing	Chadderton Wellbeing Centre	Street Lighting	Schools	Building Schools for the Future
Type of Contract	PFI	PFI	PFI	Local Improvement Finance Trust Lease Plus Agreement	PFI	PFI	PFI
Year of Operation of Contract	2011	1991	1411	1611	1411	1811	1311
Contract Length (Years)	25	30	25	30	25	25	25
Description of Arrangement	Construction, Maintenance and operation of Information Technology and Facilities Management Services at Oldham Library and Lifelong Learning Centre	Demolition, build and refurbishment and provision of management and maintenance services to sheltered and warden supported HRA Properties	Demolition, build or refurbishment and the provision of management and maintenance services to 620 HRA Properties	Build contract and the provision of Facility Management services to the centre, which incorporates a library, sports centre, café and community rooms	Joint Arrangement with Rochdale for the replacement of circa 23,000 streetlights and ongoing management and maintenance of streetlights	Construction and maintenance of Radclyffe and Failsworth Secondary schools including the provision of Facilities Management and Information Technology services	Construction and maintenance of the Saint John Henry Newman RC Secondary School, along with provision of Facilities Management services.
Council Rights under the contract	Right to specify the opening times of the Centre	Right to specify arrangements around the demolition, build and refurbishment of dwellings and tenancy management services	Right to specify arrangements around the demolition, build and refurbishment of dwellings and tenancy management services	Right to specify the opening times of the Centre	Rights to detail the specification of the streetlights	Right to specify the opening times of the schools	Right to specify the opening times of the school
Minimum standards specified by the contract with deductions from the fee payable if facilities are unavailable or performance is below minimum standards	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Assets to transfer to the Council at the end of the contract for nil consideration (Governing Body for schools)	Yes	Yes	Yes	The Council has the option to purchase at the end of the contract. Purchase costs have been incorporated into the expected lease payments	Yes	Yes	Yes
The Council only has rights to terminate contract if it compensates the contractor in full for costs incurred, including the repayment of any of the contractors' outstanding debt attributable to the contract	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Changes to the contract during the financial year	None	None	None	None	None	None	None

## Analysis of Payments due to be made under PFI and similar Contracts

The following table shows payments due to be made under PFI and similar Contracts in future financial years from 2025/26 onwards. All the payments under PFI and similar Contracts are linked in full or in part to Retail Price Index inflation and can be reduced if the contractor fails to meet availability and performance standards in any given financial year but are otherwise fixed. Lifecycle replacement costs have been included in the Service Charges element detailed in the table below:

	Library and Lifelong Learning Centre £000	Sheltered Housing £000	Gateways to Oldham Housing £000	Chadderton Wellbeing Centre £000	Street Lighting £000	Schools £000	Building Schools for the Future £000	Total £000
2025/26								
Repayment of Liability	793	4,972	1,872	132	178	2,953	1,658	12,558
Interest	679	5,818	3,362	976	1,348	2,018	2,198	16,399
Service Charges	1,725	7,004	4,839	548	3,595	4,693	2,093	24,497
<b>Total</b>	<b>3,197</b>	<b>17,794</b>	<b>10,073</b>	<b>1,656</b>	<b>5,121</b>	<b>9,664</b>	<b>5,949</b>	<b>53,454</b>
2026/27 to 2029/30								
Repayment of Liability	4,964	16,440	10,481	1,229	1,352	11,424	7,530	53,420
Interest	1,783	19,952	12,025	3,770	5,198	5,939	7,236	55,903
Service Charges	6,436	37,048	19,095	2,046	14,580	22,499	9,717	111,421
<b>Total</b>	<b>13,183</b>	<b>73,440</b>	<b>41,601</b>	<b>7,045</b>	<b>21,130</b>	<b>39,862</b>	<b>24,483</b>	<b>220,744</b>
2030/31 to 2034/35								
Repayment of Liability	1,572	39,225	25,268	3,637	9,725	10,794	9,748	99,969
Interest	146	15,643	9,486	4,050	4,691	1,568	5,449	41,033
Service Charges	1,110	42,244	20,453	2,157	13,518	17,111	17,089	113,682
<b>Total</b>	<b>2,828</b>	<b>97,112</b>	<b>55,207</b>	<b>9,844</b>	<b>27,934</b>	<b>29,473</b>	<b>32,286</b>	<b>254,684</b>
2035/36 to 2039/40								
Repayment of Liability	-	15,946	11,790	10,041	3,654	-	6,472	47,903
Interest	-	1,679	1,145	2,551	400	-	1,029	6,804
Service Charges	-	12,742	6,349	2,448	3,251	-	8,858	33,648
<b>Total</b>	<b>-</b>	<b>30,367</b>	<b>19,284</b>	<b>15,040</b>	<b>7,305</b>	<b>-</b>	<b>16,359</b>	<b>88,355</b>
<b>Repayments Total</b>	<b>7,329</b>	<b>76,583</b>	<b>49,411</b>	<b>15,039</b>	<b>14,909</b>	<b>25,171</b>	<b>25,408</b>	<b>213,850</b>
<b>Interest Total</b>	<b>2,608</b>	<b>43,092</b>	<b>26,018</b>	<b>11,347</b>	<b>11,637</b>	<b>9,525</b>	<b>15,912</b>	<b>120,139</b>
<b>Service Charges Total</b>	<b>9,271</b>	<b>99,038</b>	<b>50,736</b>	<b>7,199</b>	<b>34,944</b>	<b>44,303</b>	<b>37,757</b>	<b>283,248</b>
<b>Grand Total</b>	<b>19,208</b>	<b>218,713</b>	<b>126,165</b>	<b>33,585</b>	<b>61,490</b>	<b>78,999</b>	<b>79,077</b>	<b>617,237</b>

## Analysis of Liabilities as a result of PFI and Similar Contracts

The payments to the contractor are described as Unitary Charges. They have been calculated to compensate the contractor for the fair value of the services the contractor provides, the capital expenditure incurred and the interest payable whilst the capital expenditure remains to be reimbursed. The liability to pay the contractors for capital expenditure incurred is as follows:

The Council has adopted the IFRS 16 accounting standard for the 2024/25 financial year. This requires the nominal lease within the PFI contracts to be re-calculated to reflect appropriate changes in the index-linked inflation within the contract. The Lease component of each PFI contract is linked to inflation. This element had previously been shown as contingent rent but is now shown as a change in the to principal/repayment of liability and interest payments. The lease liability was measured on transition, noting that there was no change to past or future projected Unitary Charges. The increase in the overall liability has been offset by an equal increase in the value of the PFI assets.

Scheme	Liability 31 March 2023	Repayments	Liability 31 March 2024	IFRS 16 Opening Liability Adjustment	Repayments	Liability 31 March 2025
	£000	£000	£000	£000	£000	£000
Library and Lifelong Learning Centre	8,592	(799)	7,793	352	(816)	7,329
Sheltered Housing	65,838	(3,483)	62,355	18,851	(4,623)	76,583
Gateways to Oldham	47,700	(1,936)	45,764	5,485	(1,839)	49,410
Chadderton Wellbeing Centre	7,728	(34)	7,695	7,391	(46)	15,040
Street Lighting	15,896	(567)	15,329	(310)	(110)	14,909
Schools	30,854	(2,841)	28,013	52	(2,894)	25,171
Building Schools for the Future	27,216	(1,055)	26,161	564	(1,317)	25,408
<b>Total</b>	<b>203,824</b>	<b>(10,716)</b>	<b>193,110</b>	<b>32,385</b>	<b>(11,645)</b>	<b>213,850</b>

## Assets as result of PFI and Similar Contracts

	Library and Lifelong Learning Centre	Sheltered Housing	Gateways to Oldham Housing	Chadderton Wellbeing Centre	Street Lighting	Schools	Building Schools for the Future	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
As at 1 April 2024	19,878	45,296	24,860	14,022	24,457	103,661	49,320	<b>281,494</b>
IFRS 16 Adjustment	352	18,851	5,485	7,391	(310)	52	564	<b>32,385</b>
Additions				11				<b>11</b>
Revaluations recognised in Revaluation Reserve	(789)	981	3,915	(215)	-	2,306	2,089	<b>8,287</b>
<b>As at 31 March 2025</b>	<b>19,441</b>	<b>65,128</b>	<b>34,260</b>	<b>21,209</b>	<b>24,147</b>	<b>106,019</b>	<b>51,973</b>	<b>322,177</b>
<b>Accumulated Depreciation &amp; Impairment</b>								
As at 1 April 2024	-	3,910	1,789	-	5,826	-	-	<b>11,525</b>
Depreciation Charge	1,255	3,994	2,073	831	504	8,410	3,494	<b>20,561</b>
Depreciation Written out to Revaluation Reserve	(1,255)	(3,909)	(1,790)	(831)	-	(8,410)	(3,494)	<b>(19,689)</b>
Impairment Losses/(reversals) recognised in the (Surplus)/Deficit on the Provision of Services	352	18,851	5,485	7,391	(310)	52	564	<b>32,385</b>
<b>As at 31 March 2025</b>	<b>352</b>	<b>22,846</b>	<b>7,557</b>	<b>7,391</b>	<b>6,020</b>	<b>52</b>	<b>564</b>	<b>44,782</b>
<b>Net Book Value at 31 March 2024</b>	<b>19,878</b>	<b>41,386</b>	<b>23,071</b>	<b>14,022</b>	<b>18,631</b>	<b>103,661</b>	<b>49,320</b>	<b>269,969</b>
<b>Net Book Value at 31 March 2025</b>	<b>19,089</b>	<b>42,282</b>	<b>26,703</b>	<b>13,818</b>	<b>18,127</b>	<b>105,967</b>	<b>51,409</b>	<b>277,395</b>

	Library and Lifelong Learning Centre	Housing	Oldham Housing	Wellbeing Centre	Lighting	Schools	Schools for the Future	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
As at 1 April 2023	18,142	44,541	23,186	13,150	24,457	93,932	44,863	<b>262,271</b>
Revaluations recognised in Revaluation Reserve	1,736	755	1,776	872	-	9,729	4,457	<b>19,325</b>
Derecognition-disposals	-	-	(102)	-	-	-	-	<b>(102)</b>
<b>As at 31 March 2024</b>	<b>19,878</b>	<b>45,296</b>	<b>24,860</b>	<b>14,022</b>	<b>24,457</b>	<b>103,661</b>	<b>49,320</b>	<b>281,494</b>
<b>Accumulated Depreciation &amp; Impairment</b>								
As at 1 April 2023	-	3,841	1,641	-	5,335	-	-	<b>10,817</b>
Depreciation Charge	1,022	3,909	1,790	692	491	6,424	2,807	<b>17,135</b>
Depreciation Written out to Revaluation Reserve	(1,022)	(3,840)	(1,634)	(692)	-	(6,424)	(2,807)	<b>(16,419)</b>
Derecognition -disposals	-	-	(8)	-	-	-	-	<b>(8)</b>
<b>As at 31 March 2024</b>	<b>-</b>	<b>3,910</b>	<b>1,789</b>	<b>-</b>	<b>5,826</b>	<b>-</b>	<b>-</b>	<b>11,525</b>
<b>Net Book Value at 31 March 2023</b>	<b>18,142</b>	<b>40,700</b>	<b>21,545</b>	<b>13,150</b>	<b>19,122</b>	<b>93,932</b>	<b>44,863</b>	<b>251,454</b>
<b>Net Book Value at 31 March 2024</b>	<b>19,878</b>	<b>41,386</b>	<b>23,071</b>	<b>14,022</b>	<b>18,631</b>	<b>103,661</b>	<b>49,320</b>	<b>269,969</b>

## 30. Pension Schemes Accounted for as Defined Contribution Schemes

### Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members' pensionable salaries.

The Scheme is a defined benefit scheme; however, the scheme is unfunded. The Department for Education uses a notional fund as the basis for calculating the employer's contribution rate paid by Local Authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, the Council paid £12.525m (£10.742m in 2023/24) to the Teachers Pensions Scheme in respect of teachers' retirement benefits, representing 27.00% (22.47% in 2023/24) of pensionable pay. The expected payments in 2025/26 are circa £13m.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the Teachers' Scheme. These costs are accounted for on a defined benefits basis and are detailed in Note 31.

## 31. Defined Benefit Pension Schemes

### Participation in Pension Schemes

As part of the terms and conditions of the employment of its Officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employees retire, the Council has a commitment to make the payments that need to be disclosed at the time the employees earn their future entitlement. The Council participates in the Local Government Pension Scheme (LGPS) which is administered locally by Tameside Metropolitan Borough Council. This is a funded defined benefit final salary pension scheme, meaning that the Council and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets.

### Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by the employees rather than when they are eventually paid as pensions. However, the charge made against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund through the MiRS. The following transactions have been made in the CIES and the General Fund Balance through the MiRS during the year:

	2023/24 £000	2024/25 £000
<b>Service Cost</b>		
Current service cost	(20,908)	(18,673)
Past service cost (including curtailments)	(993)	(3,464)
Effect of Settlements	(137)	(409)
<b>Total service cost</b>	<b>(22,038)</b>	<b>(22,546)</b>
<b>Financing and Investment Income and Expenditure</b>		
Interest income on scheme assets	62,922	67,774
Interest cost on defined benefit obligation	(54,715)	(55,774)
Interest on the effect of the asset ceiling	(4,849)	(13,821)
<b>Total net interest</b>	<b>3,358</b>	<b>(1,821)</b>
<b>Total Post Employment Benefits Charged to the Deficit on the Provision of Services</b>	<b>(18,680)</b>	<b>(24,367)</b>
<b>Remeasurements of the Net Defined Liability Comprising:</b>		
Return on plan assets excluding amounts included in net interest	32,078	(13,217)
Changed in demographic assumptions	7,826	2,029
Actuarial Gains/(losses) arising from changes in financial assumptions	62,993	167,703
Other experience and actuarial adjustments	(37,799)	13,286
Changes in the effect of the asset ceiling	(178,037)	(163,942)
<b>Total Remeasurements Recognised in Other Comprehensive Income</b>	<b>(112,939)</b>	<b>5,859</b>
<b>Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(131,619)</b>	<b>(18,508)</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to the deficit on the provision of services	18,680	24,367
<b>Employers' Contributions Payable to the Scheme</b>	<b>(23,022)</b>	<b>(24,588)</b>

### Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2023/24 £000	2024/25 £000
Fair value of plan assets	1,409,171	1,442,500
Present value of funded liabilities	(1,133,580)	(987,815)
Present value of unfunded liabilities	(28,993)	(24,244)
Asset Ceiling Adjustment	(284,978)	(462,741)
<b>Net Liability Arising From Defined Benefit Obligation</b>	<b>(38,380)</b>	<b>(32,300)</b>

### Asset Ceiling

Following the pensions valuation by the Council's actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2025 resulting in a pension plan asset for the first time. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The Council has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling, which was nil in 2024/25 (nil in 2023/24). The remaining represents the unfunded liabilities (comprising £13.165m LGPS and £11.079m Teachers unfunded, £15.833m LGPS and £13.160m in 2023/24) which are not included in the asset ceiling adjustment and any liabilities as a result of past contributions. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

	2023/24	2024/25
	£000	£000
Asset Ceiling Balance at 1 April	(102,092)	(284,978)
Interest on the Effect of Asset Ceiling	(4,849)	(13,821)
Changes on the Effect of Asset Ceiling	(178,037)	(163,942)
<b>Asset Ceiling Balance 31 March</b>	<b>(284,978)</b>	<b>(462,741)</b>

#### Reconciliation of the Movements in Fair Value of Scheme Assets

	2023/24	2024/25
	£000	£000
Opening fair value of scheme assets	1,335,959	1,409,171
Effect of Settlements	(2,876)	(4,737)
Interest income	62,922	67,774
<b>Remeasurement loss</b>		
Return on plan assets excluding amounts included in net interest	32,078	(13,217)
Contributions from employer into the scheme	20,300	21,854
Contributions from employees into the scheme	6,912	6,971
Benefits paid	(46,124)	(45,316)
<b>Closing Fair Value of Scheme Assets</b>	<b>1,409,171</b>	<b>1,442,500</b>

The Council's share of pension fund assets is rolled forward, by the actuary, from the latest formal valuation date. The roll forward amount is then adjusted for investment returns, the effective contributions paid into and estimated benefits paid from the fund by the Council and its employees. As such this estimate may differ from the actual assets held by the Pension Fund on 31 March 2025.

## Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation)

	2023/24	2024/25
	£000	£000
Opening fair value of scheme liabilities	1,163,650	1,162,573
Current service cost	20,908	18,673
Effect of Settlements	(2,739)	(4,328)
Interest cost	54,715	55,774
Contributions from scheme participants	6,912	6,971
<b>Remeasurement gain</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	(62,993)	(167,703)
Changes in demographic assumptions	(7,826)	(2,029)
Other experience and actuarial adjustments	37,799	(13,286)
Past service cost	993	3,464
Benefits paid	(48,846)	(48,050)
<b>Closing Fair Value of Scheme Liabilities</b>	<b>1,162,573</b>	<b>1,012,059</b>

The Court of Appeal has recently issued its judgement in the Virgin Media case (Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors) which could affect any scheme which was contracted-out of the State Second Pension on a final salary basis in the period between 6 April 1997 and 5 April 2016. The case centred on a change to benefits made in 1999 to the way in which deferred members' pensions were revalued in relation to inflation. The Government confirmed on 5 June 2025 that it will bring forward legislation to deal with issues arising from the Virgin Media v NTL Pension Trustees judgment. The Government will introduce legislation to allow pension schemes to obtain actuarial certification retrospectively. The impact of the ruling on LGPS liabilities is not known and no adjustments to reflect the impact of the ruling have been made to the financial statements for the year. Management will continue to monitor the developments and consider the impact on the LGPS liabilities.

## Pension Scheme Assets

	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage Total of Asset	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage Total of Asset
<b>Equity Securities</b>								
Consumer	85,328	-	<b>85,328</b>	6%	92,469	-	<b>92,469</b>	6%
Manufacturing	77,914	-	<b>77,914</b>	6%	69,672	-	<b>69,672</b>	5%
Energy and Utilities	76,107	-	<b>76,107</b>	5%	76,820	-	<b>76,820</b>	5%
Financial Institutions	119,625	-	<b>119,625</b>	8%	117,281	-	<b>117,281</b>	8%
Health and Care	70,467	-	<b>70,467</b>	5%	65,573	-	<b>65,573</b>	5%
Information Technology	73,505	-	<b>73,505</b>	5%	77,918	-	<b>77,918</b>	5%
Other	15,736	-	<b>15,736</b>	1%	19,665	-	<b>19,665</b>	1%
<b>Debt Securities</b>								
Corporate Bonds (investment grade)	58,590	-	<b>58,590</b>	4%	47,192	-	<b>47,192</b>	3%
UK Government	37,332	-	<b>37,332</b>	3%	61,564	-	<b>61,564</b>	4%
Other	43,989	-	<b>43,989</b>	3%	55,252	-	<b>55,252</b>	4%
<b>Private Equity</b>								
All	-	96,600	<b>96,600</b>	7%	-	92,057	<b>92,057</b>	6%
<b>Real Estate</b>								
UK Property	-	57,070	<b>57,070</b>	4%	-	74,360	<b>74,360</b>	5%
<b>Investment Funds and Unit Trusts</b>								
Equities	65,899	-	<b>65,899</b>	5%	62,521	-	<b>62,521</b>	4%
Bonds	141,292	-	<b>141,292</b>	10%	145,122	-	<b>145,122</b>	10%
Infrastructure	-	119,515	<b>119,515</b>	8%	-	120,838	<b>120,838</b>	8%
Other	32,439	201,111	<b>233,549</b>	17%	35,542	187,575	<b>223,117</b>	15%
<b>Derivatives</b>								
Other	-	-	-	0%	(2,247)	-	<b>(2,247)</b>	0%
<b>Cash and Cash Equivalents</b>								
All	36,654	-	<b>36,654</b>	3%	43,326	-	<b>43,326</b>	3%
<b>Totals</b>	<b>934,876</b>	<b>474,295</b>	<b>1,409,171</b>	<b>100%</b>	<b>967,671</b>	<b>474,830</b>	<b>1,442,500</b>	<b>100%</b>

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest valuation of the scheme as of 31 March 2025.

The significant assumptions used by the actuary have been:

	2023/24	2024/25
<b>Mortality assumptions:</b>		
<b>Longevity at 65 for current pensioners:</b>		
men	19.7	19.6
women	22.9	22.9
<b>Longevity at 65 for future pensioners:</b>		
men	20.9	20.8
women	24.6	24.6
Rate of increase in salaries	3.55%	3.55%
Rate of increase in pensions	2.75%	2.75%
Rate for discounting scheme liabilities	4.85%	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period. For each assumption change all other assumptions remain constant.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Change in Assumptions at 31 March 2025	Approximate % Increase to Employee Liability	Approximate Monetary Amount £000
0.1% decrease in real discount rate	2%	16,575
1 year increase in member life expectancy	4%	40,482
0.1% increase in the salary increase rate	0%	642
0.1% increase in the pension increase rate	2%	16,395

### Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis. The contribution rate set by the current triennial valuation took effect from the financial year starting 1 April 2023. The expected employer pension contributions for 2025/26 are £26m.

The scheme has taken account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

### 32. Cash Flows from Operating Activities

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:	2023/24	2024/25
	£000	£000
Depreciation	45,416	54,065
Impairment and downward valuations	8,519	49,126
Amortisation	1,637	2,574
Increase/(decrease) in creditors	5,945	23,293
(Increase)/decrease in debtors	(6,656)	(6,442)
(Increase)/decrease in inventories	36	(66)
Movement in pension liability	(4,342)	(221)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	6,084	14,139
Other non-cash items charged to the net surplus or deficit on the provision of services	1,230	1,137
	<b>57,869</b>	<b>137,605</b>

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:		
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-	2,245
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(7,260)	(6,913)
Any other items for which the cash effects are investing or financing cash flows	(39,566)	(45,120)
	<b>(46,826)</b>	<b>(49,788)</b>
Interest received	6,736	6,931
Interest paid	(24,962)	(25,628)
Dividends received	842	1,742
	<b>(17,384)</b>	<b>(16,955)</b>

### 33. Cash Flows from Investing Activities

	2023/24	2024/25
	£000	£000
Purchase of property, plant and equipment, investment property and intangible assets	(64,765)	(71,064)
Purchase of short-term and long-term investments	(13,000)	-
Other payments for investing activities	(2,813)	(1,680)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	7,260	6,913
Proceeds from short-term and long-term investments	23,005	10,000
Other receipts from investing activities	43,611	45,782
<b>Net cash flows from investing activities</b>	<b>(6,702)</b>	<b>(10,049)</b>

### 34. Cash Flows from Financing Activities

	£000	£000
	Cash receipts of short and long-term borrowing	20,000
Cash payments for the reduction of outstanding liabilities relating to leases and on-Balance Sheet PFI contracts	(11,173)	(12,628)
Repayments of short and long-term borrowing	(6)	(31,190)
Other payments for financing activities	520	(23)
<b>Net cash flows from financing activities</b>	<b>9,341</b>	<b>41,159</b>

### 34a. Reconciliation of Liabilities Arising from Financing Activities

	1 April 2024	Financing cash flows	Other non-cash changes	31 March 2025
	£000	£000	£000	£000
Long-term borrowings	161,484	48,818	(11)	210,291
Short-term borrowings	21,820	4,997	651	27,468
Lease Liabilities	747	(984)	4,166	3,929
Transferred Debt	33	(5)	-	28
On balance sheet PFI Liabilities	193,110	(11,644)	32,384	213,850
<b>Amounts included as part of (debtor)/creditor balances:</b>				
Amounts owed to/from Collection Fund preceptors	804	(23)	-	781
<b>Total Liabilities from financing activities</b>	<b>377,998</b>	<b>41,159</b>	<b>37,190</b>	<b>456,347</b>

	1 April 2023	Financing cash flows	Other non-cash changes	31 March 2024
	£000	£000	£000	£000
Long-term borrowings	161,494	-	(10)	161,484
Short-term borrowings	1,690	20,000	130	21,820
Lease Liabilities	475	(457)	729	747
Transferred Debt	39	(6)	-	33
On balance sheet PFI Liabilities	203,826	(10,716)	-	193,110
<b>Amounts included as part of (debtor)/creditor balances:</b>				
Amounts owed to/from Collection Fund preceptors	284	520	-	804
<b>Total Liabilities from financing activities</b>	<b>367,808</b>	<b>9,341</b>	<b>849</b>	<b>377,998</b>

The Other non-cash adjustments principally relate to IFRS 16 adjustments relating to Leases and PFI Contracts.

## **35. Accounting Policies**

### **1.1 General Principles**

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS).

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

The accounts have been prepared on a going concern basis, under the assumption that the functions of the Council will continue in operational existence for the foreseeable future.

Unless otherwise stated the convention used in this document is to round to amounts the nearest thousand pounds. All totals are the rounded totals of unrounded figures and, therefore, may not be the strict sums of the figures presented in the text or tables. Throughout the Statements all credit balances are shown with parentheses e.g. (£1,234).

### **1.2 Property, Plant and Equipment**

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

#### **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred. The Council has a £10,000 de minimis limit for the recognition of Capital Expenditure.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

#### **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

- community assets, infrastructure assets and assets under construction – depreciated historical cost.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- surplus assets – fair value, determined by the measurement of the highest and best use value of the asset.
- all other operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

Where decreases in value are identified, they are accounted for as follows:

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

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

## **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for as follows:

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

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

## **Depreciation**

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

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer;
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset as estimated by a suitably qualified officer; and
- infrastructure – See section below.

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

## **Component Accounting**

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item and/or whose life is significantly different to the life of the host (main) asset, the components are depreciated separately.

Components are recognised in the financial year where:

- there has been a revaluation of assets;
- there has been an acquisition of assets within the financial year; and
- enhancement expenditure has been incurred within the financial year.

## **Disposals**

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

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

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

and allowances). For 2024/25 the Council can benefit from the flexibilities in the amendment on Right to Buy (RTB) receipts. For 2024/25 the Council can retain 100% RTB receipts to finance capital expenditure on housing projects. The balance of receipts is required to be credited to the Usable Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are transferred to the Usable Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

### Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures, street lighting, street furniture, traffic management systems and land which together form a single integrated system.

- Recognition

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

- Measurement

Highways infrastructure assets are measured at depreciated historical cost. This is, however, a modified form of historical cost. Opening balances for highways infrastructure assets were originally recorded in the balance sheet at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at the time to be historical cost.

- Impairment

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

- Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives.

Annual depreciation is the depreciation amount allocated each year.

The useful lives of the various parts of the highways network are detailed below:

Elements of the Highway Network	Useful Life
Carriageways	27
Footways and Cycle Tracks	45
Structures	107
Street Lighting	40
Street Furniture	40
Traffic Management Systems	15

### Disposal and Derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off the 'Other Operating Expenditure' line in

the Comprehensive Income & Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income & Expenditure Statement, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). The written off amounts of disposal are not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### **1.3 Heritage Assets**

The Council's Heritage Assets are held by the Council principally for their contribution to knowledge and/or culture. They are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's Accounting Policies on Property Plant and Equipment. However, some of the measurement rules are relaxed allowing the Council's Heritage Assets to be included on the Balance Sheet at their insured value where available. Where insurance valuations are not available and the Council has no records of the original cost of the asset, then there is a narrative disclosure of the asset.

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

### **1.4 Investment Property**

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

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

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

### **1.5 Private Finance Initiative (PFI) and Similar Contracts**

PFI and similar contracts are agreements to receive services, where the responsibility for making available the Property, Plant and Equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the Property, Plant and Equipment assets 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 part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the Property, Plant and Equipment) was balanced by the recognition of a liability for amounts

due to the scheme operator to pay for the capital investment. Following the introduction of IFRS 16, the liability is measured as the Net Present Value of future Lease payments with the original lease interest rate applied. The liability is subsequently adjusted for interest due and payments made. The liability is remeasured where there is a change in the future payments arising from a change in index or rate. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

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

- The value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge is raised on the outstanding Balance Sheet liability and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The interest rate is calculated for each scheme so that the Balance Sheet liability is zero at the end of each contract.
- Payment towards liability – applied to write down the Balance Sheet liability.
- Lifecycle replacement costs – are split between revenue and capital costs. Revenue lifecycle costs are debited to the relevant service in the Comprehensive Income and Expenditure Statement. Capital lifecycle costs are debited to Property Plant and Equipment to reflect the enhancement of the PFI Asset.

## **1.6 Accounting for Schools**

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

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation Trust
- Foundation

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

When a maintained school converts to an Academy, the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off asset value is not a charge against the General Fund, as the cost of non-current asset disposals resulting from schools transferring to an Academy status 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.

## **1.7 Revenue Expenditure Funded from Capital under Statute (REFCUS)**

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

## **1.8 Capital Charges to Revenue for Non-Current Assets**

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

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

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

## **1.9 Financial Instruments**

### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (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 held by the Council, 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 Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the 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 was payable or discount receivable when it was repaid. When a premium or discount has been incurred and paid in full by a grant from an external body it is accounted for in full in the year that the grant is received. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

## **Financial Assets**

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

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

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

### **Financial Assets Measured at Amortised Cost**

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

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

### **Financial Assets Measured at Fair Value through Profit or Loss (FVPL)**

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

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

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

The inputs to the measurement techniques are categorised in accordance with the accounting policy set out in section 1.23 Fair Value Measurement.

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

IFRS 9 Financial Instruments sets out that investments in equity should be classified as fair value through profit and loss unless there is an irrevocable election to recognise changes in fair value through other comprehensive income. The Council will assess each investment on an individual basis and assign an IFRS 9 category. The assessment will be based on the underlying purpose for holding the financial instrument.

Any changes in the fair value of instruments held at fair value through profit or loss will be recognised in the net cost of service in the CIES and will have a General Fund impact.

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

The Council has equity instruments designated at fair value through other Comprehensive Income (FVOCI).

The Council has made an irrevocable election to designate three of its equity instruments as FVOCI on the basis that it is held for non-contractual benefits, it is not held for trading but for strategic purposes. The assets are initially measured and carried at fair value. The value is based on the principal that the equity shares have no quoted market prices and is based on an independent appraisal of the company valuation.

Dividend income is credited to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

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

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

### **Expected Credit Loss Model**

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

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

### **Instruments Entered into Before 1 April 2006**

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required, or a contingent liability note is

needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

## **1.10 Employee Benefits**

### **Benefits Payable During Employment**

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

### **Employee Accumulated Absence Accrual**

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

### **Termination Benefits**

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

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

### **Post-Employment Benefits**

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

- The Greater Manchester Local Government Pension Scheme - administered by Tameside Metropolitan Borough Council.
- The Teachers' Pension Scheme - administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pension Scheme - administered by EA Finance NHS Pensions.

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

However, the arrangements for the teachers' and NHS schemes mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they are a defined contribution scheme and no liability for future

payments of benefits is recognised in the Balance Sheet. The Children's Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pension Scheme in the year. The Community Health & Adult Social Care Directorate line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the NHS Pension Scheme in the year.

### **The Greater Manchester Local Government Pension Scheme**

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

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

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

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

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

- current service cost – the increase in liabilities as a result of years of service earned in the current year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Capital, Treasury and Technical Accounting;
- net interest on the net defined benefit liability - the change during the period in the net defined benefit liability that arises from the passage of time is charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

### **Remeasurement comprising:**

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

- contributions paid to the Greater Manchester Pension Fund - cash paid as employer contributions to the pension scheme in settlement of liabilities; not accounted for as an expense.
- Effect of Asset Ceiling – where the defined benefit liability is negative (i.e. an asset), a limit is applied to the amount that may be recognised as an asset on the balance sheet, this limit is termed the asset ceiling. If an adjustment is required to reduce the total asset to the amount of the asset ceiling, this adjustment is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

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

### **1.11 Accruals of Income and Expenditure**

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

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

### **1.12 Cash and Cash Equivalents**

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

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

### **1.13 Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

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

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

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

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

### **Contingent Liabilities**

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

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

### **Contingent Assets**

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

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

## **1.14 Government Grants and Contributions**

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

- the Council will comply with the conditions attached to the payment; and;
- the grants or contributions will be received.

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

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

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

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

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

### **1.15 Reserves**

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

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

### **1.16 Revenue Recognition**

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

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

### **1.17 Tax Income**

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

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

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

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

### **1.18 Overheads and Support Services**

The costs of overheads and support services are charged to the relevant services in accordance with the Authority's arrangements for accountability and financial performance, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation;
- Non Distributed Costs – changes in past service costs and impairment losses chargeable on Assets Held for Sale.

Corporate and Democratic Core is identified as a separate heading in the Comprehensive Income and Expenditure Statement. Non Distributed Costs form part of the Capital, Treasury and Technical Accounting Directorate line with the Council's local reporting format.

### **1.19 Value Added Tax (VAT)**

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

### **1.20 Interests in Companies and Other Entities**

The Council has material interests in external entities that are classified as subsidiaries and therefore group accounts have been prepared. In the Council's single-entity accounts the Council's interest in companies and other entities are recorded as financial assets at cost less any impairment. Any gains or losses are recognised in the Comprehensive Income and Expenditure Statement.

### **1.21 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

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

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

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

## 1.22 Events after the Balance Sheet Date

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

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

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

## 1.23 Fair Value Measurement

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

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

The Council uses external valuers to provide a valuation of its non-financial assets and liabilities, for recognition or disclosure as appropriate, in line with the highest and best use definition within IFRS 13 Fair Value Measurement. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant. Inputs to the valuation techniques in respect of the Council's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

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

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

Level 3 – unobservable inputs for the asset or liability.

## 1.24 Leases

### The Council as lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset for a period of more than one year, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

### ***Initial Measurement***

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). On transition to IFRS16, an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, the entity is permitted to only apply IFRS 16 to contracts that were previously identified as leases under IAS 17 and IFRIC 4. The leases are typically for fixed periods in excess of one year but may have extension options. The Council initially recognises lease liabilities measured at the present value of lease payments, discounting at the rate implicit in the lease wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- Amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

### ***Subsequent Measurement***

The right-of-use asset is subsequently measured at current value in accordance with the CIPFA Code. The Council considers the current value model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount as determined by professionally qualified valuers in line with the Council's valuation policy. .

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at Net Present Value of the remaining lease payments.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate

- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or 157
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the Comprehensive Income and Expenditure Statement.

### ***Low value and short lease exemption***

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months, for the 2024/25 accounts any lease that expires on or before 31st March 2025 will be deemed to be a short-term lease.

### ***Lease expenditure***

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straightline depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against Council tax, as the cost of non-current assets are fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### **The Council as lessor**

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

### ***Finance leases***

Where the authority grants a finance lease 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 (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset 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 Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is 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 lease 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 lease 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 non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### ***Operating leases***

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## **36. Accounting Standards Issued, Not Adopted**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2024/25 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified.

Accounting changes that are introduced by the 2025/26 Code are:

1. IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
2. IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
3. The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and

IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. Whilst these are not a change in accounting standards, but a change in the requirements of the Code, these have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

Work on the implementation of the Code changes is still ongoing and the full impact on the Council's single entity and group accounts has not been fully assessed yet, however it is likely that items will have no significant impact on the amounts to be reported in the Council's financial statements.

### 37. Critical Judgements in Applying Accounting Policies

The following disclosure sets out critical judgements applied to the Accounting Policies of the Council that have a significant impact on the presentation of the financial statements. Critical estimation uncertainties are described in the note.

#### Accounting for Schools – Balance Sheet Recognition of Schools

The Council recognises the land and buildings used by schools in line with the provisions of the Code of Practice. It states that property used by Local Authority maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. The Council recognises school land and buildings on its Balance Sheet where it directly owns the assets or where the school or school Governing Body own the assets or where rights to use the assets have been transferred from another entity.

Where the land and building assets used by the school are owned by an entity other than the Council, school or school Governing Body then it is not included on the Council's Balance Sheet. The exception is where the entity has transferred the rights of use of the asset to the Council, school or school Governing Body.

The Council has completed a school-by-school assessment across the different types of schools it controls within the Borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets. The types of schools that have been assessed are shown below:

Type of School	No. of Primary Schools	No. of Secondary Schools	No. of Special Schools	Total
Community	21	1	1	23
Voluntary Controlled (VC)	3	-	-	3
Voluntary Aided (VA)	20	-	-	20
Foundation/Foundation Trust	4	1	-	5
<b>Maintained Schools</b>	<b>48</b>	<b>2</b>	<b>1</b>	<b>51</b>
Academies	38	12	6	56
<b>Total</b>	<b>86</b>	<b>14</b>	<b>7</b>	<b>107</b>

All Community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet.

The Council has entered into Private Finance Initiative (PFI) agreements to build and operate three schools in the Borough. One is a Foundation Trust school and the remaining two schools are Academies. Whilst the land which the buildings are sited on has been transferred to the respective Trust and Academy, the ownership of the buildings is determined by who holds the balance of control in line with accounting standards. The Council considers the buildings associated with these schools should be included on its Balance Sheet because:

- The reversion clause within the PFI agreement results in the Council having a residual interest in the buildings at the end of the agreement
- The services provided and the use of the building is controlled by the Council through the PFI agreement
- The PFI agreement is between the PFI contractor and the Council

Legal ownership of VC school land and buildings usually rests with a charity, normally a religious body. The VC schools land and buildings are owned by the Council and included on the Balance Sheet.

Legal ownership of the VA school land and buildings rests with the relevant Diocese. The Diocese has granted a licence to the school to use the land and buildings. Under this licence arrangement, the rights of use of the land and buildings have not transferred to the school and thus are not included on the Council's Balance Sheet.

Foundation and Foundation Trust schools were created to give greater freedom to the Governing Body responsible for school staff appointments and who also set the admission criteria. There is one Foundation school in the Borough. For one school, the Governing Body has legal ownership of the land and buildings and thus these are included on the Council's Balance Sheet. For the remaining Foundation Trust schools, a separate Trust owns the land and buildings so these assets are not included on the Council's Balance Sheet.

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

### **Group Boundaries**

The Council carries out a complex range of activities, often in conjunction with external organisations. Where those organisations are in partnership with or under the ultimate control of the Council a judgement is made by management as to whether they are within the Council's group boundary. This judgement is made in line with the provisions set out in the Code and relevant accounting standards.

Those entities which fall within the boundary and are considered to be material are included in the Council's group accounts. Profit and loss, net worth, and the value of assets and liabilities are considered individually for each organisation against a materiality limit set by the Council. An entity could be material but still not consolidated if all of its business is with the Council and eliminated on consolidation – i.e., the consolidation would mean that the group accounts are not materially different to the single entity accounts. The assessment of materiality also considers qualitative factors such as whether the Council depends significantly on these entities for the continued provision of its statutory services or where there is concern about the level to which the Council is exposed to commercial risk.

The Council has assessed its group boundary for 2024/25. The Council has identified one subsidiary who are considered to be material and will be consolidated into its group accounts. The subsidiary included is MioCare Group Community Interest Company (CIC). Further details can be found in the group accounts in section 5 of the Council's accounts.

### **Investment Properties**

Investment properties have been assessed using the identifiable criteria under the International Accounting Standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation, to determine if there is an operational reason for holding the property, such as regeneration.

### **Equity Investments**

The Council has equity investments in Oldham Property Partnership, Manchester Airport Group, Meridian Developments and Community 1<sup>st</sup> Oldham (Chadderton) Ltd. Following a review of the Council's equity investments under the accounting standard IFRS 9 Financial Instruments, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, these equity investments are strategic investments and not held for trading, therefore the Council, has designated the investment as fair value through Other Comprehensive Income. The decision to designate to fair value through Other Comprehensive Income is irrevocable and it is the Council view that this is a reasonable and reliable accounting policy for these investments.

### **Lender Option Borrower Option (LOBO) Loans**

The Council has £85.5m of outstanding LOBO loans in its debt portfolio which have long overall loan lengths (c 50 years). The Loans have option date frequencies of between 5 years and 6 months. At each option date the lender can choose to vary the interest rate payable on the loans and the Council can choose to repay the loan in full or accept the new interest rate. In the financial instruments note the Council has assumed that none of the options will be called and the Council repay the debt and included the total LOBO balances in Long Term Borrowing.

## **38. Assumptions Made About the Future and Other Sources of Estimation Uncertainty**

### **Pension Liability**

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

During 2024/25 the Council's actuaries advised that the net pension liability had increased by £183.843m to a surplus position of £430.441m. In line with the Code of Practice where there is a surplus position, the Council requested an Asset Ceiling calculation from the actuary, this resulted in a movement totalling £462.741m and a final pension liability of £32.300m recognised on the balance sheet.

The effect of changes in the individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate assumption would result in an increase in the pension liability of £16.575m. A 0.1% increase in the assumed salary increase rate would result in a

£0.642m increase in the pension liability and an increase of 0.1% in the assumed pension increase rate would increase the pension liability by £16.395m.

## Property Valuations

The valuation of the Council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. This includes Council Dwellings, Other Land and Buildings and Surplus Assets. The Council's valuer uses a combination of methodologies to value these operational assets, including Depreciated Replacement Cost (DRC), Existing Use Value (EUV and Social Housing EUV) and market/comparable methods. These methods can cause estimation uncertainty due to the indices and inputs that must be used to applying valuations. If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain recorded in the Comprehensive Income and Expenditure Statement. As an example, the impact of a 1% change in the valuation of the Council's property would be £8.330m. Note 17, Property, Plant and Equipment, to the accounts sets out the Council's approach to valuation of its PPE.

### 39. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Director of Finance on 30 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The financial statements and notes have not been adjusted for the following events. The event provides information that is relevant to an understanding of the Authorities' financial position but do not relate to conditions at that date. The Statement of Accounts for 2024/25 has not been adjusted for the transfers after the balance sheet date.

- Saddleworth Comprehensive, with a value of £51.263m, has converted to Academy Status under The Cranmer Education Trust. The transfer was completed on 1 April 2025 and will be written out to nil in the 2025/26 Statement of Accounts.
- Radclyffe School with a value of £48.403m has converted to Academy status under The Cranmer Education Trust. The transfer completed 1 May 2025. The Radclyffe School is a PFI school and as such will remain on balance sheet until the end of the agreement, at which time the school will be written out to nil. This is in line with our accounting policies as detailed in Note 35.

#### 40. Restatement of prior years

During 2024/25 Cabinet determined that amended portfolios would provide a more appropriate management and reporting structure for the Council's Activities

The revised portfolio structure has been reflected in the primary statements; the changes made to the 2023/24 comparatives are per the tables below:

##### Changes to Comprehensive Income and Expenditure statement

		2023/24		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
<b>Original</b>	Corporate Services	22,326	(13,369)	8,957
	Communities	13,890	(1,806)	12,084
	Children's Services	341,703	(233,561)	108,142
	Community Health and Adult Social Care	146,789	(59,003)	87,786
	Capital, Treasury and Technical Accounting	50,915	(48,764)	2,151
	Corporate and Democratic Core	7,642	-	7,642
	Place and Economic Growth	97,651	(37,042)	60,609
	Public Health	31,567	(4,889)	26,678
	Housing Revenue Account	21,021	(29,151)	(8,130)
		<b>Cost of Services</b>	<b>733,504</b>	<b>(427,585)</b>

		2023/24		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
<b>Revised</b>	Corporate Services	67,663	(58,021)	9,643
	Children's Services	340,800	(233,067)	107,734
	Community Health and Adult Social Care	146,789	(59,003)	87,786
	Capital, Treasury and Technical Accounting	14,123	(4,608)	9,515
	Place and Economic Growth	111,937	(40,285)	71,651
	Public Health	31,171	(3,451)	27,720
	Housing Revenue Account	21,021	(29,151)	(8,130)
		<b>Cost of Services</b>	<b>733,504</b>	<b>(427,585)</b>

## Expenditure and Funding Analysis

	Service Area	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£000	£000	Expenditure
<b>Original</b>	Corporate Services	5,897	3,059	8,956
	Communities	8,046	4,039	12,085
	Children's Services	88,854	19,288	108,142
	Community Health and Adult Social Care	84,048	3,738	87,786
	Capital, Treasury and Technical Accounting	48,559	(46,407)	2,152
	Corporate and Democratic Core	7,642	-	7,642
	Place and Economic Growth	39,527	21,081	60,608
	Public Health	26,413	265	26,678
	Housing Revenue Account	(7,770)	(360)	(8,130)
	<b>Net cost of services</b>	<b>301,216</b>	<b>4,703</b>	<b>305,919</b>
<b>Revised</b>	Corporate Services	6,584	3,059	9,643
	Children's Services	88,446	19,288	107,735
	Community Health and Adult Social Care	84,048	3,738	87,786
	Capital, Treasury and Technical Accounting	55,922	(46,407)	9,515
	Place and Economic Growth	50,043	21,608	71,650
	Public Health	23,942	3,777	27,720
	Housing Revenue Account	(7,770)	(360)	(8,130)
	<b>Net cost of services</b>	<b>301,216</b>	<b>4,703</b>	<b>305,919</b>

**Note to the Expenditure and Funding Analysis**

	Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments			
		Adjustment for capital purposes £000	Net change for pension adjustment £000	Other Differences £000	Total Adjustments £000
<b>Original</b>	Corporate Services	3489	-430	-	3,059
	Communities	4107	-67	-	4,040
	Children's Services	19931	-644	-	19,287
	Community Health and Adult Social Care	3929	-190	-	3,739
	Capital, Treasury and Technical Accounting	-44,290	-2,366	248	(46,408)
	Corporate and Democratic Core	-	-	-	-
	Place and Economic Growth	21660	-580	-	21,080
	Public Health	330	-65	-	265
	Housing Revenue Account	-142	-	-217	(359)
	<b>Net cost of services</b>	<b>9,014</b>	<b>(4,342)</b>	<b>31</b>	<b>4,703</b>
<b>Revised</b>	Corporate Services	3,489	(430)	-	3,059
	Children's Services	19,931	(644)	-	19,287
	Community Health and Adult Social Care	3,929	(190)	-	3,738
	Capital, Treasury and Technical Accounting	(44,290)	(2,365)	248	(46,407)
	Place and Economic Growth	22,297	(689)	-	21,608
	Public Health	3,801	(23)	-	3,777
	Housing Revenue Account	(142)	-	(217)	(360)
	<b>Net cost of services</b>	<b>9,014</b>	<b>(4,342)</b>	<b>31</b>	<b>4,703</b>

## 4.1 Housing Revenue Account (HRA)

### Housing Revenue Account Income and Expenditure Statement

HRA Income and Expenditure Statement	2023/24 £000	2024/25 £000
<b>Expenditure</b>		
Repairs and Maintenance	4,799	4,862
Supervision and Management	6,108	6,190
Rent, rates, taxes and other charges	3,518	3,363
Depreciation, impairment and revaluation losses of non-current assets	6,451	30,658
Debt management costs	145	0
<b>Total Expenditure</b>	<b>21,021</b>	<b>45,073</b>
<b>Income</b>		
Dwellings rents	(9,121)	(11,281)
Non-dwelling rents	(30)	(29)
Charges for services and facilities	(1,146)	(1,273)
Contributions towards expenditure	(54)	(59)
PFI Credits receivable	(18,799)	(18,799)
<b>Total Income</b>	<b>(29,151)</b>	<b>(31,441)</b>
<b>Net Surplus relating to HRA Services as included in the Comprehensive Income and Expenditure Statement</b>	<b>(8,130)</b>	<b>13,632</b>
<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:</b>		
Gain on sale of HRA non-current assets	(854)	(25)
Adjustment to the loss allowance	100	132
Interest payable and similar charges	10,403	9,657
HRA Interest and investment income	(400)	(375)
<b>(Surplus)/Deficit for the year on HRA Services</b>	<b>1,118</b>	<b>23,021</b>

### Statement of Movement in the Housing Revenue Account

Movement on the HRA Statement	Prior Year £000	Current Year £000
Opening Balance	(22,584)	(21,105)
(Surplus)/Deficit for the year on the HRA Income and Expenditure Statement	1,118	23,021
Adjustments between accounting basis and funding basis under statute	360	(26,363)
(Increase)/Decrease in the HRA Balance	1,478	(3,342)
<b>Closing Balance</b>	<b>(21,105)</b>	<b>(24,447)</b>

<b>Note to Movement on the HRA Statement</b>		
<b>Analysis of adjustments between accounting basis and funding basis under statute</b>		
Depreciation, impairment and revaluation losses of non-current assets	(6,565)	(30,658)
Minimum Revenue Provision	5,420	4,148
Gain or loss on sale of HRA fixed assets	968	25
Capital Expenditure funded by the HRA	320	1
Transfer to Major Repairs Reserve	217	121
<b>Net Adjustment</b>	<b>360</b>	<b>(26,363)</b>

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and Government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

#### **Note on the Preparation of the Housing Revenue Account**

The Council has followed the guidance in the CIPFA Code of Practice on Local Authority Accounting 2024/25 for the production of its 2024/25 Statement of Accounts. However, there is one area where, in order to achieve a true and fair view, the Council has departed from the guidance which is explained below.

From 2017/18 the transitional arrangements which allowed for the reversal of the depreciation charge from the Housing Revenue Account (HRA) came to an end. The new Item 8 Determination issued by the Ministry of Housing, Communities and Local Government (formerly the Department for Communities and Local Government) on 24 January 2017 confirmed that depreciation should be charged to the HRA in accordance with proper accounting practices. Therefore from 2017/18 a charge equal to depreciation should have been made to the HRA and passed to the Major Repairs Reserve (MRR) for the purpose of future repairs and maintenance.

However, as the majority of the Council HRA dwellings are covered by Private Finance Initiative (PFI) contracts (until 2036), any future repairs and maintenance costs are already included within the unitary charge the Council pays on PFI schemes. The Council will therefore have no need to build up the MRR and the HRA would, in effect, be charged twice for repairs and maintenance of dwellings. If the Council began to charge the HRA with depreciation (without reversal) the HRA would quickly fall into deficit and build up a significant MRR that would not be required.

Previously, the Department of Levelling Up, Housing and Communities (formerly known as MHCLG) has confirmed that depreciation need not be charged to the HRA in respect of Oldham's PFI housing stock. Therefore, the Council will continue with the accounting treatment previously permitted under the transitional arrangements and has reversed the depreciation charge from the HRA to the Capital Adjustment Account.

The financial impact of the accounting treatment prescribed by CIPFA is shown in the table below.

	Current 2024/25 Balance £000	Adjustment for the Item 8 Determination £000	Adjusted 2024/25 Balance £000
Housing Revenue Account	(24,447)	6,190	(18,257)
Major Repairs Reserve	(1,343)	(6,190)	(7,533)

The HRA financial statements present a true and fair view of the Council's HRA financial position, financial performance and cash flows, the Council has complied with the CIPFA Code of Practice in all areas except that which is described above.

#### 4.1.1 Explanatory Notes to the Housing Revenue Account

##### H1. Housing Stock – Numbers

As of 31 March 2025, the Council had a total housing stock of 2,086 dwellings. This was comprised of 1,232 Houses and Bungalows, and 854 Flats and Maisonettes. The corresponding figures for 31 March 2024 were 2,085 dwellings comprising 1,231 Houses and bungalows and 854 Flats and Maisonettes. The balance sheet value of HRA assets was as follows:

	31 March 2024 £000	31 March 2025 £000
Dwellings	81,408	84,691
Other Operational Property	738	1,835
Plant and Machinery	858	770
<b>Total</b>	<b>83,004</b>	<b>87,296</b>

The Vacant Possession Dwellings valuation is £221.572m as of 31 March 2025 (£210.348m as at 31 March 2024) The difference between the vacant possession value and the Balance Sheet value of dwellings within the HRA shows the cost of providing Council housing at less than open market rents.

##### H2. Depreciation and Impairment of Assets

Depreciation and impairment of Property, Plant and Equipment is shown below.

Depreciation	Operational Assets 2024/25 £000
Balance at 1 April 2024	6,248
Depreciation written off during the year	(5,716)
Depreciation during the year – Dwellings	6,207
Depreciation during the year - Other land and Buildings/Plant & Machinery	88
<b>Balance at 31 March 2025</b>	<b>6,827</b>

Depreciation	
Balance at 1 April 2023	5,897
Depreciation written off during the year	(5,559)
Depreciation during the year – Dwellings	5,819
Depreciation during the year - Other land and Buildings/Plant & Machinery	91
<b>Balance at 31 March 2024</b>	<b>6,248</b>

Impairment and Revaluation Loss	Operational Assets 2024/25 £000
Balance at 1 April 2024	4,765
Impairment written off during the year	24,336
Previous year impairment reversed	0
Revaluation loss during the year	(930)
Revaluation gain to reverse previous year loss	70
<b>Balance at 31 March 2025</b>	<b>28,241</b>

Impairment and Revaluation Loss	Operational Assets 2023/24 £000
Balance at 1 April 2023	4,530
Revaluation movement during the year	235
<b>Balance at 31 March 2024</b>	<b>4,765</b>

The HRA assets are subject to an annual revaluation programme, as a result any impairments or revaluation losses are written off against the revised revaluation and reflected in the gross value.

### H3. Rent Arrears

	31 March 2024	31 March 2025
	£000	£000
Impairment Allowance	440	624
Arrears as a percentage of gross rent income	5.32%	5.09 %
Amounts Written off during the year	148	172
Contribution to the allowance against potential future irrecoverable arrears	100	132
Gross rent income dwellings	(9,122)	(10,161)

There were rent arrears of £0.624m in relation to HRA properties as at 31 March 2025 (£0.587m) as at 31 March 2024.

## 4.2 Collection Fund

### Collection Fund Statement

2023/24 Total £000		2024/25 Council Tax £000	2024/25 Business Rates £000	2024/25 Total £000	Note
(133,434)	<b>Income</b>				
(50,437)	Council Tax Payers	(141,505)		(141,505)	C2
	Income from Business Ratepayers		(55,484)	(55,484)	C3
<b>(183,871)</b>		<b>(141,505)</b>	<b>(55,484)</b>	<b>(196,988)</b>	
	<b>Expenditure</b>				
	<b>Precepts:</b>				
109,324	- Oldham Council	116,510	-	116,510	
14,233	- Greater Manchester Mayoral Police and Crime Commissioner Precept	15,219	-	15,219	
6,315	- Greater Manchester Mayoral General Precept (including Fire Services)	6,707	-	6,707	
	<b>Allocation of previous year's Estimated Collection Fund Surplus</b>				
40	- Oldham Council	-	-	-	
5	- Greater Manchester Mayoral Police and Crime Commissioner Precept	-	-	-	
2	- Greater Manchester Mayoral General Precept (including Fire Services)	-	-	-	
	<b>Contribution Towards Previous Year's Estimated Collection Fund Deficit</b>				
-	- Oldham Council	(279)	-	(279)	
-	- Greater Manchester Mayoral Police and Crime Commissioner Precept	(36)	-	(36)	
-	- Greater Manchester Mayoral General Precept (including Fire Services)	(16)	-	(16)	
	<b>Business Rates:</b>				
53,682	- Payments to Oldham Council	-	56,282	56,282	
542	- Greater Manchester Mayoral General Precept (including Fire Services)	-	569	569	
	<b>Allocation of previous year's Estimated Collection Fund Surplus</b>				
4,090	- Payments from Oldham Council	-	1,029	1,029	
41	- Greater Manchester Mayoral General Precept (including Fire Services)	-	10	10	
293	Cost of Collection	-	293	293	
(5,363)	Transitional Protection Payments Due for the Year	-	(985)	(985)	
4,140	Change in Allowance for Non Collection	4,085	816	4,900	
(27)	Write-offs charged to Collection Fund	-	-	-	
(679)	Change in provision for alteration of lists and appeals	-	(618)	(618)	
<b>186,638</b>		<b>142,189</b>	<b>57,396</b>	<b>199,584</b>	
<b>2,767</b>	<b>Deficit/(Surplus) for the year</b>	<b>682</b>	<b>1,912</b>	<b>2,596</b>	
	<b>Collection Fund Balance</b>				
(3,717)	Balance brought forward at 1 April	190	(1,140)	(950)	
2,767	Deficit/(Surplus) for the year	682	1,912	2,595	
<b>(950)</b>	<b>Balance carried forward at 31 March</b>	<b>873</b>	<b>773</b>	<b>1,645</b>	
	<b>Allocated to:</b>				
(969)	- Oldham Council	736	764	1,500	
21	- Greater Manchester Police and Crime Commissioner	96	-	96	
(2)	- Greater Manchester Mayoral General Precept (including Fire Services)	41	8	49	
<b>(950)</b>		<b>873</b>	<b>773</b>	<b>1,645</b>	

## C1. General

The Council is required to maintain a separate agency Collection Fund account. The Collection Fund account includes all transactions relating to collection of Business Rates and Council Tax income from taxpayers and their distribution to Local Government bodies. The Collection Fund is accounted for separately from the General Fund.

Any Collection Fund surpluses or deficits declared by Oldham Council (the Billing Authority) in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For Oldham, the Council Tax precepting body is the Greater Manchester Combined Authority (GMCA) for both the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire and Rescue Services).

Business Rates surpluses or deficits are distributed in accordance with the relevant proportions set out in the localised Business Rate regulations. The Council continues to be part of the Greater Manchester 100% Business Rates Retention scheme which has been extended for a ten-year period from 1 April 2024, therefore for 2024/25 the Oldham Council share is 99% with the remainder paid to the GMCA for the Mayoral General Precept (including Fire Service).

## C2. Council Tax

Council Tax derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands (A to H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The Council Tax base for 2024/25 was 59,380 (58,500 in 2023/24) and was approved at the Cabinet meeting on 22 January 2024, the Tax Base was calculated as follows:

Band	Chargeable Dwellings	Proportion of Band D Tax	Equivalent Band D Dwellings
A Reduced	178	5/9	94.0
A	49,537	6/9	29,558.8
B	17,307	7/9	12,372.1
C	16,231	8/9	13,453.8
D	7,098	9/9	6,717.3
E	3,415	11/9	3,984.1
F	1,578	13/9	2,184.7
G	915	15/9	1,455.0
H	62	18/9	118.5
Net effect of premiums and discounts			(8,564)
Tax Base before adjustment for collection rate			61,374.7
Estimated collection rate			96.75%
<b>Tax Base for the Calculation of Council Tax</b>			<b>59,380</b>

Dwellings for residents entitled to 'disabled relief reduction' are reduced to the next lowest band for the calculation of Council Tax. As band 'A' is the lowest band, 'A reduced' has been introduced to give effect to this reduction for those who reside in

Band A properties. Income received from Council Tax taxpayers in 2024/25 was £141.505m (£133.434m 2023/24).

### **C3. Business Rates**

The Council collects Business Rates for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government.

For 2024/25, the total non-domestic rateable value at the end of the financial year is £166.657m (£165.737m in 2023/24).

There were changes to the Business Rates Retention System (BRRS) for 2024/25, with the introduction of the Non-Domestic Rating Act 2023 giving central government the power to set the small and standard business rating multipliers separately from one another. Until 2023/24 these two multipliers had to be increased by the same percentage.

The Government decided to freeze the business rate multiplier for qualifying small businesses at 49.9p, with the standard multiplier being uplifted to 54.6p (51.2p in 2023/24) for all other businesses.

## 5.0 Group Accounts

### Introduction

The Council is a complex organisation and undertakes a broad range of activities, often in conjunction with external organisations. In some cases the Council has an interest in these organisations demonstrated through ownership or control/significant influence.

The CIPFA Code of Practice requires that where an Authority has material financial interests and a significant level of control over one or more entities, it should prepare group accounts. The aim of these statements is to give an overall picture of the Council's financial activities, and the resources employed in carrying out those activities.

As a subsidiary entity, MioCare Group CIC (MioCare), has been consolidated on a line by line basis with all intra-group transactions and balances removed.

## 5.1 Group Comprehensive Income and Expenditure Statement

2023/24				2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
147,329	(59,161)	88,168	Community Health and Adult Social Care	157,832	(61,180)	96,652
340,801	(233,067)	107,735	Children's Services	360,117	(247,590)	112,527
31,171	(3,451)	27,720	Public Health	37,624	(3,254)	34,370
111,937	(40,012)	71,924	Place and Economic Growth	127,697	(45,200)	82,497
67,557	(57,998)	9,559	Corporate Services	70,964	(58,868)	12,096
14,123	(4,608)	9,515	Capital, Treasury and Technical Accounting	22,818	(3,333)	19,485
20,927	(29,151)	(8,224)	Housing Revenue Account	45,034	(31,441)	13,593
<b>733,844</b>	<b>(427,448)</b>	<b>306,396</b>	<b>Cost of Services</b>	<b>822,086</b>	<b>(450,865)</b>	<b>371,221</b>
		329	Other Operating Expenditure			354
		444	Parish Council precepts			246
		34,292	Payments to Housing capital receipts to government pool			35,069
		(951)	Levies			9,577
			(Gains)/losses on the disposal of non-current assets			
		<b>34,113</b>	<b>Total Other Operating Expenditure</b>			<b>45,246</b>
		16,691	Financing and Investment Income and Expenditure			18,867
	(321,604)		Taxation and Non-Specific Grant Income			(344,787)
		<b>35,597</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>90,547</b>
		(1)	Tax expense of Subsidiaries			-
		<b>35,596</b>	<b>Group (Surplus)/Deficit</b>			<b>90,547</b>
		(78,990)	Other Comprehensive Income and Expenditure			(52,913)
		130	Revaluation (gains)/losses non-current assets			13
		(25,026)	Impairment losses on non-current assets			2,615
		125,204	(Surplus) or deficit on revaluation of available for sale financial assets			4,100
			Remeasurement of net defined benefit liability			
		<b>21,318</b>	<b>Total Other Comprehensive Income and Expenditure</b>			<b>(46,185)</b>
		<b>56,914</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>44,362</b>

## 5.2 Group Movement in Reserves Statement

This statement shows the movement in the year of the different reserves held by the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and other resources. The 'Surplus or Deficit on the Provision of Services' line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund and Housing Revenue Account for Council Tax setting and dwelling rent setting purposes.

Movement in reserves during 2024/25	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	HRA	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council's Share of Group reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April 2024</b>	(18,865)	(72,540)	(91,405)	(21,106)	-	(1,222)	(28,306)	(142,039)	(549,590)	(691,629)	(10,181)	(701,811)
Total Comprehensive Income and Expenditure	47,697	-	47,697	23,022	-	-	-	70,719	(56,144)	14,574	29,787	44,361
Adjustments Between Accounting Basis and Funding Basis under regulations	(40,409)	-	(40,409)	(26,363)	-	(121)	(17,346)	(84,239)	84,239	-	-	-
Adjustments Between Group Accounts and Authority Accounts	20,323	-	20,323	-	-	-	-	20,323	-	20,323	(20,323)	-
<b>Net (Increase)/Decrease before transfers to Earmarked Reserves</b>	<b>27,610</b>	<b>-</b>	<b>27,610</b>	<b>(3,341)</b>	<b>-</b>	<b>(121)</b>	<b>(17,346)</b>	<b>6,802</b>	<b>28,095</b>	<b>34,897</b>	<b>9,464</b>	<b>44,361</b>
Transfers To/(From) Earmarked Reserves	(27,610)	27,610	-	-	-	-	-	-	-	-	-	-
<b>(Increase)/Decrease in year</b>	<b>0</b>	<b>27,610</b>	<b>27,610</b>	<b>(3,341)</b>	<b>-</b>	<b>(121)</b>	<b>(17,346)</b>	<b>6,802</b>	<b>28,095</b>	<b>34,897</b>	<b>9,464</b>	<b>44,361</b>
<b>Balance at 31 March 2025</b>	<b>(18,865)</b>	<b>(44,930)</b>	<b>(63,795)</b>	<b>(24,447)</b>	<b>-</b>	<b>(1,343)</b>	<b>(45,652)</b>	<b>(135,237)</b>	<b>(521,495)</b>	<b>(656,732)</b>	<b>(717)</b>	<b>(657,449)</b>

### 5.3 Group Balance Sheet

The Group Balance Sheet summarises the financial position of the Council and its subsidiary as a whole. It shows the value of group assets and liabilities at the end of the financial year.

31 March 2024 £000		31 March 2025 £000
791,202	Property Plant and Equipment	832,993
169,298	Infrastructure Assets	170,874
21,141	Heritage Assets	21,141
19,624	Investment Property	20,487
6,033	Intangible Assets	4,894
72,725	Long Term Investments	68,066
42,754	Long Term Debtors	45,074
9,459	Pension Asset	
<b>1,132,236</b>	<b>Long Term Assets</b>	<b>1,163,529</b>
10,273	Short Term Investments	-
642	Inventories	708
62,169	Short Term Debtors	67,459
8,766	Cash and Cash Equivalents	37,910
610	Assets Held For Sale (Less than one year)	782
-	Deferred Tax	3
<b>82,460</b>	<b>Current Assets</b>	<b>106,862</b>
(21,820)	Short Term Borrowing	(27,468)
(84,269)	Short Term Creditors	(109,558)
(5,302)	Short Term Provisions	(7,057)
	<b>Short Term Liabilities</b>	
(11,406)	-Private Finance Initiatives	(12,557)
(302)	- Leases	(765)
(6)	-Transferred Debt	(6)
<b>(123,105)</b>	<b>Current Liabilities</b>	<b>(157,411)</b>
(7,134)	Long Term Provisions	(7,642)
(161,484)	Long Term Borrowing	(210,291)
	<b>Other Long Term Liabilities</b>	
(38,380)	-Pension Liabilities	(32,685)
(181,704)	-Private Finance Initiatives	(201,293)
(445)	- Leases	(3,164)
(27)	-Transferred Debt	(22)
(17)	-Deferred Credits	(16)
(590)	Capital Grants Receipts In Advance	(418)
<b>(389,781)</b>	<b>Long Term Liabilities</b>	<b>(455,531)</b>
<b>701,809</b>	<b>Net Assets</b>	<b>657,449</b>
(152,219)	Usable Reserves	(135,954)
(549,590)	Unusable Reserves	(521,495)
<b>(701,809)</b>	<b>Total Reserves</b>	<b>(657,449)</b>

Movement in reserves during 2023/24	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	HRA	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Restated Unusable Reserves	Total Council Reserves	Council's Share of Group reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1 April 2023</b>	(18,865)	(99,193)	(118,058)	(22,585)	-	(1,004)	(22,298)	(163,945)	(572,860)	(736,805)	(21,917)	(758,722)
Total Comprehensive Income and Expenditure	16,786	-	16,786	1,119	-	-	-	17,905	9,052	26,957	29,955	56,912
Adjustments Between Accounting Basis and Funding Basis under regulations	(8,352)	-	(8,352)	360	-	(218)	(6,008)	(14,218)	14,218	-	-	-
Adjustments Between Group Accounts and Authority Accounts	18,219	-	18,219	-	-	-	-	18,219	-	18,219	(18,219)	-
<b>Net (Increase)/Decrease before transfers to Earmarked Reserves</b>	<b>26,653</b>	<b>-</b>	<b>26,653</b>	<b>1,479</b>	<b>-</b>	<b>(218)</b>	<b>(6,008)</b>	<b>21,906</b>	<b>23,270</b>	<b>45,176</b>	<b>11,736</b>	<b>56,912</b>
Transfers To/(From) Earmarked Reserves	(26,653)	26,653	-	-	-	-	-	-	-	-	-	-
<b>(Increase)/Decrease in year</b>	<b>(0)</b>	<b>26,653</b>	<b>26,653</b>	<b>1,479</b>	<b>-</b>	<b>(218)</b>	<b>(6,008)</b>	<b>21,906</b>	<b>23,270</b>	<b>45,176</b>	<b>11,736</b>	<b>56,912</b>
<b>Balance at 31 March 2024</b>	<b>(18,865)</b>	<b>(72,540)</b>	<b>(91,405)</b>	<b>(21,106)</b>	<b>-</b>	<b>(1,222)</b>	<b>(28,306)</b>	<b>(142,039)</b>	<b>(549,590)</b>	<b>(691,629)</b>	<b>(10,181)</b>	<b>(701,811)</b>

## 5.4 Group Cash Flow Statement

	Notes	2023/24 £000	2024/25 £000
Net deficit on the provision of services		(35,596)	(90,547)
Adjustment to surplus or deficit on the provision of services for non-cash movements	32	57,323	138,369
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	32	(46,826)	(49,788)
<b>Net cash flows from operating activities</b>		<b>(25,099)</b>	<b>(1,966)</b>
Net Cash flows from Investing Activities	33	(6,702)	(10,049)
Net Cash flows from Financing Activities	34	9,341	41,159
<b>Net increase or (decrease) in cash and cash equivalents</b>		<b>(22,460)</b>	<b>29,144</b>
Cash and cash equivalents at the beginning of the reporting period		31,227	8,766
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>8,766</b>	<b>37,910</b>

## 5.5 Explanatory Notes to the Group Accounts

Where figures in the group accounts differ materially from the Council's single entity accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the Council's accounts.

### G1. Group Accounting Policies

The Accounting Policies of the Council's subsidiary companies have been aligned with the Council's Accounting Policies contained in Note 35. Any statutory adjustments between accounting basis and funding basis included in the Council's Accounting Policies do not apply to the subsidiary companies.

#### Inclusion within the Group Accounts

The Council has business relationships with a number of entities over which it has varying degrees of control or influence. These are classified into the categories of subsidiaries, associates and joint ventures. The meaning of these terms are outlined below:

**Subsidiary** - "A subsidiary is an entity including an unincorporated entity such as a partnership that is controlled by another entity (the Council), known as the parent." MioCare Group CIC is classified as a subsidiary of Oldham Council and has therefore been consolidated. More detail regarding this organisation can be found in note G3.

**Associate** - "An associate is an entity over which an investor (the Council) has significant influence."

**Joint Venture** - "A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement"

The Council does not currently have any material associate or joint venture arrangements with any other entities.

A number of entities have not been included in the group accounts on the grounds of materiality, details of the Council's relationship with each of them can be found in note G2.

### Consolidation of Subsidiaries

As a subsidiary entity, MioCare Group CIC (MioCare) has been consolidated on a line by line basis with all intra-group transactions and balances removed.

### G2. Bodies Not Consolidated

The following have not been consolidated into Group Accounts.

Entity	Reason
Oldham Economic Development Association Limited	Subsidiary although not material.
Southlink Developments Limited	Subsidiary although not material.
Meridian Group	Subsidiary although not material.
Northern Roots (Oldham Ltd.)	Subsidiary although not material.
Oldham Total Care Ltd.	Subsidiary although not material.
Foxdenton LLP	Joint venture although not material.
Community 1st Oldham (Chadderton) Ltd.	Joint venture although not material.

Further details can be found in Note 12 Related Parties.

### G3. Bodies Consolidated

The Council has consolidated one Subsidiary in the 2024/25 Group Accounts, MioCare Group Community Interest Company (MioCare), which has prepared its accounts under the FRS 102 accounting standard.

MioCare is a care and support provider and is fully owned by Oldham Council. It delivers services through two subsidiaries: Oldham Care and Support Ltd (OCS) and MioCare Services Ltd.

The draft accounts for the year to 31 March 2025 for MioCare have been summarised below, with comparator figures for the previous reporting period.

MioCare Group CIC	31 March 2024 £000	31 March 2025 £000
Net Assets	21,913	716
Surplus/(Deficit) - before tax	641	495
Surplus/(Deficit) - after tax	519	495

#### G4. Group Defined Benefit Pension Schemes

##### Transactions Relating to Post-employment Benefits

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and the General Fund Balance through the Group Movement in Reserves Statement during the year: Further details relating to the Council's pension schemes can be found in Note 30 and Note 31.

	2023/24	2024/25
	£000	£000
<b>Service Cost</b>		
Current service cost	(22,160)	(19,744)
Past service cost (including curtailments)	(1,192)	(3,711)
Effect of Settlements	(137)	(409)
<b>Total service cost</b>	<b>(23,489)</b>	<b>(23,864)</b>
<b>Financing and Investment Income and Expenditure</b>		
Interest income on scheme assets	65,967	71,135
Interest cost on defined benefit obligation	(56,756)	(57,905)
Interest on the effect of the asset ceiling	(4,849)	(14,601)
<b>Total net interest</b>	<b>4,362</b>	<b>(1,371)</b>
<b>Total Post Employment Benefits Charged to the Deficit on the Provision of Services</b>	<b>(19,127)</b>	<b>(25,235)</b>
<b>Remeasurements of the Net Defined Liability Comprising:</b>		
Return on plan assets excluding amounts included in net interest	33,633	(13,873)
Change in demographic assumptions	8,132	2,106
Actuarial gains/(losses) arising from changes in financial assumptions	65,895	175,277
Other Experience and actuarial adjustments	(38,958)	13,628
Changes in the effect of the asset ceiling	106,941	(181,238)
Asset Ceiling Adjustment	(284,978)	(496,899)
<b>Total remeasurements recognised in other comprehensive income</b>	<b>(109,335)</b>	<b>(500,999)</b>
<b>Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(128,462)</b>	<b>(526,234)</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to the deficit on the provision of services	19,127	25,235
<b>Employers' Contributions Payable to the Scheme</b>	<b>(24,065)</b>	<b>(25,571)</b>

## Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2023/24 £000	2024/25 £000
Fair value of plan assets	1,478,218	1,514,841
Present value of funded liabilities	(1,177,086)	(1,026,383)
Present value of unfunded liabilities	(28,993)	(24,244)
Asset Ceiling Adjustment	(301,060)	(49,689)
<b>Net Liability Arising From Defined Benefit Obligation</b>	<b>(28,921)</b>	<b>(32,685)</b>

## Reconciliation of Asset Ceiling Adjustment

	2023/24 £000	2024/25 £000
Asset Ceiling Balance at 1 April	(102,092)	(301,060)
Interest on the effect of Asset Ceiling	(4,849)	(14,601)
Changes in the effect of Asset Ceiling	(194,119)	(181,238)
<b>Asset Ceiling Balance 31 March</b>	<b>(301,060)</b>	<b>(496,899)</b>

## Reconciliation of the Movements in Fair Value of Scheme Assets

	2023/24 £000	2024/25 £000
Opening fair value of scheme assets	1,399,736	1,478,218
Effect of Settlements	(2,876)	(4,737)
Interest Income	65,967	71,135
<b>Remeasurement loss</b>		
Return on plan assets excluding amounts included in net interest	33,633	(13,873)
Contributions from employer	21,343	22,837
Contributions from employees into the scheme	7,261	7,296
Benefits paid	(46,846)	(46,035)
<b>Closing Fair Value of Scheme Assets</b>	<b>1,478,218</b>	<b>1,514,841</b>

## Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation)

	2023/24	2024/25
	£000	£000
Opening fair value of scheme liabilities	1,206,086	1,206,079
Current service cost	22,160	19,744
Interest cost	56,756	57,905
Effect of Settlements	(2,739)	(4,328)
Contributions from scheme participants	7,261	7,296
<b>Remeasurement gain</b>		
Actuarial losses arising from changes in financial assumptions	(65,895)	(175,277)
Change to demographic assumptions	(8,132)	(2,106)
Other experience and actuarial adjustments	38,958	(13,628)
Past service cost	1,192	3,711
Benefits paid	(49,568)	(48,769)
<b>Closing Fair Value of Scheme Liabilities</b>	<b>1,206,079</b>	<b>1,050,627</b>

## Pension Scheme Assets

	31 March 2024 £000	31 March 2025 £000
Equities	728,132	707,776
Debt Instruments	291,560	324,633
Property	415,658	45,499
Cash	42,868	45,499
Derivatives	-	(2,360)
<b>Total</b>	<b>1,478,218</b>	<b>1,514,839</b>

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Council and MioCare have engaged Hymans Robertson LLP, an independent firm of actuaries to assess their respective pension schemes, estimates being based on the latest full valuation of the scheme as at 31 March 2025 for MioCare and Oldham Council.

The significant assumptions used by the actuary have been:

MioCare Services CIC	2023/24	2024/25
<b>Mortality assumptions:</b>		
<b>Longevity at 65 for current pensioners:</b>		
Men	19.0	18.9
Women	22.6	22.6
<b>Longevity at 65 for future pensioners:</b>		
Men	19.8	19.7
Women	24.2	24.1
Rate of increase in salaries	3.55%	3.55%
Rate of increase in pensions (CPI)	2.75%	2.75%
Rate for discounting scheme liabilities	4.85%	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period and assumes for each assumption change all other assumptions remain constant.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method.

MioCare Group CIC Change in Assumptions at 31 March 2025	Approximate % Increase to Employee Liability	Approximate Monetary Amount £000
0.1% decrease in real discount rate	2%	775
1 year increase in member life expectancy	4%	1,543
0.1% increase in the salary increase rate	0%	64
0.1% increase in the pension increase rate	2%	732

The significant assumptions used to assess the Council's Pension scheme assets and liabilities can be found in Note 31, along with an associated sensitivity analysis.

## G5. External Audit fee for the Group

The Group has incurred the following costs in relation to the Group audit fees for the external audit of the Council's Statement of Accounts by Forvis Mazars LLP and the audit of the accounts of MioCare Group CIC by Saffery LLP.

The costs for Saffery's LLP 2023/24 audit has been revised to £0.052m and the costs for Forvis Mazars LLP has been increased to £396k . The total revised external audit costs for Group were £0.448m.

	2023/24 £000	2024/25 £000
Fees payable to Forvis Mazars LLP with regard to external audit services carried out by the appointed auditor for the year for Oldham Council	360	396
Fees payable to Saffery LLP with regard to external audit services carried out by the appointed auditor for the year for MioCare Services CIC	54	43
<b>Total</b>	<b>414</b>	<b>439</b>

## 6.0 Glossary of Terms

### **Accruals Basis**

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

### **Actuarial Gains and Losses**

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

### **Agency Services/Agencies**

These are services that are performed by or for another Authority or public body, where the principal (the Authority responsible for the service) reimburses the agent (the Authority carrying out the work) for the costs of the work.

### **Amortisation**

A charge to the comprehensive income and expenditure statement which spreads the cost of an intangible asset over a number of years in line with the Council's accounting policies.

### **Appointed Auditors**

The appointment of External Auditors to Local Authorities is undertaken by the Public Sector Audit Appointments Limited (PSAA), an independent company limited by guarantee and incorporated by the Local Government Association in August 2014. Forvis Mazars LLP is the Council's appointed auditor.

### **Asset**

Items of worth that are measurable in terms of value. Current assets may change daily, but the Council is expected to yield the benefit within the one financial year (e.g. short-term debtors). Non-current assets yield benefit to the Council for a period of more than one year (e.g. land).

### **Associate Companies**

An associate is an entity over which the Council has significant influence.

### **Association of Greater Manchester Authorities (AGMA)**

AGMA represents the ten local authorities in Greater Manchester and works in partnership with Central Government, regional bodies and other Greater Manchester public sector bodies.

### **Balances**

The balances of the Authority represent the accumulated surplus of income over expenditure on any of the Funds.

### **Better Care Fund (BCF)**

The BCF was announced by Government in the June 2013 spending round to ensure a transformation in health and social care.

### **Capital Adjustment Account**

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the

historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

### **Capital Expenditure**

This is expenditure on the acquisition of a non-current asset, or expenditure, which adds to, and not merely maintains, the value of an existing non-current asset.

### **Capital Financing Charges**

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money.

### **Capital Receipts**

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

### **Carrying Amount**

The Balance Sheet value recorded of either an asset or a liability.

### **Central Support Services**

Central Support Services which are recharged to frontline services as overheads to measure total cost.

### **Chartered Institute of Public Finance and Accountancy (CIPFA)**

CIPFA is the leading professional accountancy body for public services.

### **CIPFA LASAAC Local Authority Code Board**

This board is responsible for preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting for the United Kingdom (the Code). The board is a partnership between CIPFA (England, Northern Ireland and Wales) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

### **Collection Fund**

The Council as a billing authority has a statutory obligation to maintain a separate Collection Fund. This shows the transactions relating to the collection of Council Tax and Business Rates and its distribution to Local Government bodies.

### **Community Assets**

These are non-current assets that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

### **Contingent Liabilities or Assets**

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council's accounts.

### **Contract Procedure Rules**

The Council's Contract Procedure Rules form part of the Council's Constitution. They are in place to ensure that any procurement processes for goods and services achieve best value and are transparent, open and fair making it possible for all decisions to be audited satisfactorily.

### **Co-operative Council**

This is the ethos of the Council embodied by the desire that citizens, partners and staff work together to improve the borough and create a confident and ambitious place.

### **Corporate Resources**

This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

### **Council Tax Requirement**

This is the estimated revenue expenditure on General Fund services that will be financed from the Council Tax after deducting income from fees and charges, General Fund Balances, specific grants and any funding from reserves.

### **Creditors**

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

### **Current Service Cost**

Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

### **Current Value**

The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

### **Curtailement**

Curtailements will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

### **Debtors**

These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

### **Dedicated Schools Grant (DSG)**

The DSG is a ringfenced grant payable to Local Authorities for the funding of both academies and maintained schools. It can only be used to finance expenditure that is included in the school's budget, as defined in the School Finance and Early Years (England) Regulations 2024. The schools budget includes elements for a range of educational services provided on an Authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each academy and Council maintained school.

### **Deferred Capital Receipts**

These represent capital income still to be received after disposals have taken place and wholly consists of principal outstanding from the sale of Council assets.

### **Defined Benefit Scheme**

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

### **Defined Contribution Scheme**

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

**Department for Education (DfE)**

The Department for Education is a Central Government department responsible for children's services and education, including early years, schools, higher and further education policy, apprenticeships and wider skills in England.

**Depreciation**

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of property, plant and equipment assets.

**Depreciated Replacement Cost (DRC)**

A method of valuation that provides a proxy for the market value of specialist assets.

**Derecognition**

Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

**Discounts**

Discounts represent the outstanding discount received on the premature repayment of Public Works Loan Board loans. In line with the requirements of the Code, gains arising from the repurchase or early settlement of borrowing have been written back to revenue. However, where the repurchase or borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains have been recognised over the life of the replacement loan.

**Earmarked Reserves**

The Council holds a number of reserves earmarked to be used to meet specific, known or predicted future expenditure.

**Education & Skills Funding Agency (ESFA)**

The ESFA brings together the former responsibilities of the Education Funding Agency (EFA) and Skills Funding Agency (SFA) to create a single agency accountable for funding education and skills for children, young people and adults.

**External Audit**

The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

**Fair Value**

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Fees and Charges**

Income arising from the provision of services e.g. the use of trade waste services

**Finance Lease**

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

**Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

### **Financial Management Code**

Published by CIPFA it provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability.

### **Financial Regulations**

These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

### **Financial Reporting Council (FRC)**

The Financial Reporting Council (FRC) promotes transparency and integrity in business. It regulates auditors, accountants and actuaries, and sets the UK's Corporate Governance and Stewardship Codes.

### **Generally Accepted Accounting Principles (GAAP)**

Generally accepted accounting principles, or GAAP, are standards that encompass the details, complexities, and legalities of accounting. The Financial Accounting Standards Board (FASB) uses GAAP as the foundation for its comprehensive set of approved accounting methods and practices.

### **General Fund**

This is the main revenue fund of the Authority and includes the net cost of all services financed by local taxpayers and Government grants.

### **Greater Manchester Combined Authority (GMCA)**

Created by the Local Government, Economic Development and Construction Act, the Greater Manchester Combined Authority (GMCA) assumed its powers and duties on 1 April 2011. It took over the functions previously the responsibility of the Greater Manchester Integrated Transport Authority (GMITA), which it replaced. It also took over responsibility for transport planning, traffic control and wide loads, assumed responsibility for the transportation resources allocated to the Greater Manchester region and regional economic development functions. From 1 April 2018 it took over responsibilities for activities previously undertaken by the Greater Manchester Waste Disposal Authority, the Greater Manchester Fire and Rescue Service, and the Greater Manchester Police and Crime Commissioner.

### **Greater Manchester Integrated Care Partnership**

The Greater Manchester Integrated Care Partnership (Greater Manchester ICP) brings together all health and social care partners across Greater Manchester and wider public sector and community organisations to improve the health and wellbeing of the 2.8 million people who live in Greater Manchester.

### **Heritage Asset**

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

### **Housing Benefit**

This is an allowance to persons receiving little or no income to meet, in whole or part, their rent. Benefit is allowed or paid by Local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to the Authority's own tenants are known as rent rebate and that paid to private tenants as rent allowance.

### **Housing Revenue Account (HRA)**

Local Authorities are required to maintain a separate account - the Housing Revenue Account - which sets out the expenditure and income arising from the provision of social housing. Other services are charged to the General Fund.

### **Impairment**

A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a non-current asset's market value and evidence of obsolescence or physical damage to the asset.

### **Infrastructure Assets**

Non-current assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

### **Intangible Assets**

These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licenses and patents.

### **Interest Cost (Pensions)**

For a defined benefit scheme, the expected increase during the period on the present value of the scheme liabilities which arises from the passage of time.

### **International Financial Reporting Standard (IFRS)**

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

### **Inventories**

Amounts of unused or unconsumed stocks held in expectation of future use. Inventories are comprised of the following categories:

- Goods or other assets purchased for resale
- Consumable stores
- Raw materials and components
- Products and services in intermediate stages of completion
- Finished goods

### **Investment Properties**

Property, which can be land or a building or part of a building or both, that is held solely to earn rentals or for capital appreciation or both, rather than for operational purposes.

### **Joint Venture**

A joint venture is a joint arrangement whereby the parties who have joint control of the arrangement have rights to the net assets of the arrangement.

### **Leasing Costs**

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

### **Lender Option Borrower Option (LOBO)**

A LOBO is a type of loan instrument. The borrower borrows a principal sum for the duration of the loan period (typically 20 to 50 years), initially at a fixed interest rate. Periodically (typically every six months to 3 years), the lender has the ability to alter the interest rate. Should the lender make this offer, the borrower then has the option to continue with the

instrument at the new rate or alternatively to terminate the agreement and pay back the principal sum without penalty.

### **Lessor and Lessee**

The **lessor** is the legal owner of the asset or property, and he gives the **lessee** the right to use or occupy the asset or property for a specific period. Although the **lessor** retains ownership of the asset, they have reduced rights to the asset during the course of the agreement.

### **Liabilities**

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

### **Local Government Information Unit (LGiU)**

The Local Government information Unit (LGiU) is a Local Government membership body, thinktank and registered charity. Established in 1983 as a membership organisation for UK local authorities, the LGiU aims to strengthen local democracy and put citizens in control of their own lives, communities and services.

### **Loss Allowance**

The allowance for expected credit losses on financial assets, such as debtors.

### **Materiality**

Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about the Council.

### **Medium-Term Financial Strategy (MTFS)**

This is a financial planning document that sets out the future years' financial forecasts for the Council. It considers local and national policy influences and projects their impact on the general fund revenue budget, Capital Programme and HRA. In Oldham it usually covers a four or five year timeframe.

### **Minimum Revenue Provision (MRP)**

MRP is the minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

### **Ministry for Housing, Communities and Local Government (MHCLG)**

MHCLG is a Central Government department with the overriding responsibility for determining the allocation of general resources to Local Authorities.

### **Movement in Reserves Statement (MiRS)**

The MiRS shows the movement during the year on the different reserves held by the Council, analysed into usable reserves (those that can be applied to fund expenditure or reduce taxation) and other unusable reserves.

### **Non Domestic Rates (NDR) (also known as Business Rates)**

NDR is the levy on business property, based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines national rate poundage each year which is applicable to all Local Authorities.

### **Net Book Value (NBV)**

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

**Net Debt**

Net debt is the Council's borrowings less cash and liquid resources.

**NHS Greater Manchester Integrated Care ('NHS GM')**

This new organisation is the statutory body in charge of NHS money and is responsible for making sure services are in place to put plans into action in regard to health provision in Greater Manchester including Oldham.

**Ofsted**

Ofsted is the Office for Standards in Education, Children's Services and Skills. Ofsted inspects services providing education and skills for learners of all ages and regulates services that care for children and young people.

**Outturn**

Actual expenditure and income compared to the budget.

**Pension Asset Ceiling Adjustment**

The pension asset ceiling adjustment is made to ensure sure that the Council's balance sheet properly reflects how the value of any defined benefit deficit or surplus is affected by the pensions scheme's rules and funding requirements.

**Pooled Aligned Budget**

A pooled fund, arising from a Section 75 Agreement between Oldham Council and Oldham CCG (to 30/06/2022) and subsequently with the Oldham Integrated Care Partnership (ICP), but the partners' respective financial contributions to such a fund are held in their own bank accounts.

**Pooled Budget**

A pooled fund, arising from a Section 75 Agreement between Oldham Council and Oldham ICP, comprising financial contributions from both partners hosted by one of the partners in its bank account.

**Pooled Fund**

This can be either a Pooled Budget or a Pooled Aligned Budget.

**Precept**

The amount collected by the Council on behalf of other bodies. For 2024/25 the major precepts were payable in relation to the GM Mayor as Police and Crime Commissioner and the Mayoral General Precept (including Fire Services).

**Premiums**

These are discounts that have arisen following the early redemption of long-term debt, which are written down over the lifetime of replacement loans where applicable.

**Prior Period Adjustments**

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

**Private Finance Initiative (PFI)**

A Central Government initiative which aims to increase the level of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage Authorities' participation.

**Property, Plant and Equipment (PPE)**

PPE are tangible assets (i.e. assets that have physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

## **Provisions**

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs are uncertain.

## **Public Sector Audit Appointments (PSAA)**

Public Sector Audit Appointments Limited (PSAA) is a company established in 2014 by the LGA which secures efficient and effective arrangements for the independent appointment of auditors and audit services for opted-in Local Government bodies.

## **Public Works Loan Board (PWLB)**

An arm of Central Government which is the major provider of loans to finance long-term funding requirements for Local Authorities.

## **Related Parties**

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, and all Senior Officers. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

## **Remeasurement of the Net Defined Benefit Liability**

Remeasurement of the Net Defined Benefit Liability (asset) comprises:

- a) actuarial gains and losses
- b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
- c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

## **Reporting Standards**

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS).

## **Reserves**

Amounts set aside to help manage future risks, to provide working balances or that are earmarked for specific future expenditure priorities.

## **Revaluation Reserve**

The Reserve records the accumulated gains on the non-current assets held by the Authority arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

## **Revenue Contributions**

The method of financing capital expenditure directly from revenue.

## **Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

**Section 75 (S.75) Agreement**

An agreement made between a Local Authority and an NHS body under the powers of the National Health Service Act 2006 which facilitates the pooling of resources to improve the delivery of health and social care. Locally the agreement is between Oldham Council and Oldham ICP.

**Subsidiary**

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Council.

**Treasury Management**

This is the process by which the Authority controls its cash flow and its borrowing and lending activities.

**Treasury Management Strategy (TMS)**

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Council.

**Trust Funds**

These are funds administered by the Council on behalf of charitable organisations and/or specific organisations.

**Unsupported (Prudential) Borrowing**

This is borrowing for which no financial support is provided by Central Government. The borrowing costs are to be met from current revenue budgets.

**Unusable Reserves**

In addition to useable reserves, the Council also details unusable reserves within the financial statements. These reserves hold costs that the Council has accrued but not yet financed and they cannot be spent on Council services.