

Cheshire West & Chester Council

# Statement of Accounts

2024-25

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Cheshire West  
and Chester

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## Narrative Report

### Introduction

The Statement of Accounts is produced annually to give electors, local taxpayers, Members of the Council, employees and other interested parties clear information about the Council's finances. The narrative report is designed to provide an explanation of the Council's financial position and to assist in the interpretation of the financial statements. It also contains additional information about the Council in general and the main influences on the financial statements to provide a link between the Council's activities and challenges and how these impact on its financial resources.

The narrative report is structured as follows:

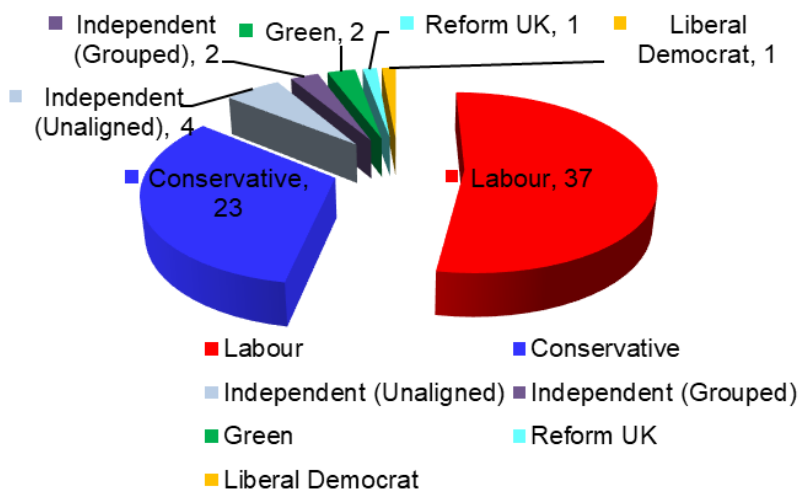
1. About Cheshire West and Chester
2. Strategic Principles and Priorities
3. Summary of Performance
4. Summary of Financial Performance and Main Issues in 2024-25
5. Explanation of the Financial Statements

### 1. About Cheshire West and Chester

Cheshire West and Chester is a unitary authority with a population of 365,061 and covers 350 square miles. The borough is located in the North West of England and includes the historic city of Chester and the industrial and market towns of Ellesmere Port, Frodsham, Helsby, Malpas, Neston, Northwich and Winsford. About a third of the population lives in rural areas.

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

The Council is a politically led organisation and has adopted a Leader and Cabinet model. It has 70 elected members representing 45 wards across the Borough. The political make-up of the Council on 31 March 2025 is shown below.



## 2. Strategic Principles and Priorities

Cheshire West and Chester Council is an innovative organisation that seeks to pioneer new and improved ways of delivering services. As an ambitious Council we are determined to deliver the best possible services, improve the quality of life for all residents and help to tackle disadvantage.

In February 2024 Cheshire West and Chester Council approved a Borough Plan for 2024-2028, with a vision of a stronger future where we all play our part in thriving, caring and sustainable communities. The Borough Plan sets out the Council's vision, what it wants to achieve, and the way its staff will work. The Plan outlines our missions over the period, what success looks like, and how we and our communities can work together to make a difference:

**Starting Well:** The best possible start for our children and young people, with improved opportunity, a healthier start, greater resilience in families and the best possible support and care when it is needed.

**Tackling Hardship and Poverty:** More people feel more financially secure as the causes and impact of hardship and poverty are addressed by working alongside residents.

**Resilient People Living Their Best Lives:** Local people are enabled to flourish, be healthy, happy and independent for longer in supportive communities.

**Opportunity in a Fair Local Economy:** Local people and businesses contribute to and benefit from a strong and fair local economy.

**Neighbourhood Pride:** Residents live in well maintained, connected and safe places with good and affordable homes.

**Green Spaces:** Individuals, public services and businesses take action to tackle the climate emergency, achieve net zero, protect the natural environment and adapt to the impact of climate change.

**Doing Things Differently:** The Council working ever more closely with communities, scaling up prevention, improving use of digital solutions, developing our workforce and strengthening our partnerships.

The Council Plan is fully joined up with other key plans and strategies across the borough and is monitored through a performance management framework. The plan was developed alongside a four-year budget plan to ensure that resources are in place to deliver the focus areas.

### Financial Scenario

The Council's financial position is set against a backdrop of continued financial uncertainty and challenge for the Local Government sector. A continued increase in the cost and demand for the Council's people-based services, particularly Adult Social Care, directly impacted the Council's in year expenditure in 2024-25 and, as a result, the Council had to identify significant mitigating actions in year to offset this additional pressure.

Current indications are that many of the pressures being faced by the Council in year - both inflationary and demand-led - are likely to continue into future years. These were a key consideration when setting the Council's budget for 2025-26 and indicative budget plan for 2026-29. The February 2025 budget report set out that, based on assumptions regarding Government funding and cost pressures, the Council faced a gross funding gap of over £156.3m over the next four years, with a gap of £49.6m in 2025-26. A package of savings proposals and additional income was approved in February 2025 to arrive at a balanced budget for 2025-26, with further indicative savings identified for the following three years. At the time the budget was set there remains a residual funding gap of £4.1m to be bridged over the period 2026-29.



### Revenue Outturn

There was an overspend for the year of £3.5m. This was after the delivery of significant in year mitigations to offset pressures.

There were overspends in Adults (£14.7m) and Children and Families (£1.0m) offset by underspends in Place and Growth (£1.2m), Public Health (£0.1m), Corporate (£1.2m) Council wide (£4.4m) and one-off exceptional mitigations (£5.3m). Within Adult Social Care the main cost pressures in 2024-25 were due to a significant increase in the external care costs relating to Mental Health (£2.3m) along with pressures within Older People Services (£10.0m) and Learning Disability Services (£2.1m).

Throughout the year, to offset the underlying cost pressures, a number of actions were taken including the continued operation of the Spending Review Panel which provided a challenge to all expenditure greater than £5,000 along with all vacancy requests. In addition, there was a review of external funding opportunities and the identification of other mitigations by services to reduce spend which contributed towards the improved final position.

The £4.4m underspend on Council-wide budgets reflects underspends on energy and contingencies, release of reserves and provisions following a robust review along with business rates and Council fund levy surpluses. One-off exceptional mitigations were also agreed, following a £5.3m underspend on the capital financing budget, in view of the significant cost pressures experienced in year. The underspend was due to a number of factors:-

- Additional interest, due to higher interest rates, on cash balances held.
- Reduced short-term borrowing due to cash balances.
- Refresh of capital financing for key development projects, e.g. Northgate and Barons Quay.

### 3. Summary of Performance

The following table highlights key areas of Council performance during 2024-25.

Adults
<ul style="list-style-type: none"> <li>• Adult Social Care continues to support a large number of local people to live independently in their communities. The proportion of new reablement clients that did not need ongoing support remains strong and stable, with almost 83% needing no ongoing support compared to 55% in 2019-20. The number of older people with a permanent admission to a residential or nursing care home has also reduced significantly to 477 per 100,000 compared to 528 per 100,000 in the previous year. This reflects the impact of rehabilitation and reablement pathways and the principles of community led support which support increased independence.</li> <li>• The number of carers receiving an assessment increased significantly in 2024-25 to 636 (2023-24 461). This increase is attributable to the promotion of the service by both adult social care teams and by the assessment provider, Cheshire and Warrington Carer Trust.</li> <li>• A number of new measures were introduced this year to better understand waiting times across key services and enable targets to be set for future years. During the year the waiting times for care act and occupational therapy assessments reduced by 7 and 5 days to 24 and 33 days respectively. However, the average number of days someone waits for care increased from 9 days at the start of the year to 12 at the end of March 2025. This increase was largely down to several complex cases where the Council required more time to source the right care with the right care provider.</li> </ul>
Children and Young People
<ul style="list-style-type: none"> <li>• The rate of children in care deteriorated slightly during the year, increasing to 83 per 10,000 (aged 0-17) from 81 per 10,000 in 2023-24. There was also a minor deterioration in the percentage of re-referrals to children's social care that are within 12 months of a previous</li> </ul>

referral. The percentage at the end of March 2025 was 23% compared to 21% in 2023-24. There was however an improvement in the rate of children in need, which reduced to 283 per 10,000 (aged 0-17) compared to 319 at this time last year.

- The number of complex families being supported to achieve positive outcomes has again improved significantly, with 676 families having been successfully supported in 2024-25 compared to 547 in the previous year. The percentage of care-leavers in employment, education or training remained stable during the year at 57%.
- The proportion of young people aged 16-17 who have an Education Health and Care Plan and who are participating in learning has remained stable at 83%.
- Educational attainment at Key Stage 2 in relation to pupils achieving expected standards in reading, writing, and maths (7-11 years) showed an improving trend in 2024-25 for both “all pupils”, and “disadvantaged pupils” at 59% and 40% respectively. At Key Stage 4, whilst the progress of “all pupils” in comparison to the national average remained stable, the progress of disadvantaged pupils in comparison to the national average improved slightly. Both are, however, below the national average. Work to develop a new school attendance programme has been impacted on by the scale of new statutory guidance.
- In 2024-25 the proportion of pupils with special education needs and disabilities (SEND) who are educated in mainstream provision improved slightly to 69% for primary age children. This represented a 1% increase on the previous year. The percentage for secondary age children remained stable at 42%.

#### **Public Health**

- Breastfeeding rates have continued to increase steadily over the course of the Council Plan and are currently at their highest annual level at almost 54%.
- The percentage of adults doing at least 2.5 hours of physical activity per week, has reduced slightly to 70% from 72% seen during the previous year.

#### **Community, Environment and Economy**

- A change in the way that the national road condition indicator is calculated means that it can no longer be compared to previously published data. However, as at the end of March 2025 the proportion of A, B, C and U roads which required structural maintenance was 6.6%, 16.8%, and 17.8% respectively. Across all three categories of roads a greater percentage of local roads require maintenance than the average for those authorities who have published data. However, current national averages should be considered with some caution, given that of the 159 reporting English authorities an average of 17% have not published data for the current year and the survey coverage is very likely not 100% of their networks.
- Household waste and recycling levels remained stable at around 59% up to Q3 of 2024-25. Full year figures for this indicator are not available due to the time required to collate data. The proportion of sites inspected that meet acceptable standards for litter and detritus levels increased to 95% compared to 83% in the previous year. Despite a sustained improvement in the number of fly-tipping incidents in recent years, 2024-25 saw an increase to 3,988 reportable incidents by the end of the year. Enforcement against fly-tipping incidents remains a priority and is intelligence led and robust. The highest appropriate penalty for the level of offending is always sought by the Council and additional investigation and enforcement options are being explored.
- There were 14,500 trees planted or regenerated across the borough this year, with the majority being funded through the Trees for Climate programme.
- The number of people supported during the year to start or remain in employment via CW&C Skills and Employment team was 2,314. The Council supported 2,502 businesses during the year compared to 1,528 in 2023-24, and 98% of adult learners starting an adult education course completed it successfully.
- 100% of the 23 major planning decisions determined were within an agreed extension. The percentage of minor planning applications determined within agreed time increased to 96.1%, with 473 out of 492 applications being determined following an agreed extension.
- The number of affordable homes delivered this year reduced to 635 this year compared to 670 in 2023-24. This is partially attributable to delays in utility connections and a change in fencing

contractor meaning some slippage in delivery. A total of 341 empty homes have been returned to use since April 2024, which is significantly above the 239 achieved in 2023-24. The percentage of private landlords resolving serious damp and mould issues due to Council involvement increased to 100% in 2024-25 compared to 88% in the previous year. Similarly, the percentage of private rented properties in serious disrepair that have been improved within six months due to Council intervention also increased to 100% during the year from 78% in 2023-24.

- The number of homeless preventions has increased to 827 which represents an increase of 8% on the previous year's 768. This work is being supported by the recently approved homelessness and rough sleeping strategy which brings a focus on early intervention, supporting those with complex needs and improving access to a range of settled, supported and temporary accommodation. The number of households in temporary accommodation fell to 90 (174 in 2023-24), and the proportion of these in B&B accommodation also reduced significantly to 47% (70% in 2023-24). The number of vulnerable residents supported to remain in their own homes through disabled facilities and other grants increased very significantly to 2,218 in 2024-25 compared to 142 in the previous year. This is reflective of many of the cases that were taken in-house having been completed and there having been an increase in the delivery of major adaptations.

#### **Corporate Services**

- Council Tax and Non-Domestic Rates collection rates remained high during 2024-25 at 96.7% and 98.2% respectively. The average processing time for housing benefit claims improved significantly during the year and was 6 days at the end of March 2025 compared to an average of 9 days seen in the previous year.
- The proportion of customer contact being dealt with digitally has continued to increase from 75% in 2023-24 to 79% in the latest year, with new functionality for reporting missed waste collections rolled out. Customer satisfaction with telephone and digital customer services has also remained high at 90% in the current year.
- The timeliness of responses to stage two complaints has fluctuated during 2024-25 but overall performance has remained stable compared with the previous year. However, the timeliness of responses to stage one complaints remains an issue, and work is continuing to improve both the speed at which complaints are resolved and to monitor the timeliness of responses.
- ICT service availability remained very high at 99.7% but there was a reduction to 56% in ICT projects delivered to agreed production milestones compared to 78% in 2023-24. Staff engagement remains positive and stable, with 85% of staff agreeing that the Council has a positive impact on society. The majority of staff also feel that the Council is a great place to work and that it allows them to balance their work and personal life.
- The amount of expenditure spent with locally registered suppliers increased to £55m in 2024-25 compared with almost £51m in the previous year. However, as a proportion of the Council's total expenditure this represented a reduction to 39.1% from 42.1% in 2023-24. The two key reasons for the reduction are the Council letting of the Highways Term Maintenance contract to a supplier with a head office outside the borough, and ForHousing having moved their head office out of the borough. Both suppliers do, however, continue to employ local people and invest in local supply chains.

#### **4. Summary of Financial Performance and Main Issues in 2024-25**

##### **Revenue Expenditure**

The Statement of Accounts sets out the Council's spending and funding in line with accounting requirements. The Council measures financial performance against planned activity in the form of the Council's management accounts. In 2024-25 the Council reported an overspend of £3.5m and achieved £23.2m of savings. The table below reflects the final budget for 2024-25 and actual income and expenditure against it.



Directorate	Budget £m	Actual £m	Variance £m
Adults	161.5	176.2	14.7
Children and Families	104.2	105.2	1.0
Public Health	19.6	19.5	-0.1
Place and Growth	69.8	68.6	-1.2
Corporate Services	33.1	31.9	-1.2
Other	23.5	13.8	-9.7
<b>Total Net Spend</b>	<b>411.7</b>	<b>415.2</b>	<b>3.5</b>

### Capital Expenditure

The capital programme budget for 2024-25 totalled £112.8m, before decisions taken at outturn. Expenditure in year was £87.652m, representing a delivery rate of 78%, as shown in the table below.

	Revised Budget £m	Outturn £m	Variance £m	Delivery Rate %
Children & Families	14.740	12.291	-2.449	83%
Adults	4.899	4.234	-0.665	86%
Public Health	2.717	1.631	-1.086	60%
Place and Growth	79.154	61.130	-18.024	77%
Corporate and Council Wide	11.336	8.366	-2.970	74%
<b>Total Capital Programme</b>	<b>112.846</b>	<b>87.652</b>	<b>-25.194</b>	<b>78%</b>

Some of the key outputs in 2024-25 were:

#### Children and Families

There was £9.4m of investment in schools and education, including expansion schemes at Christleton High School and Tarporley High School, preparatory work for new primary schools in Ellesmere Port and Chester along with continued planned investment and ongoing maintenance to maintain school conditions. In addition, there was investment in special educational needs facilities across the Borough including Dee Banks, Dorin Park and Archers Brook Special School, to support required provision.

#### Adults and Public Health

There was continued support to housing adaptations totalling £4.2m to help residents to live safely in their own homes as well as providing security measures for those at risk of domestic abuse.

The Council continued investment in Leisure Services with the commencement of improvement works at Northgate Arena which are due to complete in early 2026.

#### Place and Growth

The Council invested in major regeneration projects during 2024-25 including £8.6m on Winsford town centre along with £1.3m to transform Ellesmere Port town centre through the Levelling Up Fund (LUF) scheme.

£18.3m was invested in Highways and Transport related schemes during 2024-25 including £15.5m spent on maintaining highways through targeted works and £2.8m on developing transport links in the Borough. In addition, £2.2m has been spent on Chester Walls as part of a planned investment to reinstate the Walls following the partial collapse in January 2020.

The Housing Revenue Account (HRA) invested £10.4m in its existing stock including bathroom, kitchen, roof and window replacement to maintain a decent homes standard. In addition, £3.5m was spent on continued refurbishment and improvements to Sutton Way.

There was £1.8m spent on Supporting Housing for Vulnerable People including the refurbishment of Curzon House which is now open as a supported housing facility providing much needed short-term accommodation.

The Council has a commitment to a greener agenda and has invested in climate related schemes including electric vehicle charging points, Grosvenor Museum LED replacement and several community related projects via Cheshire West Crowd/Spacehive. There was also investment to implement a part night switching regime for street lighting.

Other areas of investment included work for the Archives facility in Chester and Crewe and continued investment in Waste Collection with the purchase of 2 new vehicles and improvements at our Material Recovery Facility (MRF). There was also ongoing investment of £1.4m on football pitches along with continuation of works which are transforming Moss Farm.

#### Corporate and Council Wide

Within Corporate Services there was £1.7m spent on continued improvements to core ICT infrastructure and systems including upgrades and development of the Finance and HR business system. The Council continued to invest in digital services including expansion of automated telephony and looking at Artificial Intelligence (AI) solutions. There was also £1.4m spent on transformational activity to improve the efficiency and effectiveness of some Council services.

#### **Financing of the Capital Programme**

The capital programme expenditure for 2024-25 was £87.7m. A breakdown of how this expenditure has been financed is shown in the table below.

<b>Capital Programme Financing</b>	<b>£m</b>
<b>Expenditure to be Financed</b>	<b>87.7</b>
<b>To be funded by:-</b>	
General Capital Receipts	8.4
Specific Capital Receipts	5.7
Grants and Contributions	43.6
Revenue & Service Contributions	0.0
HRA Contributions	6.4
<b>Sub-Total</b>	<b>64.1</b>
Core Borrowing	18.6
Ringfenced Borrowing	5.0
<b>Total Funding</b>	<b>87.7</b>

#### **Overall impact on the General Fund Reserve**

The general fund reserve balance at the start of the year was £26.2m. The Council's risk assessed range for general reserves is £25.8m to £28.8m. Transferring £3.5m to offset the 2024-25 overspend has reduced the general fund reserve balance to £22.7m.

The medium-term financial strategy includes planned contributions to the general fund of £10m over the period 2025-28 (£2.5m in 2025-26) to replenish the reserve. This would ensure the general fund balance is brought back to within the risk assessed range by 2026-27.

## 5. Explanation of the Financial Statements

The Statement of Accounts sets out details of the Council's income and expenditure for the financial year 2024-25 and its Balance Sheet as at 31 March 2025. These statements cover the General Fund, the Collection Fund, Housing Revenue Account and the Pension Fund. Core Financial Statements reflect Council activities including maintained schools:

- The **Comprehensive Income and Expenditure Statement (CIES)** shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation..
- **Movement in Reserves Statement (MIRS)** shows the movement in year on reserves held by the Council, analysed into 'usable' reserves and 'unusable' reserves. The statement shows the true economic cost of providing the authority's services and how those costs are funded from the various reserves held.
- The **Balance Sheet** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets are matched by reserves held by the authority.
- The **Cash Flow Statement** shows the changes in cash and cash equivalents of the Council during the reporting period.

The **Notes** to the Core Financial Statements provide more details about the Council's accounting policies and items contained in the statements.

### Additional Financial Statements:

- The **Statement of Responsibilities** for the Statement of Accounts explains the Council's responsibilities and the responsibilities of the S151 Officer.
- The **Annual Governance Statement** comprises the systems and processes that enable the authority to monitor the achievement of its strategic objectives. This includes the system of internal control used to manage risk. It sets out the main features of this system and its effectiveness.
- The **Housing Revenue Account** is a record of revenue expenditure and income relating to the Council's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants.
- The **Collection Fund** is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council tax and non-domestic rates.
- The **Group Accounts** provide details of the Council's overall financial interests including consideration of its interests in other companies and how their value has changed over the year.
- The **Pension Fund Accounts** summarise the income and expenditure and the Balance Sheet position as at 31 March 2025 of the Cheshire Pension Fund, which is administered by Cheshire West and Chester Council.

## **Statement of Responsibilities for the Statement of Accounts**

### **The Council's responsibilities**

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Operating Officer who is named as the Chief Finance Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

The Statement of Accounts was approved by the Audit and Governance Committee on 18 November 2025.

Date: 10 December 2025

Signed by:  
Councillor Bisset  
Chair of Audit and Governance Committee

### **The Chief Finance Officer's Responsibilities**

The Chief Finance Officer is responsible for the preparation of the Cheshire West and Chester Council's Statement of Accounts and of the Cheshire Pension Fund Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

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

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

The Chief Finance Officer has also:

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

I certify that the Statement of Accounts presents a true and fair view of the financial position and income and expenditure of Cheshire West and Chester Council for the year ended 31 March 2025.

Date: 10 December 2025

Signed by:  
Simon Riley CPFA  
Chief Operating Officer/S151 Officer

# Independent auditor's report to the members of Cheshire West and Chester Council

## Report on the audit of the financial statements

### Opinion on financial statements

We have audited the financial statements of Cheshire West and Chester Council (the 'Authority') and its subsidiaries, associates and joint venture (the 'group') for the year ended 31 March 2025, which comprise the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement, the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement and notes to the financial statements, including material accounting policy information. The notes to the financial statements include the Expenditure and Funding Analysis. 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 group and of the Authority as at 31 March 2025 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

In our evaluation of the Chief Operating Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Operating Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the 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 Chief Operating Officer with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

### **Opinion on other matters required by the Code of Audit Practice**

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of the above matters.

## **Responsibilities of the Authority and the Chief Operating Officer**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Operating Officer. The Chief Operating Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Operating Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Operating Officer is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, Local Government Act 1972, Local Government and Housing Act 1989, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012)).
- We enquired of management and the Audit and Governance Committee, concerning the group and Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to management override of controls, in particular through inappropriate journal entry and management bias in making significant accounting estimates.

- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on material journals across the year, journals posted by senior managers, year-end journals, post year-end journals and journals crediting expenditure at the year-end, along with other high risk characteristics;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, investment property, council dwellings and the valuation of the defined benefit pension net asset and liability; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the risks relating to inappropriate journal entry and management bias in making significant estimates including, the valuation of land and buildings, investment properties, council dwellings and the defined benefit pension net asset and liability. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- Furthermore, where information was brought to our attention during the audit, we considered the outcome of management review and investigations, including whether there were any indications of non-compliance with laws and regulations, relevant guidance or governance procedures.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the local government sector in which the group and Authority operates
  - understanding of the legal and regulatory requirements specific to the Authority and group including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

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

## **Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter except on 10 November 2025 we identified a significant weakness in the Authority's arrangements to secure financial sustainability. This was in relation to the growing cumulative Dedicated Schools Grant (DSG) deficit. The Authority incurred a £12.2m overspend in 2024/25 that resulted in a cumulative deficit of £19.8m as at 31 March 2025. The 2025-26 budget includes a forecast deficit of £21.7m which would result in a projected cumulative deficit of £41.5m by 31 March 2026.

We recommended that the Authority should focus on developing the DSG Deficit Management Plan and implementing the actions identified in the SEND Improvement Plan and SEND High Needs Sustainability Programme at pace, in order to reduce the annual DSG deficit and increase financial resilience in the medium term.

### **Responsibilities of the Authority**

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

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

We cannot formally conclude the audit and issue an audit certificate for Cheshire West and Chester Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

### Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Michael Green*

Michael Green, Key Audit Partner

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

Manchester

10 December 2025



# **Cheshire West and Chester Council Statements**

## **Group Accounts**

## Cheshire West and Chester Council Group Accounts

### Group Accounts

The group accounts contain core financial statements similar to those included in the Council's single entity statements but which represent the consolidated position of the group. Notes to the Group accounts have been included where the relevant values and/or the impact on the group statements are material.

The group accounts are presented in the following pages and include:

Group Comprehensive Income and Expenditure Statement	20
Group Movement in Reserves Statement	21
Group Balance Sheet	23
Group Cash Flow Statement	24
Notes to the group accounts:	
1. Overview	25
2. Group accounting policies	25
3. Reconciliation of the Council's Single Entity statements to Group statements	27
4. Defined benefit pension schemes	32

Supporting notes have only been included where the group outcome is materially different to the disclosures in the Council's single entity accounts.

### Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

This account summarises the resources generated and consumed in providing services and managing the Group during the year.

Restated 2023-24			Group CIES	2024-25		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
26,513	-21,391	5,122	Public Health	26,243	-22,777	3,466
211,705	-58,443	153,262	Adults Directorate	232,589	-55,814	176,775
394,463	-278,945	115,518	Children & Families Directorate	425,486	-300,199	125,287
198,475	-92,683	105,792	Place & Growth Directorate	210,092	-116,976	93,116
105,190	-68,799	36,391	Corporate Services Directorate	119,831	-78,043	41,788
18,406	-25,144	-6,738	HRA	18,054	-28,058	-10,004
3,842	-39,245	-35,403	Central Services	31,252	-46,710	-15,458
11,405	-6,948	4,457	Capital Financing	10,145	-7,037	3,108
<b>969,999</b>	<b>-591,598</b>	<b>378,401</b>	<b>Cost of Services</b>	<b>1,073,692</b>	<b>-655,614</b>	<b>418,078</b>
6,662	-2,296	4,366	Other Operating Income & Expenditure	3,890	-8	3,882
65,323	-28,081	37,242	Financing & Investment Income and Expenditure	30,894	-24,479	6,415
21,270	-378,876	-357,606	Taxation & Non-Specific Grant Income & Expenditure	23,727	-398,945	-375,218
<b>1,063,254</b>	<b>-1,000,851</b>	<b>62,403</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>1,132,203</b>	<b>-1,079,046</b>	<b>53,157</b>
		0	Share of the SDPS by Joint Ventures and Associates (Profit)/Loss			-13
		0	Tax expenses of Joint Ventures and Associates			0
		0	Tax expenses of Subsidiaries			28
		<b>62,403</b>	<b>Group (Surplus)/Deficit</b>			<b>53,172</b>
		-37,135	Surplus on Revaluation of Assets			-53,097
		3,816	Re-measurement (gain)/loss on pension assets/liabilities			5,576
		0	(Surplus)/deficit on revaluation of available for sale assets			0
		0	Others			0
		0	Deferred tax on actuarial gains			0
		0	Share of Other Comprehensive Income & Expenditure of Associates			-50
		<b>-33,319</b>	<b>Other Comprehensive Income &amp; Expenditure</b>			<b>-47,571</b>
		<b>29,084</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>5,601</b>

### Group Movement in Reserves Statement for the year ended 31 March 2025

This schedule shows the movement in the year of the Council's single entity usable and unusable reserves as well as the Council's share of the group reserves.

Consolidated MIRS 2024-25	General Fund Balance	Sums held by Schools	Earmarked Reserves	Total General Fund	Housing Revenue Account	Capital Receipts Reserve	HRA Major Repairs Reserve	Capital grants Unapplied	Authority's Usable Reserves	Authority's Unusable Reserves	Total Reserves of the Authority	Authority's share of the reserves of subsidiaries, associates and joint ventures	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	26,198	8,784	88,750	123,732	737	14,434	6,837	38,712	184,452	1,084,987	1,269,439	200	1,269,639
Final Reserves Adjustment	0	0	0	0	0	0	0	0	0	0	0	2,790	2,790
Balance at 1 April 2024	26,198	8,784	88,750	123,732	737	14,434	6,837	38,712	184,452	1,084,987	1,269,439	2,990	1,272,429
Surplus or (deficit) on provision of services	-44,527	0	0	-44,527	8,355	0	0	0	-36,172		-36,172	-17,000	-53,172
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0	48,075	48,075	-504	47,571
<b>Total Comprehensive Income and Expenditure</b>	<b>-44,527</b>	<b>0</b>	<b>0</b>	<b>-44,527</b>	<b>8,355</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-36,172</b>	<b>48,075</b>	<b>11,903</b>	<b>-17,504</b>	<b>-5,601</b>
* Adjustments between group accounts and the Council's accounts	-16,865	0	0	-16,865	0	0	0	0	-16,865	0	-16,865	16,865	0
Adjustments between accounting basis & funding basis under regulations	38,049	0	0	38,049	-8,220	-3,288	-613	-1,797	24,131	-24,131	0	0	0
<b>Net Increase/(Decrease) before transfers to Earmarked Reserves</b>	<b>-23,343</b>	<b>0</b>	<b>0</b>	<b>-23,343</b>	<b>135</b>	<b>-3,288</b>	<b>-613</b>	<b>-1,797</b>	<b>-28,906</b>	<b>23,944</b>	<b>-4,962</b>	<b>-639</b>	<b>-5,601</b>
<b>Transfers (to)/from Earmarked Reserves</b>	<b>19,874</b>	<b>607</b>	<b>-20,412</b>	<b>69</b>	<b>-69</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increase/(Decrease) in Year</b>	<b>-3,469</b>	<b>607</b>	<b>-20,412</b>	<b>-23,274</b>	<b>66</b>	<b>-3,288</b>	<b>-613</b>	<b>-1,797</b>	<b>-28,906</b>	<b>23,944</b>	<b>-4,962</b>	<b>-639</b>	<b>-5,601</b>
Balance at 31 March 2025	22,729	9,391	68,338	100,458	803	11,146	6,224	36,915	155,546	1,108,931	1,264,477	2,351	1,266,828

\*These adjustments relate to the purchase of goods and services from the Council's subsidiary companies, Brio Leisure and Cheshire West Recycling.

It should be noted that the brought forward balances as at 31 March 2024 has been restated in line with the PPA adjustment on Note 48.

The final reserve adjustment includes the opening balance for Enterprise Cheshire and Warrington of £2.8m which became part of the group accounts from 1 April 2024.

### Group Movement in Reserves Statement 2023-24 Comparative figures

This schedule shows the movement in reserves for the comparative financial year 2023-24.

Restated Consolidated MIRS 2023-24	General Fund Balance	Sums held by Schools	Earmarked Reserves	Total General Fund	Housing Revenue Account	Capital Receipts Reserve	HRA Major Repairs Reserve	Capital grants Unapplied	Council's Usable Reserves	Council's Unusable Reserves	Total Reserves of the Council	Authority's share of the reserves of subsidiaries, associates and joint ventures	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023	26,901	11,373	117,235	155,509	694	15,756	9,565	47,351	228,875	1,069,708	1,298,583	140	1,298,723
Surplus or (deficit) on provision of services	-51,378	0	0	-51,378	4,889	0	0	0	-46,489	0	-46,489	-15,914	-62,403
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0	33,655	33,655	-336	33,319
<b>Total Comprehensive Income and Expenditure</b>	<b>-51,378</b>	<b>0</b>	<b>0</b>	<b>-51,378</b>	<b>4,889</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-46,489</b>	<b>33,655</b>	<b>-12,834</b>	<b>-16,250</b>	<b>-29,084</b>
* Adjustments between group accounts and the Council's accounts	-16,310	0	0	-16,310	0	0	0	0	-16,310	0	-16,310	16,310	0
Adjustments between accounting basis & funding basis under regulations	35,842	0	0	35,842	-4,777	-1,322	-2,728	-8,639	18,376	-18,376	0	0	0
<b>Net Increase/(Decrease) before transfers to Earmarked Reserves</b>	<b>-31,846</b>	<b>0</b>	<b>0</b>	<b>-31,846</b>	<b>112</b>	<b>-1,322</b>	<b>-2,728</b>	<b>-8,639</b>	<b>-44,423</b>	<b>15,279</b>	<b>-29,144</b>	<b>60</b>	<b>-29,084</b>
<b>Transfers (to)/from Earmarked Reserves</b>	<b>31,143</b>	<b>-2,589</b>	<b>-28,485</b>	<b>69</b>	<b>-69</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increase/(Decrease) in Year</b>	<b>-703</b>	<b>-2,589</b>	<b>-28,485</b>	<b>-31,777</b>	<b>43</b>	<b>-1,322</b>	<b>-2,728</b>	<b>-8,639</b>	<b>-44,423</b>	<b>15,279</b>	<b>-29,144</b>	<b>60</b>	<b>-29,084</b>
Balance at 31 March 2024	26,198	8,784	88,750	123,732	737	14,434	6,837	38,712	184,452	1,084,987	1,269,439	200	1,269,639

The Group Reserves have been restated to excluded Avenue Services which is no longer included within the group accounts.



**Group Balance Sheet as at 31 March 2025**

This statement shows the value as at the Balance Sheet date of the asset and liabilities recognised by the Group.

Group Balance Sheet	Group Note	31 March 2025 £000	Restated 31 March 2024 £000
Non-Current Assets			
- Property, Plant and Equipment		1,492,077	1,462,032
- Heritage Assets		30,180	30,376
- Investment Properties		162,054	147,199
- Intangible Assets		7,086	7,071
Long Term Investments		8,514	8,095
Investments in Associates		2,860	0
Long Term Debtors		14,106	18,924
<b>Long Term Assets</b>		<b>1,716,877</b>	<b>1,673,697</b>
Short Term Investments		0	7,500
Assets held for Sale		11,387	12,722
Inventories		260	212
Short Term Debtors		85,790	82,110
Cash and Cash Equivalents	3.5	98,046	88,144
<b>Current Assets</b>		<b>195,483</b>	<b>190,688</b>
Short Term Borrowing		-8,727	-24,133
Short Term Creditors		-174,420	-163,581
Bank Overdraft		-3,233	-5,632
Revenue Grant Receipts in Advance		-104,058	-61,722
Capital Grant Receipts in Advance Short-Term		-14,748	-6,979
Provisions < 1 yr		-4,557	-974
<b>Current Liabilities</b>		<b>-309,743</b>	<b>-263,021</b>
Provisions		-26,810	-25,725
Long Term Borrowing		-225,421	-231,556
Pension Fund Liability	4.0	-12,923	-14,495
Other Long Term Liabilities		-31,725	-21,539
Capital Grant Receipts in Advance		-38,910	-38,410
<b>Long Term Liabilities</b>		<b>-335,789</b>	<b>-331,725</b>
<b>Net Assets</b>		<b>1,266,828</b>	<b>1,269,639</b>
Usable Reserves	3.3	159,192	177,171
Unusable Reserves	3.3	1,107,636	1,092,468
<b>Total Reserves</b>		<b>1,266,828</b>	<b>1,269,639</b>

**Group Cash Flow Statement for the year ended 31 March 2025**

The Cash Flow statement shows the changes in cash and cash equivalents in the group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

<b>Group Cash Flow</b>	<b>31 March 2025 £000</b>	<b>Restated 31 March 2024 £000</b>
Net (surplus) or deficit on the provision of services	53,157	62,403
Adjust net surplus or deficit on the provision of services for non cash	-108,579	-124,461
Adjust for items included in the net surplus or deficit on the provision of	56,692	46,693
<b>Net cash flows from Operating Activities</b>	<b>1,270</b>	<b>-15,365</b>
Investing Activities	-30,571	18,523
Financing Activities	17,000	10,272
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-12,301</b>	<b>13,430</b>
Cash and cash equivalents at the beginning of the reporting period	82,512	95,942
Cash and cash equivalents at the end of the reporting period	94,813	82,512
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-12,301</b>	<b>13,430</b>

**Notes to the group core financial statements****Group Audit Costs for the year ended 31 March 2025**

<b>Fees Payable for Audit Work</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor	437	419
Fees payable in respect of certification of grant claims and other services	58	33
Fees payable for external audit services in regards to subsidiary companies in group	32	31
<b>Total</b>	<b>527</b>	<b>483</b>

Group Audit Costs for subsidiary companies consolidated on a line-by-line basis. Details for the Council are in Note 33 of the Single Entity accounts.

## 1. Overview

Cheshire West and Chester chooses to deliver its services through a variety of delivery models, either under ultimate control or in partnership with other organisations. The financial statements consider the Cheshire West and Chester Council as a single entity thus any business interests in other organisations are reflected in terms of the level of the Council's investment and not their financial performance, year-end balances and exposure to risk. In order to reflect a full picture of the Council's financial activities and business relationships, group financial statements are produced to reflect the extent of Cheshire West and Chester's involvement in group undertakings.

### The Group

The relevant accounting standards have been applied in determining which organisations are included in the group boundary. The extent of the Council's interest and control over the entity was considered as was the materiality of the financial impact on the Council's group accounts and the transparency of less material entities to allow the reader to understand the Group's consolidated position. From this assessment four organisations have been identified as being within the Council's group for financial reporting purposes and these are summarised below by the relevant group category under which they fall.

- **Subsidiaries** - where the Council either wholly or by majority controls an entity. Subsidiaries of the Council included in the 2024-25 group accounts are Cheshire West and Chester Leisure CIC (Brio Leisure) and Cheshire West Recycling (CWR).
- **Joint Venture** – where the Council and another party exercise joint control over an entity. Edsential CIC is the only Joint Venture included in the group financial statements.
- **Associates** – where the Council exercises a significant influence and has a participating interest. Enterprise Cheshire and Warrington became an associate company of the Council in 2024-25 and have been included as an associate in the group accounts for 2024-25. Avenue Services Limited has previously been included within the group accounts; however, their activities have been deemed to not have a material impact of the Council's accounts. Avenue Services has therefore been excluded from the 2024-25 group accounts, the 2023-24 comparator figures within the group accounts have also been restated to exclude this investment.

The Council has business interests in 13 organisations and these have been reviewed in accordance with the Code of Practice for consolidation purposes, of which only those reported above have been consolidated. Further information on all the organisations is given in the Related Parties note Council's single entity accounts (Note 36).

## 2. Group Accounting Policies

The group accounts have been prepared in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom 2024-25 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and those International Financial Reporting Standards where CIPFA had provided guidance notes.

The accounting policies used in preparing the group accounts reflect those used by Cheshire West and Chester Council in their single entity financial statements, these can be found in Note 1 of the Cheshire West and Chester Financial Statements. In order to ensure

consistency of Accounting treatment and the alignment of policies across the group the following policies have been adopted:

#### **Consolidation of Subsidiaries**

Subsidiaries have been consolidated using the acquisition accounting basis. This is the full, line by line consolidation of financial transactions and balances of the Council and its subsidiary companies. To avoid overstating balances within the group financial statements, all transactions and balances between the Council and group companies have been eliminated.

#### **Consolidation of Joint Ventures and Associates**

Both the Joint Venture and Associate companies have been consolidated using the equity method. The investment is brought into the group balance sheet and adjusted to reflect the Council's share in the venture's net asset movement. The Council's share of the bodies operating results for the year is included within the group income and expenditure account. Transactions between the Council and these bodies are not eliminated.

#### **Alignment of Accounting Framework and Policies**

Where the accounting framework used by group companies differs from that of the Council (FRS102 rather than IAS19) including the accounting policies and the impact of such differences would have a material impact on the group financial statements then the relevant balances from the group companies will be adjusted to bring the accounting treatment into line with that applied by the Council.

#### **Unrealised Profits from Intra-group Transactions**

Any unrealised profit reflected in the carrying amount of property, plant and equipment and inventory arising from trading between the Council and its group companies will be eliminated to avoid the double counting of gains.

#### **Company Pensions Accounting Treatment**

For 2023-24 and 2024-25 the pension assets for Brio Leisure and Cheshire West Recycling have exceed the liabilities. In accordance with IFRIC14, an asset ceiling limits the amount of the net pension asset recognised in the accounts. The group accounts therefore include an asset ceiling adjustment for Brio Leisure of £9.3m and for Cheshire West Recycling of £2.4m which reduces the net pension asset to nil.

#### **Company losses Accounting Treatment**

Edsential CIC has reported losses in the year. The losses have been treated in accordance with IAS 28, which states where the losses reduce the carrying amount to zero deductions are suspended, therefore the Edsential CIC losses have been excluded from the consolidated group accounts for 2024-25.

#### **Non-Consolidated Members**

See Notes 4 and 36 of the Council's Accounts.

### 3. Reconciliation of the Council's Single Entity statements to Group statements

Further explanations as to the movement between the single entity and group financial statements have been included in the notes to the accounts where the values and/or the impact on the group statements are material. Note these are explanatory statements.

#### 3.1 Group CIES by Entity type for the year ended 31 March 2025

	Council Single Entity £000	Subsidiaries £000	Joint Venture/ Associate £000	Intra-group transactions £000	Group Results £000
Public Health	3,466	0	0	0	3,466
Adults Directorate	176,775	0	0	0	176,775
Children & Families Directorate	125,287	0	0	0	125,287
Place & Growth Directorate	92,660	17,321	0	-16,865	93,116
Corporate Services Directorate	41,788	0	0	0	41,788
HRA	-10,004	0	0	0	-10,004
Central Services	-15,458	0	0	0	-15,458
Capital Financing	3,108	0	0	0	3,108
<b>Cost of Services</b>	<b>417,622</b>	<b>17,321</b>	<b>0</b>	<b>-16,865</b>	<b>418,078</b>
Other Operating Income & Expenditure	3,890	-8	0	0	3,882
Financing & Investment Income and Expenditure	6,743	-328	0	0	6,415
Taxation & Non-Specific Grant Income & Expenditure	-375,218	0	0	0	-375,218
<b>Surplus/Deficit on Provision of Services</b>	<b>53,037</b>	<b>16,985</b>	<b>0</b>	<b>-16,865</b>	<b>53,157</b>
Share of the SDPS by Joint Ventures and Associates (-Profit/Loss)	0	0	-13	0	-13
Tax expenses of Joint Ventures and Associates	0	0	0	0	0
Tax expenses of Subsidiaries	0	28	0	0	28
<b>Group (Surplus)/Deficit</b>	<b>53,037</b>	<b>17,013</b>	<b>-13</b>	<b>-16,865</b>	<b>53,172</b>
Surplus on Revaluation of Assets	-53,103	6	0	0	-53,097
Re-measurement Gain/-loss on pension assets/liabilities	5,028	548	0	0	5,576
Share of Other Comprehensive Income & Expenditure of Associates	0	0	-50	0	-50
Share of the CIES of Joint Ventures	0	0	0	0	0
<b>Other Comprehensive Income &amp; Expenditure</b>	<b>-48,075</b>	<b>554</b>	<b>-50</b>	<b>0</b>	<b>-47,571</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>4,962</b>	<b>17,567</b>	<b>-63</b>	<b>-16,865</b>	<b>5,601</b>



### 3.2 Group Expenditure and Funding Analysis for the year ended 31 March 2025

This schedule shows how expenditure is allocated for decision making purposes between the Council's directorates Income and Expenditure.

Expenditure and Funding Analysis	2024-25						
	Outturn Reported to Management	Total adjustments to Outturn position	Net Expenditure Chargeable to the General Fund and HRA Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Net Expenditure in the CIES Subsidiaries	Net Expenditure in the CIES Group Total
	£000	£000	£000	£000	£000	£000	£000
Public Health	19,500	-18,240	1,260	2,206	3,466	0	3,466
Adults Directorate	176,200	92	176,292	483	176,775	0	176,775
Children & Families Directorate	105,200	-2,527	102,673	22,614	125,287	0	125,287
Place & Growth Directorate	68,600	-7,081	61,519	31,141	92,660	456	93,116
Corporate Services Directorate	31,900	2,668	34,568	7,220	41,788	0	41,788
HRA	0	-14,705	-14,705	4,701	-10,004	0	-10,004
Central Services	19,100	-60,691	-41,591	26,133	-15,458	0	-15,458
Capital Financing	-5,300	8,408	3,108	0	3,108	0	3,108
<b>Net Cost of Services</b>	<b>415,200</b>	<b>-92,076</b>	<b>323,124</b>	<b>94,498</b>	<b>417,622</b>	<b>456</b>	<b>418,078</b>
Other Income and Expenditure	-411,700	111,784	-299,916	-64,669	-364,585	-336	-364,921
Joint Ventures and Associates	0	0	0	0	0	-13	-13
Tax expenses of Subsidiaries	0	0	0	0	0	28	28
<b>(Surplus)/Deficit on Provision of Services</b>	<b>3,500</b>	<b>19,708</b>	<b>23,208</b>	<b>29,829</b>	<b>53,037</b>	<b>135</b>	<b>53,172</b>
Opening General Fund and HRA Balances at 31 March 2024			-124,469				
Deduct deficit on General Fund and HRA Balance in Year			23,208				
<b>Closing General Fund and HRA Balances at 31 March 2025</b>			<b>-101,261</b>				

### 3.3 Movement in Reserves Statement by Entity as at 31 March 2025

Cheshire West and Chester Council Group 2024-25	Usable Reserves						Unusable Reserves				Total Group Reserves
	Council Single Entity	Intra-group transactions	Council Group	Subsidiaries	Joint Venture/ Associate	Group Total	Council Single Entity	Subsidiaries	Joint Venture/ Associate	Group Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2024</b>	184,452	0	184,452	200	0	184,652	1,084,987	0	0	1,084,987	1,269,639
Final Reserves Adjustment	0	0	0	-7	4,142	4,135	0	0	-1,345	-1,345	2,790
<b>Balance at 1 April 2024</b>	184,452	0	184,452	193	4,142	188,787	1,084,987	0	-1,345	1,083,642	1,272,429
Surplus or (deficit) on provision of services (accounting basis)	-53,037	16,865	-36,172	-17,013	13	-53,172	0	0	0	0	-53,172
Other Comprehensive Expenditure and Income	0	0	0	-554	0	-554	48,075	0	50	48,125	47,571
<b>Total Comprehensive Expenditure and Income</b>	<b>-53,037</b>	<b>16,865</b>	<b>-36,172</b>	<b>-17,567</b>	<b>13</b>	<b>-53,726</b>	<b>48,075</b>	<b>0</b>	<b>50</b>	<b>48,125</b>	<b>-5,601</b>
Adjustments between group accounts and Council's accounts	0	-16,865	-16,865	16,865	0	0	0	0	0	0	0
Adjustments between accounting basis & funding basis under regulations	24,131	0	24,131	0	0	24,131	-24,131	0	0	-24,131	0
<b>Increase / (Decrease) in Year</b>	<b>-28,906</b>	<b>0</b>	<b>-28,906</b>	<b>-702</b>	<b>13</b>	<b>-29,595</b>	<b>23,944</b>	<b>0</b>	<b>50</b>	<b>23,994</b>	<b>-5,601</b>
<b>Balance at 31 March 2025</b>	<b>155,546</b>	<b>0</b>	<b>155,546</b>	<b>-509</b>	<b>4,155</b>	<b>159,192</b>	<b>1,108,931</b>	<b>0</b>	<b>-1,295</b>	<b>1,107,636</b>	<b>1,266,828</b>

It should be noted that the brought forward balances as at 31 March 2024 have been restated in line with the PPA adjustment in Note 48.

The final reserve adjustment includes the opening balance for Enterprise Cheshire and Warrington of £2.8m which became part of the group accounts from 1 April 2024.

### 3.4 Movement in Reserves Intra-Company Adjustments

	General Fund £000	Authority's Usable Reserves £000	Total Reserves of the Authority £000	Authority's share of Subsidiaries Reserves £000	Total Reserves £000
<b>2024-25</b>					
Expenditure on services provided by subsidiaries	1,024	1,024	1,024	-1,024	0
Income from services provided to subsidiaries	-17,889	-17,889	-17,889	17,889	0
<b>Total adjustment between group and authority accounts</b>	<b>-16,865</b>	<b>-16,865</b>	<b>-16,865</b>	<b>16,865</b>	<b>0</b>
<b>2023-24</b>					
Expenditure on services provided by subsidiaries	1,206	1,206	1,206	-1,206	0
Income from services provided to subsidiaries	-17,516	-17,516	-17,516	17,516	0
<b>Total adjustment between group and authority accounts</b>	<b>-16,310</b>	<b>-16,310</b>	<b>-16,310</b>	<b>16,310</b>	<b>0</b>

### 3.5 Balance Sheet as at 31 March 2025

Group Balance Sheet by Entity type as at 31 March 2025	Council Single Entity £000	Subsidiaries £000	Joint Venture/ Associate £000	Intra-group transactions £000	Group Results £000
Non-Current Assets	1,683,623	688	0	0	1,684,311
Intangible Assets	7,086	0	0	0	7,086
Long Term Investments	8,514	0	0	0	8,514
Investments in Associates	0	0	2,860	0	2,860
Long Term Debtors	14,106	0	0	0	14,106
<b>Long Term Assets</b>	<b>1,713,329</b>	<b>688</b>	<b>2,860</b>	<b>0</b>	<b>1,716,877</b>
Short Term Investments	0	0	0	0	0
Assets held for Sale	11,387	0	0	0	11,387
Inventories	163	97	0	0	260
Short Term Debtors	85,591	1,575	0	-1,376	85,790
Cash and Cash Equivalents	94,015	4,031	0	0	98,046
<b>Current Assets</b>	<b>191,156</b>	<b>5,703</b>	<b>0</b>	<b>-1,376</b>	<b>195,483</b>
Short Term Borrowing	-8,727	0	0	0	-8,727
Short Term Creditors	-169,054	-6,742	0	1,376	-174,420
Bank Overdraft	-3,233	0	0	0	-3,233
Revenue Grant Receipts in Advance	-104,058	0	0	0	-104,058
Capital Grant Receipts in Advance Short-Term	-14,748	0	0	0	-14,748
Provisions < 1 yr	-4,557	0	0	0	-4,557
<b>Current Liabilities</b>	<b>-304,377</b>	<b>-6,742</b>	<b>0</b>	<b>1,376</b>	<b>-309,743</b>
Provisions	-26,810	0	0	0	-26,810
Long Term Borrowing	-225,421	0	0	0	-225,421
Pension Fund Liability	-12,923	0	0	0	-12,923
Other Long Term Liabilities	-31,567	-158	0	0	-31,725
Capital Grant Receipts in Advance	-38,910	0	0	0	-38,910
<b>Long Term Liabilities</b>	<b>-335,631</b>	<b>-158</b>	<b>0</b>	<b>0</b>	<b>-335,789</b>
<b>Net Assets</b>	<b>1,264,477</b>	<b>-509</b>	<b>2,860</b>	<b>0</b>	<b>1,266,828</b>
Usable Reserves	155,546	-509	4,155	0	159,192
Unusable Reserves	1,108,931	0	-1,295	0	1,107,636
<b>Total Reserves</b>	<b>1,264,477</b>	<b>-509</b>	<b>2,860</b>	<b>0</b>	<b>1,266,828</b>

**3.6 Cash Flow Statement for the year ended 31 March 2025**

<b>Group Cash Flow by Entity type 2024-25</b>	<b>Council Single Entity £000</b>	<b>Subsidiaries £000</b>	<b>Intra-group transactions £000</b>	<b>Group Results £000</b>
Net cash flows from Operating Activities	1,867	-597	0	1,270
Investing Activities	-30,523	-48	0	-30,571
Financing Activities	17,000	0	0	17,000
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-11,656</b>	<b>-645</b>	<b>0</b>	<b>-12,301</b>
Cash and cash equivalents at the beginning of the reporting period	79,126	3,386	0	82,512
Cash and cash equivalents at the end of the reporting period	90,782	4,031	0	94,813
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-11,656</b>	<b>-645</b>	<b>0</b>	<b>-12,301</b>

#### 4. Defined Benefit Pension Schemes

The following transactions have been included in the Group Comprehensive Income and Expenditure Statement, and the General Fund Balance through the Group Movement in Reserves Statement.

Group Pension CIES and MIRS	<-----LGPS----->			Group	Teachers	LGPS	Total
	CW&C	Brio Leisure	CWR		Unfunded	Unfunded	
	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
	£000	£000	£000	£000	£000	£000	£000
<b>Comprehensive Income and Expenditure Statement</b>							
<b>Service cost comprising:</b>							
Current service cost	28,482	950	131	29,563	0	0	29,563
Past service costs and curtailments	1	0	0	1	0	0	1
(Gain) from settlements	-2,125	0	0	-2,125	0	0	-2,125
<b>Financing and Investment Income and Expenditure</b>							
Net Interest Cost	-9,734	-237	-84	-10,055	627	37	-9,391
Interest on the effect of the asset ceiling	9,651	0	0	9,651	0	0	9,651
<b>Total post-employment benefits charged to Surplus or Deficit on the Provision of Services (SDPS)</b>	<b>26,275</b>	<b>713</b>	<b>47</b>	<b>27,035</b>	<b>627</b>	<b>37</b>	<b>27,699</b>
<b>Other post-employment benefits charged to the CIES</b>							
<b>Remeasurement of the net defined benefit liability comprising:</b>							
Return on plan assets (excluding the amount included in the net interest expense)	42,881	608	186	43,675	0	0	43,675
Actuarial Gains / Losses arising on changes in demographic assumptions	-2,653	-32	-7	-2,692	-30	-1	-2,723
Actuarial Gains / Losses arising on changes in financial assumptions	-226,567	-4,445	-706	-231,718	-744	-29	-232,491
Other experience	-14,118	-168	-28	-14,314	270	-49	-14,093
Adjustment for Asset Ceiling Calculation	206,068	4,503	637	211,208	0	0	211,208
<b>Total post-employment benefit charged to the CIES</b>	<b>31,886</b>	<b>1,179</b>	<b>129</b>	<b>33,194</b>	<b>123</b>	<b>-42</b>	<b>33,275</b>
<b>Movement in Reserves Statement</b>							
Reversal of net charges made to the SDPS for post-employment	-26,275			-26,275	-627	-37	-26,939
<b>Actual amount charged against the General Fund</b>							
Employers' contributions	31,886			31,886	0	0	31,886
Effect of business combinations and disposals	0			0	0	0	0
Retirement Benefits Payable	0			0	1,544	109	1,653

There are no statutory accounting requirements in relation to subsidiary companies.

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

Pensions and Liabilities in the Group Balance Sheet	CW&C	Brio Leisure	CWR	LGPS Group	Teachers Unfunded	LGPS Unfunded	Total
	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
	£000	£000	£000	£000	£000	£000	£000
Present value of obligations	-1,323,808	-16,117	-3,420	-1,343,345	-12,266	-657	-1,356,268
Fair value of plan assets	1,738,512	25,408	5,783	1,769,703	0	0	1,769,703
Adjustment for the effect of the asset ceiling	-414,704	-9,291	-2,363	-426,358	0	0	-426,358
<b>Net Pension Liability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-12,266</b>	<b>-657</b>	<b>-12,923</b>

## Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities	<----- LGPS ----->				Teachers	LGPS	Total
	CW&C	Brio	CWR	Group	Unfunded	Unfunded	
	£000	Leisure £000	£000	£000	2024-25 £000	2024-25 £000	
<b>Opening Balance</b>	<b>1,523,204</b>	<b>18,836</b>	<b>3,845</b>	<b>1,545,885</b>	<b>13,687</b>	<b>808</b>	<b>1,560,380</b>
Current Service Costs	28,482	950	131	<b>29,563</b>	0	0	<b>29,563</b>
Interest Cost	73,142	937	189	<b>74,268</b>	627	37	<b>74,932</b>
Contribution by Scheme Members	10,107	349	42	<b>10,498</b>	0	0	<b>10,498</b>
<b>Remeasurement (gains) and losses:</b>							
Actuarial gains/losses arising from changes in demographic assumptions	-2,653	-32	-7	<b>-2,692</b>	-30	-1	<b>-2,723</b>
Actuarial (gains)/losses arising from changes in financial assumptions	-226,567	-4,445	-706	<b>-231,718</b>	-744	-29	<b>-232,491</b>
Other experience	-14,118	-168	-28	<b>-14,314</b>	270	-49	<b>-14,093</b>
Benefits Paid	-61,835	-310	-46	<b>-62,191</b>	-1,544	-109	<b>-63,844</b>
Past Service Costs & curtailments	1	0	0	<b>1</b>	0	0	<b>1</b>
Liabilities Extinguished on Settlement	-5,955	0	0	<b>-5,955</b>	0	0	<b>-5,955</b>
Effect of Business combinations and	0	0	0	<b>0</b>	0	0	<b>0</b>
<b>Closing balance at 31 March 2025</b>	<b>1,323,808</b>	<b>16,117</b>	<b>3,420</b>	<b>1,343,345</b>	<b>12,266</b>	<b>657</b>	<b>1,356,268</b>

Movement in Fair Value of Assets	<----- LGPS ----->				Teachers	LGPS	Total
	CW&C	Brio	CWR	Group	Unfunded	Unfunded	
	£000	Leisure £000	£000	£000	2024-25 £000	2024-25 £000	
<b>Opening Balance</b>	<b>1,722,189</b>	<b>23,624</b>	<b>5,571</b>	<b>1,751,384</b>	<b>0</b>	<b>0</b>	<b>1,751,384</b>
Interest income	82,876	1,174	273	<b>84,323</b>	0	0	<b>84,323</b>
<b>Remeasurement (gains) and losses:</b>							
Return on plan assets, excluding the amounts included in net interest	-42,881	-608	-186	<b>-43,675</b>	0	0	<b>-43,675</b>
Other Experience	0	0	0	<b>0</b>	0	0	<b>0</b>
Employer Contributions	31,886	1,179	129	<b>33,194</b>	0	0	<b>33,194</b>
Contribution by scheme members	10,107	349	42	<b>10,498</b>	0	0	<b>10,498</b>
Contributions - unfunded benefits	0	0	0	<b>0</b>	1,544	109	<b>1,653</b>
Benefits paid	-61,835	-310	-46	<b>-62,191</b>	0	0	<b>-62,191</b>
Unfunded benefits paid	0	0	0	<b>0</b>	-1,544	-109	<b>-1,653</b>
Effect of Business combinations and	0	0	0	<b>0</b>	0	0	<b>0</b>
Assets distributed on Settlement	-3,830	0	0	<b>-3,830</b>	0	0	<b>-3,830</b>
<b>Closing balance at 31 March 2025</b>	<b>1,738,512</b>	<b>25,408</b>	<b>5,783</b>	<b>1,769,703</b>	<b>0</b>	<b>0</b>	<b>1,769,703</b>
	-414,704	-9,291	-2,363	-426,358			
<b>Total Surplus/Deficit</b>	<b>414,704</b>	<b>9,291</b>	<b>2,363</b>	<b>426,358</b>	<b>-12,266</b>	<b>-657</b>	<b>413,435</b>
<b>Adjustment for Asset Ceiling Calculation</b>	<b>-414,704</b>	<b>-9,291</b>	<b>-2,363</b>	<b>-426,358</b>	<b>0</b>	<b>0</b>	<b>-426,358</b>
<b>Net liability at 31 March 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-12,266</b>	<b>-657</b>	<b>-12,923</b>

## Local Government Pension Scheme Assets

Group Pension Scheme assets	Quoted Prices in active markets 2024-25 £000	Quoted Prices not in active markets 2024-25 £000	Total 2024-25 £000	Share of Total Assets %	Quoted Prices in active markets 2023-24 £000	Quoted Prices not in active markets 2023-24 £000	Total 2023-24 £000
<b>Cash &amp; Cash Equivalents</b>	0	15,451	<b>15,451</b>	0.87%	0	20,057	<b>20,057</b>
<b>Equity Securities:</b>							
<b>By industry type:</b>							
Consumer	8,609	0	8,609	0.49%	8,470	0	8,470
Manufacturing	8,044	0	8,044	0.45%	8,826	0	8,826
Energy and Utilities	0	0	0		0	0	0
Financial Institutions	1,715	0	1,715	0.10%	1,829	0	1,829
Health and Care	3,653	0	3,653	0.21%	3,224	0	3,224
IT	59,041	0	59,041	3.34%	58,655	0	58,655
Other	6,417	0	6,417	0.36%	4,548	0	4,548
	<b>87,479</b>	<b>0</b>	<b>87,479</b>	<b>4.95%</b>	<b>85,552</b>	<b>0</b>	<b>85,552</b>
<b>Private equity:</b>	0	116,827	<b>116,827</b>	<b>6.60%</b>	0	119,036	<b>119,036</b>
<b>Real Estate:</b>							
UK	0	131,120	131,120	7.41%	0	122,813	122,813
Overseas	0	2,257	2,257	0.13%	0	2,346	2,346
	<b>0</b>	<b>133,377</b>	<b>133,377</b>	<b>7.54%</b>	<b>0</b>	<b>125,159</b>	<b>125,159</b>
<b>Investment funds and unit trusts:</b>							
Equities	519,728	0	519,728	29.37%	505,521	0	505,521
Bonds	374,041	290,079	664,120	37.53%	398,832	263,125	661,957
Hedge Funds	0	116,830	116,830	6.60%	0	124,444	124,444
Infrastructure	0	33,159	33,159	1.87%	0	28,569	28,569
Other	0	82,732	82,732	4.67%	0	81,089	81,089
	<b>893,769</b>	<b>522,800</b>	<b>1,416,569</b>	<b>80.04%</b>	<b>904,353</b>	<b>497,227</b>	<b>1,401,580</b>
<b>Total Assets</b>	<b>981,248</b>	<b>788,455</b>	<b>1,769,703</b>	<b>100.00%</b>	<b>989,905</b>	<b>761,479</b>	<b>1,751,384</b>

## The principal assumptions used by the Actuary have been:

The estimation is assessed on an actuarial basis by Hymans for all group companies.

Actuarial assumptions	LGPS 2024-25	LGPS 2023-24
<b>Financial Assumptions</b>		
Rate of increase in salaries	3.45%	3.45%
Rate of increase in pensions	2.75%	2.75%
<b>Discount rate used</b>		
Rate used to Discount liabilities	5.80%	4.85%
<b>Demographic Mortality Assumptions</b>		
Longevity at 65 for current pensioners		
Men	21.1	21.1
Women	23.9	23.9
Longevity at 65 for future pensioners		
Men	21.7	21.8
Women	25.3	25.4



Sensitivity analysis - impact on the defined benefit obligation in the scheme	Increase in assumption	Increase in assumption	Increase in assumption	Decrease in assumption	Decrease in assumption	Decrease in assumption
	LGPS £000	Teachers Unfunded £000	LGPS Unfunded £000	LGPS £000	Teachers Unfunded £000	LGPS Unfunded £000
Longevity (change by 1 year)	52,952	0	0	-52,952	0	0
Salary inflation (change by 0.1%)	891	0	0	-891	0	0
Pension inflation (change by 0.1%)	21,833	200	8	-21,833	-200	-8
Discount rate (change by 0.1%)	-22,107	-200	-8	22,107	200	8

Liability split	CW&C	Brio	CWR
	Liability Split %	Liability Split %	Liability Split %
Active members	33.6%	72.3%	79.5%
Deferred members	17.4%	11.7%	3.3%
Pensioner members	49.0%	16.0%	17.2%
<b>Total</b>	100.0%	100.0%	100.0%

The average duration of the employer's funded liabilities are as follows:

Cheshire West and Chester Council – 19 years

Brio Leisure – 24 years

Cheshire West Recycling – 21 years

# **Cheshire West and Chester Council**

## **Financial Statements**

**Comprehensive Income and Expenditure Statement (CIES)  
for the year ended 31 March 2025**

This account shows the economic cost in year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, which may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (Note 2) and the Movement in Reserves Statement.

2023-24			Comprehensive Income and Expenditure Account	2024-25		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
26,513	-21,391	5,122	Public Health	26,243	-22,777	3,466
211,705	-58,443	153,262	Adults Directorate	232,589	-55,814	176,775
394,463	-278,945	115,518	Children & Families Directorate	425,486	-300,199	125,287
184,987	-79,183	105,804	Place & Growth Directorate	195,678	-103,018	92,660
105,190	-68,799	36,391	Corporate Services	119,831	-78,043	41,788
18,406	-25,144	-6,738	HRA	18,054	-28,058	-10,004
3,842	-39,245	-35,403	Central Services	31,252	-46,710	-15,458
11,405	-6,948	4,457	Capital Financing	10,145	-7,037	3,108
<b>956,511</b>	<b>-578,098</b>	<b>378,413</b>	<b>Cost of Services</b>	<b>1,059,278</b>	<b>-641,656</b>	<b>417,622</b>
6,662	-2,194	4,468	Other Operating Income & Expenditure (Note 11)	3,890	0	3,890
65,198	-27,674	37,524	Financing & Investment Income and Expenditure (Note 12)	30,772	-24,029	6,743
21,270	-378,876	-357,606	Taxation & Non-Specific Grant Income and Expenditure (Note 13)	23,727	-398,945	-375,218
<b>1,049,641</b>	<b>-986,842</b>	<b>62,799</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>1,117,667</b>	<b>-1,064,630</b>	<b>53,037</b>
		-37,185	Surplus on Revaluation of Assets			-53,103
		3,530	Remeasurement of the pension liability / (asset)			5,028
			<b>Other Comprehensive Income &amp; Expenditure (Note 14)</b>			
		<b>-33,655</b>				<b>-48,075</b>
		<b>29,144</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>4,962</b>

### Movement in Reserves Statement for the year ended 31 March 2025

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services (SDPS) line shows the true economic cost of providing the Council's services, more details of which are shown in Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and dwellings rent purposes. The 'Net increase/decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Council.

Movement in reserves statement	General Fund Balance	Sums held by Schools	Earmarked Reserves	Total General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	HRA Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Opening Balance at 1st April 2024</b>	<b>26,198</b>	<b>8,784</b>	<b>88,750</b>	<b>123,732</b>	<b>737</b>	<b>14,434</b>	<b>6,837</b>	<b>38,712</b>	<b>184,452</b>	<b>1,084,987</b>	<b>1,269,439</b>
Surplus or (deficit) on provision of services	-61,392	0	0	-61,392	8,355	0	0	0	-53,037	0	-53,037
Other Comprehensive Income and Expenditure (Note 14)	0	0	0	0	0	0	0	0	0	48,075	48,075
<b>Total Comprehensive Income and Expenditure</b>	<b>-61,392</b>	<b>0</b>	<b>0</b>	<b>-61,392</b>	<b>8,355</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-53,037</b>	<b>48,075</b>	<b>-4,962</b>
Adjustments between accounting basis & funding basis under regulations (Note 8)	38,049	0	0	38,049	-8,220	-3,288	-613	-1,797	24,131	-24,131	0
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	<b>-23,343</b>	<b>0</b>	<b>0</b>	<b>-23,343</b>	<b>135</b>	<b>-3,288</b>	<b>-613</b>	<b>-1,797</b>	<b>-28,906</b>	<b>23,944</b>	<b>-4,962</b>
Transfers to / from Earmarked Reserves	19,874	607	-20,412	69	-69	0	0	0	0	0	0
Increase / (Decrease) in Year	-3,469	607	-20,412	-23,274	66	-3,288	-613	-1,797	-28,906	23,944	-4,962
<b>Balance at 31 March 2025</b>	<b>22,729</b>	<b>9,391</b>	<b>68,338</b>	<b>100,458</b>	<b>803</b>	<b>11,146</b>	<b>6,224</b>	<b>36,915</b>	<b>155,546</b>	<b>1,108,931</b>	<b>1,264,477</b>

It should be noted that the brought forward balances as at 31 March 2024 have been restated in line with the PPA adjustment in Note 48.

**2023-24 Comparative figures**

<b>Restated: Movement in reserves statement</b>	<b>General Fund Balance</b>	<b>Sums held by Schools</b>	<b>Earmarked Reserves</b>	<b>Total General Fund Balance</b>	<b>Housing Revenue Account</b>	<b>Capital Receipts Reserve</b>	<b>HRA Major Repairs Reserve</b>	<b>Capital Grants Unapplied</b>	<b>Total Usable Reserves</b>	<b>Unusable Reserves</b>	<b>Total Authority Reserves</b>
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Opening Balance at 1st April 2023</b>	<b>26,901</b>	<b>11,373</b>	<b>117,235</b>	<b>155,509</b>	<b>694</b>	<b>15,756</b>	<b>9,565</b>	<b>47,351</b>	<b>228,875</b>	<b>1,069,708</b>	<b>1,298,583</b>
Surplus or (deficit) on provision of services	-67,688	0	0	-67,688	4,889	0	0	0	-62,799	0	-62,799
Other Comprehensive Income and Expenditure (Note 14)	0	0	0	0	0	0	0	0	0	33,655	33,655
<b>Total Comprehensive Income and Expenditure</b>	<b>-67,688</b>	<b>0</b>	<b>0</b>	<b>-67,688</b>	<b>4,889</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-62,799</b>	<b>33,655</b>	<b>-29,144</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations (Note 8)</b>	<b>35,842</b>	<b>0</b>	<b>0</b>	<b>35,842</b>	<b>-4,777</b>	<b>-1,322</b>	<b>-2,728</b>	<b>-8,639</b>	<b>18,376</b>	<b>-18,376</b>	<b>0</b>
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	<b>-31,846</b>	<b>0</b>	<b>0</b>	<b>-31,846</b>	<b>112</b>	<b>-1,322</b>	<b>-2,728</b>	<b>-8,639</b>	<b>-44,423</b>	<b>15,279</b>	<b>-29,144</b>
Transfers to / from Earmarked Reserves	31,143	-2,589	-28,485	69	-69	0	0	0	0	0	0
Increase / (Decrease) in Year	-703	-2,589	-28,485	-31,777	43	-1,322	-2,728	-8,639	-44,423	15,279	-29,144
<b>Balance at 31 March 2024</b>	<b>26,198</b>	<b>8,784</b>	<b>88,750</b>	<b>123,732</b>	<b>737</b>	<b>14,434</b>	<b>6,837</b>	<b>38,712</b>	<b>184,452</b>	<b>1,084,987</b>	<b>1,269,439</b>

**Balance Sheet as at 31 March 2025**

This statement shows the value as at the Balance Sheet date of the asset and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the Usable and Unusable Reserves held by the Council. Usable Reserves are those the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable Reserves are not available to fund services and include reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Balance Sheet	Note	31 March 2025 £000	Restated 31 March 2024 £000
<b>Non-Current Assets</b>			
- Property, Plant and Equipment	15	1,491,389	1,461,318
- Heritage Assets	16	30,180	30,376
- Investment Properties	17	162,054	147,199
- Intangible Assets	18	7,086	7,071
Long Term Investments	20	8,514	8,095
Long Term Debtors	20	14,106	18,924
<b>Long Term Assets</b>		<b>1,713,329</b>	<b>1,672,983</b>
Short Term Investments	20	0	7,500
Assets held for Sale	19	11,387	12,722
Inventories		163	107
Short Term Debtors	21	85,591	81,676
Cash and Cash Equivalents	22	94,015	84,758
<b>Current Assets</b>		<b>191,156</b>	<b>186,763</b>
Short Term Borrowing	20	-8,727	-24,133
Short Term Creditors	23	-169,054	-159,486
Bank Overdraft	22	-3,233	-5,632
Revenue Grant Receipts in Advance	35	-104,058	-61,722
Capital Grant Receipts in Advance Short-Term		-14,748	-6,979
Provisions < 1 yr	24	-4,557	-974
<b>Current Liabilities</b>		<b>-304,377</b>	<b>-258,926</b>
Provisions	24	-26,810	-25,725
Long Term Borrowing	20	-225,421	-231,556
Pension Fund Liability	43	-12,923	-14,495
Other Long Term Liabilities	20	-31,567	-21,195
Capital Grant Receipts in Advance Long-Term	35	-38,910	-38,410
<b>Long Term Liabilities</b>		<b>-335,631</b>	<b>-331,381</b>
<b>Net Assets</b>		<b>1,264,477</b>	<b>1,269,439</b>
Usable Reserves	25	155,546	184,452
Unusable Reserves	26	1,108,931	1,084,987
<b>Total Reserves</b>		<b>1,264,477</b>	<b>1,269,439</b>

### Cash Flow Statement for the year ended 31 March 2025

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

Cash Flow Statement	31 March 2025 £000	Restated 31 March 2024 £000
Net (surplus) or deficit on the provision of services	53,037	62,799
Adjust net surplus or deficit on the provision of services for non cash movements	-107,592	-124,654
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	56,422	46,344
<b>Net cash flows from Operating Activities</b>	<b>1,867</b>	<b>-15,511</b>
Investing Activities	-30,523	18,610
Financing Activities	17,000	10,272
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-11,656</b>	<b>13,371</b>
Cash and cash equivalents at the beginning of the reporting period	79,126	92,497
Cash and cash equivalents at the end of the reporting period	90,782	79,126
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-11,656</b>	<b>13,371</b>

Further details are disclosed in Notes 27, 28 and 29 of the supporting information.



## 1. Significant 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 by The Accounts and Audit (England) Regulations 2015 to prepare an annual Statement of Accounts, and those regulations require it to be prepared in accordance with proper accounting practices. These practices primarily comprise of the 'The Code of Practice on Local Authority Accounting in the United Kingdom' (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the accounts is principally historical cost and fair value, modified by the revaluation of certain categories of non-current assets and financial instruments. The accounts have been prepared on a going concern basis.

### 1.2 Changes to Accounting Policies, Presentation, Disclosure and Comparative Information

Where there is a change in an accounting policy, the changes for the current reporting period and, where practical, the changes resulting from retrospective application are disclosed in each financial statement. Corrections are only made to update accounting estimates or to correct errors where failure to do so would materially misrepresent the Council's financial position.

Where changes to prior periods are required, these will be set out in a separate note disclosing the impact and, where material, within comparative information.

There are several amendments to the Code of Practice for 2024-25 and these are listed below;

- IFRS 16 Leases - A substantial and significant accounting change with the mandatory adoption.
- Narrative Reporting - Amendments to reflect the requirement to include consideration of the risk of a Section 114 notice might need to be issued.
- Sale and Leaseback - Amendments to reflect the recent amendments on the treatment of sale and leaseback arrangements.
- Service Concession Arrangements - Amendments to reflect the changes to the treatment on initial application of IFRS 16 to service concession arrangements which provide for variable payments that depend on an index or rate.

### 1.3 Accruals of Income and Expenditure

#### Revenue Recognition

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

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

In particular:

- Sales, fees, charges and rent due from customers are accounted for as income at the date the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.
- Supplies are recorded as expenditure when they are consumed, where there is a gap between their purchase and consumption they are carried as inventory on the balance sheet.
- Interest payable on borrowing and receivable on investments is accounted for on the basis of effective interest rate for the relevant financial instrument rather than the cash flows determined by the contract.
- Where assets are identified as impaired because of the likelihood arising from a past event that payments due under the contract will not be made, the asset is impaired and written down to the recoverable amount and a charge made to the revenue for income that might not be collected.
- Where payment is made or income received in advance of a service being received or delivered then a prepayment or receipt in advance is recorded in the Balance Sheet.

Exceptions to these rules include:

- Rents for Council houses - these are due in full on the date the weekly debit is raised. No receipt in advance is recorded for any part of the debit raised in the last week of March that relates to a period after 31 March.
- Payroll costs – expenses earned in March but not paid until April or later are not accrued for and are recognised in the new financial year's accounts.

These exceptions are applied consistently to ensure that 12 months costs are charged each year and there is no material impact on the reported accounts.

#### **1.4 Accounting for Council Tax**

While the Council Tax income credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and paid out to major preceptors. The amount credited to the General Fund under statute is a Council's precept or demand for the year plus or minus the Council's share of the surplus/deficit on the Collection Fund for the previous year as estimated in January of the financial accounting year.

The Council Tax income included in the CIES is the Council's share of the Collection Fund's accrued income for the year. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the MiRS.

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

#### **1.5 Accounting for Non-Domestic Rates (NDR)**

Similarly to Council Tax, regulations dictate that there are differences between when NDR income is recognised in the Council's accounts and when it is released to the General Fund. The NDR income reflected in the Collection Fund represents the total accrued income for the year for the Cheshire West and Chester area; this includes allowances for non-collection and any repayments which may be required due to appeals. The Council is entitled to receive 49% of this income (with 50% being due to Central Government and 1% to Cheshire Fire and Rescue Service) and this is reflected in the CIES.

Under regulation the amount of NDR that can be credited to the Council's General Fund in any year is restricted to the level estimated at the start of that financial year plus/minus its share of any surpluses or deficits anticipated at that time. Any differences between this sum and the share of accrued NDR income is included in the CIES is taken to the Collection Fund Adjustment Account via the MiRS.

The Government operates equalisation arrangements whereby funding is top-sliced from Councils with a large NDR income base and transferred to those with a lower income base. Under this scheme Cheshire West and Chester is required to transfer approximately 25% of its accrued share of NDR income to each year as a tariff payment. The cost of making this payment is recorded in the CIES.

### **1.6 Accounting for Schools**

In line with the 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. Maintained schools exclude Academies and Free Schools but cover all the following schools:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation

Schools non-current assets (school buildings and playing fields) are recognised on the Balance Sheet where the Council directly owns the assets, where the Council holds the balance of control of the assets or where the school or the school governing body own the assets or have had the right to use the assets transferred to them. The Council has judged that faith schools (voluntary aided or controlled) which are not sited on Council land, over which it has no long term guarantees of availability, do not meet the criteria for recognition as an asset under IAS16. Consequently, the non-current assets of Church Owned schools are not recognised on the Balance Sheet.

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

The written-off asset is not a charge to the General Fund, as the cost of the non-current asset disposals resulting from schools transferring to an Academy is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

### **1.7 Agency Income and Expenditure**

Under various statutory powers, a Council may agree with other local authorities, water companies and Government departments to do work on their behalf. The body carrying out agency services is reimbursed by the responsible body to the extent of approved expenditure together with any agreed contribution toward administrative costs.

Cheshire West and Chester Council have acted as an agent on behalf of:

- Major preceptors – Cheshire Police and Cheshire Fire and Rescue in the collection of Council Tax.
- Central Government and Cheshire Fire and Rescue – In relation to the collection of Non-Domestic Rates income.

- Business Improvement Districts – Collecting income in relation to BIDs in Northwich, Gadbrook Park, West Chester, and Winsford 1-5 and paying the sums over to Groundwork or CH1 for the provision of security and environmental services.

### 1.8 Pooled Budgets

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

### 1.9 Current and Non-Current Distinction

Assets are classified as current when they are expected to be realised within one year. Liabilities are classified as current when they are expected to be settled within one year of the date of the Statement of Accounts. All other assets and liabilities are classified as non-current.

The following are generally classified as non-current:

- intangible assets
- tangible assets (property plant and equipment, heritage, investment property)
- investments in group companies
- pension fund liability
- capital receipts in advance
- long term borrowing
- other debtors

Generally, the following are classified as current assets or liabilities:

- cash and cash equivalents
- inventories
- assets held for sale
- short term investments
- short term borrowing
- other creditors

### 1.10 Events After the Balance Sheet Date

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

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

Events taking place after the date of authorisation for issue are not reflected in the accounts, see Note 7 for details.

### 1.11 Exceptional Items

When items of expenditure or income are individually material, their nature and amount are disclosed separately, either in the CIES or in the Notes to the accounts, depending on how significant the items are to the understanding of the Council's financial performance.

### 1.12 Cash and Cash Equivalents

Cash comprises cash in hand and recoverable on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.13 Employee Benefits

#### Benefits Payable During Employment

The Council recognises the costs of benefits received by current employees (such as wages, salaries or long-term benefits) as they are incurred. All such costs are charged to the CIES.

Payments for accumulating paid absences (e.g. annual/flexi leave entitlements) are accounted for as they are earned and not when they are taken. Where leave has been earned during the current year but not fully taken (and can be carried forward to the following year), the cost of the earned leave entitlement is recognised in the current year. An annual accrual is undertaken to reflect these untaken entitlements at current rates of pay, as any change to current rates of pay for which the entitlement is paid is deemed not material and therefore no uplift has been accrued.

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

#### Termination Benefits

Termination benefits are usually payable following compulsory or voluntary redundancy decisions. These include lump-sum payments and enhancement of retirement benefits and salary beyond the period in which the employee provides economic benefit to the Council.

Redundancy and enhanced salary costs are recognised in the CIES as soon as the Council is demonstrably committed to incurring the costs. However, enhanced retirement benefits, paid via the Pension Fund, are charged to the General Fund in accordance with the pension regulations. The Council funds these actuarial early retirement costs through the long term liability reserve.

#### Post-Employment Benefits (Pensions)

The LGPS provides defined benefits based on a member's career average salary in the form of lump sums and pensions based on scheme membership earned during employment.

Any fundamental amendments to the Pension Plan will require comparator values to be included in the Accounts to establish any resultant gain or loss.

#### (i) Local Government Pension Scheme

All employees (other than teachers and NHS), subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. Councillors were also eligible to participate in the scheme up to the year ending March 2016. The scheme is known as the Cheshire Pension Fund and is administered by Cheshire West and Chester Council; it is governed by the Public Services Pensions Act 2013 and administered with the following secondary legislation on behalf of all participating employers:

- The LGPS Regulations 2013 (as amended)
- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The LGPS (Management and Investment of Funds) Regulations 2016

Under International Accounting Standard 19 (IAS 19) the Local Government Scheme is accounted for as a defined benefit scheme. The liabilities of the scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit

method, which is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees. Those liabilities are discounted to their present-day equivalent using the indicative rate of return on a high-quality corporate bond.

An asset ceiling has been introduced in the Statement of Accounts since 2022-23. This change references the maximum benefit that is available in terms of any pension surplus and the present value of any reduction in future service costs. The asset ceiling recognises the lower of any IAS19 surplus or asset ceiling (present value of future economic benefits available).

The assets of the Fund attributable to the Council are included at their fair value as follows:

- Quoted securities using current bid price.
- Unquoted securities based on professional estimate.
- Unitised securities current bid price.
- Property market value.

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

#### **A) Service Costs**

**i) Current Service Cost** – any increases due to service earned this year.

**ii) Past Service Cost** – changes arising from current year decisions which affect the value of service earned in earlier years. Curtailments are additional employer liabilities incurred when a member stops contributing to the scheme earlier than expected, e.g. following redundancy, but without a reduced pension.

**iii) Gains/Losses on Settlements** – the result of actions that change the scope of the Council's future pension liability, for example a group of staff transferring to a different employer.

**B) Net Interest on the Defined Benefit Liability** – difference between the increase in the present value of liabilities as they move a year closer to payment and the expected return on investments over the same period.

**C) Remeasurements of the Defined Benefit Liability** – the impact of changes to the assumptions underpinning the actuarial estimates of the value of assets and liabilities are charged to the Pension Reserve as Other Comprehensive Income and Expenditure. These could be due to changes in assumed mortality rates, discount rates, inflation or because the actual level of investment returns is different from the long-term averages assumed under B.

**D) Contributions Paid to the Fund** – cash paid as employer contributions to the Pension Fund.

Components A-B are charged to the CIES in year (as detailed in Note 43) but, to avoid changes in pension liabilities from having a disproportionate impact on Council Tax, statutory provisions exist that restrict the amount charged against the General Fund.

#### **(ii) Teachers' Pension Scheme**

This scheme is administered by the Teachers' Pensions Agency (TPA), on behalf of the Department for Education (DfE). Although the scheme is unfunded, the Government operates a notional fund as the basis for calculating employers' contributions.

This scheme is accounted for on a defined contribution basis – no liability for future payments is recognised in the Balance Sheet, and the Children's Directorate line in the CIES is charged with the employer's contributions payable in the year.

#### **(iii) Teachers' Unfunded Scheme**

In addition, the Council is responsible for any payments outside the scheme relating to early retirement and these are charged to the CIES within Net Cost of Service to the Directorate they relate. This scheme holds no assets and is accounted for on a defined benefit basis using the same policies that are applied to the Local Government Pension Scheme.



### 1.14 Fair Value Measurement

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

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

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date e.g. Treasury Bills, Gilts and Certificates of Deposit.
- Level 2 – inputs other than quoted prices included within Level 1 that is observable for the asset or liability, either directly or indirectly e.g. fixed term bank deposits.
- Level 3 – unobservable inputs for the asset or liability. For example, Ordinary shares in unquoted limited companies.

### 1.15 Financial Instruments

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and are carried at their amortised cost (carrying value). Interest payable on such amounts is charged to the CIES by multiplying the carrying value by the effective interest rate.

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

Penalties on the early repayment of existing loans are debited to the Financing and Investment Income and Expenditure line in the CIES in the year of early repayment. Where the early repayment involves the exchange of an existing loan for a new replacement loan (modification), then the cost of any penalty for the early repayment of the loan is added to the carrying value of the new replacement loan and charged to the CIES over the life of the replacement loan as part of the interest charge on the loan. Where penalties for early repayment have been charged to the CIES, regulations allow the impact on the General



Fund to be spread over future years. The Council has a policy of spreading such penalties over the remaining term of the replacement loan. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund is managed by a transfer to or from the Financial Instruments Adjustment Account in the MiRS.

### **1.16 Financial Assets**

Financial assets are classified and measured according to the reason the Council has for holding the financial assets and the asset's cash flow characteristics.

There are three main classes and measurement bases for financial assets:

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

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

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

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). Likewise, the amount of interest credited to the CIES is the amount receivable for the year as per the loan agreement. Any profit or loss on the sale of the financial asset is debited / credited to the Financing and Investment Income and Expenditure line in the CIES in the year of sale.

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

These assets are initially measured at fair value (market price). At each balance sheet date the asset's fair value is re-measured to the current fair value (market price). Changes in fair value between balance sheet dates are charged or credited to the Surplus / Deficit on the Provision of Services (SDPS).

The fair values of such assets are determined as follows:

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

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

When an asset measured at FVPL is sold any profit or loss on sale is credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

IFRS 9 Financial Instruments sets out that equity type investments should be classified as fair value through profit and loss unless there is an irrevocable election to recognise changes in FVOCI. The Council will assess each equity type 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.

The Council holds pooled investments in a property fund and an equity fund. Any changes in the valuation are required to be recognised as fair value through profit and loss, which again would impact upon the Council's general fund reserve and revenue budget. The Ministry of Housing, Communities and Local Government (MHCLG) has permitted a statutory override

until 1 April 2029 to English Local Authorities for legacy investments already in place at the end of the previous financial year (1 April 2024) to mitigate the impact of these changes in valuations. The Council has utilised the statutory override to account for any changes in the value of these investments.

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

The Council has equity instruments designated at fair value through FVOCI whether this be by election or by reason of statute. The Council has made an irrevocable election to designate certain financial assets as FVOCI on the basis that they are not held for trading but are held for longer term strategic purposes which includes the collection of dividend income.

The asset is initially measured and subsequently re-measured to current fair value at each balance sheet date. Dividend income is credited to Financing and Investment Income and Expenditure in the CIES when it becomes receivable by the Council. Changes in fair value between balance sheet dates are charged / credited to Other Comprehensive Income and Expenditure and are matched by an entry in the Financial Instruments Revaluation Reserve. This matching entry means that there is no impact on the SDPS at that time. When the asset concerned is finally sold the cumulative profits or losses previously recognised in Other Comprehensive Income and Expenditure (i.e. sale proceeds less original cost) are transferred from the Financial Instruments Revaluation Reserve and recognised in the SDPS.

### **1.17 Expected Credit Loss Model**

The Council recognises expected credit losses (i.e. non-payment of principal and / or interest) on all of its financial assets held at amortised cost (or where relevant FVOCI). Usually, only credit losses arising in the next 12 months are calculated. Lifetime losses are only recognised when the risk of the amount lent out not being made in full increases significantly over the year. Trade receivables (debtors) and HRA tenant debtors are permitted to use the simplified approach to expected credit losses. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations.

### **1.18 Grants and Contributions**

All Government grants and other contributions are accounted for on an accruals basis and recognised in the CIES as soon as there is reasonable assurance that the money will be received and all conditions attached to the funding will be met.

Income is not recognised until there is assurance that grant conditions will be met. Where funding has been received which still has outstanding conditions, the balance of cash received is recorded as a revenue or capital receipt in advance and included as a creditor on the Council's Balance Sheet.

When conditions have been met, specific grants and contributions are recorded within the Cost of Services section of the CIES, in line with the service area to which they relate. Non Specific Grants such as the Revenue Support Grant, Local Services Support Grant or PFI Grant are shown under Taxation and Non-Specific Grant Income (see Note 13).

No distinction is made between capital and revenue funding on initial recognition, but as capital income should not be charged to the General Fund or HRA it is subsequently adjusted out through the MiRS and credited to:

- The Capital Grants/Contributions Unapplied Account (until costs have been incurred);
- The Capital Adjustment Account (after costs have been incurred).

### 1.19 Group Accounts

The Council is the largest service provider of the Group whereas the members of the Group are wholly owned companies, joint ventures, associates and non-controlling interests. In the Council's single entity accounts, loans provided to group companies are shown within Long Term Debtors less impairment losses with any gains or losses being recognised in the CIES. Further details on loans to group companies are shown within Note 46.

Consolidation of entities in the Group accounts is dependent on a number of factors including the extent of the Council's interest and power to influence and control, materiality, investment and transparency to allow the reader of the accounts to understand the boundary of the accounts; where these factors are not considered material those members of the Group have not been consolidated. An assessment of all the Council's interests has been carried out in accordance with the Code of Practice to determine the relationship and whether inclusion in the group accounts is required.

Specific policies in relation to the group accounting and consolidation process are contained in the notes to the Group statements.

### 1.20 Leases

The Council adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases, a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024.

The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short term leases i.e. existing leases that expire on or before 31 March 2025, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time.

Peppercorn lease assets have been accounted for at fair value with valuations being carried out by the internal property team.

The asset created is treated as per any other Council asset of its type and is depreciated in the year of acquisition, impaired and revalued as appropriate. The costs of leases are not directly payable from Council Tax but as they form part of the Capital Financing Requirement the Council is required to make prudent provision for the repayment of the perceived capital investment. Any differences between this provision and the actual depreciation, impairment or revaluation costs charged in the CIES are reimbursed from the Capital Adjustment Account in the MiRS.

As noted under policy 1.24 below, with effect from 1 April 2024 IFRS16 also applies to Service Concession Agreements and results in the remeasurement of the lease liability.

### 1.21 Non-current Assets

Expenditure on the acquisition, creation or enhancement of non-current Assets is capitalised on an accruals basis, provided that it will yield benefits to the Council for more than one financial year. These include intangible assets, property, plant and equipment, heritage assets and investment properties. It would not typically include assets held for sale as they would normally be expected to be disposed of within twelve months.

The costs of these assets may include initial costs of acquisition and construction and subsequent costs to enhance or replace part of the asset. All other expenditure arising from day to day servicing of assets is recognised in the CIES as the costs are incurred. The Council has applied a de-minimis of £20,000 to operational properties.

**a. Investment Assets**

Investment assets are properties or land held solely to earn rental income or for capital appreciation. These include property interests held by the Council under leases and investment property let to lessees under operating leases. Where industrial estates are held partly for economic regeneration purposes they are classified as property, plant and equipment not investment properties.

Investment property is measured initially at cost and subsequently included in the Statement of Accounts at fair value. It is recognised as an asset when it is probable that the future economic benefits that are associated with the investment will flow to the Council and the cost or fair value can be measured reliably. Investment properties are not depreciated and an annual valuation programme ensures that they are held at highest and best value at the Balance Sheet date. Subsequent updated valuations based on market evidence will be undertaken to ensure that the value at which investment assets are held in the accounts is a reasonable estimate of their fair value. Valuations are carried out in accordance with Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS).

Any gain or loss experienced on revaluation, and any profit or loss on disposal is charged to the 'Financing and Investment' line of the CIES. These charges are not proper charges to the General Fund and are subsequently transferred to the Capital Adjustment Account through the MiRS.

**b. Heritage Assets**

These are typically tangible assets which are held by the Council for the benefit of the residents of the Borough. Heritage assets are held for their contribution to knowledge and culture and will include assets such as historic buildings, monuments, cultural artefacts or artistic exhibits. Where an asset meets these criteria but is also used extensively to deliver a service then it will be classified as property, plant and equipment.

Heritage assets are initially measured at cost and subsequently at an approximation of fair value. Due to the historic or unique nature of heritage assets it is not always possible to determine a fair value based on a market valuation. A hierarchy of valuation methods is therefore utilised:

- Market Valuation
- Depreciated Replacement Cost Valuation
- Insurance Valuation
- Depreciated Historic Cost
- No Valuation

The Council's heritage assets include the following major categories:

- **Historic Buildings and Memorials**

The Council owns a number of historic buildings which are held in trust for the residents of the Borough. These properties do not directly provide a service but do contribute to tourism around their locations. As these assets have no comparable market value, they are held at historic costs of the works the Council has undertaken to maintain or improve their appearance and function.

Due to their nature the properties/sites are not acquired or disposed of. Depreciation is charged to reflect the physical deterioration of the assets over time and expenditure to restore their condition is capitalised as it is incurred.

- **Statues, monuments and war memorials**

The Council owns and maintains a wide range of physical structures which exist for historic, cultural or commemorative reasons. These properties do not have an alternate use and would not have a reliable market value of their own beyond the materials used to construct them. The costs of obtaining such a valuation would be disproportionate to the benefit provided so these assets are not included on the Balance Sheet. New expenditure incurred to restore these structures to a reasonable condition will be capitalised.

- **Sites of Historic Interest**

The Council owns a number of historic sites which are held in trust for the residents of the Borough. These properties do not directly provide a service but do contribute to tourism around their locations. As these assets have no comparable market value, they are held at historic costs of the works the Council has undertaken to maintain or improve their appearance and function.

Due to their nature the properties/sites are not acquired or disposed of. Depreciation is charged to reflect the physical deterioration of the assets over time and expenditure to restore their condition is capitalised as it is incurred.

- **Museum Collections**

The Council holds collections of exhibits which are considered to be significant in recording the social and natural history of the Borough and its residents. These exhibits are held for the purpose of promoting knowledge, understanding and appreciation of the Council's history and are primarily held in the Council's museums. The assets are recorded in the Balance Sheet at their Insurance Valuation which is updated annually.

- **Historic Archives**

The Council's historic archives contain historic documents recording the written and printed history of the county of Cheshire. These documents have been compiled from a range of sources and include loaned and donated items. The collections are primarily held in Chester but relate to the whole of the former county, as such only part of the value of the collection is recorded in the Council's accounts. Due to the nature of these assets there is no ready market valuation available. Insurance valuations are based on the costs the Council would consider incurring in making repairs to the items. The documents are by definition not replaceable but this gives an indication of the value the Council attaches to these assets.

The archive is a shared resource between Cheshire West and Chester and Cheshire East Borough Council's.

On occasion the Council acquires new documents for identifiable cash payments. In these cases the assets will be added to the Balance Sheet at historic cost. The costs of acquiring new valuations for the other documents held by the Council would be disproportionate to the benefit this would give the users of the accounts, these assets are therefore held at their insurance valuations. The assets recorded are not depreciated.

- **Fine Art and Sculptures**

The Council also holds a number of items of fine art, largely paintings, sculpture and metalwork, which are held within its museums or civic buildings. These items are held on the Balance Sheet at insurance valuation as they have particular links to the local area and would not have a ready market value.

There is a limited turnover on these artefacts, any acquisitions/donations or disposals are recorded as capital expenditure or receipt in the year incurred. The assets are considered to have an unlimited useful life and as a result no depreciation is charged.

- **Civic Regalia**

The civic regalia held by the Council are items such as chains of office, badges and ceremonial maces for the various historic or current roles discharged by Council Members. These include items related to the Mayor, Mayoress, Deputy Mayor and their predecessors. All items are valued at their insurance valuation.

Where there are no meaningful measures of the value of a heritage asset, or the cost of acquiring such a valuation would be disproportionate to the benefit of doing so, the existence of the asset will be disclosed in the supporting statements (Note 16).

Depreciation costs and any gain or loss on revaluation/disposal are accounted for in the same manner as for property, plant and equipment assets (see below).

### **c. Property, Plant and Equipment**

These are tangible assets that have a physical substance and are expected to be used during more than one financial year. These assets are held for operational reasons, i.e. in the production or supply of goods and services or for administrative purposes. This category excludes properties which are held solely for the purpose of generating a financial return (Investment properties, Assets held for Sale and Surplus assets) and those held primarily for their contribution to knowledge and culture (Heritage assets).

#### **Initial Recognition and Valuation**

Assets are initially measured at the direct cost of bringing the asset into working condition for its intended use and subsequently using professionally undertaken valuations using bases recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS).

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

The CIPFA Code of Practice definition of current value requires that property, plant and equipment that are operational are recognised in the Statement of Accounts at their service potential value and not their fair value. This is measured by the following valuation techniques:

- Property/land (Specialised assets no market) - depreciated replacement cost
- Vehicles, plant and equipment - depreciated historical cost
- Council housing - existing use value for social housing

Schools are valued using a Modern Equivalent Asset methodology which is a form of depreciated replacement costs. This approach estimates the value of an asset based on the cost of replacing it with a new asset that can deliver the same services. In the case of schools this means the cost of a modern school of appropriate design and capacity for number of pupils that could be educated at the existing school. As such the value of a school is determined by its existing physical structure.

#### **Subsequent Changes in Value**

All assets held at current value with the exception of vehicles, plant and equipment are subject to revaluation. Property and Plant assets are revalued when due under the five year cycle (the short period as defined by CIPFA) or earlier where there has been a change in circumstances either for the specific asset or the wider asset group, which may have a material impact on its value. Housing stock is valued under the beacon methodology, with each beacon property being re-valued annually by applying an appropriate housing price index to their value at the start of the financial year.



Gains recognised on revaluation are normally credited to the Revaluation Reserve to recognise an unrealised gain. If the asset had previously been impaired or suffered a revaluation decrease which was charged to the CIES then the gain is instead credited to the CIES.

Where revaluation losses occur the decrease is recognised in the Revaluation Reserve to the extent the asset had previously been revalued upwards, and thereafter in the CIES.

### **Componentisation of Valuations**

IAS 16 requires all components with a significant cost in relation to the total cost of the asset to be depreciated separately. Where an item of Property, Plant and Equipment has major components these are depreciated separately such as windows, mechanical and electrical fixtures. This is necessary to reflect the fact that some components have an appreciably different useful life than the wider asset and will therefore need replacing sooner. Where assets are recognised as their component parts then each element is considered independently for future valuations, depreciation, replacement and disposal accounting. Assets with a valuation in excess of £5m have been considered for componentisation. Where componentisation is appropriate this has been adopted from the valuation date onwards.

### **Depreciation of Assets to Reflect Usage**

Depreciation is charged to the CIES to reflect the usage of the asset over its estimated useful life. It is provided for on all property, plant and equipment with the exception of:

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

Useful lives of assets are as follows:

Council Housing	up to 60 years
Operational Building	up to 100 years
Infrastructure	up to 40 years
Vehicles	up to 12 years
Plant and Equipment	up to 10 years

Charges commence when the asset becomes available for use and cease on derecognition. Depreciation is calculated on a straight-line basis over the useful life of the assets.

Depreciation charges are applied annually to the carrying balances and are reflected in the Cost of Services area of the CIES. The residual value, useful life and depreciation method are reviewed at least annually. If expectations differ from previous estimates the changes will be accounted for as a change in an accounting estimate. The useful lives used for depreciating capital assets are set out in this note to the accounts.

Depreciation is calculated based on the current value of the asset. Where this valuation is above the historic cost the difference between depreciation as calculated on current value and that calculated on historic cost is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### **Derecognition of Assets**

Assets are derecognised on disposal or when no future economic benefits are expected from their use. When property, plant and equipment are disposed of, the carrying value is written off to the Other Operating Expenditure line of the CIES. This cost is subsequently transferred to the Capital Adjustment Account in the MiRS.



A similar approach is taken on the transfer of property to newly formed Academy Schools. Under legislation the Council is required to make available premises from which the new Academy can provide its services for nil consideration. As a result the existing school premises (if in Council ownership) are leased to the Academy for a peppercorn rent and the former value of the site is derecognised from the Council's Accounts as if it had been disposed of. As no compensation is received this is recorded as a loss on disposal in the Financing and Investment Income line of the CIES and subsequently transferred to the Capital Adjustment Account. The value of such disposals in any year is disclosed in Note 12.

Any receipts generated by the disposal are credited to the same line of the CIES to show the overall profit or loss on disposal. A proportion of the receipts from the sale of Council housing are set aside for repayment to Government and the remaining receipts are transferred to the Capital Receipts Reserve in the MiRS.

Any outstanding balance on the revaluation reserve for derecognised assets is transferred to the Capital Adjustment Account through the MiRS.

### **Charges to Revenue for Non-current Assets**

The CIES is charged with the following amounts to record the real cost of holding non-current Assets during the year:

- Depreciation and amortisation of assets used by the service
- Revaluation and impairment losses on assets used by the service
- Profit or loss on disposal of assets

The Council is not required to raise Council tax to cover these costs. However, it is required to set aside an annual contribution from revenue towards its overall borrowing requirement. These costs are therefore replaced by the Minimum Revenue Provision by way of an adjusting entry in the MiRS.

### **1.22 Non-current Assets Held for Sale**

When it becomes probable an asset will be sold rather than its continued use as an operational or investment asset, it will be reclassified within current assets as held for sale subject to strict criteria being met. The asset must be available for immediate sale, actively marketed and must have a high probability of being sold within one year of the date of classification. Where the Council does not need to carry out active marketing due to already having a prospective buyer at a reasonable price (such as transfers to a joint venture), or a buyer initiates a transaction such as right to buys; this test is not applicable.

Held for sale assets are carried at the lower of carrying value, or the fair value less costs to sell, and no longer depreciated.

### **1.23 Overheads and Support Services**

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

- Corporate and Democratic
- Trading Accounts
- Housing Revenue Accounts (HRA)

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

trading accounts are allocated in accordance with the Code and CIPFA Service Reporting Code of Practice (SeRCOP).

#### **1.24 Private Finance Initiatives (PFI) and Service Concession Arrangements**

PFI contracts, and similar arrangements, contain agreements for the Council (grantor) to receive services under a contract where the contractor (operator) takes on responsibility for creating and maintaining the assets needed to deliver the service. All assets created under such contracts need to be considered to determine whether or not they should be reported on the Balance Sheet of the Council or of the contractor. The contracts are assessed against criteria set out under International Financial Reporting Standards (IFRIC 12), namely:

- Are the assets being used to deliver a public service;
- Does the Council significantly influence who can access the facilities; and
- Does ownership of the asset revert to the Council at the end of the PFI contract (or does the Council have an option to take back the assets).

The Council's two PFI schemes meet all of these conditions, so the Council reflects the value of the properties used under the contracts on the Balance Sheet. On initial recognition, fair value is the estimated cost to purchase the asset. Subsequently, the asset is measured at current value, which will follow the appropriate class of property, plant and equipment.

These assets are revalued and depreciated in the same way as other property, plant and equipment owned by the Council.

With effect from 1 April 2024, IFRS 16 (Leases) also applies to service concession arrangements. Under IFRS16, where indexation (or other changes in a rate) affects future service concession payments, the lease liability requires to be remeasured. Instead of expensing the increased payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments.

As with Leases the original recognition of the assets is balanced by the recognition of the liability for amounts payable to the scheme operator in return for use of the assets. The amounts payable to the PFI operators each year are analysed into four elements (shown in Note 40):

- Services received – debited to a service line in the CIES.
- Finance cost – an interest charge of 7.86% for the School's PFI and 4.59% for the Extra Care PFI based upon the outstanding Balance Sheet liability, are charged to Financing and Investment Income in the CIES.
- Payment towards liability – writes down the Balance Sheet liability to the PFI operator.
- Lifecycle replacement costs – recognised as expenditure on non-current assets and added to the asset on the Balance Sheet.

Prior to the adoption of IFRS 16 the Unitary Payment also funded a fifth component called Contingent Rents. This cost represented inflationary increases in the value of the Unitary Payment and was charged each year to the CIES. Under IFRS 16 different treatment is applied, with the lease liability being remeasured where indexation affects the value of future payments.

Where assets accessed through a PFI contract generate income through their usage, then consideration is given as to whether that income should be treated as a contribution towards the cost of financing the asset's construction (and be treated as deferred income), or as a contribution to its net operating costs. In the case of the Council's schemes all income

generated is considered to be operational and as a result the future income generation potential is not reflected on the balance sheet.

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

Provisions are shown where the Council has a present legal or constructive obligation as a result of a past event which has placed the Council in a position where it has an obligation that is likely to lead to it incurring a cost. The precise timing and value of the cost may be unknown but can be reliably estimated.

Provisions are charged to the CIES in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. Estimates are reviewed at the end of each financial year and any changes are reflected within relevant service revenue accounts. When payments related to the obligation are eventually made, they are charged to the provision set up in the Balance Sheet.

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

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

Contingent Assets and Liabilities are not recognised in the Balance Sheet but are disclosed in Notes 44 and 45. The disclosure sets out the scale of potential costs and likelihood of these being realised.

### **1.26 Reserves**

The Council maintains a range of reserves, reflecting both the extent to which its assets exceed its liabilities and any restrictions (statutory or voluntary) which are placed upon the usage of these balances. The main unrestricted reserve used to hold available Council funds is the General Fund.

The Council has discretion to set aside specific amounts as reserves where they wish to earmark available funds to support future policies, to cover contingencies or manage cash flows. These are summarised in Note 9.

Expenditure to be financed from an earmarked reserve is initially shown as a cost in the CIES. An offsetting transfer is then recorded in the MiRS to ensure that there is no impact on General Fund or Council Tax.

A number of reserves exist to manage the accounting for non-current Assets, financial instruments and employee benefits; these do not represent usable funds for the Council. These are explained in the relevant policies and notes.

### **1.27 Revenue Expenditure Funded by Capital Under Statute (REFCUS)**

Revenue Expenditure funded by Capital under Statute represents expenditure incurred during the year that may be capitalised under statutory provisions but does not result in a Council asset being created. The expenditure may support a third party's asset (e.g. home improvement grants) or may be capitalised based on a capitalisation order from Government.

This expenditure is initially charged to the relevant service within the CIES and then transferred by charging to the Capital Adjustment Account and crediting the General Fund

Balance in the MiRS. The purpose of this is to enable the expenditure to be funded from capital resources rather than charged to the General Fund and impact on the level of Council tax. This expenditure does form part of the Council's Capital Financing Requirement.

### 1.28 Value Added Tax (VAT)

VAT 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.

## 2. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to Council tax payers how the funding available to the authority (i.e. Government grants, rents, Council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The adjustments from Outturn reported to management to the Net Expenditure Chargeable to the General Fund by service includes costs that are reported to management but are not chargeable to the net cost of services, such as Interest Receivable and Interest payable, non-budgeted grant income, but can be found within the Surplus/Deficit on the Provision of Services Position. It also includes the schools carry forwards and HRA final appropriation, and grant income that are held centrally which are in the net cost of services, but not in outturn. A further explanation of the Central Services Income and Expenditure totals are detailed in Notes 12, 13 and 14.

Expenditure and Funding Analysis	2024-25				
	Outturn Reported to Management	Total adjustments to Outturn position	Net Expenditure Chargeable to the General Fund and HRA Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
	£000	£000	£000	£000	£000
Public Health	19,500	-18,240	1,260	2,206	3,466
Adults Directorate	176,200	92	176,292	483	176,775
Children & Families Directorate	105,200	-2,527	102,673	22,614	125,287
Place & Growth Directorate	68,600	-7,081	61,519	31,141	92,660
Corporate Services Directorate	31,900	2,668	34,568	7,220	41,788
HRA	0	-14,705	-14,705	4,701	-10,004
Central Services	19,100	-60,691	-41,591	26,133	-15,458
Capital Financing	-5,300	8,408	3,108	0	3,108
<b>Net Cost of Services</b>	<b>415,200</b>	<b>-92,076</b>	<b>323,124</b>	<b>94,498</b>	<b>417,622</b>
Other Income and Expenditure	-411,700	111,784	-299,916	-64,669	-364,585
<b>(Surplus)/Deficit on Provision of Services</b>	<b>3,500</b>	<b>19,708</b>	<b>23,208</b>	<b>29,829</b>	<b>53,037</b>
Opening General Fund and HRA Balances at 31 March 2024			-124,469		
Deduct deficit on General Fund and HRA Balance in Year			23,208		
<b>Closing General Fund and HRA Balances at 31 March 2025</b>			<b>-101,261</b>		

For a split of the balance between the General Fund and the HRA - see the Movement in Reserves Statement.

There has been an increase in costs within the Net Expenditure chargeable to the general fund and HRA balance in the Adults and Children and Families directorates. These relate to external care growth in the Adult's directorate, plus an increase in leaving care costs in the Children and Families directorate. The increase in costs in the Central directorate is due to the revaluation of assets, partially offset by an increase in income from Council tax, business rates, and S31 grant.

### 2023-24 Comparative Figures

Expenditure and Funding Analysis	2023-24				
	Outturn Reported to Management	Total adjustments to Outturn position	Net Expenditure Chargeable to the General Fund and HRA Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
	£000	£000	£000	£000	£000
Public Health	20,300	-17,359	2,940	2,182	5,122
Adults Directorate	155,200	-2,743	152,457	805	153,262
Children & Families Directorate	98,400	1,666	100,066	15,452	115,518
Place & Growth Directorate	71,500	4,125	75,625	30,179	105,804
Corporate Services Directorate	32,800	-240	32,560	3,831	36,391
HRA	0	-12,289	-12,289	5,551	-6,738
Central Services	19,800	-54,391	-34,591	-812	-35,403
Capital Financing	-9,800	14,257	4,457	0	4,457
<b>Net Cost of Services</b>	<b>388,200</b>	<b>-66,974</b>	<b>321,225</b>	<b>57,188</b>	<b>378,413</b>
Other Income and Expenditure	-387,500	98,009	-289,491	-26,123	-315,614
<b>(Surplus)/Deficit on Provision of Services</b>	<b>700</b>	<b>31,035</b>	<b>31,734</b>	<b>31,065</b>	<b>62,799</b>
Opening General Fund and HRA Balances at 31 March 2022			-156,203		
Deduct deficit on General Fund and HRA Balance in Year			31,734		
<b>Closing General Fund and HRA Balances at 31 March 2024</b>			<b>-124,469</b>		

### Note 2a

#### Adjustments Between Funding and Accounting Basis

This note explains the main adjustments from the Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure statement.

Adjustments between funding and accounting basis	2024-25			
	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Adjustments	Total Adjustments
	£000	£000	£000	£000
Public Health	2,223	-17	0	2,206
Adults Directorate	959	-541	65	483
Children & Families Directorate	12,580	-2,984	13,018	22,614
Place & Growth Directorate	31,797	-692	36	31,141
Corporate Services Directorate	7,678	-481	23	7,220
HRA	4,701	0	0	4,701
Central Services	28,587	-2,454	0	26,133
Capital Financing	0	0	0	0
<b>Cost of Services</b>	<b>88,525</b>	<b>-7,169</b>	<b>13,142</b>	<b>94,498</b>
Other Income and Expenditure	-61,082	567	-4,154	-64,669
<b>Difference between General Fund (Surplus) and CIES (Surplus) or Deficit</b>	<b>27,443</b>	<b>-6,602</b>	<b>8,988</b>	<b>29,829</b>

Adjustments for Capital Purposes include the depreciation, impairments and revaluation gains and losses. It also adjusts for capital disposals with a transfer on the income to disposals and amounts that have been written off, MRP and RCCO are deducted because they are not chargeable under generally accepted accounting practices to the General Fund.

Pension Adjustment shows where costs have been affected by the removal of pension contributions and replaced with IAS19 costs.

Other adjustments are costs that cannot be allocated to either Capital or Pension adjustments.

### 2023-24 Comparative Figures

Adjustments between funding and accounting basis	2023-24			
	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Adjustments	Total Adjustments
	£000	£000	£000	£000
Public Health	2,186	-4	0	2,182
Adults Directorate	860	-123	68	805
Children & Families Directorate	12,657	-2,053	4,848	15,452
Place & Growth Directorate	30,264	-174	89	30,179
Corporate Services Directorate	3,846	-112	97	3,831
HRA	5,551	0	0	5,551
Central Services	2,175	-2,987	0	-812
Capital Financing	0	0	0	0
<b>Cost of Services</b>	<b>57,539</b>	<b>-5,453</b>	<b>5,102</b>	<b>57,188</b>
Other Income and Expenditure	-31,255	589	4,543	-26,123
<b>Difference between General Fund (Surplus) and CIES (Surplus) or Deficit</b>	<b>26,284</b>	<b>-4,864</b>	<b>9,645</b>	<b>31,065</b>

The total adjustments have decreased year on year driven by a downward revaluation of investments and property assets.

## Expenditure and Funding Analysis – Expenditure and Income Analysed by Nature

This note explains the nature of the expenditure and income of the Council as shown in the CIES.

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

Expenditure and Income Analysis by Directorate 2024-25	Public Health	Adults Directorate	Children & Families Directorate	Place & Growth Directorate	Corporate Services Directorate	HRA	Central Services	Capital Financing	Total
Expenditure	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee benefits expenses	1,347	38,082	218,813	41,874	23,035	3	-811	0	322,343
Other services expenses	22,671	193,548	194,783	124,423	95,328	13,805	27,160	33,717	705,435
Depreciation, amortisation, impairment	2,224	959	12,581	32,093	8,029	4,701	-418	13,746	73,915
Interest payments	0	844	1,122	871	2,452	2,040	4,755	0	12,084
Precepts and levies	0	0	0	257	0	0	5,719	0	5,976
Loss / (Gain) on the disposal of assets	0	0	0	0	0	-628	0	-1,458	-2,086
<b>Total expenditure</b>	<b>26,242</b>	<b>233,433</b>	<b>427,299</b>	<b>199,518</b>	<b>128,844</b>	<b>19,921</b>	<b>36,405</b>	<b>46,005</b>	<b>1,117,667</b>
<b>Income</b>									
Fees, charges and other service income									
Over time	-4,559	-54,910	-17,836	-33,190	-26,028	-28,042	-862	-670	-166,097
At a point in time	0	0	0	0	0	0	0	0	0
Interest and investment income	0	-10	-311	0	0	-207	-7,709	0	-8,237
Income from Council Tax, Non Domestic Rates, Government grants and contributions	-18,218	-2,587	-282,361	-72,311	-65,413	-27	-81,053	-40,272	-562,242
<b>Total income</b>	<b>-22,777</b>	<b>-57,507</b>	<b>-300,508</b>	<b>-105,501</b>	<b>-91,441</b>	<b>-28,276</b>	<b>-417,678</b>	<b>-40,942</b>	<b>-1,064,630</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>3,465</b>	<b>175,926</b>	<b>126,791</b>	<b>94,017</b>	<b>37,403</b>	<b>-8,355</b>	<b>-381,273</b>	<b>5,063</b>	<b>53,037</b>



## 2023-24 Comparative Figures

Expenditure and Income Analysis by Directorate 2023-24	Public Health	Adults Directorate	Children & Families Directorate	Place & Growth Directorate	Corporate Services Directorate	HRA	Central Services	Capital Financing	Total
Expenditure	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee benefits expenses	1,660	34,000	217,119	40,420	21,468	0	2,228	0	316,895
Other services expenses	22,668	179,848	165,362	122,516	79,855	12,931	20,577	41,862	645,619
Depreciation, amortisation, impairment	2,186	860	12,657	30,012	3,885	5,551	184	11,861	67,196
Interest payments	0	763	678	2,067	0	2,113	8,853	0	14,474
Precepts and levies	0	0	0	250	0	0	5,207	0	5,457
<b>Total expenditure</b>	<b>26,514</b>	<b>215,471</b>	<b>395,816</b>	<b>195,265</b>	<b>105,208</b>	<b>20,595</b>	<b>37,049</b>	<b>53,723</b>	<b>1,049,641</b>
<b>Income</b>									
Fees, charges and other service income									
Over time	-2,715	-55,160	-18,059	-58,259	-4,421	-25,126	-3,229	-3,213	-170,182
At a point in time	0	0	0	0	0	0	0	0	0
Interest and investment income	0	-126	-319	-2,412	-1	-340	-8,697	-31	-11,926
Income from Council Tax, Non Domestic Rates, BID	0	0	0	0	0	0	-306,122	0	-306,122
Government grants and contributions	-18,676	-4,983	-260,886	-35,653	-64,379	-18	-67,431	-46,586	-498,612
<b>Total income</b>	<b>-21,391</b>	<b>-60,269</b>	<b>-279,264</b>	<b>-96,324</b>	<b>-68,801</b>	<b>-25,484</b>	<b>-385,479</b>	<b>-49,830</b>	<b>-986,842</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>5,123</b>	<b>155,202</b>	<b>116,552</b>	<b>98,941</b>	<b>36,407</b>	<b>-4,889</b>	<b>-348,430</b>	<b>3,893</b>	<b>62,799</b>

- The expenditure in adults has increased year on year driven by an increase in external care growth.
- The expenditure in children's directorate has increased year on year due to cost increases in leaving care.
- Income has increased year on year in central services in Council Tax, Non Domestic rates and Grant Income.

### 3. Accounting Standards Issued, but Not Yet Been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2024-25 requires the Council to disclose information setting out the impact of accounting changes by a new accounting standard that has been issued but not yet adopted by the Code. The relevant changes relate to the following standards all of which will be amended for accounts produced for financial periods starting after 1 April 2025, if relevant.

- **IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)**  
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.
- **IFRS 17 Insurance Contracts**  
IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

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. 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 as confirmed in paragraph 3.3.1.4.

These amendments are not anticipated to have a material impact on the Council's accounts.

### 4. Critical Judgments in Applying Accounting Policies

The following significant management judgements have been made in applying the accounting policies as set out in Note 1 of the accounts. The Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

- **Group Boundary**

The Council has interests in a number of external companies either as a direct owner or in partnership with other organisations. The nature of these relationships has been assessed under IFRS 11, IAS 27 and IAS 28 (Accounting for Joint Arrangements, Subsidiaries and Associates) and it has been determined that three companies are considered to be subsidiaries of the Council, while three companies meet the criteria to be recognised as joint ventures. In addition, the Council has shares in five associate companies (non-controlling) and minority interests in a further two companies.

These Accounts contain a set of Group statements and supporting notes to reflect the nature and value of the Council's interests in entities, where the accounts are deemed material. The approach taken by the Council in determining the group boundary and consolidating relevant entries into its group statements is based on materiality, transparency and public perception, to enable the reader to understand the Council's obligations as set out in the accompanying notes to those statements.

Non-consolidation of entities in the Group accounts is dependent on a number of factors including the extent of the Council's interest and power to influence and control, materiality, investment and transparency; where these factors are not considered

material those members of the Group have not been consolidated. A full list of members of the Group can be found in the Council Accounts Note 36.

- **Treatment of Schools**

The Council recognises land and building used by schools for educational purposes in line with the Code of Practice. The Code states local authority maintained schools should be recognised using the asset recognition tests whilst recognising the schools governing bodies are separate entities to the Council. The Council recognises the schools land and buildings on its Balance Sheet where it directly owns the assets, where the Council holds the balance of control of the assets or where the school, or the school governing body own the assets or have had the right to use the assets transferred to them.

School governing bodies are separate entities to the Council but (with the exception of academies and free schools), for the purpose of preparing financial statements, they are within the group boundary and their activities must be reported. In recognition of the unique nature of the relationship, Councils are required to report any material expenditure, income, assets and liabilities of these schools within its primary statements (not just its Group statements). Specific consideration has to be given as to whether the assets from which these schools operate meet the necessary criteria (in terms of access to services and control) to be recognised as Council assets under IAS16. The Council has judged that faith schools (voluntary aided or controlled) which are not sited on Council land, over which it has no long term guarantees of availability, do not meet the criteria for recognition as an asset under IAS16.

The Council has entered into a Private Finance Initiative (PFI) for five schools in the Borough of which one remained within Council control at the end of 2024-25.

The Council has completed a school by school assessment across the different types of schools it controls within the Borough. The outcomes of that review are outlined below:

	Total schools	Council Controlled			Outside Council Control		
		Owned by CWAC	Leased to Governors	Restrictive Covenant	Owned by NHS/Other	Owned by Church	Leased to Academies
Community Schools	50	49		1			
Foundation Schools	4		4				
Voluntary Controlled	16			2		14	
Voluntary Aided	25			2		23	
Academies	61						61
Community - Pupil Referral unit	2	1			1		
Studio	1				1		
Free school	2				2		
	<b>161</b>	<b>50</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>37</b>	<b>61</b>
		<b>59</b>	<b>on Balance Sheet</b>		<b>102</b>	<b>off balance sheet</b>	

Academies are not considered maintained schools within the Council's control. The land and buildings are not owned by the Council and therefore not included on the Council's Balance Sheet.

## 5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates take into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could materially differ from the assumptions and estimates. The items in the Council's Balance Sheet at 31 March 2025 for

which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results Differ from Assumptions
Property Valuations	The Council re-values its assets on a five year rolling cycle (excluding investment assets and schools), with one fifth of these assets being reviewed each year, all investment properties annually and schools on a two year rolling programme. It bases its valuations on assumptions about asset conditions, useful lives, residual values and market conditions. These judgements are underpinned by the best available information and made by qualified valuation officers but are still based on estimates. The Net Book Value of these assets in 2024-25 was £1.280bn.	<p>A 1% fluctuation +/- in property values due to the inaccuracy of key valuation assumptions, would amount to a £12.8m increase / reduction in the Non-Current Assets value on the Balance Sheet.</p> <p>Any fluctuation in the estimated valuations would result in an increase / reduction to the revaluation reserve and/or a gain / loss charged to the Comprehensive Income and Expenditure Statement.</p> <p>Should remaining asset lives fall by an average of 10%, then there would be a corresponding 10% increase in relevant annual depreciation charges, approx. £1.1m across operational and housing assets.</p>

## 6. Material Items of Income and Expense

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

During 2024-25 a further ten schools became Academies, with a loss on disposal of £21.7m (Note 12).

## 7. Events After the Balance Sheet Date

The Statement of Accounts were authorised for issue by the Council's S151 officer on 10 December 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide 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. Where events do not require an adjustment to the Accounts but do offer additional contextual information they are included in this note.

### QWest

On 1 April 2025 the Council's ten-year service contract with Qwest came to an end, at that point some services were transferred to a new provider and others came back in-house.

Qwest, which is partially owned by the Council, ceased trading at that point. Just over 50 staff formerly employed by Qwest, largely in customer services, were transferred across to the Council on 1 April 2025. At that point the LGPS pension position for the company, which is in surplus, transferred back to the Council but otherwise no other assets, liabilities or reserves transferred.

### **UK Municipal Bonds Agency**

At the Annual General Meeting on 12 May 2025 the UK Municipal Bonds Agency (UKMBA) shareholders carried a special resolution to re-register the UKMBA as a private company limited by shares. The Council's shareholding in the UK Municipal Bonds Agency is 350,000 ordinary 1p shares (Note 20).

### **Virgin Media Case**

In June 2023, the High Court ruled in the case of Virgin Media v NTL Pension Trustees. The ruling was that certain defined benefit pension scheme amendments were invalid as they were not accompanied by the correct actuarial certification. This ruling was appealed and on the 25th of July 2024, the Court of Appeal upheld the decision of the High Court. This ruling may have resulted in implications for other UK defined benefit plans.

On 5 June 2025, the Government announced that it was aware of the uncertainty this had created and recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. It was therefore confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards and that scheme obligations would be otherwise unaffected. It is anticipated that this will result in there being no impact on the LGPS and the Fund from the appeal court's ruling.

Developments are being monitored. In the current circumstances, it is not considered necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the value of retirement benefits in the financial statements.

There are no other significant events after the Balance Sheet Date for 2024-25.

## 8. Adjustments Between Accounting Basis and Funding Basis Under Regulations

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

Adjustments between accounting basis and funding basis 2024-25	Usable reserves					Movement in Unusable reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	
Adjustments to the Revenue Resources						
Pension costs (transferred to/from the Pension Reserve)	6,600	0	0	0	0	-6,600
Council tax and NDR (transfers to/from the Collection Fund Adjustment Account)	3,513	0	0	0	0	-3,513
Financial instruments (transferred to the Financial Instruments Adjustments Account)	130	0	0	0	0	-130
Financial Instrument Revaluation Reserve Pooled Investments - Statutory override	418	0	0	0	0	-418
Holiday pay (transferred to the Accumulated Absences Account)	-923	0	0	0	0	923
Reversal of entries included in the surplus or Deficit on the provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	0	0	0	0	0	0
Depreciation of Non Current Assets	-52,717	-4,701	0	0	0	57,418
Write-off negative balances in Revaluation Reverse to CAA	0	0	0	0	0	0
IFRS16 Adjustment for donated assets	94	0	0	0	0	-94
Revaluation/Impairment of capital creditors/debtors	-8	0	0	0	0	8
Impairment and Revaluation of Assets	-28,583	0	0	0	0	28,583
Amortisation of Intangible Assets	-3,168	0	0	0	0	3,168
Movements in the fair value of investment properties	14,466	0	0	0	0	-14,466
Revenue expenditure funded from capital under statute	-4,957	0	0	0	0	4,957
Net assets written off to the CIES upon disposal or sale	-28,431	-1,754	0	0	0	30,185
Dedicated School Grant (DSG) deficit transferred to the DSG adjustment account	-12,220					12,220
Total Adjustments to Revenue Resources	-105,786	-6,455	0	0	0	112,241
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve/Deferred Capital Receipts Reserve	8,546	2,382	-10,928	0	0	0
Non-current asset disposal costs funded from the CRR	0	0	0	0	0	0
Statutory provision for the repayment of debt	24,526	0	0	0	0	-24,526
Posting of HRA resources from Revenue to the Major Repairs Reserve	0	12,293	0	-12,293	0	0
Payments to the government housing receipts pool (funded by a transfer from CRR)	0	0	0	0	0	0
Capital expenditure charged against general fund	758	0	0	0	0	-758
Capital grants and contributions unapplied credited to the CIES	3,751	0	0	0	-3,751	0
Capital Grants and Contributions through the CIES	30,156	0	0	0	0	-30,156
Total Adjustments between Revenue and Capital resources	67,737	14,675	-10,928	-12,293	-3,751	-55,440
Adjustments to Capital Resources						
Use of Capital Receipts Reserve to finance capital expenditure	0	0	14,216	0	0	-14,216
Use of Major Repairs Reserve to finance capital expenditure	0	0	0	12,906	0	-12,906
Cash payments in relation to deferred capital receipts	0	0	0	0	0	0
Application of capital grants to finance capital expenditure	0	0	0	0	5,548	-5,548
Total Adjustments to Capital Resources	0	0	14,216	12,906	5,548	-32,670
Total Adjustments	-38,049	8,220	3,288	613	1,797	24,131



## 2023-24 Comparator Figures

Restated Adjustments between accounting basis and funding basis 2023-24	Usable reserves					Movement in Unusable reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000
Adjustments to the Revenue Resources						
Pension costs (transferred to/from the Pension Reserve)	4,864	0	0	0	0	-4,864
Council tax and NDR (transfers to/from the Collection Fund Adjustment Account)	-4,460	0	0	0	0	4,460
Financial instruments (transferred to the Financial Instruments Adjustments Account)	102	0	0	0	0	-102
Financial Instrument Revaluation Reserve Pooled Investments - Statutory override	-184	0	0	0	0	184
Holiday pay (transferred to the Accumulated Absences Account)	-334	0	0	0	0	334
Reversal of entries included in the surplus or Deficit on the provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	0	0	0	0	0	0
Depreciation of Non Current Assets	-46,662	-4,767	0	0	0	51,429
Write-off negative balances in Revaluation Reverse to CAA	-1,340	0	0	0	0	1,340
	0	0	0	0	0	0
Revaluation/Impairment of capital creditors/debtors	-75	0	0	0	0	75
Impairment and Revaluation of Assets	-1,204	-784	0	0	0	1,988
Amortisation of Intangible Assets	-2,528	0	0	0	0	2,528
Movements in the fair value of investment properties	-7,244	0	0	0	0	7,244
Revenue expenditure funded from capital under statute	-4,457	0	0	0	0	4,457
Net assets written off to the CIES upon disposal or sale	-32,864	-743	0	0	0	33,607
Dedicated School Grant (DSG) deficit transferred to the DSG adjustment account	-4,769					4,769
Total Adjustments to Revenue Resources	-101,155	-6,294	0	0	0	107,449
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve/Deferred Capital Receipts Reserve	3,213	1,068	-4,281	0	0	0
Non-current asset disposal costs funded from the CRR	0	0	0	0	0	0
Statutory provision for the repayment of debt	20,583	0	0	0	0	-20,583
Posting of HRA resources from Revenue to the Major Repairs Reserve	0	10,003	0	-10,003	0	0
Payments to the government housing receipts pool (funded by a transfer from CRR)	0	0	0	0	0	0
Capital expenditure charged against general fund	1,879	0	0	0	0	-1,879
Capital grants and contributions unapplied credited to the CIES	3,569	0	0	0	-3,569	0
Capital Grants and Contributions through the CIES	36,069	0	0	0	0	-36,069
Total Adjustments between Revenue and Capital resources	65,313	11,071	-4,281	-10,003	-3,569	-58,531
Adjustments to Capital Resources						
Use of Capital Receipts Reserve to finance capital expenditure	0	0	5,828	0	0	-5,828
Use of Major Repairs Reserve to finance capital expenditure	0	0	0	12,731	0	-12,731
Cash payments in relation to deferred capital receipts	0	0	-225	0	0	225
Application of capital grants to finance capital expenditure	0	0	0	0	12,208	-12,208
Total Adjustments to Capital Resources	0	0	5,603	12,731	12,208	-30,542
Total Adjustments	-35,842	4,777	1,322	2,728	8,639	18,376



## 9. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in Earmarked Reserves to provide financing for future expenditure plans and the amounts transferred back from Earmarked Reserves to meet expenditure in 2024-25 and 2023-2024.

Revenue Earmarked Reserves	Restated Balance at 31 March 2023 £000	Restated Transfers Out 2023-24 £000	Restated Transfers In 2023-24 £000	Balance at 31 March 2024 £000	Transfers Out 2024-25 £000	Transfers In 2024-25 £000	Balance at 31 March 2025 £000
<b>Council Wide Reserves</b>							
Long Term Liability	34,040	-3,617	288	30,711	-3,759	373	27,325
Insurance	10,107	-10,006	8,098	8,199	-10,613	5,376	2,962
Covid-19	7,318	-7,318	0	0	0	0	0
Collection Fund Deficit	2,216	-2,239	668	645	-457	0	188
Community Benefits	94	-7	0	87	-9	0	78
<b>Directorate Reserves</b>							
Unapplied Revenue Grants	15,755	-5,532	2,143	12,366	-3,802	5,763	14,327
PFI	7,169	0	351	7,520	0	278	7,798
Revenue Budget Carry Forwards	6,120	-6,120	2,540	2,540	-2,540	1,850	1,850
HRA Pension Contingency	738	0	69	807	0	69	876
S106 Developer Contributions	1,435	-510	437	1,362	-577	0	785
Local Authority Elections	482	-566	240	156	0	112	268
Local Plan	160	-160	0	0	0	0	0
Adoption Support Fund	122	-122	0	0	0	0	0
SEND/DSG	1,969	0	0	1,969	-1,969	0	0
HS2	287	-271	0	16	0	0	16
<b>Transformation Reserves</b>							
HR & Finance System Replacement	463	-213	0	250	0	0	250
ICT Transformation	2,944	-768	0	2,176	-1,926	0	250
Delivering Council Priority Outcomes	315	-315	0	0	0	0	0
Flexible and Mobile Working	303	-303	0	0	0	0	0
<b>Economic Growth Reserves</b>							
Northgate Development	42	-42	0	0	0	0	0
<b>Partnership Reserves</b>							
Mersey Forest	781	-48	395	1,128	-120	0	1,008
<b>Council Company Reserves</b>							
Waste Collection Contract Exit Arrangements	16,210	-5,178	0	11,032	-4,223	0	6,809
Council Company Reserves	6,982	-638	0	6,344	-3,262	0	3,082
<b>Other Reserves and Balances</b>	1,183	-1,276	1,535	1,442	-2,232	1,256	466
<b>Total</b>	<b>117,235</b>	<b>-45,249</b>	<b>16,764</b>	<b>88,750</b>	<b>-35,489</b>	<b>15,077</b>	<b>68,338</b>

The Centrally Held DSG Grant has been removed from this table and has been reported in Unusable reserves under Dedicated Schools Adjustment account – see Note 26 and Note 48 for further information.

Significant movements during the year were:

- An appropriation of £4.2m from the Waste Reserve to support the cost of the kerbside waste collection service ran by CWR for 2024-25.
- An appropriation of £3.3m from the Council Company reserve, reflecting £3m budgeted use of the reserve and £0.3m to support Northgate Arena closure costs.

- A net appropriation of £3.4m from the long-term liabilities reserve, which includes £3.4m budgeted use to fund Invest to Save proposals and £0.4m to fund early retirement and redundancy costs. This is offset by contributions from Barons Quay (£0.3m) and Winsford cross (£0.1m) to refund the reserve for funds advanced against historic losses in previous years.
- The net appropriation of £2m into the unapplied grant reserve. This includes the use of £2.7m relating to various grants to fund expenditure in 2024-25, offset by the addition of £2.9m relating to Bus Service Improvement Plan funding and £1.8m homelessness grants that will be used to fund expenditure in 2025-26.
- The appropriation of £5.2m from the Insurance reserve, which includes £5m budgeted use of the reserve and £0.2m use of the reserve to fund the cost of claims in 2024-25.
- The appropriation of £2m from the Dedicated Schools Grant SEND deficit reserve reflecting the budgeted use of the reserve.
- The net appropriation of £0.7m from the reserve for revenue budget carry forwards. This is the drawdown of £2.5m carry forwards in 2024-25, and the addition of £1.8m carry forwards to fund expected budget pressures in 2025-26.
- The appropriation of £1.9m from the ICT Transformation reserve, which includes £1.1m budgeted use of reserve and £0.8m to support costs of implementation of the new ICT model.

### Reasons for the Earmarked Reserves Over £500k

#### Council Wide Reserves

Long term liability	Funds set aside to smooth the impact of long-term liabilities, such as debt re-payment and the pension fund deficit.
Insurance	Funds insurance liabilities relating to Cheshire West & Chester functions.

#### Directorate Reserves

Unapplied revenue grants	Enable grants to be used when needed, avoiding year end 'forced' spend.
PFI	Balances spend and income across life of contract.
Revenue budget carry forwards	Agreed, committed spend not accrued funding.
HRA pension contingency	Provides funding for future pensions linked to HRA.
S106 developer contributions	Funding earmarked for specific work per S106.

#### Partnership Reserves

Mersey Forest	Partnership agreement between 7 contributing local authorities co-ordinated by the Mersey Forest Team to invest in long-term tree planting programmes to improve the local environment.
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#### Council Company Reserves

Former waste collection contract	Reserve linked to long term debtor depends on receipts for funds to be available.
Council company	Funds available to manage pressures in Council companies.

### 10. Material Changes within the Comprehensive Income and Expenditure Statement

Within the Cost of Services in the top half of the CIES (Comprehensive Income and Expenditure Statement), the net spend (expenditure less income) has increased from £378.4m to £417.6m; an increase of £39.2m. The major reasons for this are net spend increases year on year of £23.5m in Adults, £9.8m in Children & Families, and £5.4m in

Corporate Services, and £19.9m in the Central Services. These have been offset somewhat by a £13m reduction in Place & Growth directorate.

The increase in net spend in the Adults directorate is due to increase in external care growth and a reduction in grant income. The increase in the net spend in the Children & Families directorate is driven by increases in care costs including, leaving care costs, residential costs and staffing costs, but offset by an increase in DSG income.

The year on year increase in corporate net spend is due to depreciation. The increase in the Central Services is largely due to the downward revaluation of assets and the reduction in Place & Growth is mainly due to an increase in Mersey Forest income.

## 11. Other Operating Income and Expenditure

Other Operating Income and Expenditure comprises all other costs that do not form part of the costs of any one service. A breakdown of the amounts included within this line is as follows:

Other Operating Income & Expenditure	2024-25 £000	2023-24 £000
Loss / (Gain) on disposal of Non-current assets	-2,086	-976
Parish Precepts	5,160	4,721
Levies	816	736
Housing Capital Receipts to National Pool	0	0
Other income and expenditure	0	-13
	<b>3,890</b>	<b>4,468</b>

## 12. Financing and Investment Income and Expenditure

This note contains details of any financial costs or returns the Council has incurred which are not directly associated with the delivery of services.

Financing & Investment Income & Expenditure	2024-25 £000	2023-24 £000
Interest payable and similar charges	12,084	14,474
Unrealised gains or losses on financial assets held at fair value through profit and loss transferred to Unusable Reserve	-418	184
Net interest on pension assets and liabilities	581	589
Interest receivable and similar income	-8,237	-11,926
Expected Credit Loss Allowance	847	3,186
Loss on transfer of schools to Academy status	21,719	30,425
Income and expenditure in relation to investment Properties and changes in their fair value	-19,846	439
Trading Accounts not related to Services	13	153
	<b>6,743</b>	<b>37,524</b>

### 13. Taxation and Non-specific Grant Income and Expenditure

The Council received the following funding which does not relate to specific services.

Taxation and Non-specific Grant Income & Expenditure	2024-25 £000	2023-24 £000
<b>Income:</b>		
Council Tax	-249,580	-234,299
Non-Domestic Rates	-78,474	-71,823
Revenue Support Grant	-4,470	-4,192
Capital Grants and Contributions	-33,907	-39,638
PFI Grants	-3,073	-3,092
Local Services Support Grant	-712	-638
New Homes Bonus	-2,803	-1,549
S31 Non Domestic Rates Grant Funding	-23,664	-20,702
Other Grants	-2,168	-2,943
IFRS16 Adjustment for Donated Assets	-94	0
<b>Expenditure:</b>		
Non Domestic Rates - Tariff and Levy Payment	23,727	21,270
	<b>-375,218</b>	<b>-357,606</b>

The year on year variance is driven by an increase in Council tax, capital grants, S31 non domestic rate grant funding, offset by a decrease in Other Grants (made up of many small grant amounts).

### 14. Other Comprehensive Income and Expenditure (CIES)

The Other Comprehensive Income and Expenditure section of the CIES recognises increases and decreases to the value of assets and liabilities which have yet to be realised by the Council. As these gains and losses were unrealised at 31 March 2025 they are not reflected against the Council's usable reserves at this point and are held separately in Unusable Reserves as described in Note 26.

Other Comprehensive Income and Expenditure (CIES)	2024-25 £000	2023-24 £000
Property Revaluation (Gains)	-53,103	-35,845
Pension Deficit Remeasurement Losses/(Gains)	5,028	3,530
Write-off negative balances in Revaluation Reverse to CIES	0	-1,340
	<b>-48,075</b>	<b>-33,655</b>

- Property revaluation gains reflect estimated increases in the value of Council owned assets. These will only be realised by the Council on sale or disposal or over time through usage. The balances created are held on the Revaluation Reserve until this time. Revaluation losses occur when the situation leading to an initial increase changes and the asset value is reduced towards its original cost.
- Pension deficit re-measurements reflect revised estimates as to the value of future pension liabilities or assets made by actuaries.

## 15. Property, Plant and Equipment

Within the table below and on the following page, references to RR refer to the Revaluation Reserve and SDPS refers to the Surplus or Deficit on Provision of Service line in the Comprehensive Income and Expenditure Statement. The Net Book Values for 2024-25 include £1.1m of assets which are held in partnership with Cheshire East Council at a 50% shared ownership agreement.

Property, Plant and Equipment Movements in 2024-25	Non-Current Assets						Total £000
	Council Houses £000	Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Value as at 31 March 2024	229,861	893,807	115,807	31,610	740	11,366	1,283,191
Additions	10,378	45,447	5,660	1,123	0	3,533	66,141
Revaluation Gain/(Loss) to Revaln Res	58	17,178	0	0	1,349	0	18,585
Reval/Impair Losses to SDPS	0	-39,035	0	0	0	0	-39,035
Reverse Reval/Impair to SDPS	0	5,603	0	0	0	0	5,603
Derecognition - Disposals	-1,791	-24,078	-66,373	0	0	0	-92,242
Derecognition - Other	0	0	0	0	0	0	0
Re-classification of assets	0	5,139	0	-26	-87	-5,026	0
Reclass (to)/from Held for Sale	0	-7,397	0	0	4,238	0	-3,159
Reclass (to)/from Heritage	0	0	0	0	0	0	0
Reclass (to)/from Investment	0	0	0	0	0	0	0
Reclass (to)/from Intangible	0	0	0	0	0	0	0
<b>Value as at 31 March 2025</b>	<b>238,506</b>	<b>896,664</b>	<b>55,094</b>	<b>32,707</b>	<b>6,240</b>	<b>9,873</b>	<b>1,239,084</b>
<b>Depreciation</b>							
Accum Depn at 31 March 2024	-138	-25,207	-83,249	-456	0	-65	-109,115
Charges for the year	-4,701	-24,157	-6,704	0	0	0	-35,562
Revaluation Gain/(Loss) to Revaln Res	4,598	29,920	0	0	0	0	34,518
Reval/Impair Loss to SDPS	0	6,273	0	0	0	0	6,273
Reverse Reval/Impair to SDPS	0	0	0	0	0	0	0
Derecognition - Disposals	37	1,869	65,982	0	0	0	67,888
Derecognition - Other	0	0	0	0	0	0	0
Re-classification of assets	0	0	0	0	0	0	0
Reclass to/from Held for Sale	0	130	0	0	0	0	130
Reclass to/from Heritage	0	0	0	0	0	0	0
<b>Accum Depn at 31 March 2025</b>	<b>-204</b>	<b>-11,172</b>	<b>-23,971</b>	<b>-456</b>	<b>0</b>	<b>-65</b>	<b>-35,868</b>
<b>Net Book Value at 31 March 2025</b>	<b>238,302</b>	<b>885,492</b>	<b>31,123</b>	<b>32,251</b>	<b>6,240</b>	<b>9,808</b>	<b>1,203,216</b>
Net Book Value at 31 March 2024	229,723	868,600	32,558	31,154	740	11,301	1,174,076
<b>Nature of Asset Holding</b>							
Owned	238,302	859,998	29,263	32,251	6,240	9,808	1,175,862
PFI	0	20,165	0	0	0	0	20,165
Leased	0	5,329	1,860	0	0	0	7,189
<b>Total</b>	<b>238,302</b>	<b>885,492</b>	<b>31,123</b>	<b>32,251</b>	<b>6,240</b>	<b>9,808</b>	<b>1,203,216</b>

## 2023-24 Comparator

Restated Property, Plant and Equipment Movements in 2023-24	Non-Current Assets						
	Council Houses £000	Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Value as at 31 March 2023	232,999	864,804	110,099	32,589	738	14,425	1,255,654
Additions	10,667	24,240	7,416	953	2	9,958	53,236
Revaluation Gain/(Loss) to Revaln Res	-12,340	25,545	0	0	0	0	13,205
Reval/Impair Losses to SDPS	-797	-3,594	0	0	0	0	-4,391
Reverse Reval/Impair to SDPS	0	2,264	0	0	0	0	2,264
Derecognition - Disposals	-758	-32,516	-1,708	0	0	-156	-35,138
Derecognition - Other	0	0	0	0	0	0	0
Re-classification of assets	0	13,709	0	-1,295	0	-12,414	0
Reclass (to)/from Held for Sale	0	-400	0	0	0	0	-400
Reclass (to)/from Heritage	0	-245	0	-637	0	0	-882
Reclass (to)/from Investment	90	0	0	0	0	-447	-357
Reclass (to)/from Intangible	0	0	0	0	0	0	0
<b>Value as at 31 March 2024</b>	<b>229,861</b>	<b>893,807</b>	<b>115,807</b>	<b>31,610</b>	<b>740</b>	<b>11,366</b>	<b>1,283,191</b>
<b>Depreciation</b>							
Accum Depn at 31 March 2023	-69	-19,439	-77,697	-456	0	-65	-97,726
Charges for the year	-4,767	-19,525	-7,076	0	0	0	-31,368
Revaluation Gain/(Loss) to Revaln Res	4,671	12,785	0	0	0	0	17,456
Reval/Impair Loss to SDPS	12	23	0	0	0	0	35
Reverse Reval/Impair to SDPS	0	103	0	0	0	0	103
Derecognition - Disposals	15	846	1,524	0	0	0	2,385
Derecognition - Other	0	0	0	0	0	0	0
Re-classification of assets	0	0	0	0	0	0	0
Reclass to/from Held for Sale	0	0	0	0	0	0	0
Reclass to/from Heritage	0	0	0	0	0	0	0
<b>Accum Depn at 31 March 2024</b>	<b>-138</b>	<b>-25,207</b>	<b>-83,249</b>	<b>-456</b>	<b>0</b>	<b>-65</b>	<b>-109,115</b>
<b>Net Book Value at 31 March 2024</b>	<b>229,723</b>	<b>868,600</b>	<b>32,558</b>	<b>31,154</b>	<b>740</b>	<b>11,301</b>	<b>1,174,076</b>
Net Book Value at 31 March 2023	232,930	845,365	32,402	32,133	738	14,360	1,157,928
<b>Nature of Asset Holding</b>							
Owned	229,723	852,424	31,001	31,154	740	11,301	1,156,343
PFI	0	16,176	0	0	0	0	16,176
Leased	0	0	1,557	0	0	0	1,557
<b>Total</b>	<b>229,723</b>	<b>868,600</b>	<b>32,558</b>	<b>31,154</b>	<b>740</b>	<b>11,301</b>	<b>1,174,076</b>

## Infrastructure Assets

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

In order to show a true and fair view of the overall position on PPE, the tables below demonstrate the total Net Book Value balance of these assets.

Movements on Balances	2024-25 £000
Net Book Value (Modified historic cost) at 1 April 2024	287,242
Additions	22,503
Derecognition	0
Depreciation	-21,572
Impairment	0
Other Movement in Cost	0
<b>Net Book Value (Modified historic cost) at 31 March 2025</b>	<b>288,173</b>

Summary of Assets	31 March 2025 £000
Infrastructure Assets	288,173
PPE	1,203,216
<b>Total PPE Assets</b>	<b>1,491,389</b>

## 2023-24 Comparator Figures

Movements on Balances	2023-24 £000
Net Book Value (Modified historic cost) at 1 April 2023	284,385
Additions	22,680
Derecognition	0
Depreciation	-19,823
Impairment	0
Other Movement in Cost	0
<b>Net Book Value (Modified historic cost) at 31 March 2024</b>	<b>287,242</b>



Summary of Assets	31 March 24 £000
Infrastructure Assets	287,242
PPE	1,174,076
<b>Total PPE Assets</b>	<b>1,461,318</b>

## Depreciation

The following useful lives and depreciation rates are used for depreciating new or revalued capital assets. In exceptional circumstances other useful lives may be retained if appropriate to the asset. Operational Buildings will normally be assigned a 50 year useful life unless there is a reason to override this assumption. All depreciation is charged on a straight line basis.

Asset Classification	Useful Lives	Most Common Depreciation Rate %
Council Houses	Up to 60 years	3.8%
Operational Buildings	Up to 100 years	2.0%
Infrastructure	Up to 40 years	3.0%
Vehicles	Up to 12 years	13.3%
Plant and Equipment	Up to 10 years	20.0%

## Bases of Valuations

The Council re-values its operational properties over a five year cycle to ensure that values do not become out of date. Where values may change outside of these planned dates (e.g. due to work undertaken, change in usage or economic conditions) then valuations are brought forward.

For 2024-25 a de-minimis of £20,000 has been applied to operational properties, this does not have a material impact on the property valuations.

The Council's Property Services section value the freehold and leasehold properties which make up the Council's portfolio. They are valued in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors (The Red Book). Valuations are undertaken to reflect asset values as at 31 March 2025.

Operational properties of a specialised nature are valued on the basis of what it would cost to re-instate the asset or to acquire a modern equivalent. This is adjusted to reflect the age, wear and tear and obsolescence of the existing asset.

Council Houses are valued on a five year cycle using a beacon value methodology. The recorded value is an Existing Use Value for Social Housing, which is the value the properties would be exchanged at on the presumption that they must continue to be used for social housing purposes. The valuations are reduced to reflect the fact these houses are occupied by secure tenants.

Vehicles, Equipment, Community Assets, Infrastructure Assets and Assets under Construction are all held in the accounts at depreciated historic cost.

Non-specialised operational properties are valued by reference to the open market value of equivalent assets of a similar type and condition. This is evidenced by recent market transactions and done on the assumption that they would continue in their existing use. Non-operational properties are valued by reference to their open market value for an alternative use allowed by planning permissions.

Where assets are included in the Balance Sheet at current value, they are required to be re-valued at intervals no longer than five years. The Council has done this on the basis of a rolling programme. The following statement shows the age profile of existing asset values and compares these to their historic cost equivalents.

#### Effects of changes in methodologies and estimates

There have been no significant changes to the way in which the Council carries out valuations during 2024-25. New valuations are otherwise directly comparable to the approach taken in previous years, and changes in those values reflect changes in the asset or the wider economic climate.

Valuations	Council Dwellings £000	Operational Land and Buildings £000	Surplus Assets £000	Total PPE Assets £000
<b>Revaluation Year Of Net Book Value:</b>				
31 March 2025	238,302	689,147	6,240	933,689
31 March 2024	0	72,325	0	72,325
31 March 2023	0	7,817	0	7,817
31 March 2022	0	31,445	0	31,445
31 March 2021	0	84,758	0	84,758
<b>Total</b>	<b>238,302</b>	<b>885,492</b>	<b>6,240</b>	<b>1,130,034</b>

#### Significant Commitments Under Capital Contracts

The value of significant commitments under capital contracts, where amounts of £0.5m or more are contracted to be paid after 31 March 2025, totals £15m (£15m at 31 March 2024).

The following table breaks down these commitments:

Scheme	Contract Total Commenced in 2024-25 £000	Spend to 31 March 2024 £000	Spend in 2024-25 £000	Outstanding balance on Contract 2024-25 £000	Outstanding balance on Contract 2023-24 £000
Curzon House	1,496	0	1,496	0	1,496
Sutton Way Redevelopment (HRA)	13,900	10,010	3,518	372	3,890
Northgate - Curtain Wall	965	0	910	55	965
Recycling Facility	0	0	0	0	538
Winsford Town Centre	14,770	6,671	7,028	1,071	8,239
Waste Strategy	1,438	900	431	107	0
Mulberry Centre	3,080	0	0	3,080	0
Ellesmere Port Market	7,266	0	0	7,266	0
Archives	22,622	0	1,860	20,762	0
Northgate Arena	8,402	0	1,124	7,278	0
Social Housing Decarbonisation	3,000	0	343	2,657	0
<b>Total</b>	<b>76,939</b>	<b>17,581</b>	<b>16,710</b>	<b>42,648</b>	<b>15,128</b>

## 16. Heritage Assets

Movements in 2024-25	Non-Current Assets						
	Historic Buildings/ Memorials £000	Sites of Historic Interest £000	Museum Collections £000	Historic Archives £000	Fine Art/ Sculpture £000	Civic Regalia £000	Total £000
Certified Valuation at 31 March 2024	13,280	3,276	10,625	500	4,032	593	32,306
Additions	88	0	0	0	0	0	88
Revaluation Gains/Losses	0	0	0	0	0	0	0
Reclassification to/from other asset categories	0	0	0	0	0	0	0
<b>Value as at 31 March 2025</b>	<b>13,368</b>	<b>3,276</b>	<b>10,625</b>	<b>500</b>	<b>4,032</b>	<b>593</b>	<b>32,394</b>
<b>Depreciation</b>							
At 31 March 2024	-1,925	-5	0	0	0	0	-1,930
Charges for the year	-284	0	0	0	0	0	-284
Disposals	0	0	0	0	0	0	0
Revaluation Gains/Losses	0	0	0	0	0	0	0
Reclassification to/from other asset categories	0	0	0	0	0	0	0
<b>Accumulated Depn at 31 March 2025</b>	<b>-2,209</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,214</b>
<b>Net Book Value at 31 March 2025</b>	<b>11,159</b>	<b>3,271</b>	<b>10,625</b>	<b>500</b>	<b>4,032</b>	<b>593</b>	<b>30,180</b>

Movements in 2023-24	Non-Current Assets						
	Historic Buildings/ Memorials £000	Sites of Historic Interest £000	Museum Collections £000	Historic Archives £000	Fine Art/ Sculpture £000	Civic Regalia £000	Total £000
Certified Valuation at 31 March 2023	12,229	3,261	10,625	500	4,032	593	31,240
Additions	184	0	0	0	0	0	184
Revaluation Gains/Losses	0	0	0	0	0	0	0
Reclassification to/from other asset categories	867	15	0	0	0	0	882
<b>Value as at 31 March 2024</b>	<b>13,280</b>	<b>3,276</b>	<b>10,625</b>	<b>500</b>	<b>4,032</b>	<b>593</b>	<b>32,306</b>
<b>Depreciation</b>							
At 31 March 2023	-1,686	-5	0	0	0	0	-1,691
Charges for the year	-239	0	0	0	0	0	-239
Revaluation Gains/Losses	0	0	0	0	0	0	0
Reclassification to/from other asset categories	0	0	0	0	0	0	0
<b>Accumulated Depn at 31 March 2024</b>	<b>-1,925</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,930</b>
<b>Net Book Value at 31 March 2024</b>	<b>11,355</b>	<b>3,271</b>	<b>10,625</b>	<b>500</b>	<b>4,032</b>	<b>593</b>	<b>30,376</b>

### Historic Buildings

The Council's historic buildings are currently held at depreciated historic cost.

The Council holds the following under historic buildings:

- The Lion Salt Works
- Stretton Mill Museum
- The Anchorite Cell, The Groves
- The Guildhall, Watergate Street
- Dee House, Little St. John Street

### Public Monuments/Memorials

The Council also has responsibility for the management and maintenance of a significant number of public monuments and memorials. These assets take the form of statues, crosses, historic way markers and a significant number of war memorials. There are estimated to be over 100 individually recorded memorials within the borough and several hundred smaller marker posts. The majority of these assets record historically significant figures or events which affected the people of Cheshire West and Chester.

### Sites of Historic Interest

The Council has two sites of historic interest, part of the Chester Walls and the St Johns Church ruins. These assets are held at Depreciated Historic Cost (DHC) as there is no

mechanism for replacing these assets. The Council incurs maintenance work to reverse the impacts of wear and tear and deterioration.

### Museum Collections

These assets are valued based on their insurance value which is reviewed for currency annually. Additions to the collection are initially recorded at the costs paid and items which are donated are recorded based on professional judgements of their value. The valuation shown does not reflect items which are held in the museums but have only been loaned to the Council by a benefactor or are part of an exchange programme with other museums/collections, as they are not in Council ownership.

### Historic Archives

The valuation of £0.5m is based on half of the insurance value held against the costs of repairing damage to the documents held. This is an approximation of the value the Council attaches to the archives as there was no acquisition cost for the majority of these assets and by definition they cannot be replaced. This valuation is not expected to change significantly over time.

## 17. Investment Properties

The Council operates a portfolio of Investment Properties which it either leases out to local business for industrial or commercial usage or holds for capital appreciation. The Council operates its investment property portfolio as a trading account, recording both the income generated and costs incurred.

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

Investment Asset Income and Expenditure	2024-25 £000	2023-24 £000
Rental Income from Investment Property	-13,306	-11,703
Direct Expenditure Arising from Properties	6,446	5,007
<b>Net Cost/(Income) in the Year</b>	<b>-6,860</b>	<b>-6,696</b>

The movements in the value of investment properties during 2024-25 are analysed below:

Investment Assets Movements in Year	2024-25 £000	2023-24 £000
Balance at Start of Year	147,199	154,188
Additions	3,324	773
Disposals		
- Outright Disposals	-1,480	-875
Fair Value Adjustments		
- Increases in Fair Value	24,644	4,018
- Decreases in Fair Value	-10,178	-11,262
Transfers (to) or from other asset categories	-1,455	357
<b>Value as at 31 March</b>	<b>162,054</b>	<b>147,199</b>

Details of investment properties and information about the fair values hierarchy as at 31 March 2025 are as follows:

Investment Properties Fair Value hierarchy 2024-25	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair Value as at 31 March 2025	Restated Fair Value as at 31 March 2024
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	Total £000
<b>Recurring fair value measurement using:</b>					
Residential properties	0	0	0	0	0
Commercial units	0	89,604	0	89,604	83,958
Industrial units	0	61,035	0	61,035	52,783
Land (including Car Parks)	0	9,923	0	9,923	8,962
Other	0	1,492	0	1,492	1,496
<b>Total</b>	<b>0</b>	<b>162,054</b>	<b>0</b>	<b>162,054</b>	<b>147,199</b>

The asset categories for 2023-24 have been reclassified to align with the 2024-25 presentation for comparative purposes.

The Council measures its investment properties at Fair Value. Fair Value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The Fair Value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council uses qualified external property valuers to provide a valuation of its assets in line with the highest and best use definition of its investment properties. In estimating the Fair Value of the Council's investment properties, the highest and best use is their current use.

All the Council's investment properties have been value assessed as Level 2 in the Fair Value hierarchy for valuation. The fair value of investment properties has been determined using a market and income approach, which takes into account direct and indirect observable data from the market where there are no quoted prices. Information is obtained about similar assets, existing lease terms and rentals, research of market evidence including yields and rentals. Adjustments made based on valuer judgement, are unlikely to be material to the overall change in value. We also use the local knowledge and understanding of the Council portfolio when valuing the investment portfolio. Market conditions of similar assets actively purchased and sold within the market and from within the portfolio provide a level of observable inputs, leading to the properties being categorised as level 2 on the fair value hierarchy. There has been no change in the valuation techniques used during this year for investment properties. There have been no transfers between Levels 1 and 2 during the year.

## 18. Intangible Assets

Intangible Assets	Other Assets 2024-25 £000	Assets Under Construction 2024-25 £000	Total Assets 2024-25 £000	Total Assets 2023-24 £000
<b>Balance at start of year:</b>				
Gross carrying amount	14,886	0	14,886	14,307
Accumulated amortisation	-7,815	0	-7,815	-6,862
<b>Net carrying amount at start of year</b>	<b>7,071</b>	<b>0</b>	<b>7,071</b>	<b>7,445</b>
<b>Purchases &amp; Asset under Construction:</b>				
Additions	3,183	0	3,183	2,154
Reclassification	0	0	0	0
<b>Disposals:</b>				
Gross carrying amount	0	0	0	-1,575
Accumulated amortisation	0	0	0	1,575
Amortisation for the Period	-3,168	0	-3,168	-2,528
<b>Net carrying value at end of year</b>	<b>7,086</b>	<b>0</b>	<b>7,086</b>	<b>7,071</b>
<b>Comprising:</b>				
Gross Carrying Amount	18,069	0	18,069	14,886
Accumulated Amortisation	-10,983	0	-10,983	-7,815
<b>Total</b>	<b>7,086</b>	<b>0</b>	<b>7,086</b>	<b>7,071</b>

## 19. Assets Held for Sale

The balance of Assets Held for Sale has increased by £1.335m during 2024-25. The assets within this category are currently being marketed and expected to sell within the next 12 months.

Assets held for sale	2024-25 £000	2023-24 £000
Balance at Start of Year	12,722	7,138
<b>Assets Transferred into Assets Held for Sale:</b>		
Property, Plant and Equipment	8,814	400
Investment Assets	1,455	0
Assets under construction		0
Additions	0	0
<b>Valuation Changes:</b>		
- Revaluation Gains/Losses	-1,424	5,184
<b>Assets Transferred out of Assets Held for Sale:</b>		
Property, Plant and Equipment	-5,785	0
Assets sold	-4,395	0
<b>Balance at end of the year</b>	<b>11,387</b>	<b>12,722</b>

## 20. Financial Instruments

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

The tables below outline the categories of financial instruments that are carried in the Council's balance sheet.

### Financial Assets

A financial asset is the right to receive future economic benefits. The financial assets held by the Council during the year are accounted for under the following bases:

Type of Assets	Classification	Measurement
	2024-25 and 2023-24	2024-25 and 2023-24
Cash	Amortised cost	Amortised cost
Bank current and deposit accounts	Amortised cost	Amortised cost
Government Deposits	Amortised cost	Amortised cost
Fixed term deposits with banks	Amortised cost	Amortised cost
Loans to other councils	Amortised cost	Amortised cost
Trade receivables	Amortised cost	Amortised cost
Shares in UK Municipal Bond Agency (UKMBA)	Fair Value Through other Comprehensive Income (FVOCI)	Fair Value Through other Comprehensive Income (FVOCI)
Units in pooled equity and property funds managed by Schroders and CCLA	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Profit and Loss (FVTPL)
Units in instant access pooled money market funds	Fair Value Through Profit and Loss (FVTPL)	Fair Value Through Profit and Loss (FVTPL)

In line with IFRS 9 the Council elects to treat the Council's shareholding in the UK Municipal Bond Agency (350,000 ordinary 1p shares) as being classified at fair value through other comprehensive income (FVOCI).

The following investment are classified as Fair Value Through Profit and Loss by regulation:

Type of Investment	Units Held
Income units in CCLA Local Authorities Mutual Investment Trust Property Fund	1,545,356
Income units in Schroders Income Maximiser Fund	9,681,318

The following categories of financial instrument are carried in the balance sheet:

Long term investments represent interest in minority shareholdings and long term strategic holdings in property and equity funds. Short term investments represent fixed term deposits with other local Councils and HM Treasury, notice accounts with banks and investments in instant access accounts.

Cash and cash equivalents are reported on the Balance Sheet as £90.78 million which includes a bank overdraft of £5.15 million reported within the financial liabilities table.



## Equity Instruments

Financial Assets	Long Term		Short Term	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
<b>Assets at amortised cost</b>				
Principal amount	0	0	0	7,500
Loss allowance	0	0	0	0
<b>Assets at fair value through other comprehensive income (FVOCI)</b>				
Equity investments elected FVOCI	0	0	0	0
<b>Assets at fair value through profit and loss</b>				
Pooled Property and Equity Funds	8,514	8,095	0	0
<b>Total Investments</b>	<b>8,514</b>	<b>8,095</b>	<b>0</b>	<b>7,500</b>
<b>Assets at amortised cost</b>				
Principal amount	0	0	919	169
Loss allowance	0	0	0	0
Balance at Bank	0	0	3,749	2,509
<b>Assets at fair value through profit and loss</b>				
Money Market Funds	0	0	89,347	82,080
<b>Total Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>94,015</b>	<b>84,758</b>
<b>Assets at amortised cost</b>				
Trade receivables/Debtors	14,106	18,924	58,251	60,387
<b>Total</b>	<b>14,106</b>	<b>18,924</b>	<b>58,251</b>	<b>60,387</b>
Non financial instrument debtors	0	0	27,340	21,289
<b>Total Debtors</b>	<b>14,106</b>	<b>18,924</b>	<b>85,591</b>	<b>81,676</b>
<b>Amount Included in Debtors</b>	<b>14,106</b>	<b>18,924</b>	<b>58,251</b>	<b>60,387</b>
<b>Total All Financial Assets</b>	<b>22,620</b>	<b>27,019</b>	<b>152,266</b>	<b>152,645</b>

Equity Instruments elected to fair value through other comprehensive income	Fair Value		Dividends	
	31 March 2025 £000	31 March 2024 £000	2024-25 £000	2023-24 £000
UKMBA 1p ordinary shares	0	0	0	0
<b>Total Equity Instruments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The UKMBA investment is carried at zero value as a result of impairments in previous years.

## Pooled Investments

The Council holds pooled investments in a property fund and an equity fund. Any changes in the valuation are required to be recognised as fair value through profit and loss, which again would impact upon the Council's general fund reserve and revenue budget. A temporary statutory override was in place until March 2025 to mitigate the impact of these changes in valuation. The Ministry of, Housing, Communities and Local Government (MHCLG) has implemented transitional arrangements which will be for legacy investments already in place at the end of the previous financial year (1 April 2024). The override will continue to apply for these investments until 1 April 2029. The Council has utilised the statutory override to account for any changes in the value of these investments.

Details of the investments are as follows:

Instruments at fair value through profit and loss	Fair Value		Dividends/Interest	
	31 March 2025	31 March 2024	2024-25	2023-24
	£000	£000	£000	£000
Schroder Income Maximiser Fund Class Z Units	4,269	3,936	279	346
CCLA LAMIT Property Fund Income Units	4,245	4,159	215	268
Money Market Funds	89,347	82,080	4,570	4,763
<b>Total Instruments at fair value</b>	<b>97,861</b>	<b>90,175</b>	<b>5,064</b>	<b>5,377</b>

## Financial Liabilities

A financial liability is an obligation to transfer economic benefits. The financial liabilities held by the Council during the year are accounted for under the following basis:

Type of Liability	Classification	Measurement
	2024-25 and 2023-24	2024-25 and 2023-24
Long term loans from the Public Works Loan Board (PWLb)	Amortised cost	Amortised cost
Long term loans from banks and other commercial organisations	Amortised cost	Amortised cost
Loans to other councils	Amortised cost	Amortised cost
Payments due under leases	Amortised cost	Amortised cost
Private Finance Initiative (PFI) contracts	Amortised cost	Amortised cost

Financial Liabilities	Long Term		Short Term	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
<b>Loans at amortised cost</b>				
Principal Amount	225,421	231,556	6,148	21,515
Accrued Interest	0	0	2,579	2,618
<b>Total Borrowing</b>	<b>225,421</b>	<b>231,556</b>	<b>8,727</b>	<b>24,133</b>
<b>Loans at amortised cost</b>				
Bank Overdraft	0	0	3,233	5,632
<b>Total Cash Overdrawn</b>	<b>0</b>	<b>0</b>	<b>3,233</b>	<b>5,632</b>
<b>Long Term Liabilities at amortised cost</b>				
Leases	3,544	842	0	0
PFI contracts	27,492	19,829	0	0
Amounts owed to Cheshire East Council	531	524	0	0
<b>Total Other Long Term Liabilities</b>	<b>31,567</b>	<b>21,195</b>	<b>0</b>	<b>0</b>
<b>Short Term Liabilities at amortised cost</b>				
Leases	0	0	3,622	940
PFI contracts	0	0	1,650	1,168
Amounts owed to Cheshire East Council	0	0	0	0
Trade Creditors	0	0	120,704	114,369
<b>Total Trade Creditors</b>	<b>0</b>	<b>0</b>	<b>125,976</b>	<b>116,477</b>
Non financial instrument creditors	0	0	161,884	125,765
<b>Total Creditors</b>	<b>0</b>	<b>0</b>	<b>287,860</b>	<b>242,242</b>
<b>Amount Included in Creditors</b>	<b>0</b>	<b>0</b>	<b>125,976</b>	<b>116,477</b>
<b>Total All Financial Liabilities</b>	<b>256,988</b>	<b>252,751</b>	<b>137,936</b>	<b>146,242</b>

Short term borrowings comprise in the main of loan principal and interest payments due in less than one year and bank overdrafts. The 'Other long term liabilities' section includes PFI, leases and amounts owed to Cheshire East Council in relation to shared properties.

Within the debtors and creditors analysis, certain transactions are removed where they are not considered to be financial instruments (i.e. they do not meet the definition of a financial asset or a financial liability). This is the case for arrangements such as the pay over of deductions for tax and national insurance to Government, receipts in advance or prepayments. These are not contractual arrangements whereby the Council is giving or receiving credit so they are not classed as financial instruments.

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously. The Council has adopted this approach in respect of its main bank accounts at Lloyds Bank which are shown in the table below on the bank overdraft line. See note 22 Cash and cash equivalent for details of accounts that have permitted right of set off.

Offsetting Financial Assets and Liabilities	Gross assets (liabilities) £000	31 Mar 2025 (Liabilities) assets set off £000	Net position on balance sheet £000	Gross assets (liabilities) £000	31 Mar 2024 (Liabilities) assets set off £000	Net position on balance sheet £000
Trade receivables	0	0	0	0	0	0
Bank accounts in credit	1,913	-1,913	0	18,424	-18,424	0
<b>Total financial assets</b>	<b>1,913</b>	<b>-1,913</b>	<b>0</b>	<b>18,424</b>	<b>-18,424</b>	<b>0</b>
Trade payables	0	0	0	0	0	0
Bank overdrafts	-5,146	1,913	-3,233	-24,056	18,424	-5,632
<b>Total financial liabilities</b>	<b>-5,146</b>	<b>1,913</b>	<b>-3,233</b>	<b>-24,056</b>	<b>18,424</b>	<b>-5,632</b>

### Income, Expense, Gains and Losses

Financial Instruments Gains and Losses	Financial Liabilities	Financial Assets				
	Amortised Cost £000	Amortised Cost £000	Elected to Fair Value through Other Comprehensive Income £000	Fair Value through Profit & Loss £000	Total 2024-25 £000	Restated Total 2023-24 £000
Interest payable	12,084	0	0	0	12,084	14,474
Loss on de-recognition	0	0	0	0	0	0
Fees paid	0	0	0	0	0	0
<b>Interest payable and similar charges</b>	<b>12,084</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,084</b>	<b>14,474</b>
Interest receivable	0	-3,173	0	-4,570	-7,743	-11,312
Dividend income	0	0	0	-494	-494	-614
<b>Interest receivable and investment income</b>	<b>0</b>	<b>-3,173</b>	<b>0</b>	<b>-5,064</b>	<b>-8,237</b>	<b>-11,926</b>
(Gains)/Losses on revaluation	0	0	0	-418	-418	184
<b>Net impact on surplus / deficit on provision of services</b>	<b>12,084</b>	<b>-3,173</b>	<b>0</b>	<b>-5,482</b>	<b>3,429</b>	<b>2,732</b>
	0	0	0	0	0	0
<b>Impact on other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net (Gain) / Loss for the Year</b>	<b>12,084</b>	<b>-3,173</b>	<b>0</b>	<b>-5,482</b>	<b>3,429</b>	<b>2,732</b>

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

### Fair Values of Assets and Liabilities

All of Council's financial liabilities are carried in the balance sheet at amortised cost. Many of the Council's financial assets are also carried in the balance sheet at their amortised cost. The fair value of both can be assessed by calculating the present value of the cash flows

that will take place over the remaining term of the instruments using the following assumptions:

- The carrying value of the Lender's Option Borrower's Option (LOBO) loan has been increased by the value of the embedded options. The lender's option to increase the rate of interest payable has been valued by reference to a pricing model for Bermudan cancellable swaps. The borrower's option to accept the increased interest rate or repay the loan has been valued at zero;
- No early re-payment or impairment is recognised;
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount;
- All loans issued are relatively short term (less than one year) and therefore fair value will not vary significantly from carrying value;
- The fair value of unquoted equity is calculated by reference to the estimated amount of equity attributable to the owners of the company as shown in the company's most recent set of published accounts;
- Lease liabilities and PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate Public Works Loans Board annuity loan certainty rate.

The fair value of financial assets and liabilities are determined using one of three bases (level 1, 2 or 3), which is set out in Note 1. Significant accounting policies.

### Fair Value of Assets

Fair Value of Financial Assets	Fair Value Level	Balance Sheet Value	Fair Value	Balance Sheet Value	Fair Value
		31 March 2025 £000	31 March 2025 £000	31 March 2024 £000	31 March 2024 £000
<b>Financial assets held at fair value</b>					
Money market funds	1	89,347	89,347	82,080	82,080
Pooled equity funds	1	4,269	4,269	3,936	3,936
Pooled property funds	1	4,245	4,245	4,159	4,159
<b>Financial assets held at amortised cost</b>					
Bank deposits and notice accounts	2	919	919	969	969
Government Deposits	2	0	0	6,700	6,700
Short term debtors		58,251	58,251	60,387	60,387
Long term debtors		14,106	14,106	18,924	18,924
Balance at Bank		3,749	3,749	2,509	2,509
<b>Total Financial Assets</b>		<b>174,886</b>	<b>174,886</b>	<b>179,664</b>	<b>179,664</b>
<b>Recorded on the balance sheet as</b>					
Long term investments		8,514		8,095	
Long term debtors		14,106		18,924	
Short term investments		0		7,500	
Short term debtors		58,251		60,387	
Cash and cash equivalents		94,015		84,758	
<b>Total Financial Assets</b>		<b>174,886</b>		<b>179,664</b>	

The financial assets whose recurring fair value is determined using level 1 inputs (the ex-dividend share price on 31 March) comprise of a long term strategic shareholding in the CCLA Local Authorities Property Fund and the Schroders Income Maximiser Fund. The Council view this shareholding as being a long term strategic shareholding. Changes in the

fair value of the shareholding are therefore taken direct to the Financial Instruments Revaluation Reserve in accordance with the accounting treatment set out in IFRS 9, and the MHCLG statutory override.

Instant access money market funds are valued using level 1 inputs namely the ex-dividend share price on 31 March 2025.

The financial assets held by the Council at amortised cost on the balance sheet date, and whose fair value is determined using level 2 bases, comprise of short term fixed rate deposits with UK local Councils and HM Treasury, instant access accounts with UK banks, and notice accounts with UK banks.

The fair value of trade receivables, is assumed to approximate to the carrying amount.

The financial assets whose recurring fair value is determined using level 3 inputs comprise of a minority shareholding in the UK Municipal Bond Agency (UKMBA). The company having incurred significant set up costs.

The fair value of the Council's 5% shareholding in the company has been calculated by reference to the Council's estimated pro-rata share of the total equity attributable to the owners of UKMBA as shown in the financial statements for the year ended 30 November 2024.

The Council views the shareholding in UKMBA as being a long term strategic shareholding. Consequently changes in the fair value of the shareholding are taken to the Financial Instruments Revaluation Reserve in accordance with the accounting treatment set out in IFRS 9.

### Fair Value of Liabilities

Fair Value of Financial Liabilities	Fair Value Level	Balance Sheet Value	Fair Value	Balance Sheet Value	Fair Value
		31 March 2025 £000	31 March 2025 £000	31 March 2024 £000	31 March 2024 £000
Long and short term loans from PWLB	2	209,027	195,522	214,283	212,912
Long term LOBO loans	2	7,344	7,852	7,351	7,870
Other long and short term loans	2	17,777	16,644	34,055	34,268
PFI contracts	2	29,142	21,289	20,997	23,123
Leases and other long term liabilities		7,697	7,697	2,306	2,306
Short term creditors		120,704	120,704	114,369	114,369
Bank Overdraft		3,233	3,233	5,632	5,632
<b>Total Financial Liabilities</b>		<b>394,924</b>	<b>372,941</b>	<b>398,993</b>	<b>400,480</b>
<b>Recorded on the balance sheet as</b>					
Long term borrowing		225,421		231,556	
Other long term liabilities		31,567		21,195	
Long term creditors		0		0	
Short term liabilities		5,272		2,108	
Short term borrowing		8,727		24,133	
Short term creditors		120,704		114,369	
Bank Overdraft		3,233		5,632	
<b>Total Financial Liabilities</b>		<b>394,924</b>	<b>0</b>	<b>398,993</b>	<b>0</b>

Ascertaining the fair value of long term loans that are held on the balance sheet at amortised cost makes use of level 2 inputs:

- The level 2 input used is the new market borrowing rate for local Councils. The new market borrowing rate has been used to discount the scheduled interest payments and

principal re-payments that the Council is committed to under its existing loan agreements back to a fair (net present) value at the balance sheet date.

- The fair value here (and which is shown above) represents the amount of loans that could be raised on the balance sheet date that would give rise to the same profile of interest payments and principal repayments as those the Council is committed to under its existing loan agreements were the loans to be raised at the prevailing market rates.
- Leases carrying value is representative of the fair value of the assets and are carried at level 2 inputs.
- PFI contracts fair value is derived using the interest payable on equivalent PWLB annuity loans raised at the certainty rate at the balance sheet date. This rate is considered to be a fair reflection at which the Council could raise equivalent debt were it to refinance the existing debt.
- The fair value short term creditors, leases and other long-term liabilities are assumed to approximate to the carrying amount.

## 21. Debtors

The Council's debt position as at 31 March is:

<b>Current Debtors</b>	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>
Trade receivables	58,251	60,387
Prepayments	5,591	3,711
Local Taxation	11,620	9,390
Other receivable amounts	10,129	8,188
<b>Total</b>	<b>85,591</b>	<b>81,676</b>

Overall, there has been an increase in outstanding debt of £3.9m when compared to 31 March 2024.

The majority of the Council's debt is with individuals (rent arrears, social care debt or Council Tax) or is trade debt with other private sector organisations. The Council also holds significant debts with other Councils (joint working) and the Government (VAT and NI payments). Where the Council holds debt provisions these have been reflected against the appropriate category.

As part of IFRS 9, the Council is required to use the expected losses approach to calculate the impairment loss allowance. Using this approach provides a more accurate impairment charge to the CIES.

### Debtors for Local Taxation

Historic total sums due for Council tax and Non-domestic rates are:

<b>Debtors for Local Taxation</b>	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>
Less than twelve months	10,204	8,691
More than one year	19,226	19,084
<b>Total</b>	<b>29,430</b>	<b>27,775</b>

An expected credit loss (bad debt provision) of £17.8m (2023-24 £18.4m) has been provided for. The main reason for the increase in local taxation debt is that the Council Tax arrears have increased. This is partly due to inflation and partly due to in year collection rates.

## 22. Cash and Cash Equivalents

The following table shows the balance of cash and cash equivalents as of 31 March 2025.

	31 March 2025 £000	Restated 31 March 2024 £000
Bank Current Accounts	3,749	2,509
Bank Overdraft	-3,233	-5,632
Short Term Deposits	90,266	82,250
<b>Total</b>	<b>90,782</b>	<b>79,126</b>

The Council holds current balances for processing payroll, payment, and income transactions as well as a Council Fund account to ensure there are sufficient funds available to meet all short-term commitments. Where payments have been initiated on the last working day of March, the current account balance shows them as if they have already been made, even though they will not physically leave the account until the next working day.

The Council also holds balances in longer term deposit accounts to ensure the balances generate a financial return until they are required to fund expenditure.

The following table shows the types of accounts held by the Council and where there is a legally enforceable right of set off and it intends to settle on a net basis or to realise the assets and liabilities simultaneously. See Note 20 for further details.

	31 March 2025 £000	31 March 2024 £000	Legal right to set off
Council fund accounts	1,913	18,424	Yes
Payables account	-5,041	-23,951	Yes
Payroll account	-105	-105	Yes
Instant access account	919	169	
Money market funds	89,347	82,080	
School bank accounts	3,219	2,055	
Imprest bank accounts	42	44	
Other	488	410	
<b>Total</b>	<b>90,782</b>	<b>79,126</b>	

The Council fund, Payables and Payroll accounts have an overall balance of -£3,233m for 2024-25 and -£5,632m 2023-24. These balances have been shown within current liabilities in the balance sheet.



## 23. Creditors

The Council's creditor position as at 31 March 2025 is analysed as follows:

Creditors	31 March 2025 £000	31 March 2024 £000
Trade payables	91,936	87,718
Receipts in advance	23,392	24,453
Other payables	53,726	47,315
<b>Total</b>	<b>169,054</b>	<b>159,486</b>

Overall, the Council's creditors have increased by £9.5m compared to 31 March 2024. The movement reflects increases in Other Payables (£6.4m) and Trade Payables (£4.2m) which have been partially offset by a decrease in Receipts in Advance (£1.1m).

The increase in trade payables mainly relates to the short-term finance lease liability. This is due to an increased number of leases being recognised on the balance sheet as a result of the implementation of IFRS16.

The increase in other payables mainly relates to Business Rates. The surplus on the Business Rates collection fund has increased from £10.1m at the start of the year to £18.1m at the end of 2024-25. An increased sum of £4.1m is therefore owed to business rate partners reflecting their share of the surplus (Cheshire Fire £0.1m and Central Government £4.0m). In addition, changes in the receipts in advance, arrears and provisions also impact the share of the collection fund relating to the partners (net increase of £1.0m).

## 24. Provisions

The Council holds a provision when it has identified a liability that it is exposed to as a result of its past actions or decisions, but where it cannot quantify the precise costs or timing of the probable payment. The provision ensures that the costs are recognised as close as possible to the time the liability was incurred. Should the actual costs differ from those estimated the net difference will be charged to the CIES in the year the difference is identified.

	Short Term Provisions				
	Redundancy £000	Public Enquiry £000	Interest on cash balances £000	Other ST Provisions £000	Short Term Total £000
<b>Balance at 31 March 2023</b>	<b>268</b>	<b>169</b>	<b>0</b>	<b>372</b>	<b>809</b>
Amounts used in year	-99	-169	0	-193	-461
Unused amount released	0	0	0	-179	-179
Additional provisions made	635	170	0	0	805
<b>Balance at 31 March 2024</b>	<b>804</b>	<b>170</b>	<b>0</b>	<b>0</b>	<b>974</b>
Amounts used in year	-484	0	0	0	-484
Unused amount released	0	-50	0	0	-50
Additional provisions made	52	0	4,065	0	4,117
<b>Balance at 31 March 2025</b>	<b>372</b>	<b>120</b>	<b>4,065</b>	<b>0</b>	<b>4,557</b>

Short Term (likely to become payable within 12 months) provisions include:

- **Redundancy** - Sums held to fund the costs of redundancy payments to individuals which have been agreed in advance of 31 March but will take place in the following financial year.
- **Public Enquiry Costs** – This provision is to fund any costs incurred by the Council in responding to legal challenges to the appropriateness of planning decisions made.
- **Interest on Cash Balances** – This provision is the interest on cash balances relating to Mersey Forest, for which the Council acts as Accountable Body. There is a risk that Defra could claw back this interest, as effectively it has been earned on the grant funding they have allocated to Mersey Forest. The interest has therefore been held in a provision until an agreement is reached on its allocation.

	Long Term Provisions					
	Insurance Provision	Closed Landfill	Business Rates	Council Companies	Other LT Provisions	Long Term Total
	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2023</b>	<b>2,974</b>	<b>2,210</b>	<b>17,977</b>	<b>591</b>	<b>1,200</b>	<b>24,952</b>
Amounts used in year	-1,275	-210	-6,415	0	-100	-8,000
Unused amount released	-530	0	0	-149	-1,100	-1,779
Additional provisions made	2,261	0	7,779	424	88	10,552
<b>Balance at 31 March 2024</b>	<b>3,430</b>	<b>2,000</b>	<b>19,341</b>	<b>866</b>	<b>88</b>	<b>25,725</b>
Amounts used in year	-1,573	-174	-4,129	0	-22	-5,898
Unused amount released	-753	0	0	-335	0	-1,088
Additional provisions made	2,720	0	5,231	30	90	8,071
<b>Balance at 31 March 2025</b>	<b>3,824</b>	<b>1,826</b>	<b>20,443</b>	<b>561</b>	<b>156</b>	<b>26,810</b>

Long Term Provisions include:

- **Insurances** – The Council holds insurance provisions for the cost of known claims up to the excess level on its insurance policies. The value of this provision is based on the individual claim reserves set by either external claims handlers or internal insurance staff.
- **Closed Landfill Sites** – Representing the future costs of necessary remedial works to remove contamination and make safe former landfill sites across the borough.
- **Business Rates Appeals** – The Council's share of costs that would arise should the appeals lodged by a range of companies against their Non-Domestic Rates charges be upheld by the Valuation Office Agency.
- **Council Companies** – This provision is held in recognition of costs the Council may face as a result of its ownership of arms-length companies. Specifically, the provision reflects potential exposure to costs from underwriting losses that have been made by those companies, and the risk from pension fund guarantees the Council has provided
- **Other LT Provisions** – This provision was created in 2023-24 for £88k, it is for the HMO licence fees, this is income received for houses with multiple occupancy which spans 5 years. Further HMO licence fee income was received in 2024-25 of £90k which also spans 5 years, this has been added to the provision. The provisions will be released annually over 5 years.

## 25. Usable Reserves

The Council holds both revenue and capital usable reserves for a number of reasons, they provide a source of assurance to ensure the Council is financially stable, investment funds for future initiatives and allow balances to be set aside to fund known cost pressures that will occur in later years.

The revenue reserves are split into three core funds for general activities (General Fund), budgets devolved to schools (School Reserves) and Council Housing (HRA Balance) and a number of specific earmarked reserves held for a particular purpose. Capital Reserves are similarly split between a pot for funding future capital expenditure (Capital Receipts Reserve) and earmarked balances. A breakdown of the earmarked reserves and their movement is contained in Note 9, other balances are explained below.

The overall movements show a net reduction in reserves of £28.9m during 2024-25. This largely reflects decreases to Earmarked Reserves, the General Fund Reserve, the Capital Receipts Reserve and the Capital Grants Unapplied reserve. Further explanations for major variances follow the table.

Usable reserves	31 March 2025 £000	Restated 31 March 2024 £000
<b>Held for Revenue Purposes</b>		
General Fund	22,729	26,198
School Reserves	9,391	8,784
Housing Revenue Account	803	737
Earmarked General Fund Reserves	67,462	87,943
Earmarked HRA Reserves	876	807
	<b>101,261</b>	<b>124,469</b>
<b>Held for Capital Purposes</b>		
Capital Receipts Reserve	11,146	14,434
Capital Grants Unapplied Reserve	36,915	38,712
Major Repairs Reserve	6,224	6,837
	<b>54,285</b>	<b>59,983</b>
<b>Total</b>	<b>155,546</b>	<b>184,452</b>

The balance at 31 March 2024 has been restated to move the dedicated school grant deficit from Earmarked General Fund Reserves to the Dedicated School's Grant adjustment account within Unusable Reserves. Further details are shown within Note 48.

### Revenue Reserves

**General Fund** – The general fund reserve balance at the start of the year was £26.2m. The transfer of the in-year overspend of £3.47m to the general fund has reduced the balance at the end of the financial year to £22.7m.

**School Balances** – School Balances represent the use of the Dedicated Schools Grant (DSG), other school specific grants and income generation, which have been devolved to schools.

**Earmarked Reserves** – See Note 9 for analysis of the individual movements on earmarked reserves.

### Capital Reserves

**Capital Receipts Reserve** – The Capital Receipts Reserve holds balances which have been generated from the sale of assets or funds the Council has chosen to set aside to fund future capital works. The balance is used each year to finance part of the Council's capital expenditure. In 2024-25 there was a net decrease of £3.3m in the balance on the reserve. This decrease reflects a combination of £10.9m of additional income from new receipts and the utilisation of £14.2m of the reserve to fund capital projects in 2024-25. The new capital receipts received related to commercial property receipts (£1.8m), Right to Buy receipts (£2.4m), and general capital receipts (£6.7m).

**Capital Grants Unapplied Reserve** – This reserve decreased by £1.8m in 2024-25. The movement primarily relates funds draw down in year to support the capital programme.

**Major Repairs Reserve** – The Major Repair Reserve holds all the balances that the HRA has set aside to fund the future repayment of its debt or to invest in capital expenditure on the housing stock. The balance on this reserve is managed in line with the HRA Financial Model. In 2024-25 the balance on the reserve decreased by £0.6m. This decrease was due to capital expenditure in the year being higher than initially budgeted for. Further details on the use of this reserve are contained in the Housing Revenue Account.

### 26. Unusable Reserves

Unusable Reserves are those that are restricted and cannot be used to finance the Council's operational activities. This is typically due to one of two reasons:

- They represent assets or profits recognised in the Council's accounts but which are not readily available to support current expenditure, e.g. the value is tied up in assets whose valuation exceeds their outstanding funding requirement or investments which have increased in value since purchase; or
- They represent future liabilities that will fall to the Council in later years but under statute are not chargeable against the General Fund until they become due, e.g. pensions deficits.

Unusable reserves	31 March 2025 £000	Restated 31 March 2024 £000
Revaluation Reserve	498,008	476,280
Capital Adjustment Account	646,390	636,664
Financial Instruments Adjustments Account	-1,010	-1,140
Deferred Capital Receipts Reserve	0	0
Pensions reserve	-12,923	-14,495
Collection Fund Adjustment Account	9,453	5,940
Accumulated Absences Account	-9,493	-8,570
Financial Instrument Revaluation Reserve	-1,793	-2,211
Dedicated School's Grant adjustment account	-19,701	-7,481
<b>Total</b>	<b>1,108,931</b>	<b>1,084,987</b>

## Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council 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 to provide services and the value is consumed through depreciation; or
- Disposed of and the gains are realised.

Where the impairment value is greater than the re-value amount, then the excess impairment is charged to the CIES.

Revaluation Reserve Movements	2024-25 £000	2023-24 £000
<b>Balance at 1 April</b>	<b>476,280</b>	<b>464,614</b>
Upwards Revaluation of assets	88,338	57,762
Downward revaluations and impairment losses	-35,235	-21,917
Write-off negative balances in Revaluation Reverse to CIES	0	1,340
<b>Surplus on revaluation of non-current assets</b>	<b>53,103</b>	<b>37,185</b>
Difference fair value and historic cost depreciation	-9,584	-9,454
Accumulated gains on assets sold or scrapped	-21,791	-16,065
<b>Written off to the Capital Adjustment Account</b>	<b>-31,375</b>	<b>-25,519</b>
<b>Balance at 31 March</b>	<b>498,008</b>	<b>476,280</b>

## Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets.

The Account is:

- Debited with the cost of depreciation, impairment losses and amortisation;
- Credited with Revaluation Reserve funds to convert fair value figures to a historical cost basis;
- Credited with the amounts set aside by the Council as capital financing;
- Allocated gains and losses on Investment Properties not yet used by the Council.

The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. The movement on the reserve during the year is as follows:

Capital Adjustment Account	2024-25 £000	Restated 2023-24 £000
<b>Balance at 1 April</b>	<b>636,664</b>	<b>624,740</b>
<b>Capital funded items charged to CIES</b>		
Charges for depreciation	-57,418	-51,430
Amortisation of Intangible assets	-3,168	-2,528
Revaln and impairment losses on non current assets	-28,583	-1,988
Revaluation/Impairment of capital creditors/debtors	-8	-75
IFRS16 Adjustment for donated assets	94	0
REFCUS (Rev exp funded from capital under statute)	-4,957	-4,457
Assets written off to the CIES on disposal	-30,185	-33,606
Write-off negative balances in Revaluation Reverse to CIES	0	-1,340
Change in market value of investment properties charged to CIES	14,466	-7,244
<b>Subtotal</b>	<b>-109,759</b>	<b>-102,668</b>
<b>Values released from revaluation reserve</b>		
Depreciation costs funded from revaluation reserve	9,584	9,454
Revalued assets disposed of in year	21,791	16,065
	<b>31,375</b>	<b>25,519</b>
<b>Net cost of non-current assets used in the year</b>	<b>-78,384</b>	<b>-77,149</b>
<b>Capital financing applied in the year</b>		
Application of capital receipts	14,216	5,603
Transfer from Major Repairs Reserve	12,906	12,731
Capital grants and contributions from CIES	30,156	36,069
Funding from capital grants unapplied reserve	5,548	12,208
Statutory revenue provision for capital financing from CIES	24,526	20,583
Revenue contributions to capital costs from CIES	758	1,879
<b>Subtotal</b>	<b>88,110</b>	<b>89,073</b>
<b>Balance at 31 March</b>	<b>646,390</b>	<b>636,664</b>

### Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

This reserve is used to manage Lender Option Borrower Option (LOBO) loans. These reflect the difference between recording LOBO loans using the effective interest rate as opposed to their normal value, i.e. the principal amount outstanding. These differences will be transferred to the General Fund through the Movement in Reserves Statement over the remaining lives of the loans (until 2054).

Financial Instrument Adjustment Account Movement	2024-25 £000	2023-24 £000
<b>Balance at 1 April</b>	<b>-1,140</b>	<b>-1,242</b>
Premiums/discounts incurred in previous years released to CIES	-4	-4
Proportion of premiums/discounts incurred in previous financial years to be charged to against the General Fund Balance in accordance with statutory requirements	21	18
Amounts by which finance costs charged to the CIES are different from the finance costs chargeable in the year in accordance with statutory requirements	113	88
<b>Difference between costs charged to CIES and costs chargeable under statutory requirements</b>	<b>130</b>	<b>102</b>
<b>Balance at 31 March</b>	<b>-1,010</b>	<b>-1,140</b>

### Deferred Capital Receipt

The deferred capital receipt reserve has been restated for 2023-24. Further information is provided in Note 48.

Deferred Capital Receipts Movement	2024-25 £000	Restated 2023-24 £000
<b>Balance at 1 April</b>	<b>0</b>	<b>0</b>
Deferred Capital Receipts from disposals where cash has not yet been received	0	0
Transfer to capital receipts reserve upon receipt of cash	0	0
<b>Balance at 31 March</b>	<b>0</b>	<b>0</b>

### Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding them 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 resource set aside to meet the costs. However, statutory arrangements require that benefits earned should only be recognised against the General Fund when the Council makes employer's contributions to the Pension Fund or pays any pension for which it is directly responsible.

The Pension Reserve includes an asset ceiling adjustment of £206m in 2024-25 (£80m in 2023-24) as calculated by the Actuary (Hymans Robertson LLP), as the year end results showed a net asset in the pension scheme. Further information is provided in Note 43.



Pensions Reserve Movement	2024-25 £000	2023-24 £000
<b>Balance at 1 April</b>	<b>-14,495</b>	<b>-15,829</b>
Remeasurement of the net defined benefit liability	201,040	76,479
Reversal of items Charged to CIES		
- Current Service Costs	-28,482	-30,628
- Past Service Costs, Settlements and Curtailments	2,124	2,804
- Net Interest Costs	-581	-589
Effect of business combinations and disposals	0	0
Actual Pension Contris Charged to General Fund	33,539	33,277
Asset Ceiling Adjustment	-206,068	-80,009
<b>Balance at 31 March</b>	<b>-12,923</b>	<b>-14,495</b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund from accruing for paid absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. The reserve represents accrued costs that have not been charged to the General Fund so it holds a deficit balance.

Accumulating Absences Adjustment Account	2024-25 £000	2023-24 £000
<b>Balance at 1 April</b>	<b>-8,570</b>	<b>-8,236</b>
Amount by which employee remuneration charged to the CIES on an accruals basis is different from remuneration chargeable to the General Fund	-923	-334
<b>Balance at 31 March</b>	<b>-9,493</b>	<b>-8,570</b>

### Financial Instrument Revaluation Reserve

The Financial Instrument Revaluation Reserve comprises of changes in the fair value of investments held by the Council.

Financial Instrument Revaluation Reserve	2024-25 £000	2023-24 £000
<b>Balance at 1 April</b>	<b>-2,211</b>	<b>-2,027</b>
Upward revaluation of investments	418	0
Downward revaluation of investments	0	-184
<b>Balance at 31 March</b>	<b>-1,793</b>	<b>-2,211</b>

### Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account holds the accumulated deficits relating to the schools' budget. The Local Authorities (Capital Finance and Accounting) Regulations state that deficits on the schools budgets from 1 April 2020 to 31 March 2026 must be held in this adjustment accounts. Further information is provided in Note 34 and Note 48.

Dedicated School's Grant adjustment account	2024-25 £000	2023-24 £000
<b>Balance at 1 April</b>	<b>7,481</b>	<b>-2,712</b>
School budget transferred from General Fund in accordance with statutory requirements	<b>-12,220</b>	<b>-4,769</b>
<b>Balance at 31 March</b>	<b>-4,739</b>	<b>-7,481</b>

### Collection Fund Adjustment Account

The Collection Fund Adjustment Account comprises two distinct balances which reflect timing differences between the recognition of Council Tax and Non-Domestic Rates income in the CIES as it falls due and the statutory arrangements that dictate when this funding can be paid across to the General Fund from the Collection Fund.

The level of income that can be passed from the Collection Fund to the General Fund each year is determined in advance of the financial year when the Council sets its budget for the year ahead. Any difference between the initial estimates and actual income lead to a surplus or deficit on the Collection Funds which can only be distributed to the General Fund in the following year. In the meantime, the balance is held on the Collection Fund adjustment account. The movement on the reserve is as follows:

The reserve holds a surplus of £0.6m for Council Tax which will be available to the Council from 2025-26. This is a movement of £0.4m from last year's surplus and reflects the payment of £1.6m of the brought forward surplus and an in-year surplus (Council share) of £1.2m. The in-year surplus is largely the result of a reduction in the cost of discounts and high collection rates.

The reserve holds a surplus of £8.9m for Non-Domestic Rates which will be available to the Council from 2025-26. This is a movement of £3.9m from last years' surplus and reflects the payment of £2.7m of the brought forward surplus and an in-year surplus (Council share) of £6.6m. The in year surplus is the result of new hereditaments on the ratings list in the year, a reduction in the appeals provision and high collection rates.

Collection Fund Adjustment Account	2024-25			2023-24		
	Council Tax £000	Non Domestic Rates £000	Total £000	Council Tax £000	Non Domestic Rates £000	Total £000
Balance at 1 April	982	4,958	5,940	2,169	8,231	10,400
Share of Collection Fund Surplus /(Deficit)	-385	3,898	3,513	-1,187	-3,273	-4,460
<b>Balance at 31 March</b>	<b>597</b>	<b>8,856</b>	<b>9,453</b>	<b>982</b>	<b>4,958</b>	<b>5,940</b>
Billed Income for in year activities	-243,156	-69,866	-313,022	-228,934	-67,383	-296,317
Council Tax Collected for Parish Precepts	-5,160	0	-5,160	-4,721	0	-4,721
CWaC Contribution to (Surplus)/Deficit	-1,649	-2,710	-4,359	-1,831	-5,522	-7,353
Actual Collection Fund (Surplus)/Deficit	385	-3,898	-3,513	1,188	3,272	4,460
<b>Income in CIES</b>	<b>-249,580</b>	<b>-76,474</b>	<b>-326,054</b>	<b>-234,298</b>	<b>-69,633</b>	<b>-303,931</b>
Less Actual Surplus/(Deficit)	-385	3,898	3,513	-1,188	-3,272	-4,460
<b>Income Credited to General Fund</b>	<b>-249,965</b>	<b>-72,576</b>	<b>-322,541</b>	<b>-235,486</b>	<b>-72,905</b>	<b>-308,391</b>

## 27. Cash Flow Statement – Operating Activities

The Cash Flow Statement sets out the cash flows of the Council over the financial year, splitting these into operational, investing and financing activities. The following notes show details of the transactions that are included in or adjusted out of the Cash Flow Statement.

The following adjustments were removed from the net surplus or deficit on the provision of services (SDPS) as they relate to costs and income which does not reflect cash based transactions, they instead relate to notional costs or movements in working capital.

Adjustments to remove non-cash items from the SDPS	2024-25 £000	Restated 2023-24 £000
Depreciation and amortisation of non current assets	-60,586	-53,958
Impairments and downward valuations	-28,583	-1,988
Revaluation Gains on Investment Assets	14,466	-7,244
Reduction in fair value of soft loans	112	-89
Pension Fund Adjustments	6,600	4,864
Other non cash Financial Instrument adjustments	0	0
(Increase)/ Decrease in Provisions	-11,662	-12,278
Increase/(Decrease) in Inventories	53	29
Increase/(Decrease) in Debtors	-468	-5,595
(Increase)/Decrease in Creditors	3,960	-15,092
Carrying value of assets which have been sold	-30,229	-33,629
Other non cash movements	-1,255	326
<b>Adjustments for Non Cash Items</b>	<b>-107,592</b>	<b>-124,654</b>

The tables below identify those transactions which are recorded in the SDPS and are cash based but do not relate to operational activities. As such they are transferred to be shown under the investing or financing sections of the Cash Flow Statement.

Adjustments to remove Investing and Financing Activities from the SDPS	2024-25 £000	2023-24 £000
Proceeds from sale or disposal of non current assets	10,928	4,506
Capital grant income credited to SDPS	33,907	37,512
Income from Trading Operations	4,703	-3,354
Other adjustments for financing activities	6,884	7,680
<b>Net cash flows from investing/financing activities in SDPS</b>	<b>56,422</b>	<b>46,344</b>

The figures shown in the Cash Flow Statement for operating activities do include the following amounts relating to interest and investment income.

Interest and Investment Income in Operating Activities	2024-25 £000	2023-24 £000
Interest received	-8,237	-11,926
Interest paid	12,084	14,474

## 28. Cash Flow Statement – Investing Activities

The following note sets out cash transactions the Council undertook in managing or restructuring its investments and asset portfolio.

Investing Activities	2024-25 £000	Restated 2023-24 £000
Purchase of property, plant and equipment, investment property and intangible assets	78,856	84,917
Purchase of short-term and long-term investments	372,840	518,916
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-10,928	-4,506
Proceeds from short-term and long-term investments	-379,921	-522,400
Capital grants received	-41,414	-50,637
Revenue grants received	-43,072	0
Other receipts from investing activities	-6,884	-7,680
<b>Net cash flows from investing activities</b>	<b>-30,523</b>	<b>18,610</b>

## 29. Cash Flow Statement – Financing Activities

The following note sets out cash transactions the Council undertook in managing or restructuring its borrowing and other long term liabilities.

Financing Activities	2024-25 £000	2023-24 £000
Cash receipts of short- and long-term borrowing	0	-25,399
Other receipts from financing activities	-8,444	-100
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	8,646	2,532
Repayments of short- and long-term borrowing	21,501	31,218
Other payments for financing activities	-4,703	2,021
<b>Net cash flows from financing activities</b>	<b>17,000</b>	<b>10,272</b>

The following table shows the movement in liabilities that arise from financing activities.

Reconciliation of Liabilities arising from Financing Activities	1 April 2024	Non-cash changes		31 March 2025
		Financing Cash Flows	Other Non- Cash Changes	
Long term borrowing	231,556	-6,135	0	225,421
Short term borrowing	24,133	-15,367	-39	8,727
Finance leases	1,782	-4,314	9,698	7,166
On balance sheet PFI	20,997	482	7,663	29,142
Amounts owed to Cheshire East	524	0	7	531
<b>Total Liabilities from Financing Activities</b>	<b>278,992</b>	<b>-25,334</b>	<b>17,329</b>	<b>270,987</b>

Analysis of PFI Liabilities detailed below	31 March 2025 £000	31 March 2024 £000
On balance sheet PFI liabilities - short term	1,650	1,168
On balance sheet PFI liabilities - long term	27,492	19,829
<b>Total PFI Liabilities from Financing Activities</b>	<b>29,142</b>	<b>20,997</b>

### 30. Agency Services

Cheshire West and Chester Council undertakes some activities on behalf of other bodies. Only those costs and balances that relate to the Council's own share are reflected in the CIES and Balance Sheet. During 2024-25, the Council acted as an agent in respect of the following:

#### Non-Domestic Rates Collection Fund

The Council collects Business Rates on behalf of Central Government, itself and Cheshire Fire Authority. This is distributed based on the following shares – Central Government (50%), Cheshire West and Chester Council (49%) and Cheshire Fire Authority (1%). The table below shows the balances on 31 March 2025 relating to each of these bodies.

Non-Domestic Rates Collection Fund – Balances at 31 March	2024-25 Collection Fund £000	CWAC £000	Central Government £000	Cheshire Fire £000	2023-24 Collection Fund £000
Arrears	5,892	2,887	2,946	59	7,953
Impairment Allowance	-4,144	-2,031	-2,072	-41	-5,900
Appeals Provision	-41,724	-20,445	-20,862	-417	-39,474
Receipts in Advance	-4,842	-2,373	-2,421	-48	-5,450
(Surplus)/Deficit	-18,076	-8,857	-9,038	-181	-10,121
Amount owing (to)/from other bodies	0	32,077	-31,448	-629	0

The total surplus of £18.1m is due to a number of new hereditaments on the ratings list in the year and high collection rates.

#### Council Tax Collection Fund

The Council collects Council Tax on behalf of itself, Cheshire Police Authority and Cheshire Fire Authority. This is distributed based on each body's share of the total Council Tax requirement and in 2024-25 this was as follows – Cheshire West and Chester Council (84.49%), Cheshire Police Authority (11.55%), Cheshire Fire Authority (3.96%). The table below shows the balances on 31 March 2025 relating to each of these bodies.

Council Tax Collection Fund – Balances at 31 March	2024-25 Collection Fund £000	CWAC £000	Cheshire Police £000	Cheshire Fire £000	2023-24 Collection Fund £000
Arrears	28,948	24,446	3,351	1,151	25,994
Impairment Allowance	-16,824	-14,207	-1,948	-669	-16,639
Receipts in Advance	-7,198	-6,079	-833	-286	-6,344
(Surplus)/Deficit	-707	-597	-82	-28	-1,164
Amount owing (to)/from other bodies	0	-656	488	168	0

The surplus of £0.7m is largely due to a reduction in the cost of discounts and high collection rates.

#### Business Improvement Districts

The Council also collects income from a Business Rates levy in relation to five Business Improvement Districts (BIDs). The table below shows the amount of levy billed for in 2024-25, the amount paid to the BID management company, other transactions (write-offs, receipts in advance, outstanding arrears, any surplus or deficit brought forward from the previous year) and any cash balances yet to be paid to or owed by the management company.

Business Improvement District	2024-25 Net Debit £000	Amount Paid £000	Other Transactions £000	Cash Balance Awaiting Payment £000	2023-24 Net Debit £000
Winsford	118	-118	17	17	114
Gadbrook Park	243	-217	-14	12	237
Northwich	248	-238	3	13	185
CH1	435	-491	110	54	414
West Chester	108	-92	-6	10	108
<b>Total</b>	<b>1,152</b>	<b>-1,156</b>	<b>110</b>	<b>106</b>	<b>1,058</b>

### 31. Members' Allowances

In accordance with the Local Authorities (Member's Allowances) Regulations 2003, the total amount spent on member's allowances in 2024-25 was £1.377m. The payments include basic allowance, special responsibility allowance, travel and accommodation expenses and members NI costs. The current level of allowances was established following an independent review.

	2024-25 £000	2023-24 £000
Basic Allowance	1,006	997
Special Responsibility Allowance	268	255
Travel and Accommodation expenses	13	10
Member NI	90	90
<b>Total Members' Allowances</b>	<b>1,377</b>	<b>1,352</b>

### 32. Officers' Remuneration

The table below shows the number of employees (excluding Senior Officers) who were paid more than £50,000 but less than £149,999 in 2024-25.

Pay includes salary costs, taxable travel costs and any redundancy payments. It does not include employers' pension or national insurance contributions.

Employee Pay Band	2024-25	2023-24
£50,000 - £54,999	297	283
£55,000 - £59,999	195	172
£60,000 - £64,999	155	107
£65,000 - £69,999	75	59
£70,000 - £74,999	44	51
£75,000 - £79,999	46	26
£80,000 - £84,999	34	21
£85,000 - £89,999	13	6
£90,000 - £94,999	5	2
£95,000 - £99,999	3	4
£100,000 - £104,999	4	2
£105,000 - £109,999	1	5
£110,000 - £114,999	0	0
£115,000 - £119,999	1	1
£120,000 - £124,999	2	1
£125,000 - £129,999	0	1
£130,000 - £134,999	1	0
£135,000 - £139,999	0	0
£140,000 - £144,999	0	0
£145,000 - £149,999	0	0
<b>Total</b>	<b>876</b>	<b>741</b>

The split by teachers and non-teachers is shown in the table below.

Employee Pay Band	2024-25			2023-24		
	Non-Teachers	Teachers	TOTAL	Non	Teachers	TOTAL
£50,000 - £54,999	118	179	297	110	173	283
£55,000 - £59,999	68	127	195	106	66	172
£60,000 - £64,999	102	53	155	57	50	107
£65,000 - £69,999	35	40	75	31	28	59
£70,000 - £74,999	15	29	44	20	31	51
£75,000 - £79,999	19	27	46	10	16	26
£80,000 - £84,999	17	17	34	10	11	21
£85,000 - £89,999	5	8	13	0	6	6
£90,000 - £94,999	0	5	5	0	2	2
£95,000 - £99,999	0	3	3	1	3	4
£100,000 - £104,999	0	4	4	0	2	2
£105,000 - £109,999	0	1	1	0	5	5
£110,000 - £114,999	0	0	0	0	0	0
£115,000 - £119,999	1	0	1	0	1	1
£120,000 - £124,999	0	2	2	0	1	1
£125,000 - £129,999	0	0	0	0	1	1
£130,000 - £134,999	0	1	1	0	0	0
£135,000 - £139,999	0	0	0	0	0	0
£140,000 - £144,999	0	0	0	0	0	0
£145,000 - £149,999	0	0	0	0	0	0
<b>Total</b>	<b>380</b>	<b>496</b>	<b>876</b>	<b>345</b>	<b>396</b>	<b>741</b>

The numbers have increased from last financial year however, this difference is predominantly due to 224 people moving into the £50-£55k banding after the 2024-25 NJC pay award.

In accordance with the Accounts and Audit Regulations 2015, there is a legal requirement to report the remuneration of certain senior employees:



- Senior employees whose salary is £150,000 or more per year must be identified by name.
- Senior employees who meet the regulation's definition, appear on the senior management structure and whose salary is between £50,000 and £150,000 must be listed by job title.

Post holder information (Post title)	Salary, Fees & Allowances	Compensation for Loss of Employment	Employer Pension Contributions	Total Remuneration including Pension Contributions 2024-25
	£	£	£	£
<b>2024-25 Current structure:</b>				
Delyth Curtis - Chief Executive	186,964	0	37,358	224,322
Chief Operating Officer	138,099	0	27,620	165,719
Executive Director of Adults Services	128,215	0	25,643	153,858
Assistant Chief Executive - Director of Transformation and Strategy (to July-24)	35,923	0	7,039	42,962
Assistant Chief Executive - Director of Transformation and Strategy (from Oct-24)	58,853	0	11,771	70,624
Deputy Chief Executive - Place (to Apr-24)	5,507	89,983	1,101	96,591
Executive Director of Place & Growth (from Oct-24)	69,628	0	13,926	83,554
Executive Director of Children and Families (from Jan-25)	30,408	0	5,641	36,049
Executive Director of Children and Families (to Nov-24)	75,807	0	15,123	90,930
Director of Children's Social Care (to Oct-24)	52,282	0	10,456	62,738
Director of Economy and Housing	120,943	0	24,189	145,132
Director of Environment and Communities	106,356	0	20,768	127,124
Director of Finance	110,914	0	21,767	132,681
Director of Governance - Monitoring Officer	110,914	0	22,183	133,097
Director of Public Health	103,136	0	14,674	117,810
Director of Transport and Highways	120,943	0	23,856	144,799
Director of Vivo Care Choices	110,914	0	22,183	133,097
<b>Total</b>	<b>1,565,806</b>	<b>89,983</b>	<b>305,298</b>	<b>1,961,087</b>
Number of posts in management structure as at 31 March 2025 - 13				
Total contractual value of salary for the year - £1.57m				

The following tables below show the remuneration for senior officers per annum. The Salary, Fees & Allowances include salary costs and taxable travel costs. The Compensation for Loss of Employment includes redundancy payments (including Mutually Agreeable Redundancy Scheme) where posts have been removed.

There have been a number of changes in Senior Officer personnel in 2024-25:

- The Assistant Chief Executive – Director of Transformation and Strategy left in July 2024 and has been replaced in October 2024.
- The Deputy Chief Executive – Place left in April 2024 and the post has been deleted.
- A new post Executive Director of Place & Growth has been appointed to in October 2024.
- The Director of Children's Social Care left in October 2024 and the post has been deleted.
- The Executive Director of Children and Families left in November 2024 and has been replaced in January 2025.

In addition to the costs shown in the table above, the Chief Executive have also received payments for undertaking the duties of Local Returning Officer for Police and Crime Commissioner (PCC), Returning Officer for a Borough by-election and a Town and Parish by-Election and Acting Returning Officer for the four constituencies within Cheshire West and Chester area in the UK Parliamentary General Election (UKPGE).

The payments relating to these roles was £17.0k and is funded by Cheshire West & Chester Council and the individual Town/Parish Council (£1.8k) and by the Electoral Commission (£15.2k) - part of Ministry of Housing, Communities & Local Government (MHCLG).

In addition, there were also payments to Directors for the duties of: Deputy Returning Officers, Polling Station Inspectors, Head Verification Assistant, Head Count Assistant, Ballot

Post holder information (Post title)	Salary, Fees & Allowances	Compensation for Loss of Employment	Employer Pension Contributions	Total Remuneration including Pension Contributions 2023-24
	£		£	£
<b>2023-24 Current structure:</b>				
Andrew Lewis - Chief Executive (Apr-May 23)	27,156	0	4,803	31,959
Delyth Curtis - Chief Executive (Jun-23 onwards)	148,514	0	30,594	179,108
Delyth Curtis - Deputy Chief Executive - People (Apr- May 23)	21,237	0	4,375	25,612
Deputy Chief Executive - People (from June-23 to Dec-23)	69,993	0	14,419	84,412
Deputy Chief Executive - Place	146,624	0	30,205	176,829
Chief Operating Officer	132,383	0	27,134	159,517
Chief Operating Officer (left Mar-23 but pay adj this yr)	902	0	186	1,088
Director of Public Services Reform (Apr-Dec-23) / Assistant Chief Executive (Jan-24 onwards)	108,209	0	22,291	130,500
Executive Director Children's Services (Jan-24 onwards)	41,803	0	8,611	50,414
Executive Director Adult's Services (Jan-24 onwards)	41,161	0	8,479	49,640
Director of Adult Social Care and Health	77,645	0	15,995	93,640
Director of Public Health (Jun-23 onwards)	82,496	0	11,810	94,306
Director of Public Health (Apr-Jun 23)	25,549	0	5,263	30,812
Director of Children's Social Care (Jun-23 onwards)	86,231	0	17,764	103,995
Director of Children and Families (Apr-May-23)	16,582	0	3,416	19,998
Director of Economy and Housing	95,329	0	22,177	117,506
Director of Economy and Housing (Apr-May 23 mat. cover overlap)	17,430	0	3,199	20,629
Director of Environment and Communities	96,511	0	19,512	116,023
Director of Finance	108,209	0	21,877	130,086
Director of Governance - Monitoring Officer	108,209	0	21,755	129,964
Director of Place Commercial Management and Delivery (Apr - Dec 2023)	70,476	0	14,518	84,994
Director of Transport and Highways	108,209	0	22,291	130,500
Director of Vivo Care Choices	108,209	0	22,291	130,500
<b>Total</b>	<b>1,739,067</b>	<b>0</b>	<b>352,965</b>	<b>2,092,032</b>
Number of posts in management structure as at 31 March 2024 - 14				
Total contractual value of salary for the year - £1.64m				

Box Preparation>Returns, Verification Assistant and Election Day Control Room.  
These payments totalled £10.0k which will be funded by the Electoral Commission.

## Termination Costs

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

Exit package cost band (incl special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024-25	2023-24 Restated	2024-25	2023-24 Restated	2024-25	2023-24 Restated	2024-25	2023-24 Restated
	People	People	People	People	People	People	£000	£000
£0 - £20,000	6	5	6	13	12	18	67	180
£20,001 - £40,000	2	1	3	11	5	12	144	321
£40,001 - £60,000	0	0	2	1	2	1	97	41
£60,001 - £80,000	0	1	0	1	0	2	0	131
£80,001 - £100,000	0	0	1	0	1	0	90	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	1	0	1	0	183	0
£200,001 - £250,000	0	1	0	0	0	1	0	213
<b>Total</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>26</b>	<b>21</b>	<b>34</b>	<b>580</b>	<b>886</b>

The 2023-24 termination costs have been updated for the actual cost of redundancies.

### 33. Audit Costs

The Council's appointed auditors are Grant Thornton and the Council paid audit fees of £437k in 2024-25 relating to external audit activities. KPMG is responsible for certification of grant claims and the Council paid audit fees of £58k in 2024-25 relating to the Housing Benefit Subsidy claim, Teachers Pension Certificate and Housing Receipts Capital Pooling.

Fees Payable for Audit Work	2024-25 £000	2023-24 £000
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor	437	419
Fees payable in respect of certification of grant claims and other services	58	33
<b>Total</b>	<b>495</b>	<b>452</b>

### 34. Dedicated Schools Grant (DSG)

The primary source of funding for schools is provided by the Education and Skills Funding Agency via the Dedicated Schools Grant which was allocated at £365.942m in 2024-25. This initial allocation is reduced by £123.922m as funding relating to academies and high needs provisions not maintained by the Local Authority is passed directly to those establishments and is not reflected in the accounts.

The Schools Budget includes elements for a restricted range of services provided on a Council wide basis, and for the Individual Schools Budget (ISB), which is divided into a budget share for each school. Over and under spending on the two elements are required to be accounted for separately. The Council is also able to supplement the Schools Budget from its own resources.

These accounts have been produced in accordance with the Schools and Early Years Finance (England) Regulations 2020, which required local authorities to carry forward overspends of Dedicated School Grant (DSG). Further regulations which came into force on 29 November 2020 and mandated that any deficit must not be charged to the local authorities' revenue account but instead must be recorded in a separate account solely for the purposes of recording deficits relating to its schools' budget.

These regulations also mean that the use of funding from the revenue account to make good any deficit can only be made upon approval from the Secretary of State. This reflects the statutory requirement that a deficit must be carried forward to be funded from future DSG income.

As of 31 March 2025, cumulative DSG deficit is £19.7m. The statutory instrument, which prevents the deficit from being offset against useable reserves, expires on 31 March 2026. These accounts have been prepared on the basis the Government will find a solution towards dealing with the overspends before then as part of the Comprehensive Spending Review due in the summer of 2025.

Details of the deployment of DSG receivable for the year 2024-25 were as follows:

<b>DSG for 2024-25</b>	<b>Central Expenditure £000</b>	<b>Individual Schools Budget £000</b>	<b>Total £000</b>
Final DSG for 2024-25 before academy and high needs recoupment			365,942
Academy and high needs figure recouped for 2024-25			-123,922
<b>Total DSG for 2024-25 (after Academy and high needs recoupment)</b>			<b>242,020</b>
Less Carry forward to 2025-26 agreed in advance			0
<b>Final budgeted distribution for 2024-25</b>	<b>48,161</b>	<b>193,859</b>	<b>242,020</b>
Less: Actual Central Expenditure	-60,381	0	-60,381
Less: Actual ISB deployed to Schools	0	-193,859	-193,859
<b>Carry Forward 2024-25</b>	<b>-12,220</b>	<b>0</b>	<b>-12,220</b>
<b>Brought forward from 2023-24</b>			<b>-7,481</b>
<b>Total of DSG Unusable reserve at the end of 2024-25</b>			<b>-19,701</b>

Overspends on central expenditure are carried forward by the Council as part of its DSG adjustment account, this amount equated to a deficit of £12.220m (£4.769m in 2023-24) as at the end of 2024-25.

Unspent ISB is retained by the individual schools and recorded on the Balance Sheet in the School Balances reserve at £9.391m at 31 March 2025 (£8.784m 31 March 2024).

<b>DSG for 2023-24</b>	<b>Central Expenditure £000</b>	<b>Individual Schools Budget £000</b>	<b>Total £000</b>
Final DSG for 2023-24 before academy and high needs recoupment			334,746
Academy and high needs figure recouped for 2023-24			-109,489
<b>Total DSG for 2023-24 (after Academy and high needs recoupment)</b>			<b>225,257</b>
Less Carry forward to 2024-25 agreed in advance			0
<b>Final budgeted distribution for 2023-24</b>	<b>47,014</b>	<b>178,243</b>	<b>225,257</b>
Less: Actual Central Expenditure	-51,783	0	-51,783
Less: Actual ISB deployed to Schools	0	-178,243	-178,243
<b>Carry Forward 2023-24</b>	<b>-4,769</b>	<b>0</b>	<b>-4,769</b>
<b>Brought forward from 2022-23</b>			<b>-2,712</b>
<b>Total of DSG Unusable reserve at the end of 2023-24</b>			<b>-7,481</b>

### 35. Grant Income

The following grants, contributions and donations were credited to the CIES in 2024-25.

The grant income categories for 2023–24 have been reclassified to align with the 2024–25 presentation for comparative purposes.

Grant income	2024-25 £000	Restated 2023-24 £000
<b>Credited to Taxation and Non Specific Grant Income</b>		
<b>Used to finance Council activities in year</b>		
<b>Non Specific Grant Income:</b>		
S31 Non Domestic Rates Grant Funding	23,664	20,702
Revenue Support Grant	4,470	4,192
PFI Grant	3,073	3,092
New Homes Bonus	2,803	1,549
Housing and Council Tax Benefit Administration Subsidies	825	871
Local Services Support Grant	712	638
Services Grant	370	2,142
Homes for Ukraine - guest tariff	305	-723
Other Core Revenue Grants	668	653
<b>Used to finance Capital Expenditure</b>		
Capital Grants Utilised in Year	24,904	36,069
Capital Contributions Utilised in Year	5,252	2,816
<b>Set aside for future Capital Financing</b>		
Capital Grants Set Aside for Future Usage	3,751	753
<b>Total</b>	<b>70,797</b>	<b>72,754</b>
<b>Credited to Services</b>		
Dedicated Schools Grant (DSG)	241,321	224,864
Pupil Premium Grant	8,925	9,466
Teacher's Pay and Pension Grants	6,932	1,991
Sixth Forms Funding (Young Peoples Learning Agency)	5,727	5,982
Core Schools Budget Grant	3,869	0
Universal Infant Free School Meals	2,805	2,990
PE and Sports Grant	1,621	1,760
Adult and Community Learning	1,309	1,215
Mersey Forest Grants	50,911	21,445
Public Health Grant	18,292	17,748
Improved Better Care Fund/Adult Social Care Support Grant	40,617	33,234
Market Sustainability and Fair Cost of Care	6,419	5,667
Household Support Fund	4,590	4,570
Disabled Facilities Grant	4,221	4,010
Homelessness Prevention and Rough Sleepers Grants	2,341	2,537
Unaccompanied Asylum Seeking Children	2,354	1,085
Afghan Relocation and Assistance	1,898	2,323
Homes for Ukraine	510	424
Housing Benefit: Mandatory and HRA Rebates	6,635	6,813
Housing Benefit: Mandatory Rent Allowances	52,108	50,893
UK Shared Prosperity Fund	7,664	2,735
Bus Service Improvement Plan	4,461	152
Other Grants	16,461	23,049
<b>Total</b>	<b>491,991</b>	<b>424,953</b>

The grant categories for 2023–24 have been reclassified to align with the 2024–25 presentation for comparative purposes.

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

Capital Grants and Contributions Receipts in Advance	2024-25 £000	Restated 2023-24 £000
<b>Short Term</b>		
Other Grants	4,033	1,142
Education Related Grants	814	0
Transport Funding	1,440	829
s106 and other Contributions short-term	8,461	5,008
	<b>14,748</b>	<b>6,979</b>
<b>Long Term</b>		
Devolved Formula Capital	0	180
Education Related Grants	12,648	11,214
Transport Funding	2,352	2,661
s106 and other Contributions long-term	23,910	24,355
	<b>38,910</b>	<b>38,410</b>
<b>Total</b>	<b>53,658</b>	<b>45,389</b>

The capital grants and contributions receipts in advance for 2023-24 have been restated to split total between short-term and long-term receipts in advance.

Revenue Grants Receipts in Advance	2024-25 £000	Restated 2023-24 £000
Dept of Education - Various	1,242	2,034
Ministry of Housing Communities and Local Government	0	433
Dept of Health - Various	184	410
Dept for Environment Food and Rural Affairs	101,267	57,708
Other Govt Bodies	1,365	837
Other	0	300
<b>Total</b>	<b>104,058</b>	<b>61,722</b>

The grant categories for 2023–24 have been reclassified to align with the 2024–25 presentation for comparative purposes.

### 36. Related Parties

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

- Central Government
- Elected Members of the Council
- Senior Officers
- Other Public Bodies
- Entities controlled or significantly influenced by 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 a significant proportion of its funding in the form of grants, and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, housing benefits).

Details of material transactions with Central Government are shown throughout these notes and include those listed below (2023-24 comparators in brackets).

Funding from Government (Note 35)	£578m (£498m)
Non-Domestic Rates Share Payable Collection Fund	£74.0m (£74.3m)
Non-Domestic rates tariff and levy payments	£21.7m (£20.6m)

The Council undertakes significant transactions with Cheshire Police Authority and Cheshire Fire Authority. These relate to the payment of Council Tax income collected on behalf of both bodies and Non-Domestic Rates collected on behalf of Cheshire Fire Authority. These transactions are disclosed in the Collection Fund account and amount to payments of £34.2m (Police) and £11.7m (Fire) in respect of Council Tax precepts and shares of a prior year surplus and £1.5m (Fire) in respect of its share of Non-Domestic Rates income and shares of a prior year surplus.

in respect of its share of Non-Domestic Rates income and shares of a prior year surplus.

### Other Public Bodies

The Pension Fund is administered and governed independently of the Council to avoid the potential for undue influence to be exerted. The Council undertakes transactions with the Pension Fund in the form of contributions to fund future pension payments of Council employees, valued at £31.9m (2023-24 £31.6m). As the Council is the administering authority of the Cheshire Pension Fund, the Council makes payments on behalf of the fund throughout the year. The amount due to the Council or the fund each month is paid via an intercompany cross balance payment. At the year-end 31 March 2025, the amount due from the pension fund to the Council was £193.1k (2023-24 £115.1k). Monthly contributions were also due to the fund as at 31 March 2025 of £3.6m (2023-24 £3.5m). The contributions related to March 2025, paid April 2025.

The Cheshire Pension Fund has set up an arm's length company, LGPS Central Ltd, along with seven other Local Government Pension Funds as an equal partner to manage their investment assets.

The Council holds stakes in a number of organisations who are funded to provide services. The Council has significant influence over all of these organisations as they receive funding from the Council. The Council has governance responsibilities and Members, or officers, occupy seats on their boards. Further details on these relationships are disclosed in this note.

The Council works closely in partnership with local health care commissioners, principally through Integrated Care Boards. These bodies fund a number of services provided by the Council on behalf of the health sector where health, care and education needs coincide. In 2024-25 this figure was £21m (2023-24 £22m).



**Entities Controlled or Significantly Influenced by the Council**

Alongside the individually significant relationships, the Council works with a wide range of charitable and voluntary bodies in areas complementary to the Council's objectives. The contributions can be either a direct financial payment or non-financial contribution to support the running of the body. The Council also commits staff time and support when working with its partners and, in certain cases, is represented at officer or member level in strategic decision making. On review of these payments the Council does not feel that any undue influence has been exerted to these organisations as a result of the contributions made. The total direct financial contributions to such organisations for 2024-25 amounted to £5.6m (2023-24 £5.5m).

**Elected Members of the Council and Officers**

Members of the Council have a direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2024-25 is shown in Note 31. During 2024-25 there were no reported material transactions with related parties advised by members or Chief Officers (Senior Management Team).

The following Members and Officers of the Council held interests in the following companies, which had transactions with the Council during 2024-25:

Organisation	Member/Officer
Age UK	Cllr Wright
Ashton Hayes Community Benefit Society	Cllr Deynem
Blacon History Group	Cllr Smith
Changing Lives Together	Cllr Bisset
Caldy Valley Centre	Cllr Collings
Castle Park Trust	Cllr Garvey Cllr Sumner
Cheshire & Merseyside Healthcare Partnership	Cllr Gittins
Cheshire & Wirral Partnership NHS Foundation Trust	Cllr Millar Cllr Garvey
Cheshire Community Action (CCA)	Cllr Gould
Cheshire Fire Authority	Cllr Akhtar Cllr Collings Cllr Daniels Cllr Gibbon Cllr Lewis Cllr Parker, S Cllr Parker, M Cllr Wheeler Cllr Wright
Cheshire Police & Crime Panel	Cllr Millar
Cheshire West Voluntary Action	Cllr Smith Officer A Jeffs
Chester Art Beat CIC	Cllr Collings
Chester Bluecoat Charity	Cllr Bisset Cllr Chamberlain
Chester Pride	Cllr Gould
Childer Thornton Primary School (Concordia Multi Academy)	Cllr Hogg
Countess of Chester NHS Foundation Trust	Cllr Gahan
Darnhall Exhibition	Cllr Boone
Eco Community UK	Cllr Eardley
Healthbox CIC	Cllr Gould
Manchester Port Health Authority	Cllr Marr Cllr Neil
Malpas Victoria Jubilee Hall	Cllr Williams, R
Mickle Trafford Village Hall Trust	Cllr Parker, S
Mid Cheshire Community Rail Partnership	Cllr Cooper
Mid Cheshire Foodbank	Cllr Lewis
Mid Cheshire Hospitals NHS Foundation Trust (MCHT)	Cllr Lewis
Ness Village Hall Fund	Cllr Gittins
Neston Community Youth Centre Limited	Cllr Gittins
Neston High School (Academy)	Cllr Gittins
The Neuromuscular Centre (NMC)	Officer A Jeffs
North West Inshore Fisheries Conservation Authority	Cllr Jones
Pantry for Blacon (Blacon Beacon)	Cllr Little
PATROL	Cllr Blackmore

Organisation	Member/Officer
Queens School Chester	Cllr Daniels
Rudheath Senior Academy	Cllr Naylor Cllr Parker, M
Sanctuary Group Chester and District Committee	Cllr Little Cllr Smith
St Mary's Church Weaverham	Cllr Edwards
St Martin's Academy	Cllr Eardley
Storengy Responsible Business Board	Cllr Naylor
Tarvin Community Centre	Cllr Lush
Victoria Road Primary School (ASPIRE Academy Trust)	Cllr Naylor
Warrington & Vale Royal College	Cllr Naylor
Weaverham Community Association (Centre)	Cllr Edwards
Weaverham High School Academy (Sandstone Trust)	Cllr Edwards
Weaverham Primary	Cllr Edwards
Winsford Youth Forum	Cllr Blackmore

The following Members and Officers of the Council held interests in the following companies, which had transactions with the Council during 2024-25 in which the Council also has an interest:

Organisation	Member/Officer
Avenue Services (NW) Limited	Cllr Little Cllr Parker, M Cllr Smith Cllr Warner
Cheshire & Warrington Local Enterprise Partnership	Cllr Donovan Cllr Gittins Cllr Pardoe Cllr Shore
Cheshire West Recycling	Cllr Shore
HQ Management Company Limited	Officer T Dodd Officer G Hayward

In accordance with Section 117 of the Local Government and Finance Act 1972, all Senior Officers of the Council have been asked to declare any interests in other bodies with whom the Council may have dealings. There were no significant 'pecuniary interests' identified during 2024-25.

### Interest in Companies

Following a review of the Council's relationships with various organisations in whom it has a stake hold, it has been determined that the activities of some of these entities should be reported alongside the Council's in the Group Accounts. Those organisations to be included within Group Accounts are Brio Leisure, Edsential CIC, Cheshire West Recycling and Enterprise Cheshire and Warrington. Information is included below on these entities and any others the Council has a material interest in. The Council's relationship with Qwest is that of a joint venture with an immaterial share of net assets and any profits, therefore their accounts are not included within the group accounts.

Avenue Services Limited has previously been included within the group accounts; however, their activities have been deemed to not have a material impact on the Council's accounts. Avenue Services has therefore been excluded from the 2024-25 group accounts, the 2023-24 comparator figures within the group accounts have also been restated to exclude this investment.

Enterprise Cheshire and Warrington became an associate company of the Council in 2024-25, they have therefore been included as an associate in the group accounts and in the table below:

Interest in Companies 2024-25	Details of Arrangement	2024-25						
		Total Assets	Total Liabilities	Total Equity	Turnover	Operating Profit/ (Loss)	Actuarial gains/ (losses)	Total Profit/(Loss) for the year
		£000	£000	£000	£000	£000	£000	£000
<b>Associates</b>								
Enterprise Cheshire and Warrington	The functions of the Cheshire and Warrington Local Enterprise Partnership were transferred to Local Authority control on the 9 May 2024 and the company name changed to Enterprise Cheshire and Warrington. Enterprise Cheshire and Warrington is jointly owned by Cheshire West and Chester, Cheshire East and Warrington Council. During the year the Council had income with Enterprise Cheshire and Warrington totalling £0.02m. There are no debtor and creditors within the accounts relating to Enterprise Cheshire and Warrington.	19,989	-11,409	8,580	5,813	499	0	187
	<b>2023-24</b>	20,719	-12,328	8,391	6,055	614	0	-1,039
<b>Subsidiaries</b>								
Brio Leisure Community Interest Company	Brio Leisure is the trading name of the Cheshire West and Chester Leisure Community Interest Company (CIC) which was formally incorporated on 16 March 2011. The CIC is a wholly owned subsidiary of the Authority and has responsibility for managing a number of leisure and entertainment venues across the borough. As a not for profit social enterprise company, its purpose is to provide a range of leisure activities for the benefit of the community. The company has a contract to provide services to the Council until March 2030. At 31 March 2025 Brio Leisure had a £9.3m pension surplus (23-24 £4.8m pension surplus). The improved position is largely reflective of changes to the financial assumptions used to calculate future pension obligations. The Council is guarantor for any future pension liability, in the event that the company ceases trading. During the year the Council had expenditure with Brio totalling £2.63m and income totalling £0.15m. Included in the Council's accounts was £0.05m of trade debtors and £0.40m of trade creditors.	2,734	-2,654	80	13,758	-326	4,037	-293
	<b>2023-24</b>	2,904	-2,655	249	13,690	302	1,463	360
Cheshire West Recycling	Cheshire West Recycling Limited was incorporated on 12 October 2019 and started to operate in March 2020. CWR is a wholly owned subsidiary of the Council and its primary role is to provide a domestic waste collection service for more than 140,000 households across the borough. The company provides these services under a contract from the Council that runs until March 2026. The accounts include a £2.4m pension surplus (23-24 £1.7m surplus). The improved position is largely reflective of changes to the financial assumptions used to calculate future pension obligations. The Council is guarantor for any future pension liability, in the event that the company ceases trading. During the year the Council had expenditure with CWR totalling £15.48m and received income totalling £1.10m. Included in the Council's accounts was £0.91m of trade debtors and £0.01m of trade creditors.	3,782	-3,672	110	17,890	150	555	174
	<b>2023-24</b>	2,748	-2,799	-51	16,745	-341	278	-250

Interest in Companies 2024-25	Details of Arrangement	2024-25						
		Total Assets	Total Liabilities	Total Equity	Turnover	Operating Profit/ (Loss)	Actuarial gains/ (losses)	Total Profit/(Loss) for the year
		£000	£000	£000	£000	£000	£000	£000
<b>Joint Venture</b>								
CoWest Services Limited (Qwest)	From 1 April 2025 services will no longer be delivered by the Council joint venture company QWEST. Customer Services will now be delivered in-house by Facilities Management Client team based with the Council's Property Service. The Council have entered a Strategic Partnership arrangement with EQUANS to deliver all hard and soft Facilities Management Services across its footprint. Prior to 1 April 2025 the Council owned 49% ordinary B shares in Qwest. These shares entitle the Council to an annual dividend of between 2% and 6% of the company's turnover to customers external to the Council. During the year to 31 March 2025 the Council had expenditure with Qwest of £15.4m and income of £0.33m. At the year end the Council included £0.40m of trade debtors and £1.97m of trade creditors within their Statement of Accounts.	5,019	-2,174	2,845	17,424	581	5,159	748
	<b>2023-24</b>	5,688	-3,224	2,464	18,822	919	-1,836	1,177
Edsential CIC	Edsential CIC is a Community Interest Company jointly owned with Wirral Borough Council, both Councils have a 50% share. The company has been set up to provide a 'one stop shop' approach for schools to buy services such as music services, outdoor education, governor services, catering, cleaning, school development and learning outside the classroom. The CIC has a £10.1m pension surplus (23-24 surplus of £4.9m). £7.2m in relation to Cheshire Pension Fund. The improved position is largely reflective of changes to the financial assumptions used to calculate future pension obligations. The Council is guarantor for any future Cheshire pensions liability, in the event that the company ceases trading. During the year the Council had expenditure with Edsential totalling £7.3m and income totalling £0.88m. Included within the Council's accounts is £0.47m of trade debtors and £0.29m of trade creditors.	5,328	-7,661	-2,333	19,138	4	5,296	4
	<b>2023-24</b>	4,457	-6,787	-2,330	18,279	18	1,376	18

The following items are not consolidated into the accounts for reasons stated and are included here for completeness.

### **Avenue Services**

The company has been operational since 1 April 2012 providing services and facilities for the benefit of residents of Blacon and the wider community. The company is jointly owned by the Council (49%) and CDHT (51%) (under the banner of Sanctuary Housing). Avenue Services has been excluded from the group accounts for 2024-25 (and 2023-24 comparator) as their activities no longer have a material impact on the Council's accounts. In 2024-25 turnover was £2.4m and net assets £0.3m (£2.3m turnover and £0.3m assets 2023-24).

### **Local Capital Finance Company**

The Council is a shareholder in the United Kingdom Municipal Bond Agency (UKMBA), a publicly listed company, which has been formed to raise capital through the sale of bonds. The money raised from issuing bonds to investors will be lent onwards to Councils to either invest in capital projects or to refinance existing loans. This provides diversity of funding sources for local authorities and will potentially allow Councils to borrow at a lower cost than is currently the case through the Public Works Loans Board (PWLb).

The Council subscribed for £350,000 worth of ordinary shares in UKMBA in 2014-15. The total investment from all Council's totalled £6m. The company has received a letter of comfort from the Local Government Association that sets out ongoing financial and operational support for a period of 10 years from January 2018. The board of UKMBA recently issued a statement saying that because the UKMBA has not yet completed its first combined transaction as a proof of concept, "it is not yet certain that the company will be able to price its debt competitively".

### **Northwest Evergreen Limited Partnership**

Fifteen local authorities in the Northwest of England are limited partners in the fund known as Northwest Evergreen Fund Partnership. This fund was set up to make loans to commercial property ventures in the Northwest to aid regeneration in the region.

The Council is one of six Councils that form the County Area Partners who together have 50% of the voting rights on the board. As a limited partner, the Council provides a capital contribution of £1 to the Fund but in order to enjoy limited liability as a limited partner, the Authority cannot participate in the management of the Fund's business.

No interest is due from the Fund to the limited partners on any capital contributions, nor on any net income or capital gain allocated to the partners for distribution. The Fund uses the finance made available to it, under an operational agreement made between it and the European Investment Bank, for eligible projects in the region.

The life of the Fund is twenty years. In entering into the partnership agreement, the Council has committed to pay an annual contribution for twenty years. Capital liability of the Limited Partners for any of the Fund's debts, liabilities or obligations is limited to the amount of their respective Capital Contributions. The General Partner has unlimited liability for the debts, liabilities and obligations of the Fund.

In joining the partnership as a County Area Limited Partner, the Authority is expected to advance annually to the Fund (as a loan) an index-linked amount equal to £250k divided by the number of County Area Limited Partners, to meet the ongoing expenses of the fund (Cheshire West and Chester holding is £42k).



For 2024-25 no payment was required (£nil in 2023-24). As a minority General Partner, the Council is not required to include the financial activities of Evergreen in its group accounts.

### **Chester Renaissance Limited**

The company was dissolved on 4 June 2024.

### **PSP Cheshire West and Chester LLP**

A joint venture with PSP Facilitating Limited has been created to assist the Council to access wider funding sources and take advantage of ad-hoc development opportunities. Whilst the Council has equal control of PSP Cheshire West and Chester LLP the current level of financial activity is not sufficient to have a material impact on the Council's 2024-25 group accounts. Turnover can vary significantly from year to year depending on the timing of disposals. In 2024-25 turnover was nil and the company had immaterial net assets (£nil turnover and £3.6m assets 2023-24).

The company has a net outstanding loan of £1.0m (repaid £1.6m in year) from the Council which will be repaid on the disposal of the Winsford employment site. The wind up of the company will also be linked to the completion of the development of this site, which is expected to be within the next 24 months.

### **HQ Management Company Limited**

The Council holds a 50% interest in HQ Management Company Limited. The company continues to be dormant. The company holds no material assets.

### **ENTEP Properties Limited**

ENTEP Properties was established in 1983 with the Council holding a minority shareholding limited by guarantee. The Council leases land off Rother Drive in Ellesmere Port to ENTEP Properties on a 25 year lease which commenced in December 1996 with an option to extend for a further 25 years, the lease extension is currently being arranged and will run to December 2046. The company has net assets of £1.75m as at 30 September 2024.

### **LGPS Central Limited**

LGPS Central was created in 2017-18 to manage the investment funds of several Local Government pension schemes across the Midlands and Northwest, this included the funds of the Cheshire Pension Fund. CWAC is the administering authority of the fund and therefore hold a shareholding in the company. The pooled arrangements for the management of the pension fund assets took effect from the 3 April 2018. The Council is an associate of this company with a 12.5% holding.

## **37. Better Care Fund**

The Better Care Fund (BCF) is a national initiative led by NHS (England) which was launched on 1 April 2015. The BCF seeks to support both social care and health service integration, and deliver improved outcomes for patients, service users, and carers. In 2024-25 Cheshire West and Chester BCF agreed to contribute funding of £53.751m through a pooled budget. This is held by each Commissioning Partner; Cheshire West and Chester Council, and NHS Cheshire and Merseyside Integrated Care Board (ICB).

The below table outlines the breakdown of the planned funding for each authority in year held under the BCF.

Scheme	Cheshire West and Chester Council	NHS Cheshire and Merseyside ICB	Total
	£000	£000	£000
<b>Planned Funding</b>			
NHS minimum contribution to the BCF	12,098	19,795	31,893
Improved Better Care Fund (iBCF)	10,825	0	10,825
Disabled Facilities Grant (DFG)	4,577	0	4,577
ASC Discharge Funding*	3,110	2,609	5,719
Place Funding	648	89	737
<b>Total Planned Funding</b>	<b>31,258</b>	<b>22,493</b>	<b>53,751</b>

\* The ASC Discharge Funding is made up of direct grants of £2.530m to the Local Authority and £3.189m to NHS Cheshire and Merseyside ICB but agreed that the total value will be pooled and managed through the BCF. The Local Authority therefore received and spent £3.110m and NHS Cheshire and Merseyside ICB £2.609m in 2024-25.

BCF Funding in 2024-25 was utilised to deliver several schemes which aim to improve outcomes across a range of national conditions. These include managing avoidable admissions, reducing length of stay, discharge to normal place of residence, reducing residential care admissions, and improving the effectiveness of reablement. The use of the funding is consistent and in line with the aims and visions set out in the BCF narrative for 2024-25.

The local BCF pooled budget is underpinned by a Section 75 agreement. Under IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, all partners agree that they have joint control of the allocation of resources. As part of this agreement partners in the main are responsible for the risks associated with schemes for which they are the commissioning partner. As the reporting partner for the BCF, the Council collates and reports the overall position to its partners. Planned and actual expenditure for 2024-25 is shown below.

BCF Funding 2024-25	Cheshire West and Chester Council		NHS Cheshire and Merseyside ICB		Total	
	Plan £000	Actual £000	Plan £000	Actual £000	Plan £000	Actual £000
BCF Funding B/Fwd from 2023-24	0	-702	0	0	0	-702
Income	-30,704	-31,258	-22,493	-22,493	-53,197	-53,751
Expenditure	30,704	30,854	22,493	22,493	53,197	53,347
<b>Total</b>	<b>0</b>	<b>-1,106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,106</b>
BCF Funding C/Fwd to 2025-26	0	-1,106	0	0	0	-1,106

BCF Funding 2023-24	Cheshire West and Chester Council		NHS Cheshire and Merseyside ICB		Total	
	Plan £000	Actual £000	Plan £000	Actual £000	Plan £000	Actual £000
BCF Funding B/Fwd from 2022-23	0	-2,195	0	0	0	-2,195
Income	-30,434	-30,434	-19,740	-19,740	-50,174	-50,174
Expenditure	30,434	31,927	19,740	19,740	50,174	51,667
<b>Total</b>	<b>0</b>	<b>-702</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-702</b>
BCF Funding C/Fwd to 2024-25	0	-702	0	0	0	-702

It should be noted that overall the BCF planned expenditure linked to the Council's element of the Minimum NHS contribution, iBCF and ASC Discharge Funding (£26.033m) overspent by £2.019m (£28.052m) which is not reflected in the table above. This overspend is shown within the Council's Statement of Accounts.

Funding of £0.702m brought forward from the previous year was also available to spend in 2024-25 (combination of funding for specific ASC projects and the DFG), of which, a total of £0.087m was used in 2024-25. Of the 2024-25 funding allocation, funding for specific ASC projects further underspent by £0.135m and DFG by £0.356m. Therefore a total of £1.106m will be available to be used in 2025-26.

The Council does not act as the lead commissioner for the BCF as a whole, but is lead commissioner of its own element, which is reported in the Council's Statement of Accounts.

### 38. Capital Expenditure and Financing

The Council's Capital Financing Requirement has increased by £11.8m in year as capital costs of £107.2m were higher than the funding set aside of £95.4m. The £107.2m total for Capital Investment includes a number of adjustments relating to the new accounting standard IFRS16. The overall Capital Financing Requirement will be funded from a combination of future revenue contributions, capital receipts and external funding.

	2024-25 £000	Restated 2023-24 £000
<b>Opening Capital Financing Requirement</b>	<b>549,725</b>	<b>555,346</b>
Capital Investment		
- Expenditure on capital assets		
- Property, plant and equipment	88,644	75,916
- Heritage assets	88	184
- Investment assets	3,324	773
- Intangible assets	3,183	2,154
- Assets Held for Sale	0	0
- REFCUS - expenditure of a capital nature	11,994	11,405
- Change in value of capital creditor	8	75
<b>Total</b>	<b>107,241</b>	<b>90,507</b>
Sources of Finance		
- Capital Receipts applied	-14,216	-5,603
- Govt grants and contributions applied	-30,156	-36,069
- Tfr from unapplied grants and contributions	-5,548	-12,208
- Revenue contributions	-758	-1,879
- Income from repayment of capital debtors	-183	-90
- Release of surplus capital creditors	-45	-17
- Use of other Capital Reserves	-12,906	-12,731
- IFRS16 Adjustment for donated assets	-94	0
- Revenue provision for debt repayment	-24,526	-20,583
- REFCUS income	-7,037	-6,948
<b>Total</b>	<b>-95,469</b>	<b>-96,128</b>
<b>Closing Capital Financing Requirement</b>	<b>561,497</b>	<b>549,725</b>
Explanations of Movement in Year		
Increase in underlying need to borrow (unsupported)	-7,478	-2,431
IFRS 16 Transition Adjustment	9,342	0
Assets acquired under finance leases	9,526	1,757
Assets acquired / Disposed under PFI/PPP contracts	382	-4,947
<b>Reduction/Increase in Capital Financing Requirement</b>	<b>11,772</b>	<b>-5,621</b>

### 39. Leases

#### Authority as Lessee

From 1 April 2024, the Council has adopted IFRS16 Leases in accordance with the transitional provisions in the Code for the adoption of IFRS16.

IFRS 16 removes the traditional distinction between Finance Leases and Operating Leases for Lessees. Prior to IFRS16, Finance Leases have historically been accounted for as acquisitions whereby the asset is shown on the balance sheet and a corresponding entry under long term liabilities, to reflect the payment for the asset acquired at the date that the asset was made available for use or as the IFRS16 transition date. In contrast, Operating Leases were shown as revenue items within the Comprehensive Income and Expenditure Statement and charged in the year they were paid with no requirement to reflect this in the Balance Sheet. IFRS16 requires all qualifying leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset in the Balance Sheet.

As part of the transition, the Council has utilised a practical expedient whereby decisions about whether contracts are or contains leases made before 1 April 2024 were not revisited. This is commonly known as 'grandfathering'.

Where the interest rate implicit in the lease is not identifiable, the Incremental Borrowing Rate (IBR) utilised on the implementation to IFRS16 is as follows:

Lease Term	IBR %
Up to 1 year	5.34
1 - 2 year	5.21
2 - 3 year	5.12
3 - 4 year	5.07
4 - 5 year	5.06

The effect of the transition on Lease Liabilities is as follows:

	2024-25 £000
Opening Liability	1,782
Additional Liability recognised on transition to IFRS16	8,562
New Liabilities recognised in year	1,136
Principal paid within year	-4,314
<b>Total liabilities</b>	<b>7,166</b>

These liabilities are payable over time as follows:

	2024-25 £000	2023-24 £000
Less than one year	3,622	940
One to five years	1,725	746
More than five years	1,819	96
<b>Total liabilities</b>	<b>7,166</b>	<b>1,782</b>

There are two specific exemptions for lessees from applying the detailed accounting requirements to transactions that would meet the definition of a lease:

- Leases of Low Value Assets i.e. items which cost less than £10,000 when new.
- Short Term Leases i.e. Leases with a term of 12 months or less, or those ending within 12 months of the IFRS16 implementation date

### Transactions Under Leases

Within the Comprehensive Income and Expenditure Statement expenditure associated with right of use assets includes depreciation, impairments, interest and any changes in variable lease payments in year.

Rent on low value exempt leases and short term exempt leases are expensed to the Comprehensive Income and Expenditure Statement.

	2024-25 £000
<b>Comprehensive Income and expenditure statement</b>	
Interest expenses on lease liabilities	452
Expense relating to short-term lease	43
Expense relating to exempt low-value leases	138
Variable lease payments not included	98
Gain/losses from sale and lease transactions	0
<b>Cashflow Statement</b>	
Minimum lease payments	4,766

Note that there are only two comparators for 2023-24 due to accounting treatment under IAS17 Leases.

	2023-24 £000
<b>Comprehensive Income and expenditure statement</b>	
Interest expenses on lease liabilities	137
<b>Cashflow Statement</b>	
Minimum lease payments	1,967

Each Lease Liability corresponds to a Right of Use Asset. The following table outlines the balance of these assets.

	Land and Buildings 2024-25 £000	Vehicles, Plant and Equipment 2024-25 £000	Total 2024-25 £000
Balance at 1 April 2024	0	1,557	1,557
Adjustment on transition to IFRS16	7,619	941	8,560
Peppercorn Lease Adjustment	94	0	94
Additions	486	693	1,179
Revaluations	0	0	0
Depreciation	-2,870	-1,324	-4,194
Disposals	0	-7	-7
<b>Balance 31 March 2025</b>	<b>5,329</b>	<b>1,860</b>	<b>7,189</b>

### Authority as Lessor

The accounting arrangements under IFRS16 are largely unchanged from a Lessor perspective. The Council leases out elements of its property portfolio to various organisations as part of its dual aims of helping to generate economic activity in the area and in order to generate a return on assets held. These leases are all categorised as operating leases due to the fact the returns only reflect a small proportion of the asset's value or the nature of the lease agreements. The properties comprise a mix of commercial offices and outlets, industrial units and pieces of land for development or farms. These leases vary in length from short term to over one hundred years with the longer leases largely only for peppercorn rental income.

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

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

Age Profile of Lease Income	2024-25 £000	2023-24 £000
No later than one year	12,066	11,277
Between one and five years	29,170	19,989
Later than five years	135,895	119,756
	<b>177,131</b>	<b>151,022</b>

The Council has sub-leased out a property that it has leased in. The expenditure and income have been charged to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement as it forms part of the commercial properties trading account. As at 31 March 2025 the estimated outstanding income linked to future usage of these properties was as below:

Age Profile of Sub-lease payments receivable	2024-25 £000	2023-24 £000
No later than one year	114	343
Between one and five years	457	187
Later than five years	657	1,499
	<b>1,228</b>	<b>2,029</b>

The lease costs payable and sub-lease income receivable in 2024-25 is calculated to be:

Lease payments and Sub-lease receivable	2024-25 £000	2023-24 £000
Minimum Lease payments	1,432	122
Sublease Payments Receivable	-1,228	-343
	<b>204</b>	<b>-221</b>

### 40. Private Finance Initiative (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the assets needed to provide the services passes to the PFI contractor. Following a competitive procurement process, this contractor will design, build, finance and operate these assets in response to a specification set out by the Council.



The assets are made available to the Council over a specified period (the service concession period) and in return the Council will make regular payments to the contractor over this period (the Unitary Payment). This charge covers the running costs of the facility and contributes to the capital financing costs the contractor incurred.

The Council has two operational PFI schemes:

- A scheme to provide school premises together with associated facilities management services (e.g. caretaking, cleaning and catering) in the Ellesmere Port area. There were originally five schools which were constructed under this agreement and additional facilities were developed at a sixth. The service commenced in September 2003 for a period of 30 years until 2033. Following the conversion of William Stockton Primary School to an academy in September 2023, four of the original five schools have now become academies, leaving just one school and additional facilities within the Council's ownership. These facilities will revert to Council ownership at the end of the PFI contract.
- A contract for providing facilities and support for extra care housing at two sites in Winsford and Ellesmere Port. This scheme is managed in partnership with Cheshire East Borough Council where there are a further three sites, although one of these three sites was subject to extensive fire damage during 2019-20. The scheme's first site became operational in January 2009 with others (including both the West sites) following in 2009-10. The contract runs until 2039. These facilities will not revert to the Council at the end of the contract although it will have the option to purchase them at that time.

### **PFI Assets**

The Council has determined control of the assets by looking at how we manage the facilities, right of access to the facilities and decisions around the day to day managing of the facilities. The accounting policy for PFIs and similar arrangements has been applied to these assets. Consequently, the assets relating to these contracts (£20.2m) have been recognised on the Balance Sheet as property, plant and equipment, in accordance with IFRIC 12 (Service Concession Arrangements).

Under the requirements of IFRIC 12 the assets which were constructed to deliver these schemes are recorded on the Balance Sheet of the Council along with a liability showing the Council's commitment to make Unitary Payments in future years. Upon initial recognition these two values would offset each other but over time the values will diverge.

In addition, the Council needs to consider the treatment of the income generating potential of these assets. Where these assets generate income, an assumption needs to be made as to whether the income primarily funds: operational running costs, or repayment of initial capital, or a combination of the two. In the case of the Council's PFI schemes it is assumed that third party income is primarily to support operational running costs with all capital expenditure being funded from the PFI unitary payment the Council makes to the contractor. This judgement is based on the respective financial models for the PFIs as approved by the Council at the inception of the programme.

The assets recognised under these schemes are held within property, plant and equipment in the Council's Balance Sheet; they are treated in exactly the same way as any other Council asset, are subject to five yearly valuations and charged with annual depreciation.



Movement in PFI Asset Values	2024-25			2023-24		
	Schools £000	Extra Care £000	Total £000	Schools £000	Extra Care £000	Total £000
Opening Net Book Value	3,189	12,987	16,176	8,624	13,425	22,049
IFRS 16 Transition Adjustment	5,665	3,677	9,342	0	0	0
Additions/Disposal	26	356	382	-5,254	307	-4,947
Revaluations	-4,960	148	-4,812	0	-152	-152
Depreciation	-182	-741	-923	-181	-593	-774
<b>Closing Net Book Value</b>	<b>3,738</b>	<b>16,427</b>	<b>20,165</b>	<b>3,189</b>	<b>12,987</b>	<b>16,176</b>

The increase in the value of PFI Assets in 2024-25 reflects the adoption of IFRS 16. This accounting standard primarily relates to the remeasurement of PFI liabilities but also requires a balancing entry to adjust the value of the PFI Asset. The balancing adjustment can lead to the value of the asset exceeding its valuation. In such circumstances it is necessary to write the asset back down to its confirmed valuation.

### PFI Liabilities

With effect from 2024-25 the Council is required to account for PFI liabilities in accordance with IFRS 16 (previously IAS 17). This Accounting Standard requires Local Authorities to remeasure their PFI liabilities upon transition to IFRS 16 and annually thereafter. The adoption of IFRS 16 has resulted in a large increase in liabilities which is due to a combination of the prevailing rate of inflation since the commencement of the contracts and the number of Unitary Payments that are still outstanding. PFI liabilities are written down each year as Unitary Payments are made to the contractor. Only part of each Unitary Payment can be applied to writing down the liability as it funds four separate components reflecting what is being funded:

- Service Costs Reflecting the net cost of services delivered in 2024-25
- Financing Costs Effective costs of borrowing and interest on outstanding balances
- Liability Repayment Writing down the PFI liability
- Lifecycle Costs Reflecting new capital expenditure on the asset

Allocation of Unitary Payment	2024-25			2023-24		
	Schools £000	Extra Care £000	Total £000	Schools £000	Extra Care £000	Total £000
Service Costs	893	484	1,377	1,309	405	1,714
Financing Costs	940	844	1,784	528	707	1,235
Contingent Rents	0	0	0	133	56	189
Liability Repayment	645	552	1,197	434	699	1,133
Lifecycle Costs	130	355	485	146	307	453
<b>Total</b>	<b>2,608</b>	<b>2,235</b>	<b>4,843</b>	<b>2,550</b>	<b>2,174</b>	<b>4,724</b>

Prior to the adoption of IFRS 16 the Unitary Payment also funded a fifth component called Contingent Rents. This cost represented inflationary increases in the value of the Unitary Payment and was charged each year to the CIES. Under IFRS 16 different treatment is applied, with the lease liability being remeasured where indexation affects the value of future payments.

The spread of the Unitary Payment and the liability balances reflect that the Council's Unitary Payments are the primary means by which the PFI operator is recovering the costs of constructing these assets, and that any third party income generated through operating the sites is instead used to subsidise the schemes operational running costs (in effect reducing the service costs).

The amounts of payments made in 2024-25 and in future years are set out in the following tables. The increase in the liability in 2024-25 is attributable to the requirement of IFRS 16 to

remeasure PFI liabilities in the year of transition to the new reporting standard. Despite the increase in PFI liabilities arising from the adoption of IFRS 16, the remaining payments under PFI contracts will reduce the liability to nil by the final year of the contracts.

Movement in Liability during the year	2024-25			2023-24		
	Schools £000	Extra Care £000	Total £000	Schools £000	Extra Care £000	Total £000
Opening Liability	-6,281	-14,716	-20,997	-6,715	-15,415	-22,130
IFRS 16 Transition Adjustment	-5,665	-3,677	-9,342	0	0	0
Payments made in year	645	552	1,197	434	699	1,133
<b>Closing Liability</b>	<b>-11,301</b>	<b>-17,841</b>	<b>-29,142</b>	<b>-6,281</b>	<b>-14,716</b>	<b>-20,997</b>

Future Payments under the PFI Contracts	Service Costs £000	Principal Payments £000	Capital Costs £000	Interest £000	Total £000
<b>Schools</b>					
Obligations Payable in 2025-26	915	879	4	889	2,687
Due between 2026-27 and 2029-30	4,041	4,389	115	2,802	11,347
Due between 2030-31 and 2034-35	3,653	6,035	127	1,156	10,971
<b>Total</b>	<b>8,609</b>	<b>11,303</b>	<b>246</b>	<b>4,847</b>	<b>25,005</b>
<b>Extra Care</b>					
Obligations Payable in 2025-26	266	771	398	819	2,254
Due between 2026-27 and 2029-30	857	4,310	1,183	2,869	9,219
Due between 2030-31 and 2034-35	1,604	5,697	2,230	2,457	11,988
Due between 2035-36 and 2039-40	1,051	7,061	1,021	841	9,974
<b>Total</b>	<b>3,778</b>	<b>17,839</b>	<b>4,832</b>	<b>6,986</b>	<b>33,435</b>

## PFI Funding

The Unitary Payments are primarily funded from grants received from the Ministry of Housing, Communities, and Local Government (MHCLG) but the Council also contributes to the costs. In the case of the Schools scheme these contributions are split between the Council and the schools themselves.

The nature of the Government funding is such that the Council receives a fixed grant payment each year. These payments are not index linked and will not alter throughout the contract period. The Unitary Payment is index linked and will vary with inflation over the thirty years of the scheme. As time elapses this leads to an imbalance between the schemes main sources of income and the payments it needs to make, with the scheme operating at a surplus in early years and a deficit in later years. To prevent this imbalance from impacting upon Council Tax requirements the Council has operated two PFI equalisation reserves to retain the surpluses generated in the early years of the schemes. As part of the 2025-26 budget setting process, the Council undertook a review of the need for these reserves and subsequently decided in February 2025 to release the Extra Care reserve early to support the balancing of the 2025-26 Budget. Instead, the Council will fund the difference between the unitary payment and grant received from its central inflation contingency each year from 2025-26.

The balances on these reserves as at 31 March 2025 are disclosed in the following table.

Movement in Equalisation Reserves during the year	2024-25			2023-24		
	Schools £000	Extra Care £000	Total £000	Schools £000	Extra Care £000	Total £000
Opening Balance	5,939	1,581	7,520	5,662	1,507	7,169
In Year Additions	278	0	278	277	74	351
<b>Closing Balance</b>	<b>6,217</b>	<b>1,581</b>	<b>7,798</b>	<b>5,939</b>	<b>1,581</b>	<b>7,520</b>

#### 41. Capitalisation of Borrowing Costs

Councils are able to capitalise borrowing costs that are incurred during the undertaking of capital works to construct or acquire an asset. Borrowing costs can only be capitalised where there is a significant period between when the funded expenditure is incurred and the relevant asset becoming operational.

There were no borrowing costs capitalised in the year 2024-25 (£nil 2023-24).

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

Teachers employed by the Council are eligible for the Teachers' Pension Scheme, administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the costs, making a payment based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a national fund as the basis for calculating the employer's contribution rate paid by Local Authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of the Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. In 2024-25, the Council paid £23.2m (2023-24, £19.3m) to Teachers' Pension in respect of teachers' retirement benefits, representing 28.68% (2023-24, 23.55%) of pensionable pay. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefits basis and are detailed in Note 43.

Public Health transferred from Clinical Commissioning Groups in 2013-14, and the Council inherited a small number of workers who are Members of the NHS Pension Scheme. This scheme is a defined benefit scheme but similarly to the Teachers' Pension Scheme must be treated as a defined contribution scheme. Contributions made in 2024-25 equated to £36k (2023-24 £25k) representing 14.38% of pensionable pay.

#### 43. Defined Benefit Pension Scheme

##### Participation in Pension Scheme

The terms and conditions of employment include the Council's contributions towards the cost of post-employment benefits. Although these benefits are not actually payable until employees retire, the Council's commitment to make the payments must be disclosed at the time their future entitlement is earned.

##### Accounting Treatment

The Council participates in the Local Government Pension Scheme (LGPS) and Discretionary Pensions for Teachers under the Teachers' Pension Scheme (TPS). Both schemes are accounted for as a defined benefit scheme in accordance with International Accounting Standard 19 (IAS 19). The liabilities for both schemes are calculated using a projected unit method and the assets of the funds are included at their fair value. The liabilities attributable to the Council for both schemes are included in the Balance Sheet.

##### Asset Ceiling

Under IFRIC14, an asset ceiling limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to

the plan. An adjustment has been made in the 2024-25 accounts to apply this asset ceiling, as calculated by the Actuary (Hymans Robertson LLP), as the year end results showed a net asset in the pension scheme. The calculation for this can be seen in the asset ceiling reconciliation table.

### Local Government Pension Scheme (LGPS)

The Cheshire Pension Fund operates under the regulatory framework for the Local Government Pension Scheme. The governance of the Fund is the responsibility of the full Council within Cheshire West and Chester Council, supported by the Pension Fund Committee. The Fund's policies and investment strategy are set by the Committee and administered by the Chief Operating Officer from Cheshire West and Chester. The Local Pension Board assists the Administering Authority to ensure the effective and efficient governance and administration of the LGPS.

The principal risks to the authority are the assumptions on longevity, inflation, salary changes, investment returns and changes in the structure of the fund. Consideration of these risks, based on the best estimates for these assumptions following the advice of the Fund's actuary (Hymans Robertson LLP) is included at the end of this note.

The LGPS is a funded scheme, meaning that the scheme's liabilities are backed by investment assets. The Cheshire Pension Fund manages four investment strategies each with different objectives and different allocations to growth assets and defensive assets. The overarching principle being to tailor investment strategies to better match the risk/return requirements of employers, on their journey towards the long-term funding objective. A key part of the Fund's investment strategy is the embedded dynamic risk management framework. The risk management framework ensures that employers only take the level of investment risk that is necessary to meet their funding objectives by adjusting the strategic asset allocation and investment risk profile based on pre-determined funding level triggers.

The Cheshire Pension Fund operates four investment strategies each with different allocations to growth assets and diversifying and matching assets reflecting the differing pension liabilities and funding positions of employers. At 1 April 2024 the four strategies were as follows:

	Growth	Diversifying and Matching
Open Employers	50%	50%
Academies	55%	45%
Exiting/Closed Employers	50%	50%
Exited Employers	0%	100%

The net return on investments for the Fund for the 2024-25 year was a gain of £138m (2023-24: gain of £416m. The fund achieved a positive return on its investments of 1.6% (2023-24: +6.4%), against a tailored benchmark of +0.2% (2023-24: +4.9%). For the three years ending 31 March 2025 (2024), the Fund achieved an annualised return of -0.9% (2023-4 +0.8%) per annum against the Fund's benchmark return of -1.3% (2023-24 0.5%) per annum.

### Teachers Discretionary Payments

The Council also funds discretionary early retirement benefits for teachers and this scheme is unfunded. The Council paid £4.2m in 2024-25 (£4.2m in 2023-24) in relation to this scheme, of which £2.6m in 2024-25 (£2.6m in 2023-24) has been recovered from Cheshire East, Halton and Warrington Borough Councils.

### Transactions Relating to Post-employment Benefits

The costs of retirement benefits are recognised in the CIES as they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charges that are required to be made against Council tax are based on the cash paid to the Pension Fund in the year; to reconcile the real cost of post-employment/retirement benefits is reversed out of the General Fund via the MIRS (Movement in Reserves Statement) and replaced by the payments made.

The following transactions occurred during the year.

CIES and Movement in Reserves Statement	LGPS 2024-25 £000	Teachers Unfunded Scheme 2024-25 £000	LGPS Unfunded Scheme 2024-25 £000	Total 2024-25 £000	LGPS 2023-24 £000	Teachers Unfunded Scheme 2023-24 £000	LGPS Unfunded Scheme 2023-24 £000	Total 2023-24 £000
<b>Comprehensive Income and Expenditure Statement (CIES)</b>								
<b>Cost of Services:</b>								
Current service cost	28,482	0	0	28,482	30,628	0	0	30,628
Past service costs and curtailments	1	0	0	1	408	0	0	408
(Gain) from settlements	-2,125	0	0	-2,125	-3,212	0	0	-3,212
<b>Financing and Investment Income and Expenditure</b>								
Net Interest Cost (Note 12)	-9,734	627	37	-9,070	-5,519	673	40	-4,806
Interest on the effect of the asset ceiling	9,651	0	0	9,651	5,395	0	0	5,395
<b>Total post-employment benefits charged to SDPS</b>	<b>26,275</b>	<b>627</b>	<b>37</b>	<b>26,939</b>	<b>27,700</b>	<b>673</b>	<b>40</b>	<b>28,413</b>
<b>Other post-employment benefits charged to the CIES</b>								
Remeasurement of the net defined benefit liability comprising:								
Return on plan assets (excluding the amount included in the net interest expense)	42,881	0	0	42,881	-31,007	0	0	-31,007
Actuarial Gains / Losses arising on changes in demographic assumptions	-2,653	-30	-1	-2,684	-9,832	-118	-7	-9,957
Actuarial Gains / Losses arising on changes in financial assumptions	-226,567	-744	-29	-227,340	-84,953	-273	-12	-85,238
Other experience	-14,118	270	-49	-13,897	49,723	0	0	49,723
Adjustment for Asset Ceiling Calculation	206,068	0	0	206,068	80,009	0	0	80,009
<b>Total post-employment benefit charged to the CIES</b>	<b>31,886</b>	<b>123</b>	<b>-42</b>	<b>31,967</b>	<b>31,640</b>	<b>282</b>	<b>21</b>	<b>31,943</b>
<b>Movement in Reserves Statement</b>								
Reversal of net charges made to the SDPS for post-employment	-26,275	-627	-37	-26,939	-27,700	-673	-40	-28,413
<b>Actual charged to the General Fund</b>								
Employers' contributions	31,886	0	0	31,886	31,640	0	0	31,640
Effect of Business combinations and disposals	0	0	0	0	0	0	0	0
Retirement Benefits Payable	0	1,544	109	1,653	0	1,518	119	1,637

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

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

Balance Sheet entries	LGPS 2024-25 £000	Teachers Unfunded 2024-25 £000	LGPS Unfunded 2024-25 £000	Total 2024-25 £000	LGPS 2023-24 £000	Teachers Unfunded 2023-24 £000	LGPS Unfunded 2023-24 £000	Total 2023-24 £000
Present value of obligations	-1,323,808	-12,266	-657	-1,336,731	-1,523,204	-13,687	-808	-1,537,699
Fair value of plan assets	1,738,512	0	0	1,738,512	1,722,189	0	0	1,722,189
Adjustment for the effect of the asset ceiling	-414,704	0	0	-414,704	-198,985	0	0	-198,985
<b>Net Pension Liability</b>	<b>0</b>	<b>-12,266</b>	<b>-657</b>	<b>-12,923</b>	<b>0</b>	<b>-13,687</b>	<b>-808</b>	<b>-14,495</b>

### Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities	LGPS	Teachers Unfunded	LGPS Unfunded	Total	LGPS	Teachers Unfunded	LGPS Unfunded	Total
	2024-25 £000	2024-25 £000	2024-25 £000	2024-25 £000	2023-24 £000	2023-24 £000	2023-24 £000	2023-24 £000
<b>Opening balance</b>	1,523,204	13,687	808	1,537,699	1,526,515	14,923	906	1,542,344
Current Service Costs	28,482	0	0	28,482	30,628	0	0	30,628
Interest Cost	73,142	627	37	73,806	71,713	673	40	72,426
Contribution by Scheme Members	10,107	0	0	10,107	9,640	0	0	9,640
<b>Remeasurement gains and losses:</b>								
Actuarial gains/losses arising from changes in demographic assumptions	-2,653	-30	-1	-2,684	-9,832	-118	-7	-9,957
Actuarial gains/losses arising from changes in financial assumptions	-226,567	-744	-29	-227,340	-84,953	-273	-12	-85,238
Other experience	-14,118	270	-49	-13,897	49,723	0	0	49,723
Benefits Paid	-61,835	-1,544	-109	-63,488	-62,509	-1,518	-119	-64,146
Past Service Costs & Curtailments	1	0	0	1	408	0	0	408
Liabilities Extinguished on Settlement	-5,955	0	0	-5,955	-8,129	0	0	-8,129
Effect of Business combinations and disposals	0	0	0	0	0	0	0	0
<b>Closing balance at 31 March</b>	<b>1,323,808</b>	<b>12,266</b>	<b>657</b>	<b>1,336,731</b>	<b>1,523,204</b>	<b>13,687</b>	<b>808</b>	<b>1,537,699</b>

Movement in Fair Value of Assets	LGPS	Teachers Unfunded	LGPS Unfunded	Total	LGPS	Teachers Unfunded	LGPS Unfunded	Total
	2024-25 £000	2024-25 £000	2024-25 £000	2024-25 £000	2023-24 £000	2023-24 £000	2023-24 £000	2023-24 £000
<b>Opening Balance</b>	<b>1,722,189</b>	<b>0</b>	<b>0</b>	<b>1,722,189</b>	<b>1,640,096</b>	<b>0</b>	<b>0</b>	<b>1,640,096</b>
Interest income	82,876	0	0	82,876	77,232	0	0	77,232
<b>Remeasurement gains and (losses):</b>								
Return on plan assets, excluding the amounts included in net interest	-42,881	0	0	-42,881	31,007	0	0	31,007
Employer Contributions	31,886	0	0	31,886	31,640	0	0	31,640
Contribution by scheme members	10,107	0	0	10,107	9,640	0	0	9,640
Contributions - unfunded benefits	0	1,544	109	1,653	0	1,518	119	1,637
Benefits paid	-61,835	0	0	-61,835	-62,509	0	0	-62,509
Unfunded benefits paid	0	-1,544	-109	-1,653	0	-1,518	-119	-1,637
Other experience	0	0	0	0	0	0	0	0
Effect of Business combinations and disposal	0	0	0	0	0	0	0	0
Assets distributed on Settlement	-3,830	0	0	-3,830	-4,917	0	0	-4,917
<b>Closing balance at 31 March</b>	<b>1,738,512</b>	<b>0</b>	<b>0</b>	<b>1,738,512</b>	<b>1,722,189</b>	<b>0</b>	<b>0</b>	<b>1,722,189</b>

### Reconciliation of the Asset Ceiling Adjustment

	2024-25	2023-24
<b>Opening effect of the asset ceiling</b>	<b>-198,985</b>	<b>-113,581</b>
Interest on the effect of the asset ceiling	-9,651	-5,395
Changes in the effect of the asset ceiling	-206,068	-80,009
<b>Closing effect of the asset ceiling</b>	<b>-414,704</b>	<b>-198,985</b>



## Local Government Pension Scheme Assets

The Local Government Pension Scheme's assets consist of the following categories, and whether the investment is quoted in active markets or not.

Local Government Pension Scheme assets	Quoted Prices in active markets 2024-25 £000	Unquoted Prices not in active markets 2024-25 £000	Total 2024-25 £000	Share of Total Assets %	Quoted Prices in active markets 2023-24 £000	Unquoted Prices not in active markets 2023-24 £000	Total 2023-24 £000	Share of Total Assets %
<b>Cash &amp; Cash Equivalents</b>	<b>0</b>	<b>15,179</b>	<b>15,179</b>	<b>1%</b>	<b>0</b>	<b>19,723</b>	<b>19,723</b>	<b>1%</b>
<b>Equity Securities:</b>								
By industry type:								
Consumer	8,457	0	8,457	0%	8,329	0	8,329	0%
Manufacturing	7,902	0	7,902	0%	8,679	0	8,679	1%
Energy and Utilities	0	0	0	0%	0	0	0	0%
Financial Institutions	1,685	0	1,685	0%	1,798	0	1,798	0%
Health and Care	3,589	0	3,589	0%	3,170	0	3,170	0%
IT	58,000	0	58,000	3%	57,677	0	57,677	3%
Other	6,304	0	6,304	0%	4,472	0	4,472	0%
	<b>85,937</b>	<b>0</b>	<b>85,937</b>	<b>3%</b>	<b>84,125</b>	<b>0</b>	<b>84,125</b>	<b>4%</b>
<b>Private equity</b>	<b>0</b>	<b>114,768</b>	<b>114,768</b>	<b>7%</b>	<b>0</b>	<b>117,052</b>	<b>117,052</b>	<b>7%</b>
<b>Real Estate:</b>								
UK	0	128,809	128,809	7%	0	120,766	120,766	7%
Overseas	0	2,217	2,217	0%	0	2,307	2,307	0%
	<b>0</b>	<b>131,026</b>	<b>131,026</b>	<b>7%</b>	<b>0</b>	<b>123,073</b>	<b>123,073</b>	<b>7%</b>
<b>Investment funds and unit trusts:</b>								
Equities	510,568	0	510,568	30%	497,094	0	497,094	29%
Bonds	367,449	284,965	652,414	38%	392,184	258,738	650,922	38%
Hedge Funds	0	114,771	114,771	7%	0	122,370	122,370	7%
Infrastructure	0	32,575	32,575	2%	0	28,093	28,093	2%
Other	0	81,274	81,274	5%	0	79,737	79,737	5%
	<b>878,017</b>	<b>513,585</b>	<b>1,391,602</b>	<b>82%</b>	<b>889,278</b>	<b>488,938</b>	<b>1,378,216</b>	<b>81%</b>
<b>Total Assets</b>	<b>963,954</b>	<b>774,558</b>	<b>1,738,512</b>	<b>100%</b>	<b>973,403</b>	<b>748,786</b>	<b>1,722,189</b>	<b>100%</b>

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, a method for estimating future pension payments dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and the Unfunded Teachers Liability have been assessed by Hymans Robertson, an independent firm of actuaries. Demographic estimates for the Council Fund are based on the 2022 valuation of the scheme as at 31 March 2022.

This report and note do not address any risks to the Fund itself e.g. due to coronavirus. Such advice would generally be given to the Administering Authority by the Fund's Actuary through the actuarial valuation process.



### The Principal Assumptions Used by the Actuary Have Been:

	LGPS 2024-25	Teachers Unfunded Liabilities 2024-25	LGPS Unfunded Liabilities 2024-25	LGPS 2023-24	Teachers Unfunded Liabilities 2023-24	LGPS Unfunded Liabilities 2023-24
<b>Financial Assumptions</b>						
Rate of increase in salaries	3.45%	n/a	n/a	3.45%	n/a	n/a
Rate of increase in pensions	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
<b>Discount rate used</b>						
Rate used to Discount liabilities	5.80%	5.80%	5.80%	4.85%	4.85%	4.85%
<b>Demographic Mortality Assumptions</b>						
<b>Longevity at 65 for current pensioners</b>						
Men	21.1 years	21.1 years	21.1 years	21.1 years	21.1 years	21.1 years
Women	23.9 years	23.9 years	23.9 years	23.9 years	23.9 years	23.9 years
<b>Longevity at 65 for future pensioners</b>						
Men	21.7 years	n/a	n/a	21.8 years	n/a	n/a
Women	25.3 years	n/a	n/a	25.4 years	n/a	n/a

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies of the scheme, on an actuarial basis using the projected unit credit method.

Sensitivity analysis - impact on the defined benefit obligation in the scheme	Increase in assumption			Decrease in assumption		
	LGPS £000	Teachers Unfunded £000	LGPS Unfunded £000	LGPS £000	Teachers Unfunded £000	LGPS Unfunded £000
Longevity (change by 1 year)	52,952	0	0	-52,952	0	0
Salary inflation (change by 0.1%)	891	0	0	-891	0	0
Pension inflation (change by 0.1%)	21,833	200	8	-21,833	-200	-8
Discount rate (change by 0.1%)	-22,107	-200	-8	22,107	200	8

### Impact on the Council's Cash Flows

A key objective of the Pension Fund is to keep employers' contributions as stable and affordable as possible, whilst also ensuring the solvency of the Pension Fund.

The Council has agreed a funding plan with the Pension Fund that targets to achieve a funding level of 100% over the next 20 years.

Funding plans and contribution rates are formally reviewed on a triennial basis. The latest review was 31 March 2022 and applies for the period from 1 April 2023 to 31 March 2026.

The current funding plan provides the Council with stability of contribution rates by limiting any increases/decreases to the Council's pension contributions to +1/-1% per year at each 3 year review.

The estimated LGPS pension contribution to be made by Cheshire West and Chester in 2024-25 is £32m.

#### 44. Contingent Liabilities

At 31 March 2025, the Council had no material contingent liability.

#### 45. Contingent Assets

At 31 March 2025, the Council had no material contingent assets.

#### 46. Risks Arising from Financial Instruments

The Council complies with the CIPFA Code of Practice on treasury management and with the Prudential Code for Capital Finance in Local Authorities both of which were revised in December 2021.

The Council's treasury management activity is carried out in accordance with the Council's annual Treasury Management Strategy (TMS) that is approved by full Council shortly before the start of each financial year. The TMS sets out the broad framework for the use of financial instruments. For the year 2024-25 the TMS allowed the Council to deposit up to £10 million with a number of large banks, building societies and sterling denominated money market funds that met a range of specified criteria the most objective of these being to have a long term credit rating equivalent to at least A-. This limit of £10 million is increased to £12.5 million for the Council's main banker, Lloyds Banking Group.

The use of financial instruments by their very nature exposes the Council to a variety of risks and details of these risks, along with how the Council seeks to manage them, are set out below:

##### Credit Risk

Credit risk is the risk that failure by a third party to make a payment of interest or repay an amount lent to it will have an unexpected adverse impact on the Council's financial position.

During 2024-25 the Council chose to place deposits with a number of selected large banks, and sterling denominated money market funds. Such banks and money market funds are of a high credit quality (i.e. they have as a minimum a long term credit rating of A-). The Council also lent monies to HM Treasury during the year. The Council does not expect any losses from its dealings with any of these counterparties except in the most exceptional of circumstances. IFRS 9 does, however, require that some allowance for potential losses be provided for in the Council's financial statements.

No loss allowances on treasury investments have been provided for in the Council's account at 31 March 2025 as the amounts involved were immaterial (31 March 2024 £nil).

Form of Financial Asset Held	Credit rating	31 March 2025		31 March 2024	
		Long Term £000	Short Term £000	Long Term £000	Short Term £000
Fixed Term Deposits	A+	0	0	0	6,700
Call Accounts	A+	0	919	0	970
<b>Sub-total</b>		<b>0</b>	<b>919</b>	<b>0</b>	<b>7,670</b>
Pooled Equity and Property Funds	n/a	8,514	0	8,095	0
Money Market Funds	n/a	0	89,347	0	82,080
		<b>8,514</b>	<b>90,266</b>	<b>8,095</b>	<b>89,750</b>

The Council has made working capital loans facilities available to three Council owned company during the year 2024-25. The maximum amount available under those facilities

totals £5.5 million. At the balance sheet date just one of the companies were making use of the facility, for an amount of £0.250 million. In addition to this the Council also holds a long term loan with one of its companies, issued to support that company with losses incurred during the pandemic. This has an outstanding balance of £0.814m, giving total outstanding loans of £1.064m. After allowing for £0.839 million of loss allowances the recorded loan balance reduces to £0.225m. Loss allowances on these working capital loans has been calculated on an individual basis taking account of the circumstances impacting on each of the companies at the balance sheet date.

The loss allowance takes account of the fact that all of the companies have a relatively short trading history and have no credit rating assigned to them.

Borrower	Exposure Type - loan commitments	31st March 2025		31st March 2024	
		Balance Sheet £000	Risk Exposure £000	Balance Sheet £000	Risk Exposure £000
Council owned company	Market rates	225	5,500	113	5,500
<b>Total</b>		<b>225</b>	<b>5,500</b>	<b>113</b>	<b>5,500</b>

Customers for goods and services are assessed often taking into their financial position, account trading history and ability to pay. The Councils policy is to obtain payment in advance, where permitted to avoid any risk of unpaid debt.

The Council has adopted a simplified loss approach where impairment loss allowance on trade receivables and HRA tenant arrears has been calculated by using the expected losses approach. Using this approach provides a more accurate impairment charge.

Receivables are written off to the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement when they are deemed unrecoverable, steps are taken to collect sums owing including pursuit through legal means, courts and the use of bailiffs.

### Accounts Receivable

Period	Impairment allowance rate %	Trade Receivables £000	Impairment Loss £000	31 March 2025 £000
Current	6.7%	44,087	-2,971	41,116
Past due < 3 Months	0.0%	6,669	-3	6,666
Past due 3-6 Months	6.1%	2,401	-145	2,256
Past due 6-9 Months	94.8%	2,047	-1,941	106
Past due 9-12 Months	76.1%	2,202	-1,675	527
Past due 12+ Months	58.2%	8,301	-4,830	3,471
Deferred Debt	2.5%	3,211	-81	3,130
<b>Total</b>		<b>68,918</b>	<b>-11,646</b>	<b>57,272</b>

Period	Impairment allowance rate %	Trade Receivables £000	Impairment Loss £000	31 March 2024 £000
Current	4.6%	50,356	-2,323	48,033
Past due < 3 Months	0.0%	6,045	-1	6,044
Past due 3-6 Months	7.0%	2,165	-151	2,014
Past due 6-9 Months	94.2%	1,499	-1,413	86
Past due 9-12 Months	100.5%	1,591	-1,599	-8
Past due 12+ Months	95.6%	6,352	-6,073	279
Deferred Debt	2.5%	3,156	-80	3,076
<b>Total</b>		<b>71,164</b>	<b>-11,640</b>	<b>59,524</b>

## Housing Revenue Account

Period	Impairment allowance rate %	HRA Tenant Arrears £000	Impairment Loss £000	31 March 2025 £000
Up to 28 days	3.0%	203	-6	197
29 - 60 days	4.0%	218	-9	209
61 - 90 days	10.0%	158	-16	142
91 - 120 days	70.0%	123	-86	37
121 - 150 days	70.0%	129	-90	39
151 - 180 days	70.0%	76	-53	23
181 - 365 days	70.0%	192	-135	57
Over 365 days	100.0%	105	-105	0
Former Debt	87.7%	2,242	-1,967	275
<b>Total</b>		<b>3,446</b>	<b>-2,467</b>	<b>979</b>

Period	Impairment allowance rate %	HRA Tenant Arrears £000	Impairment Loss £000	31 March 2024 £000
Up to 28 days	3.0%	175	-5	170
29 - 60 days	4.0%	239	-10	229
61 - 90 days	10.0%	164	-16	148
91 - 120 days	70.0%	133	-93	40
121 - 150 days	70.0%	98	-69	29
151 - 180 days	70.0%	93	-65	28
181 - 365 days	70.0%	238	-166	72
Over 365 days	100.0%	87	-87	0
Former Debt	91.8%	1,790	-1,643	147
<b>Total</b>		<b>3,017</b>	<b>-2,154</b>	<b>863</b>

## Liquidity Risk

Liquidity risk is the risk that the Council will not have sufficient cash resources to meet its obligations as they fall due for payment. The Council will manage this risk by ensuring it has adequate, though not excessive, short term cash resources, borrowing arrangements, overdrafts or standby facilities in place. It will also make use of cash flow forecasting to give as accurate a picture as possible of daily cash balances.

An inability to raise finance is not a risk that the Council perceives that it faces.

The Council, like all UK Councils, is able to borrow at favourable rates from the Public Works Loans Board and other local Councils. Loans from the Public Works Loans Board can be received into the Council's bank account within 5 working days. In addition, the Council can also borrow from banks and other commercial organisations. There is also an active intra-local authority loans market through which Councils can borrow from and lend to each other on a short term (up to 5 years) basis.

There is a risk, however, that when loans or other forms of borrowing fall due to be repaid the Council will be unable to re-finance the borrowings on reasonable terms. To manage this risk down to an acceptable level, the Council endeavours to even out the maturity profile of its existing long-term loans (i.e. greater than 1 year) such that, where possible, no more than £10 million of loans will mature in any given financial year. A separate limit of £10 million applies to the General Fund loans portfolio and the Housing Revenue Account loans portfolio. The £10m limit excludes variable rate loans and short-term loans paid within one year.

The existing long-term loans of Cheshire West and Chester Council are scheduled to mature as follows; these balances include the interest that will be re-payable:

Profile of Borrowing in relation to General Fund activities	Public Works Loans Board £000	Salix Loans £000	Banks £000	Other Local Authorities £000	Total 2024-25 £000
In the next financial year	4,620	824	277	0	5,721
In the following financial year	2,480	766	0	0	3,246
In 2 to 5 years	8,423	502	0	0	8,925
In 5 to 10 years	42,958	0	0	0	42,958
In 10 to 15 years	27,119	0	0	0	27,119
In 15 to 20 years	11,967	0	12,393	0	24,360
In 20 to 25 years	14,742	0	0	0	14,742
In 25 to 30 years	23,171	0	5,183	0	28,354
In 30 to 40 years	12,284	0	0	0	12,284
<b>Total</b>	<b>147,764</b>	<b>2,092</b>	<b>17,853</b>	<b>0</b>	<b>167,709</b>

Profile of Borrowing in relation to HRA activities	Public Works Loans Board £000	Salix Loans £000	Banks £000	Other Local Authorities £000	Total 2024-25 £000
In the next financial year	2,916	0	90	0	3,006
In the following financial year	2,928	0	0	0	2,928
In 2 to 5 years	9,284	0	0	0	9,284
In 5 to 10 years	17,332	0	0	0	17,332
In 10 to 15 years	19,977	0	0	0	19,977
In 15 to 20 years	8,825	0	5,087	0	13,912
In 20 to 25 years	0	0	0	0	0
<b>Total</b>	<b>61,262</b>	<b>0</b>	<b>5,177</b>	<b>0</b>	<b>66,439</b>

The Council has £7m of lender's option borrower's option (LOBO) loans where the lender has the option to propose a change in the rate of interest payable. If this option is exercised the Council, as borrower, has the option of either accepting the new rate of interest payable or repaying the loan in full without penalty. The lender could have exercised their option during 2024-25, however as they chose not to the interest rate is now fixed for another 3 years. In the table above the LOBO loan is shown as maturing on its scheduled maturity date except in those years preceding the next available option date. In those years the LOBO loan is shown as an amount payable within one year.

Cheshire West and Chester Council is in a strong financial position and has a proven track record of using its financial standing to invest in the delivery of key regenerative projects.

The most recent scheme completed was Chester Northgate phase 1, which is a mixed-use scheme in the centre of the city incorporating a Multi Storey Car Park, Cinema, Market and Restaurants. This scheme partially opened in late 2022, and most of the remaining units have opened progressively since. The Council is now managing this asset going forwards and is also in the process of selecting a development partner for the next phase of Northgate re-development, which is expected to consist of high quality new homes within a new residential community; improved connectivity with the existing Northgate development; and a high standard of public realm to support the scheme in the heart of the historic city centre.

The Council has also undertaken re-development in Winsford Town Centre and was awarded £10 million of Future High Street Funding for a package of measures to begin the transformation of the town centre. The Council matched the external funding to create a £22m development fund. This work has delivered new retail units, reduced the number of

empty retail units and made public realm improvements and is expected to be fully open by summer 2025.

The Council's first town centre regeneration scheme was in Northwich. Barons Quay was completed in 2018 and the Council now has the role of managing the asset for the long term.

The Council has implemented a robust financial risk management process to ensure that it always makes provision within its budget for the running of these schemes, and to ensure that the Council's long-term contribution towards the financing, operational and maintenance costs is sustainable. Every 6 months the long-term financial assumptions for each major scheme is reviewed and the Council's budget adjusted accordingly annually. This ensures that the Council's financial position is robust and reflects a realistic long term forecast position for these assets.

### Interest Rate Risk

Interest rate risk is the risk that unexpected changes in interest rates may expose the Council to greater costs or a lower level of investment income than has been budgeted for.

The impact on the Council of a rise / fall in interest rates will be as follows:

- i) the amount of interest payable on variable rate loans will increase/reduce
- ii) the amount of interest receivable on variable rate investments will increase/reduce
- iii) there will be no change to the rate of interest payable on fixed rate investments or the rate of interest receivable on fixed rate investments
- iv) the fair value of any investments held at fair value through other comprehensive income or profit and loss will fall / increase

The impact of i) to iii) will be reflected in the surplus or deficit on the provision of services while the impact of iv) will be reflected in the comprehensive income and expenditure for the year.

Financial assets and liabilities measured at amortised cost will see a change in their fair value as interest rates rise / fall. These changes in fair value will appear as disclosures in the notes to the accounts and will not impact on the Council's financial performance for the year.

At present the majority of the Council's long-term loans are fixed rate loans. Loans at fixed rates of interest provide the Council with certainty of interest cost and also shield the Council from increases in long term interest rates.

Had short term and long-term interest rates been 1% higher during 2024-25 but all other circumstances been the same, the financial effect would be:

<b>Impact of a 1.0% increase in interest rates</b>	<b>£000</b>
Increase in interest receivable on variable rate investments	-1,279
Increase in interest payable on variable rate loans	29
Impact on Income and Expenditure Statement	-1,250
Reduction in the fair value of fixed rate borrowing (notional impact only)	-18,922
Reduction in the fair value of fixed rate investments (notional impact only)	n/a
<b>Impact of a 5.0% fall in equity prices</b>	<b>£000</b>
Reduction in the fair value of pooled fund investments	213
<b>Impact of a 5.0% fall in commercial property prices</b>	<b>£000</b>
Reduction in the fair value of pooled fund investments	215



## Price Risk

This is the risk of financial loss as a consequence of adverse interest rate and stock / bond market movements.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to any individual pooled property fund being £10 million. A 5% fall in commercial property prices at 31 March 2025 would result in a £215,000 (31 March 2024: £211,000) charge to Financing and Investment Income in the CIES and this would then have a statutory override applied to move to the Financial Instrument Revaluation Reserve in the balance sheet.

The Council's investment in pooled equity funds is also subject to the risk of falling share prices. This risk is limited by the Council's maximum exposure to any single pooled equity fund being £10 million. A 5% fall in share prices at 31 March 2025 would result in a £213,000 (2024: £197,000) charge to Financing and Investment Income in the CIES and this would then have a statutory override applied to move to the Financial Instrument Revaluation Reserve in the balance sheet.

## 47. Trust Funds

During 2024-25, Cheshire West and Chester Council acted as sole trustee for six charitable trusts. The trusts, shown below do not represent assets of the Council and have not been included in the Council's Balance Sheet.

Please note values are £, not £000.

Trust Funds	2024-25				
	Income £	Expenditure £	Assets £	Liabilities £	Reserves £
<b>Castle Park Trust</b> The building and park land were given to the former Runcorn Rural District Council in 1933 to hold on trust for the public benefit of the area	-164,197	121,853	942,717	-2,709	-940,008
<b>The Grosvenor Park</b> A park for the enjoyment and recreation of the inhabitants of the city	-14,015	14,015	3,172,260		-3,172,260
<b>Johnston Recreation Ground</b> Held for the general benefit of the residents of Willaston	-2,461	0	6,528		-6,528
<b>Little Sutton Reading and Recreation Rooms</b> Held for the general benefit of the residents of Little Sutton	0	0	2,479	0	-2,479
<b>Fred Venables Literary Trust</b> Established in 1998 to provide annual book prizes to young people attending secondary schools	0	0	12,099	0	-12,099
<b>Reg Chrimes Trust for the Arts</b> Established in 1999 for the promotion and development of the arts in the borough of Ellesmere Port and Neston	0	0	13,427	0	-13,427

Trust Funds	2023-24				
	Income £	Expenditure £	Assets £	Liabilities £	Reserves £
<b>Castle Park Trust</b>	-156,724	113,778	902,616	-4,952	-897,664
<b>The Grosvenor Park</b>	-23,314	23,314	3,172,260	0	-3,172,260
<b>Johnston Recreation Ground</b>	-535	0	4,067	0	-4,067
<b>Little Sutton Reading and Recreation Rooms</b>	0	0	2,479	0	-2,479
<b>Fred Venables Literary Trust</b>	0	0	12,099	0	-12,099
<b>Reg Chrimes Trust for the Arts</b>	0	0	13,427	0	-13,427

In respect of the following charities, Cheshire West and Chester Council do not hold or



administer their funds. These are administered by the charity trustees but advice may be given by Council Officers (Finance, Legal, and Democratic Services) and Members may be appointed as trustees.

- The Cheshire West and Chester Chairman's Trust
- The Fred Venables Higher Education Trust
- Lion Salt Works Trust
- Charity of Nessie Mathews and John Monk
- The Mayor of Chester Charity Fund

#### **48. Prior Period Adjustment to Single Entity Accounts**

##### **Context**

In arriving at these amendments, it should be noted that this note to the accounts relates to the single entity values only. Any impact on the Group Accounts is directly relating to the adjustments made at the single entity level and are reflected accordingly.

Any adjustments made are as a direct result of the materiality of their impact on the Accounts for 2023-24.

##### **LEP Loan – Adjustment**

Following a review, an adjustment has been made to the way the Council recognises loans made by the Council to Enterprise Cheshire and Warrington (ECW) in the 2024-25 Accounts. In order to ensure comparability, the 2023-24 balances contained in these accounts have also been restated, this note sets out the scope and scale of those restatements.

The loans are made to ECW to support local businesses who are investing into properties within the local Enterprise Zone. The Council's support is then repaid over the next 10-15 years from the resulting increases in future business rates from those sites. As the loans support capital investment, they have previously been captured in the Council's reported capital expenditure as creating a notional asset, even though the Council does not own the assets concerned. That capital expenditure was then immediately written off to the Capital Adjustment Account to avoid overstating assets held. This approach has now been updated to remove the need to recognise and then remove a notional asset, simplifying the treatment in the Accounts.

##### **Dedicated Schools Grant Adjustment Account**

Following a review, an adjustment has been made to the way the Council reports the deficit on the dedicated school grants in the 2024-25 Accounts. In order to ensure comparability, the 2023-24 balances contained in these accounts have also been restated, this note sets out the scope and scale of those restatements.

The dedicated school grant deficit was reported within earmarked reserves within the 2023-24 accounts. The Local Authorities (Capital Finance and Accounting) Regulations state that deficits on the schools budgets from 1 April 2020 to 31 March 2026 must be held in a Dedicated Schools Grant Adjustment Account within the unusable reserves. The Dedicated Schools Grant Adjustment Account is shown within Note 26.

Both changes have a number of impacts on both the in year 2023-24 transactions and opening balance sheet entries for April 2023, the tables below show the adjustments that have been made to the previously reported balances.

**Balance Sheet**

	Reserves			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Usable Reserves	176,971	0	7,481	184,452
Unusable Reserves	1,092,468	0	-7,481	1,084,987
<b>Total Reserves</b>	<b>1,269,439</b>	<b>0</b>	<b>0</b>	<b>1,269,439</b>

**Movement in Reserves Statement**

	Earmarked Reserves			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
<b>Opening Balance at 1st April 2023</b>	<b>114,523</b>	<b>0</b>	<b>2,712</b>	<b>117,235</b>
Transfers to / from Earmarked Reserves	-33,254	0	4,769	-28,485
<b>Balance at 31 March 2024</b>	<b>81,269</b>	<b>0</b>	<b>7,481</b>	<b>88,750</b>

	General Fund Balance			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
<b>Opening Balance at 1st April 2023</b>	<b>26,901</b>	<b>0</b>	<b>0</b>	<b>26,901</b>
Total Comprehensive Income and Expenditure	-67,688	0	0	-67,688
Adjustments between accounting basis & funding basis under regulations (Note 8)	31,073	0	4,769	35,842
Transfers to / from Earmarked Reserves	35,912	0	-4,769	31,143
<b>Balance at 31 March 2024</b>	<b>26,198</b>	<b>0</b>	<b>0</b>	<b>26,198</b>

	Total Usable Reserves			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
<b>Opening Balance at 1st April 2023</b>	<b>226,163</b>	<b>0</b>	<b>2,712</b>	<b>228,875</b>
Total Comprehensive Income and Expenditure	-62,799	0	0	-62,799
Adjustments between accounting basis & funding basis under regulations (Note 8)	13,607	0	4,769	18,376
<b>Balance at 31 March 2024</b>	<b>176,971</b>	<b>0</b>	<b>7,481</b>	<b>184,452</b>

	Total Unusable Reserves			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
<b>Opening Balance at 1st April 2023</b>	<b>1,072,420</b>	<b>0</b>	<b>-2,712</b>	<b>1,069,708</b>
Total Comprehensive Income and Expenditure	33,655	0	0	33,655
Adjustments between accounting basis & funding basis under regulations (Note 8)	-13,607	0	-4,769	-18,376
<b>Balance at 31 March 2024</b>	<b>1,092,468</b>	<b>0</b>	<b>-7,481</b>	<b>1,084,987</b>

**Cash Flow Statement**

	Cashflow Statement			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Adjust net surplus or deficit on the provision of services for non cash movements (Note 27)	-127,354	2,700	0	-124,654
Investing Activities (Note 28)	21,310	-2,700	0	18,610

**Note 2 - Expenditure and Funding Analysis**

	Net Expenditure Chargeable to the General Fund and HRA			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Opening General Fund and HRA Balances at 31 March 2022	-153,491	0	-2,712	-156,203
Deduct deficit on General Fund and HRA Balance in Year	36,503	0	-4,769	31,734
Closing General Fund and HRA Balances at 31 March 2024	-116,988	0	-7,481	-124,469

	Children & Families Directorate			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Outturn reported to Management	98,400	0	0	98,400
Total adjustments to Outturn position	6,435	0	-4,769	1,666
<b>Net Expenditure Chargeable to the General Fund and HRA Balance</b>	<b>104,835</b>	<b>0</b>	<b>-4,769</b>	<b>100,066</b>
Adjustments between the Funding and Accounting Basis	10,683	0	4,769	15,452
<b>Net Expenditure in the CIES</b>	<b>115,518</b>	<b>0</b>	<b>0</b>	<b>115,518</b>

	Other Adjustments			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Children & Families Directorate	79	0	4,769	4,848

**Note 8 - Adjustments Between Accounting Basis and Funding Basis Under Regulations**

	General Fund Balance			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Net assets written off to the CIES upon disposal or sale	-35,564	2,700	0	-32,864
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve/Deferred Capital Receipts Reserve	5,913	-2,700	0	3,213
Dedicated School Grant (DSG) deficit transferred to the DSG adjustment account	0	0	-4,769	-4,769
<b>Total Adjustments</b>	<b>-31,073</b>	<b>0</b>	<b>-4,769</b>	<b>-35,842</b>

**Note 9 - Transfers to/from Earmarked Reserves**

	Revenue Earmarked Reserves			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Balance at 31 March 2023	114,523	0	2,712	117,235
Transfers Out 2023-24	-50,018	0	4,769	-45,249
Transfers In 2023-24	16,764	0	0	16,764
<b>Balance at 31 March 2023</b>	<b>81,269</b>	<b>0</b>	<b>7,481</b>	<b>88,750</b>

**Note 15 – Property, Plant and Equipment**

	Land and Buildings			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Additions	26,940	-2,700	0	24,240
Derecognition - Disposals	-35,216	2,700	0	-32,516

**Note 25 - Usable Reserves**

	Usable reserves			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Earmarked General Fund Reserves	80,462	0	7,481	87,943
Earmarked HRA Reserves	876	0	0	876
<b>Total Usable reserves</b>	<b>176,971</b>	<b>0</b>	<b>7,481</b>	<b>184,452</b>

**Note 26 - Unusable Reserves**

	Capital Adjustment Account			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Balance at 1st April 2023	621,946	2,794	0	624,740
Assets written off to the CIES on disposal	-36,306	2,700	0	-33,606
Application of capital receipts	5,828	-225	0	5,603

	Deferred Capital Receipts Reserve			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Balance at 1st April 2023	2,794	-2,794	0	0
Deferred Capital Receipts from disposals where cash has not yet been received	2,700	-2,700	0	0
Transfer to capital receipts reserve upon receipt of cash	-225	225	0	0

	Unusable reserves			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Capital Adjustment Account	631,395	5,269	0	636,664
Deferred Capital Receipts Reserve	5,269	-5,269	0	0
Dedicated School's Grant adjustment account	0	0	-7,481	-7,481
<b>Total Unusable reserves</b>	<b>1,092,468</b>	<b>0</b>	<b>-7,481</b>	<b>1,084,987</b>

**Note 27 - Cash Flow Statement - Operating Activities**

	Adjustments to remove non-cash items from the SDPS (Note 27)			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Carrying value of assets which have been sold	-36,329	2,700	0	-33,629

**Note 28 - Cash Flow Statement - Investing Activities**

	Investing Activities (Note 28)			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Purchase of property, plant and equipment, investment property and intangible assets	87,617	-2,700	0	84,917

**Note 38 - Capital Expenditure and Financing**

	Capital expenditure and financing			
	As previously stated 2023-24 £000	LEP Adjustment £000	DSG Adjustment £000	Restated 2023-24 £000
Opening Capital Financing Requirement	558,140	-2,794	0	555,346
Expenditure on capital assets - Property, plant and equipment	78,616	-2,700	0	75,916
Sources of Finance - Capital Receipts applied	-5,828	225	0	-5,603
Increase in underlying need to borrow (unsupported)	44	-2,475	0	-2,431
Closing Capital Financing Requirement	-3,146	-2,475	0	-5,621

**Cheshire West and Chester Council**

**Supplementary Financial Statement**

**Housing Revenue Account**

## Supplementary Financial Statements – Housing Revenue Account

The Housing Revenue Account (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 the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the movement on the HRA Statement.

Housing Revenue Account (HRA) Income and Expenditure Statement	2024-25 £000	2023-24 £000
<b>Expenditure</b>		
Repairs and Maintenance	6,853	6,594
Supervision & Management	6,365	6,055
Special Services	131	125
Depreciation & impairment of non-current assets	4,701	5,552
<b>Total Expenditure</b>	<b>18,050</b>	<b>18,326</b>
<b>Income</b>		
Dwelling Rents	-27,122	-24,462
Non-dwelling rents	-425	-409
Charges for services and facilities	-324	-118
Contributions towards expenditure	-187	-79
<b>Total Income</b>	<b>-28,058</b>	<b>-25,068</b>
<b>Net cost of HRA Services as included in the CIES</b>	<b>-10,008</b>	<b>-6,742</b>
HRA services' share of Corporate and Democratic Core	4	4
<b>Net Income/Expenditure for HRA Services</b>	<b>-10,004</b>	<b>-6,738</b>
<b>HRA share of the operating income and expenditure included in the CIES</b>		
(Gain) or Loss on sale of HRA non-current assets	-628	-325
Transfer from revenue grant reserve	-11	0
Interest payable and similar charges	2,040	2,113
Interest and Investment Income	-207	-340
Movement in the allowance for bad debts	455	401
<b>(Surplus) or deficit for the year on HRA Services</b>	<b>-8,355</b>	<b>-4,889</b>



## Notes to the Housing Revenue Account

## Movement on the Housing Revenue Account Statement 2024-25

Movement on the HRA	2024-25 £000	2023-24 £000
Balance of HRA at the end of the previous year	-737	-694
(Surplus) for the year on the HRA Income and Expenditure Account	-8,355	-4,889
Adjustments between accounting basis and funding under statute	8,220	4,777
<b>Net (increase) or decrease before transfers to reserves</b>	<b>-135</b>	<b>-112</b>
Transfer to (from) reserves	69	69
(Increase) or decrease on the HRA	-66	-43
<b>Balance on the HRA at the end of the year</b>	<b>-803</b>	<b>-737</b>

Adjustments between accounting basis and funding under statute	2024-25 £000	2023-24 £000
Difference between interest payable and similar charges including amortisation of premiums and discounts	0	0
Differences relating to other items of income and expenditure: (Gain) or loss on the sale on non current HRA assets		
- Sale proceeds	2,382	1,068
- Carrying amount of assets	-1,754	-743
Differences relating to changes in property values:		
- Reversal of revaluation (losses)/gains on HRA Properties	0	-784
- Funding of depreciation from Capital Adjustment Account	-4,701	-4,767
Transfers to the Major Repairs Reserve		
- Funding set aside for capital expenditure	8,605	6,411
- Funding for future debt repayment /MRA equivalent sum	3,688	3,592
<b>Total Adjustments</b>	<b>8,220</b>	<b>4,777</b>

**1. The Number and Types of Dwellings and Garages in the Housing Stock At 31 March**

Housing Stock	2024-25 No.	2023-24 No.
Houses	2,839	2,899
Flats	1,768	1,744
Bungalows	624	625
Maisonettes	74	74
<b>Total Dwellings</b>	<b>5,305</b>	<b>5,342</b>
<b>Garages</b>	<b>1,157</b>	<b>1,167</b>

**2. Housing Stock Valuations at 31 March**

Housing Stock Valuations	2024-25 £000	2023-24 £000
Property Plant and Equipment		
- Dwellings	235,137	226,463
- Garages	3,165	3,260
<b>Total</b>	<b>238,302</b>	<b>229,723</b>

**3. Vacant Possession Value of Dwellings at 31 March**

Dwellings Value	2024-25 £000	2023-24 £000
Market value - Vacant possession	582,170	560,596
Existing use value for social housing	232,868	224,237
Shared Ownership	2,271	2,226
<b>Difference between market value and balance sheet value</b>	<b>347,031</b>	<b>334,133</b>

The difference between market value and the Balance Sheet value for dwellings represents the economic cost to the Government of providing Council housing at less than open market rents. The vacant property adjustment factor for NW England is 40% for 2024-25.

**4. Major Repairs Reserve for the Year Ending 31 March**

Major Repairs Reserve	2024-25 £000	2023-24 £000
Balance brought forward	-6,837	-9,565
Debt repayment	3,688	3,592
Set aside voluntary debt repayment	0	0
Transfer of MRA equivalent sum	-4,701	-4,661
Revenue contribution to capital	-7,592	-5,342
Less capital expenditure financed from Reserve	9,218	9,139
<b>Balance Carried Forward</b>	<b>-6,224</b>	<b>-6,837</b>

**5. Housing Repairs Expenditure for the Year Ending 31 March**

Housing repairs	2024-25 £000	2023-24 £000
Housing repairs	6,853	6,594
<b>Total</b>	<b>6,853</b>	<b>6,594</b>

**6. Capital Expenditure in the Year Ending 31 March**

Capital work	2024-25 £000	2023-24 £000
Existing Dwellings	10,378	10,667
Assets under construction		0
<b>Total</b>	<b>10,378</b>	<b>10,667</b>
Funded by:		
Borrowing	-479	0
Usable capital receipts, grants & contributions	-681	-1,528
Major Repairs Reserve	-9,218	-9,139
<b>Total Funding</b>	<b>-10,378</b>	<b>-10,667</b>

**7. Capital Receipts from Disposal of Assets in the Year Ending 31 March**

Capital receipts	2024-25 £000	2023-24 £000
Disposal of dwellings	2,382	1,068
<b>Total from disposals</b>	<b>2,382</b>	<b>1,068</b>

**8. Depreciation in the Year Ending 31 March**

Depreciation	2024-25 £000	2023-24 £000
Property, Plant and Equipment	4,701	4,767
<b>Total</b>	<b>4,701</b>	<b>4,767</b>

**9. Rent Arrears at 31 March**

Rent Arrears	2024-25 £000	2023-24 £000
Current tenants	1,613	1,430
Former tenants	1,833	1,587
<b>Total arrears</b>	<b>3,446</b>	<b>3,017</b>
Deduct - impairment allowance	-2,467	-2,154
<b>Net arrears</b>	<b>979</b>	<b>863</b>

**Cheshire West and Chester Council**

**Supplementary Financial Statement**

**Collection Fund**

## Supplementary Financial Statements - Collection Fund

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and Central Government of Council tax and Non-Domestic rates.

Collection fund for the year ended 31 March 2025

Collection Fund Statement	2024-25			2023-24		
	Non Domestic Rates £000	Council Tax £000	Total £000	Non Domestic Rates £000	Council Tax £000	Total £000
<b>Income</b>						
Council Tax Receivable	0	-297,410	-297,410	0	-278,896	-278,896
Non Domestic Rates Receivable	-160,152	0	-160,152	-143,575	0	-143,575
Transitional Relief	-1,135	1	-1,134	-5,230	1	-5,229
	<b>-161,287</b>	<b>-297,409</b>	<b>-458,696</b>	<b>-148,805</b>	<b>-278,895</b>	<b>-427,700</b>
<b>Prior Year Surplus/(Deficit)</b>						
Central Government	2,765	0	2,765	5,634	0	5,634
Cheshire West and Chester	2,710	1,649	4,359	5,522	1,831	7,353
Police Authority	0	225	225	0	250	250
Fire Authority	55	79	134	113	86	199
	<b>5,530</b>	<b>1,953</b>	<b>7,483</b>	<b>11,269</b>	<b>2,167</b>	<b>13,436</b>
<b>Precepts Demands and Shares</b>						
Central Government	71,185	0	71,185	68,646	0	68,646
Cheshire West and Chester	69,866	243,156	313,022	67,383	228,934	296,317
Police Authority	0	33,935	33,935	0	31,950	31,950
Fire Authority	1,426	11,627	13,053	1,375	11,160	12,535
Town and Parish Councils	0	5,160	5,160	0	4,721	4,721
	<b>142,477</b>	<b>293,878</b>	<b>436,355</b>	<b>137,404</b>	<b>276,765</b>	<b>414,169</b>
<b>Charges to Collection Fund</b>						
Write offs	2,229	2,126	4,355	1,029	1,108	2,137
More/(less) Bad Debt Provision	-1,756	185	-1,571	202	921	1,123
More/(less) Appeals Provision	2,250	0	2,250	2,785	0	2,785
Disregarded amounts	2,107	-276	1,831	2,302	-663	1,639
Cost of Collection	495	0	495	491	0	491
	<b>5,325</b>	<b>2,035</b>	<b>7,360</b>	<b>6,809</b>	<b>1,366</b>	<b>8,175</b>
<b>In Year Movement on Fund Balance</b>	<b>-7,955</b>	<b>457</b>	<b>-7,498</b>	<b>6,677</b>	<b>1,403</b>	<b>8,080</b>
<b>Opening Fund Balance</b>	<b>-10,121</b>	<b>-1,164</b>	<b>-11,285</b>	<b>-16,798</b>	<b>-2,567</b>	<b>-19,365</b>
<b>Closing Fund Balance (surplus) / deficit</b>	<b>-18,076</b>	<b>-707</b>	<b>-18,783</b>	<b>-10,121</b>	<b>-1,164</b>	<b>-11,285</b>

## Non-Domestic Rates

The Council is responsible for collecting Non-Domestic rates from businesses located within the area on behalf of itself, Central Government and Cheshire Fire Authority. The total rateable value of all business properties within the Council's area at the end of March 2025 is £409.2m. The business rates paid by a business for a property within the Council area equate to the rateable value multiplied by a rate set by Central Government (the multiplier). The multiplier charged is based on the rateable value of the property as follows:

Rateable Value	2024-25 multiplier
Up to £51,000	0.499
Over £51,000	0.546

The following table shows how the surplus on the Non-Domestic rates collection fund on 31 March 2025 is due to be allocated to partners in 2025-26.

<b>Non-Domestic Rates</b>	<b>Central Govt £000</b>	<b>CW&amp;C £000</b>	<b>Cheshire Fire £000</b>	<b>Total £000</b>
Surplus/(Deficit) at 31 March 2025	9,038	8,857	181	<b>18,076</b>
To be distributed 2025-26 (from prior year)	-6,275	-6,150	-126	<b>-12,551</b>
Remaining Surplus/(Deficit)	2,763	2,707	55	<b>5,525</b>

The remaining surplus of £5.525m will be available for distribution in 2026-27.

### Council Tax

The Council is responsible for collecting Council tax from its residents on behalf of itself, Cheshire Police Authority and Cheshire Fire Authority. At the time of setting Council tax for 2024-25, the tax base was estimated as 129,059.2 band D equivalent properties. The table below shows the number of band D equivalent properties in each valuation band.

<b>Band</b>	<b>Number of Properties (after discounts)</b>	<b>Band Ratio</b>	<b>Band D Equivalent 2024-25</b>	<b>Band D Equivalent 2023-24</b>
Disabled A	94	5/9	52.0	52.7
A	26,813	6/9	17,875.1	17,555.7
B	37,380	7/9	29,073.5	28,689.6
C	31,295	8/9	27,817.5	27,507.8
D	20,146	9/9	20,145.9	20,027.8
E	13,132	11/9	16,050.4	15,877.7
F	6,783	13/9	9,797.2	9,681.7
G	4,614	15/9	7,690.5	7,624.1
H	278	18/9	557.1	556.8
	<b>140,535</b>		<b>129,059.2</b>	<b>127,573.9</b>

The following table shows how the surplus on the Council tax collection fund on 31 March 2025 is due to be allocated to partners in 2025-26.

<b>Council Tax</b>	<b>CW&amp;C £000</b>	<b>Cheshire Police £000</b>	<b>Cheshire Fire £000</b>	<b>Total £000</b>
Surplus/(Deficit) at 31 March 2025	597	82	28	<b>707</b>
To be distributed 2025-26 (from prior year)	-34	-5	-1	<b>-40</b>
Remaining Surplus/(Deficit)	563	77	27	<b>667</b>

The remaining surplus of £0.667m will be available for distribution in 2026-27.

## Cheshire Pension Fund Accounts

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## Independent auditor's report to the members of Cheshire West and Chester Council on the pension fund financial statements of Cheshire Pension Fund

### Opinion on financial statements

We have audited the financial statements of Cheshire Pension Fund (the 'Pension Fund') administered by Cheshire West and Chester Council (the 'Authority') for the year ended 31 March 2025, which comprise the Fund Account, the Net Assets Statement, and notes to the pension fund financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of the fund's assets and liabilities, other than liabilities to pay promised retirement benefits after the end of the fund year;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the Pension Fund's financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

In our evaluation of the Chief Operating Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Pension Fund's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Pension Fund. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority in the Pension Fund financial statements and the disclosures in the Pension Fund financial statements over the going concern period.

In auditing the financial statements, we have concluded that the Chief Operating Officer's use of the going concern basis of accounting in the preparation of the Pension Fund financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Chief Operating Officer's with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Statement of Accounts, other than the Pension Fund's financial statements and our auditor's report thereon, the Pension Fund accounts actuarial valuation, and our auditor's report on the Authority's and group's financial statements. The Chief Operating Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Opinion on other matters required by the Code of Audit Practice

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

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

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

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

We have nothing to report in respect of the above matters in relation to the Pension Fund.

### Responsibilities of the Authority and the Chief Operating Officer

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Operating Officer. The Chief Operating Officer is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Operating Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Pension Fund's financial statements, the Chief Operating Officer is responsible for assessing the Pension Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Pension Fund without the transfer of its services to another public sector entity.

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Pension Fund and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003), the Public Services Pension Act 2013, the Local Government Pension Scheme Regulations 2013, and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.
- We enquired of management, the Pension Fund Committee, and the Audit and Governance Committee, concerning the Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit, the Pension Fund Committee, and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Pension Fund's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journals, focussing on journal entries that impact the Fund's financial position and potential management bias in determining accounting estimates for the valuation of Level 3 Investments and Directly Held Property.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on large post year-end journals, journals posted by senior management, and large journals that impacted the Fund Account or changes in the valuation of investments;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of Level 3 Investments and Directly Held Property; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government pensions sector
- understanding of the legal and regulatory requirements specific to the Pension Fund including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Pension Fund's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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

### Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Georgia Jones*

Georgia Jones, Key Audit Partner

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

Liverpool

10 December 2025

**Cheshire Pension Fund - Fund Account for the year ended 31 March 2025**

	Notes	2024-25 £000	2023-24 £000
<b>Contributions and Benefits</b>			
<b>Contributions Receivable</b>			
From Employers		175,388	169,228
From Employees		50,492	48,059
<b>Total Contributions Receivable</b>	6/6a	<b>225,880</b>	<b>217,287</b>
<b>Transfers in from Other Schemes</b>	7	16,756	15,265
<b>Benefits Payable</b>			
Pensions		-211,395	-192,989
Lump Sums		-44,536	-38,288
Death Benefits		-4,906	-5,640
<b>Total Benefits Payable</b>	8	<b>-260,837</b>	<b>-236,917</b>
<b>Payments to and on account of Leavers</b>			
Refund of Contributions		-567	-538
Transfers to Other Schemes		-24,784	-12,753
	9	<b>-25,351</b>	<b>-13,291</b>
<b>Net withdrawals from dealing with members</b>		<b>-43,552</b>	<b>-17,656</b>
<b>Management Expenses</b>	10/10a	-30,377	-27,683
<b>Returns on Investments</b>			
<b>Investment Income</b>	11	40,710	39,781
<b>Taxes on Income</b>	12	-88	676
<b>Profits and losses on disposal of investments and changes in the market value of investments</b>	13f	97,526	375,981
<b>Net Returns On Investments</b>		<b>138,148</b>	<b>416,438</b>
Net Increase/(Decrease) in the Fund During the Year		64,219	371,099
Opening Net Assets of the Scheme		6,636,726	6,265,627
<b>Closing Net Assets of the Scheme</b>		<b>6,700,945</b>	<b>6,636,726</b>

**Cheshire Pension Fund - Net Assets Statement as at 31 March 2025**

	<b>Notes</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
<b>Investment Assets</b>	13f/17/18a/19	6,691,441	6,628,499
<b>Long Term Debtors</b>	22	873	832
<b>Current Assets</b>	23	23,927	20,446
<b>Current Liabilities</b>	24	-15,296	-13,051
<b>Total Net Assets</b>		<b>6,700,945</b>	<b>6,636,726</b>

## Note 1 – Description of the Fund

The Cheshire Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by Cheshire West and Chester Council (the Council). The Council is the reporting entity for this pension fund.

The following description is a summary only. For more detail, reference should be made to the Cheshire Pension Fund Annual Report and the underlying statutory powers underpinning the scheme.

The scheme is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The LGPS Regulations 2013 (as amended)
- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The LGPS (Management and Investment of Funds) Regulations 2016

The LGPS is a statutory, defined benefit, funded pension scheme. The Fund is administered by the Council to provide pensions and other benefits for pensionable employees of Cheshire West and Chester, Cheshire East, Halton and Warrington Borough Councils and a range of other scheduled and admitted bodies within the County of Cheshire area. The Fund excludes provision for teachers, fire fighters and police officers as they come within other national pension schemes. A full list of the employers contributing into the Fund is shown at the end of the Fund's Statement of Accounts.

Responsibility for managing the Fund lies with the full Council of Cheshire West and Chester Council. The Council has delegated responsibility for the Fund's affairs to the Chief Operating Officer, who is also the Section 151 Officer. The Chief Operating Officer is advised by the Pension Fund Committee with external advice from Mercer, the Fund's appointed investment consultant, and Hymans Robertson the appointed actuary. The Council's Audit and Governance Committee oversees the Council's arrangements for the Fund.

The Local Pension Board was established with effect from the 1 April 2015 in accordance with the Public Service Pensions Act 2013. The role of the Board, as defined in regulations, is to assist the Administering Authority to ensure the effective and efficient governance and administration of the Fund. The Board is comprised of two Employer Representatives (including one Cheshire West and Chester nominated Councillor), two Scheme Member representatives, and one independent chair (non-voting).

The Cheshire Pension Fund operates four investment strategies each with different allocations to growth assets and diversifying and matching assets reflecting the differing pension liabilities and funding positions of employers. At 1 April 2024 the four strategies were as follows:

	Growth	Diversifying and Matching
Open Employers	50%	50%
Academies	55%	45%
Exiting Employers	50%	50%
Exited Employers	0%	100%

To manage the Fund's assets in accordance with its investment strategy, the Council has appointed external investment managers who each have specific responsibility for part of the Fund's investment portfolio in addition to the LGPS Central asset pool.



As part of investment pooling, the Fund is continuing to transfer assets to LGPS Central Ltd, its jointly owned pooling delivery company. As at the 31 March 2025 LGPS Central Ltd managed £3,986m (31 March 2024: £2,038m) of the Fund's assets with additional private market commitments of £377m (31 March 2024: £489m) to be drawn down.

The Council uses the services of Bank of New York Mellon Asset Servicing to independently monitor the performance of the investment strategy as a whole and the contributions of individual managers. Performance is monitored against the Fund's tailored asset allocation benchmark rather than to a peer group benchmark.

Bank of New York Mellon Asset Servicing reported that for the year ending 31 March 2025 the Fund achieved a positive return from its investments of 1.6% (2023-24: +6.4%) compared with the Fund's tailored benchmark return of 0.2% (2023-24: +4.9%). For the three years ending 31 March 2025, the Fund achieved an annualised return of -0.9% per annum against the Fund's benchmark return of -1.3% per annum.

### **Membership**

In accordance with the Government's Automatic Enrolment Legislation, eligible employees are automatically enrolled into the LGPS from their first day of employment. However membership of the LGPS is voluntary and after auto enrolment employees are able to choose whether to remain in the scheme, opt out of the scheme, re-join at a later date or to make their own personal arrangements outside of the scheme.

Organisations participating in the Fund include:

- Scheduled bodies (scheme employers), which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund; and
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking public sector authority functions following outsourcing.

In the year to 31 March 2025 a total of 392 employer organisations, including the Administering Authority itself, contributed into the Fund. The membership figures as at 31 March 2024 and 2025 are a snapshot of the Funds pensions administration database at this date and the categorisation of members between the active, deferred and pensioner categories is subject to change as the Fund completes backlog casework and receives information from members and employers to complete processes in progress as at this date.

<b>Cheshire Pension Fund</b>	<b>31-Mar-25</b>	<b>31-Mar-24</b>
Number of employers making contributions into the fund	<b>392</b>	<b>341</b>
<b>Number of employees in the scheme</b>		
Cheshire West and Chester Council	9,446	8,717
Other employers	37,794	36,536
<b>Total</b>	<b>47,240</b>	<b>45,253</b>
<b>Number of pensioners</b>		
Cheshire West and Chester Council	4,365	4,003
Other employers	32,469	31,047
<b>Total</b>	<b>36,834</b>	<b>35,050</b>
<b>Number of Deferred pensioners</b>		
Cheshire West and Chester Council	4,682	4,977
Other employers	26,348	26,645
<b>Total</b>	<b>31,030</b>	<b>31,622</b>
Undecided Leavers	<b>3,155</b>	<b>2,810</b>
<b>Total Membership</b>	<b>118,259</b>	<b>114,735</b>

## Funding

Benefits are funded by contributions and investment earnings.

Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025.

In addition to employee contributions, employers pay contributions into the Fund which are set through triennial actuarial valuations. The last such valuation was at 31 March 2022 which set employer contribution rates for the 3 year period commencing 1 April 2023 and ending 31 March 2026. Details of employer rates can be found in the Fund valuation report available on the Fund's website.

## Benefits

From 1 April 2014, the LGPS became a career average revalued earnings (CARE) scheme, whereby members accrue benefits based on their pensionable pay each year at an accrual rate of 1/49<sup>th</sup>. The accrued pension is inflated annually in line with the Consumer Prices Index.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For details, please refer to the scheme handbook which is available from the Fund or visit the website [www.cheshirepensionfund.org](http://www.cheshirepensionfund.org). Prior to 1 April 2014, LGPS pension benefits were based on final pensionable pay and length of pensionable service, summarised below:

<b>Service pre 1 April 2008</b>	<b>Service post 31 March 2008 to 31 March 2014</b>
Pension	Pension
Each year worked is worth $1/80 \times$ final pensionable salary.	Each year worked is worth $1/60 \times$ final pensionable salary.
Lump sum	Lump Sum
Automatic lump sum of $3 \times$ pension.	No automatic lump sum
In addition, part of the annual pension can be exchanged for a one-off tax free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	Part of the annual pension can be exchanged for a one-off tax free cash payment. A lump sum of £12 is paid for each £1 of pension given up

## **Note 2 – Basis of Preparation**

The Statement of Accounts summarises the Fund's transactions for the 2024-25 financial year and its position as at year ending 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The Code requires disclosure of any accounting standards issued but not yet adopted. There are no changes in accounting requirements for 2025-26 that are anticipated to have a material impact on the Fund's financial performance or financial position.

The accounts have been prepared on a going concern basis.

## **Note 3 – Summary of Significant Accounting Policies**

### **Fund Account – Revenue Recognition**

#### **a) Contribution Income**

Normal (primary) contributions, both from the members and from the employers, are accounted for on an accruals basis at the percentage rate of pensionable pay set in regulations or recommended by the Fund actuary in the payroll period to which they relate.

Employer deficit (secondary) funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Fund actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term assets.

#### **b) Transfers to and from Other Schemes**

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year, and are calculated in accordance with the Local Government Pension Scheme regulations (see notes 7 and 9).

Individual transfers in/out are accounted for when they are received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 7).

Bulk (group) transfers are accounted for on a cash basis once terms have been agreed and payment made to/from the respective fund.

### **c) Investment Income**

Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Distributions from pooled funds are recognised within investment income at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset. Any other income from pooled investments is automatically reinvested within the fund and reflected in the unit price and resultant market value of these investments.

Property related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Contingent rents based on the future amount of a factor that changes other than with the passage of time, such as turnover rents, are only recognised when contractually due.

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Foreign income has been translated into sterling at the date of the transaction. Income from overseas investments is recorded net of any withholding tax where this cannot be recovered.

### **Fund Account – Expense Items**

#### **d) Benefits Payable**

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

#### **e) Taxation**

The Fund is a registered public service scheme under section 1 (1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

## f) Management Expenses

The CIPFA Code of Practice on Local Authority Accounting (Code) does not require any breakdown of pension fund administration expenses. However, in the interest of greater transparency, the pension fund management expenses are accounted for in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016).

### Investment Management Expenses

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are contractually agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

In addition, the Fund has negotiated with the following managers that an element of their fee be performance related:

- Baillie Gifford
- Darwin Alternatives

Performance related fees amounted to £2.4m in 2024-25 (£2.1m in 2023-24) for managers who outperformed their target.

Where an investment manager's fee invoice has not been received by the balance sheet date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the fund account. The total of fees based on estimates in 2024-25 was £3.8m relating to fees due for the quarter ending 31 March 2025 (2023-24: £5.2m).

### Administration Expenses

All administration expenses are accounted for on an accruals basis. All staff costs of the pension's administration team are charged directly to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

### Oversight and Governance Costs

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged directly to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

## Net Assets Statement

### g) Financial Assets

Cheshire West and Chester Council jointly owns an asset pooling company, LGPS Central Ltd, along with seven other Partner Funds. The Council's shareholding in the asset pool company is valued at £1.315m which is the transaction price i.e. cost of the investment. The Fund's view is that cost remains an appropriate estimate of fair value as at 31 March 2025.

All other investment assets, with the exception of the loan to LGPS Central Ltd, are included in the financial statements on a fair value basis at the reporting date. Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of asset are recognised by the Fund.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 18). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in the Practical Guidance on Investments Disclosures (PRAG/Investment Association 2016).

#### **h) Freehold and Leasehold Properties**

The Scheme's freehold and leasehold investment properties were valued by an external valuer, Savills. The valuations were in accordance with the requirements of the RICS Valuation-Professional Standards. The valuation of each property was on the basis of Fair Value, subject to the following assumptions:

- (i) For investment property: that the property would be sold subject to any existing leases.
- (ii) For property held for development: that the property would be sold with vacant possession in its existing condition.

The valuer's opinion of Fair Value was primarily derived using comparable recent market transactions on arm's length terms.

#### **i) Cash and Cash Equivalents**

Cash comprises cash in hand and on demand deposits, and includes amounts held by the Fund's external managers. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

#### **j) Loans and Receivables**

Financial assets classed as amortised cost are carried in the net asset statement at amortised cost i.e. the outstanding principal receivable as at the year end date, plus accrued interest.

#### **k) Financial Liabilities**

The Fund recognises financial liabilities at fair value as at the reporting date, excluding creditors which are measured at amortised cost. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

#### **l) Actuarial Present Value of Promised Retirement Benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS19 Employee Benefits and relevant actuarial standards.

As permitted under the Code, the Fund has opted not to disclose the actuarial present value of promised retirements in the net assets statement, instead providing the information by reference to an accompanying actuarial report. A copy of the full actuarial calculation is appended to the Statement of Accounts.

#### **m) Additional Voluntary Contributions**

The Fund provides an Additional Voluntary Contributions (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund.

From the 1 April 2019, Standard Life were appointed as the sole AVC provider for the Fund. Prior to 1 April 2019 the AVC providers to the members of the Fund were Scottish Widows, Standard Life and Utmost, who took over Equitable Life on 1 January 2020.

Individual member's AVC contributions are paid directly to the AVC provider by their respective employers and are specifically for providing additional benefits for individual members. AVC contributors receive an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with section 4 (1) (b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2009/3093) but are disclosed as a note only (Note 25).

#### **n) Contingent Assets and Contingent Liabilities**

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of the future events.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

### **Note 4 – Critical Judgements and Key Sources of Estimation Uncertainty**

In the application of the Fund's accounting policies, which are described in Note 3, those charged with governance of the Fund are required to make judgements, estimates and assumptions about the values of assets and liabilities which are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Note 4.1 – Critical Judgements in Applying Accounting Policies**

There were no material critical judgements in 2024-25.



#### Note 4.2 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

The items in the statement of accounts for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Pension fund liability</b>	The pension fund liability is calculated every three years by the Fund's actuary, Hymans Robertson, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with financial standards. Assumptions underpinning the valuations are agreed with the actuary and are disclosed in the actuarial calculation which is included within the Annual Report. This estimate is not included in the net asset statement but is appended to the accounts is subject to significant variances based on changes to the underlying assumptions.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, <ul style="list-style-type: none"> <li>• A 0.5% increase in the discount rate assumption would reduce the value of the liabilities by approximately £430m.</li> <li>• A 0.5% increase in pensions increase rate would increase the value of the liabilities by approximately £410m.</li> <li>• A 0.5% increase in the salaries increase rate would increase the value of the liabilities by approximately £20m.</li> </ul>

The items in the net assets statement at 31 March 2025 include the following items of estimation uncertainty which are significant but not material to the accounts.

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Private market funds –</b> Consisting of Private Equity, Unlisted Infrastructure, Private Debt and Unlisted Indirect Residential Property Fund	Valuations of these investments are usually undertaken annually at the end of December. Estimated market values or cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.  These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total of these private market investments for 2024-25 is £834m (2023-24 £743m). These assets are classified as Level 3 and the sensitivity of the valuation methods employed is described in Note 18.
<b>Absolute Return funds</b>	Absolute Return funds are valued at the sum of the fair values provided by the administrators of the underlying funds plus adjustments that the funds' directors or independent administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total value of absolute return funds in the financial statements is £435m (£450m in 2023-24). There is a risk due to estimation techniques that the values may change over the forthcoming 12 months. A potential under or over statement of the value of these investments of 10% would equate to £43.5m increase or decrease to the market value of these investments.
<b>Property valuations</b>	The Scheme's freehold and leasehold investment properties are valued by an external valuer, Savills, who operate entirely independently from the Fund's appointed property manager Patrizia. The valuations are made in accordance with the requirements of the RICS Valuation-Professional Standards. The valuer's opinion of Fair Value is primarily derived using comparable recent market transactions and therefore involves a degree of judgement and estimation.	The total value of direct property investments in the financial statements is £436m (£369m in 2023-24). There is a risk due to estimation techniques that the values may change over the forthcoming 12 months. The sensitivity of this valuation is disclosed in Note 18.

See Note 18 for a full list of possible market movements.

#### Note 5 – Events after the Balance Sheet Date

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- a) Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period), and

- b) Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

### Non-Adjusting Events

In June 2023, the High Court ruled in the case of Virgin Media v NTL Pension Trustees. The ruling was that certain defined benefit pension scheme amendments were invalid as they were not accompanied by the correct actuarial certification. This ruling was appealed and on the 25th of July 2024, the Court of Appeal upheld the decision of the High Court. This ruling may have resulted in implications for other UK defined benefit plans.

On 5 June 2025, the Government announced that it was aware of the uncertainty this had created and recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. It was therefore confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards and that scheme obligations would be otherwise unaffected. It is anticipated that this will result in there being no impact on the LGPS and the Fund from the appeal court's ruling.

Developments are being monitored. In the current circumstances, it is not considered necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the value of retirement benefits in the financial statements.

<b>Note 6 – Contributions Receivable</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Employees Normal Contributions	50,492	48,059
Employers Normal Contributions	168,962	163,923
Employers Deficit Funding	2,731	2,873
Employers Cost of Early Retirements (pension strain)	3,695	2,432
<b>Total Employers Contributions</b>	<b>175,388</b>	<b>169,228</b>
<b>Total Employees and Employers Contributions</b>	<b>225,880</b>	<b>217,287</b>

The cost of early retirements represents the contributions from Employers to meet the capitalised costs of discretionary early retirements. The Fund recharges Employers for such costs and the income received is made up of both one-off lump sum payments and instalments.

The accounts recognise the full cost due from employers for early retirement contributions based on the date the scheme member left the scheme regardless of whether scheme employers have the option of paying over more than one year.

<b>Note 6a – Analysis of Contributions Receivable</b>	<b>2024-25</b>		<b>2023-24</b>	
	<b>Employers £000</b>	<b>Employees £000</b>	<b>Employers £000</b>	<b>Employees £000</b>
Scheme Employers	131,911	37,167	125,554	34,663
Cheshire West & Chester Council	32,230	10,132	31,652	9,645
Community Admission Bodies	9,167	2,677	9,411	3,254
Transferee Admission Bodies	2,080	516	2,611	497
<b>Total</b>	<b>175,388</b>	<b>50,492</b>	<b>169,228</b>	<b>48,059</b>

<b>Note 7 – Transfers in from other Pension Funds</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Transfers from other Local Authorities	14,284	9,546
Transfers from other pension funds	2,472	5,719
<b>Total</b>	<b>16,756</b>	<b>15,265</b>

<b>Note 8 – Benefits payable</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Scheme Employers	164,012	149,534
Cheshire West & Chester Council	68,121	61,734
Community Admission Bodies	22,219	19,677
Transferee Admission Bodies	6,485	5,972
<b>Total</b>	<b>260,837</b>	<b>236,917</b>

<b>Note 9 – Payment to and on account of leavers</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Individual transfers out	24,784	12,753
Refunds to Members leaving service	567	538
<b>Total</b>	<b>25,351</b>	<b>13,291</b>

The transfer out figure will vary year on year depending on the number of people that move to employers outside of the Fund and the value of the pension accrued for these individuals.

The refunds to members leaving service relates to members who opted out of the scheme within two years of joining.

<b>Note 10 – Management Expenses</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Investment management expenses	24,846	22,319
Administration costs	3,282	3,112
Oversight and governance costs	2,249	2,252
<b>Total</b>	<b>30,377</b>	<b>27,683</b>

No costs have been included for carried interest. Included within the investment management expenses and oversight and governance costs are fees paid to LGPS Central Ltd, further details of these fees paid and the amounts are included in Note 26- Related Party Transactions.

In addition to these costs, indirect costs are incurred through the bid-offer spread on investment sales and purchases. These are reflected in the cost of investment acquisitions and in the proceeds of sales from investments (see Note 13f).

<b>Note 10a – Investment Management Expenses 2024-25</b>	<b>Total £000</b>	<b>Management Fees £000</b>	<b>Performance related fees £000</b>	<b>Transaction Costs £000</b>
Equities	3,241	963	2,177	101
Pooled Investments	13,800	13,800	0	0
Pooled Property	536	536	0	0
Private Equity	4,492	4,276	216	0
Private Debt	1,444	1,444	0	0
Property	1,228	1,228	0	0
	<b>24,741</b>	<b>22,247</b>	<b>2,393</b>	<b>101</b>
<b>Custody fees</b>	<b>105</b>			
<b>Total</b>	<b>24,846</b>			

<b>Note 10a – Investment Management Expenses 2023-24</b>	<b>Total £000</b>	<b>Management Fees £000</b>	<b>Performance related fees £000</b>	<b>Transaction Costs £000</b>
Equities	5,540	3,334	2,069	137
Pooled Investments	9,331	9,331		
Pooled Property	505	505		
Private Equity	4,988	4,988		
Private Debt	739	739		
Property	1,108	1,108		
	<b>22,211</b>	<b>20,005</b>	<b>2,069</b>	<b>137</b>
<b>Custody fees</b>	<b>108</b>			
<b>Total</b>	<b>22,319</b>			

<b>Note 10b – External Audit Costs</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Payable in respect of external audit	114	107
Payable in respect of other services	0	1
<b>Total</b>	<b>114</b>	<b>108</b>

Fees in respect of other services relates to work completed in respect of the IAS19 process which is an audit related non-audit service.

<b>Note 11 – Investment Income</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Net Rents from Properties	25,392	21,466
Income from Fixed Interest Securities	11,038	13,179
Dividends from Equities	535	410
Other	124	6
Interest from Cash Deposits	3,598	4,699
Income from Pooled Property	7	3
Stock Lending	16	18
<b>Total</b>	<b>40,710</b>	<b>39,781</b>

No investment income has been recognised for private market investments. Calls and distributions in relation to these investments are accounted for within the private equity sales and purchases figures in Note 13f.

<b>Note 12 – Taxes on income</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Withholding tax - Equities	88	-676
<b>Total</b>	<b>88</b>	<b>-676</b>

The Fund is exempt from UK income tax on interest and from capital gains tax on the profits resulting from the sale of investments.

The Fund is exempt from United States withholding tax on dividends and can recover all or part of the withholding tax deducted in some other countries. The amount of withholding tax deducted from overseas dividends which the Fund is unable to reclaim in 2024-25 amounted to £88k. In 2023-24 the withholding tax was £65k, however the Fund received income of £741k as a result of a successful reclaim of French tax in relation to prior years leading to an income figure in the year for tax of £676k.

As Cheshire West and Chester Council is the administering authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment and property expenses.

<b>Note 13- Investment Assets</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
<b>Equities</b>	233,516	332,508
<b>Pooled Investments</b>		
UK Government Index Linked Gilts	1,409,269	1,362,490
Fixed Income - Multi Strategy	1,367,536	1,291,863
UK Equity Listed	1,818,890	1,910,559
Infrastructure	128,700	111,547
Hedge Funds	434,809	450,017
	<b>5,159,204</b>	<b>5,126,476</b>
<b>Other Investments</b>		
Pooled Property Investments	59,659	70,062
Directly Managed Property	436,400	368,910
Private Equity	442,888	448,909
Private Debt	254,724	182,401
	<b>1,193,671</b>	<b>1,070,282</b>
<b>Cash Deposits</b>	100,394	94,084
<b>Loans</b>	685	685
<b>Other investment balances:</b>		
Outstanding dividends entitlements and withholding tax claims	3,971	4,464
<b>Total</b>	<b>6,691,441</b>	<b>6,628,499</b>

#### **Note 13a – Fixed Income Multi Strategy**

The Fund has invested in five pooled fixed income investment vehicles managed separately by Janus Henderson Investors, BlueBay, M&G and LGPS Central. The market value of investments with each manager as at the 31 March 2025 was:

- £245m in Janus Henderson Investors (2023-24: £236m),
- £511m (2023-24: £473m) in BlueBay,
- £304m in M&G Alpha Opportunities Fund (2023-24: £292m),
- £151m in LGPS Central Emerging Market Debt Fund (2023-24: £142m)
- £157m in LGPS Central Multi Asset Credit Fund (2023-24 £149m)

The underlying assets of these pooled vehicles are invested by the managers in diversified portfolios of a wide range of fixed income assets including Government Bonds (UK and Overseas), Corporate Bonds, High Yield Bonds, Emerging Market Bonds, Asset and Mortgage Backed Securities, Secured Loans and currency. Within these mandates, each manager may use derivative instruments to manage their exposure to specific risks arising from its investment activities.

<b>Note 13b – Absolute Return Funds</b>	<b>Strategy</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Blackstone	Hedge Fund of Funds	434,809	450,017
<b>Total</b>		<b>434,809</b>	<b>450,017</b>

<b>Note 13c – Private Equity</b>	<b>Number of Funds</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Pantheon Ventures	13	231,328	245,136
Adam Street Partners	21	155,571	165,123
LGPS Central Ltd	5	55,922	38,557
Lexington Partners	1	67	93
<b>Total</b>	<b>40</b>	<b>442,888</b>	<b>448,909</b>

#### Note 13d – Loans

The Fund has a £685k loan advanced to LGPS Central Ltd in January 2018. The interest accrued on the loan for the year is £65k. The loan is held at amortised cost in the statement of accounts at a value of £750k at 31 March 2025 (31 March 2024: £750k).

<b>Note 13e – Cash</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Cash Instruments	69,624	61,543
Cash Deposits	30,770	32,541
<b>Total</b>	<b>100,394</b>	<b>94,084</b>

#### Note 13f – Reconciliation of Movements in Investments



	Fair Value at 31 March 2024	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in Fair value	Fair Value at 31 March 2025
	£000	£000	£000	£000	£000
Equities	332,508	59,094	-193,981	35,895	233,516
Pooled Investments	5,126,476	213,224	-235,892	55,396	5,159,204
Pooled Property Investment	70,062	8,094	-484	-18,013	59,659
Directly Managed Property	368,910	63,120	-745	5,115	436,400
Private Equity	448,909	30,263	-49,110	12,826	442,888
Private Debt	182,401	82,266	-16,250	6,307	254,724
Loans	685	0	0	0	685
	6,529,951	456,061	-496,462	97,526	6,587,076
Cash and Cash Equivalents	94,084				100,394
	6,624,035	456,061	-496,462	97,526	6,687,470
Outstanding dividend entitlements, accrued interest and recoverable withholding tax	4,464				3,971
<b>Net Investments</b>	<b>6,628,499</b>	<b>456,061</b>	<b>-496,462</b>	<b>97,526</b>	<b>6,691,441</b>

	Fair Value at 31 March 2023	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in Fair value	Fair Value at 31 March 2024
	£000	£000	£000	£000	£000
Equities	263,818	50,799	-50,010	67,901	332,508
Pooled Investments	4,800,061	179,173	-174,625	321,867	5,126,476
Pooled Property Investment	91,177	0	-757	-20,358	70,062
Directly Managed Property	383,235	1,399	-350	-15,374	368,910
Private Equity	436,522	42,272	-42,257	12,372	448,909
Private Debt	92,034	85,527	-4,733	9,573	182,401
Loans	686		-1	0	685
	6,067,533	359,170	-272,733	375,981	6,529,951
Cash and Cash Equivalents	181,298				94,084
	6,248,831	359,170	-272,733	375,981	6,624,035
Outstanding dividend entitlements, accrued interest and recoverable withholding tax	5,209				4,464
<b>Net Investments</b>	<b>6,254,040</b>	<b>359,170</b>	<b>-272,733</b>	<b>375,981</b>	<b>6,628,499</b>

#### Note 14 – Stock Lending

In accordance with the LGPS (Management and Investment of Funds) Regulations 2016, the Fund allows its stock to be lent, provided that the total value of the securities loaned out does not exceed 25% of the total Fund value.

The Fund has entered into a stock lending programme managed by its custodian the Bank of New York Mellon. The market value of the securities at year end is taken from prices from a number of reputable vendors in accordance with the Bank of New York Mellon pricing policy.

In addition, LGPS Central Ltd operate a stock lending programme in respect of their pooled equity funds such as the Global Active Equity Fund, in which the Cheshire Pension Fund invests.

During the year ended 31 March 2025 the Fund earned £16k (2023-24: £18k) of income from its stock lending activities.

At the balance sheet date, the value of aggregate stock on loan was £7.6m (2023-24: £3.3m) and the value of collateral held was £8.0m (2023-24: £3.5m).

### Note 15 Property Holdings

The Fund's investment in property comprises investments in pooled property funds and a number of directly owned properties which are leased commercially to various tenants. Details of income from these directly owned properties are below:

<b>Note 15a – Property Income</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Rental Income	28,199	23,897
Direct Operating Expenses	-2,807	-2,431
<b>Balance at the end of the year</b>	<b>25,392</b>	<b>21,466</b>

<b>Note 15b – Fair Value of Investment Properties</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Balance at the start of the year	368,910	383,235
Purchases	59,837	0
Disposals	-744	-350
Capital Expenditure	3,282	1,399
Net gain/loss on fair value	5,115	-15,374
<b>Balance at the end of the year</b>	<b>436,400</b>	<b>368,910</b>

During the year the Fund purchased two properties, one was a hotel and the other was a retail park. The Fund also disposed of one retail property.

Investment properties were independently valued by Savills as at 31 March 2025.

At the year-end there were no restrictions on the Fund's ability to realise investment property or the remittance of proceeds of disposals.

Contractual obligations for development, repairs and maintenance amount to £2.0m (£4.0m in 2023-24).

## Note 16 – Operating Leases

The Fund's property portfolio comprises a variety of units which are leased to organisations with the objective of generating an appropriate investment return.

These leases are all categorised as operating leases due to the relatively short length of the agreements i.e. relative to the overall life of the asset and proportion of the assets overall value. The leases do not meet the assessment criteria for finance leases, and the risks and rewards of ownership of the leased assets are retained by the Fund (and reflected in the Net Assets Statement).

The properties comprise a mix of office, retail and industrial buildings. These leases vary in length from short term to over 25 years.

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

Age profile of lease income	2024-25 £000	2023-24 £000
No later than one year	24,884	27,911
Between one and five years	83,398	90,784
Later than five years	133,070	106,708
<b>Total</b>	<b>241,352</b>	<b>225,403</b>

The above disclosure for 2024-25 and 2023-24 has been reduced by a credit loss allowance of 5% for income due within one year and 3% for the second year onwards reflecting the Fund's expected loss from late or non-recovery of rents from tenants.

With regards to the properties owned and leased by the Fund, all are leased to tenants under contracts that have been assessed as operating leases and which may include periodic rent reviews etc. The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease entered into, such as adjustments following rent reviews.

Note 17 – Investment by Fund Manager	2024-25 £000	2024-25 %	2023-24 £000	2023-24 %
<b>Investments managed by LGPS Central Ltd Asset Pool:</b>				
Legal & General*	1,784,688	26.7	0	0.0
All World Equity Climate Multi Factor Fund	723,607	10.8	696,383	10.5
Global Equity Active Multi Manager Fund				
- Schroders	103,909	1.6	120,528	1.8
- Union	88,842	1.3	107,476	1.6
- Harris	83,842	1.3	84,244	1.3
- Longview	48,123	0.7	0	0.0
Sustainable Equity Broad Fund	221,056	3.3	221,949	3.4
Sustainable Equity Target Fund	174,093	2.6	181,879	2.7
Multi Asset Credit Fund	157,080	2.3	149,310	2.3
Emerging Market Debt Fund	151,005	2.3	142,005	2.1
Credit Partnership III (Private Debt) Fund	142,744	2.1	86,957	1.3
Credit Partnership II (Private Debt) Fund	111,980	1.7	95,444	1.4
Infrastructure Core / Core Plus Fund	74,513	1.1	62,056	0.9
Infrastructure Single Asset Credit Fund	49,247	0.7	45,929	0.7
Private Equity Funds	55,922	0.8	38,557	0.6
Indirect Property Fund	8,094	0.1	0	0.0
Infrastructure Value Add/Opportunistic	4,940	0.1	3,561	0.1
LGPS Central Ltd Asset Pool	2,065	0.0	2,065	0.0
<b>Total</b>	<b>3,985,750</b>	<b>59.5</b>	<b>2,038,343</b>	<b>30.7</b>
<b>Investments managed outside of LGPS Central Ltd Asset Pool:</b>				
Legal & General*	0	0.0	1,860,590	28.1
Bluebay	511,336	7.6	473,386	7.1
Patrizia	440,307	6.6	375,881	5.7
Blackstone	434,809	6.5	450,017	6.8
M&G Investments	306,137	4.6	294,610	4.4
Janus Henderson	244,581	3.7	235,654	3.6
Baillie Gifford & Co	235,343	3.5	334,248	5.0
Pantheon Ventures	231,328	3.5	245,136	3.7
Adams Street Partners	155,571	2.3	165,123	2.5
Darwin	51,431	0.8	69,858	1.1
Deutsche Bank (Money Market)	33,207	0.5	27,199	0.4
Fidelity (Money Market)	32,903	0.5	30,946	0.5
Bank of New York Mellon	26,138	0.4	24,968	0.4
Arrowgrass Capital Partners	2,433	0.0	2,433	0.0
GMO	100	0.0	14	0.0
Lexington Capital Partners	67	0.0	93	0.0
<b>Total</b>	<b>2,705,691</b>	<b>40.5</b>	<b>4,590,156</b>	<b>69.3</b>
<b>Total</b>	<b>6,691,441</b>	<b>100.0</b>	<b>6,628,499</b>	<b>100.0</b>

\*In January 2025 the Fund entered an agreement with LGPS Central to provide investment advisory oversight and stewardship services in respect of the Fund's holdings in Legal & General.

In line with Government requirements, as set out in the "Fit for the Future" consultation, all of the Fund's assets will be required to be under pool management by 31 March 2026.

**Note 17a – Concentration of Investments**

The CIPFA Code of Practice requires disclosure where there is a concentration of investment which exceeds 5% of the total value of the net assets of the scheme. Four investments fall into this category as follows:

Security Description	Market Value 31-Mar-25 £000	% of Total Fund	Market Value 31-Mar-24 £000	% of Total Fund
Legal & General - Over 5 Yr Index Linked Gilts	1,409,269	21.06	1,362,490	20.56
LGPS Central Ltd - All World Equity Climate Multi Factor Fund	723,607	10.81	696,383	10.51
Bluebay - Total Return Diversified Fund	511,336	7.64	473,386	7.14
Blackstone Partners - Class A1 Initial Series	434,809	6.50	450,017	6.79

**Note 18 – Fair Value – Basis of Valuation**

All assets have been valued using fair value techniques, the basis of the valuation of each class of investment asset is set out in the table below. There have been no changes in the valuation techniques used during the year.

Description of Assets	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market Quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Pooled investments	Level 2	Fair value based on the weekly/monthly market quoted prices of the respective underlying securities	Evaluated price feeds	Not required
Pooled investments-property funds	Level 3	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV based pricing set on a forward pricing basis	Not required
Pooled investments - Absolute return funds	Level 3	These are Fund of Fund investments the underlying securities are valued at fair value using closing bid price where bid and offer prices are published Closing single price where single price published	NAV based pricing set on a forward pricing basis	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Freehold and leasehold properties	Level 3	Valued at fair value at the year-end using the investment method of valuation by Savills in accordance with the RICS valuation professional standards	Existing lease terms and rentals Independent market research Nature of tenancies Covenant strength for existing tenants Assumed vacancy levels Estimated rental growth Discount rate	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices
Private equity	Level 3	Comparable valuation of similar companies in accordance with Private Equity and Venture Capital Valuation Guidelines (2022)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts

Description of Assets	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting valuations provided
Private Debt	Level 3	Valued at fair value in accordance with the principles set out under the relevant Financial Accounting Standards Board codification, as supplemented by detailed manager valuation policies which include but are not limited to, enterprise valuation, discounted cash flows and comparable to valuations of similar assets	Comparable valuation of similar assets  EBITDA multiple  Revenue multiple  Discounted cash flows  Enterprise value estimation	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts
Pooled investments- Unquoted Infrastructure and Unquoted Property Funds	Level 3	At the price or net asset value advised by the manager using the latest financial information available from the respective manager, adjusted for drawdowns and distributions to the final date of the accounting period, if the latest financial information is not produced at that date.	EBITDA multiple  Revenue multiple  Discount for lack of marketability  Discounted cash flows	Valuations could be impacted by material events occurring between the date of the financial statements provided and the year end, by changes to expected cash flows, and any differences between the audited and unaudited accounts

### Sensitivity of Assets Valued at Level 3

The Fund has determined that the valuation methods described above for level 3 investments are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025 and 31 March 2024.



	Potential variation on fair value	Value at 31 March 2025	Potential value on increase	Potential value on decrease
		£000	£000	£000
Pooled investments	+/- 5%	1,074,845	53,742	53,742
Pooled Property	+/- 5%	59,526	2,976	2,976
Private Equity	+/- 5%	442,888	22,144	22,144
Private Debt	+/- 5%	254,724	12,736	12,736
Property	+/- 5%	436,400	21,820	21,820
		<b>2,268,383</b>	<b>113,418</b>	<b>113,418</b>

	Potential variation on fair value	Value at 31 March 2024	Potential value on increase	Potential value on decrease
		£000	£000	£000
Pooled investments	+/- 5%	1,034,950	51,748	51,748
Pooled Property	+/- 5%	69,858	3,493	3,493
Private Equity	+/- 5%	448,909	22,445	22,445
Private Debt	+/- 5%	182,401	9,120	9,120
Property	+/- 5%	368,910	18,445	18,445
		<b>2,105,028</b>	<b>105,251</b>	<b>105,251</b>

### Note 18a – Fair Value Hierarchy

The valuation of investment assets and liabilities has been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

#### Level 1

Assets and liabilities at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Fair value measurement defines an active market as a market in which transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis, as well as the reporting date. Products classified as level 1 comprise listed equities.

#### Level 2

Assets and liabilities at level 2 are those whose values are based on quoted market prices that are not as active as level 1 markets, or based on models whose inputs are observable either directly or indirectly for substantially the full term of the asset or liability. Funds classified as level 2 comprise of fixed income multi strategy funds, UK Government Index Linked Gilts, loans, pooled equity funds and listed infrastructure.

#### Level 3

Assets and liabilities at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would primarily include private equity, absolute return funds, pooled property, fixed income multi strategy funds with less observable inputs than level 2, private debt and unlisted infrastructure investments which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

Valuations for private market funds including private equity, private debt, unlisted infrastructure and unlisted indirect residential property are usually undertaken annually at the end of December. Estimated market values or cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

The values of the investment in absolute return funds are based on the net asset value provided by the fund manager. Assurances over the valuation are gained from the independent external audit of the individual funds.

The following table provides an analysis of the assets and liabilities of the Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

#### Note 18a – Assets Carried at Fair Value

##### Assets Carried at Fair Value:

Values at 31 March 2025	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>Financial Assets at fair value through profit and loss</b>				
Equities	232,201	0	0	232,201
Pooled investments	0	4,084,359	1,074,845	5,159,204
Pooled Property	0	133	59,526	59,659
Private Equity	0	0	442,888	442,888
Private Debt	0	0	254,724	254,724
Loans	0	685	0	685
Cash	100,394	0	0	100,394
Accrued Investment Income	3,971	0	0	3,971
<b>Net investment assets</b>	<b>336,566</b>	<b>4,085,177</b>	<b>1,831,983</b>	<b>6,253,726</b>
<b>Non-financial assets at fair value through profit and loss</b>				
Property	0	0	436,400	436,400
<b>Total</b>	<b>336,566</b>	<b>4,085,177</b>	<b>2,268,383</b>	<b>6,690,126</b>

**Assets Carried at Cost:**

Values at 31 March 2025	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investments in LGPS Central Ltd			1,315	1,315
<b>Investments held at cost</b>	<b>0</b>	<b>0</b>	<b>1,315</b>	<b>1,315</b>

**Assets Carried at Fair Value:**

Values at 31 March 2024	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>Financial Assets at fair value through profit and loss</b>				
Equities	331,193	0	0	331,193
Pooled investments	0	4,091,526	1,034,950	5,126,476
Pooled Property	0	204	69,858	70,062
Private Equity	0	0	448,909	448,909
Private Debt	0	0	182,401	182,401
Loans	0	685	0	685
Cash	94,084	0	0	94,084
Accrued Investment Income	4,464	0	0	4,464
<b>Net investment assets</b>	<b>429,741</b>	<b>4,092,415</b>	<b>1,736,118</b>	<b>6,258,274</b>
<b>Non-financial assets at fair value through profit and loss</b>				
Property	0	0	368,910	368,910
<b>Total</b>	<b>429,741</b>	<b>4,092,415</b>	<b>2,105,028</b>	<b>6,627,184</b>

**Assets carried at cost:**

Values at 31 March 2024	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investments in LGPS Central Ltd			1,315	1,315
<b>Investments held at cost</b>	<b>0</b>	<b>0</b>	<b>1,315</b>	<b>1,315</b>

**Note 18b – Transfers Between Levels 1 and 2**

No assets were transferred between level 1 and 2 during the year.

**Note 18c – Reconciliation of Fair Value Measurements Within Level 3**

	Market Value 1 April 2024	Transfers into Level 3	Transfers out of Level 3	Purchases	Sales	Unrealised Gains/ (Losses)	Realised Gains	Market Value 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000
Absolute return funds	450,017				-53,709	21,685	16,816	434,809
Direct Property	368,910			63,120	-744	7,914	-2,800	436,400
Private equity	448,909			30,263	-53,093	4,497	12,312	442,888
Pooled Property	69,858			8,094	-424	-18,426	424	59,526
Fixed income	473,386			1,228	-3,375	36,722	3,375	511,336
Infrastructure	111,547			11,996	-8,956	12,377	1,736	128,700
Private debt	182,401			82,266	-16,250	4,379	1,928	254,724
<b>Total</b>	<b>2,105,028</b>	<b>0</b>	<b>0</b>	<b>196,967</b>	<b>-136,551</b>	<b>69,148</b>	<b>33,791</b>	<b>2,268,383</b>

Absolute return funds, fixed income and infrastructure funds are included within the pooled investment figure shown in Note 18a.

**Note 18d – Classification of Financial Instruments**

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the market value of financial assets and liabilities (excluding cash) by category and net assets statement heading. No financial instruments were reclassified during the accounting period.

**Note 18d – Classification of Financial Instruments**

	Fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost
	31 March 2025			31 March 2024		
	£000	£000	£000	£000	£000	£000
<b>Financial Assets</b>						
Equities	233,516			332,508		
Pooled Investments	5,159,204			5,126,476		
Pooled Property	59,659			70,062		
Private Equity and Joint Venture	442,888			448,909		
Private Debt	254,724			182,401		
Loans		685			685	
Cash		97,492			88,050	
Other Investment balances		3,099			3,732	
Debtors		24,227			21,278	
	<b>6,149,991</b>	<b>125,503</b>	<b>0</b>	<b>6,160,356</b>	<b>113,745</b>	<b>0</b>
<b>Financial Liabilities</b>						
Creditors			-10,415			-8,670
<b>Total</b>	<b>6,149,991</b>	<b>125,503</b>	<b>-10,415</b>	<b>6,160,356</b>	<b>113,745</b>	<b>-8,670</b>

**Note 18e – Net Gains and Losses on Financial Instruments**

	2024-25 £000	2023-24 £000
<b>Financial Assets</b>		
Fair value through profit and loss	92,411	391,355
<b>Total</b>	<b>92,411</b>	<b>391,355</b>

Cheshire West & Chester as administering authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

**Note 19 – Nature and Extent of Risks Arising from Financial Instruments****Risk and Risk Management**

The Fund's primary long term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole fund portfolio. The Fund achieves this through asset diversification to reduce risk exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure that there is sufficient liquidity to meet forecast cash flows. The Council manages these investment risks as part of its overall Pension Fund risk management programme.

**a) Market Risk**

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Council and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

**Other Price Risk**

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk). Whether those changes were caused by factors specific to the individual, instrument or its issuer, or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification, and the selection of securities and other financial instruments is monitored by the Council to ensure it is within limits specified in the Fund's investment strategy.

**Other Price Risk - Sensitivity Analysis**

In consultation with the Fund's investment advisers and, following analysis of historical data and expected investment return movement during the financial year, the Council has determined that the following movements in market price risk are reasonably possible for the 2024-25 reporting period:

Asset Type	Potential market movements	Potential market movements
	31-Mar-25	31-Mar-24
	% (+ / -)	% (+ / -)
Private Equity	25.0	25.4
Global Equities - Emerging	21.4	23.8
Global Equities - Developed	18.7	18.5
Infrastructure - Listed	16.5	16.5
Infrastructure - Unlisted	11.0	16.3
UK Equities	18.7	16.5
Pooled Property Funds	25.0	25.4
Property Unit Trusts	13.0	15.2
Private Debt	9.9	10.8
High Yield	10.5	11.8
Absolute Return Funds	7.1	7.4
Corporate Bonds	8.1	7.6
Government Bonds	10.9	9.6
Cash	0.7	0.0

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment adviser's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows:



Asset Type	Value at 31 March 2025	Percentage Change	Change in Value on increase	Change in Value on decrease
	£000	%	£000	£000
Government Bonds	1,409,269	10.90	153,610	-153,610
Global Equities - Developed	1,685,114	18.70	315,116	-315,116
Corporate Bonds	856,200	8.10	69,352	-69,352
High Yield	511,336	10.50	53,690	-53,690
Cash	98,761	0.70	691	-691
Private Equity	442,888	25.00	110,722	-110,722
Absolute Return Funds	434,809	7.10	30,871	-30,871
Global Equities - Emerging	139,928	21.40	29,945	-29,945
UK Equities	73,891	18.70	13,818	-13,818
Investment Income Due	3,034	0.00	0	0
Private Debt	254,724	9.90	25,218	-25,218
Infrastructure - Listed	150,890	16.50	24,897	-24,897
Infrastructure - Unlisted	128,700	11.00	14,157	-14,157
Pooled Property Funds	51,432	25.00	12,858	-12,858
Property Unit Trusts	8,227	13.00	1,070	-1,070
Equities - LGPS Central Ltd	1,315	0.00	0	0
Loans - LGPS Central Ltd	750	0.00	0	0
<b>Total assets available to pay benefits</b>	<b>6,251,268</b>		<b>856,015</b>	<b>-856,015</b>

Asset Type	Value at 31 March 2024	Percentage Change	Change in Value on increase	Change in Value on decrease
	£000	%	£000	£000
Government Bonds	1,362,490	9.60	130,799	-130,799
Global Equities - Developed	1,773,883	18.50	328,168	-328,168
Corporate Bonds	888,334	7.60	67,513	-67,513
High Yield	473,386	11.80	55,860	-55,860
Cash	109,210	0.00	0	0
Private Equity	448,909	25.40	114,023	-114,023
Absolute Return Funds	450,017	7.40	33,301	-33,301
Global Equities - Emerging	141,331	23.80	33,637	-33,637
UK Equities	80,343	16.50	13,257	-13,257
Investment Income Due	3,666	0.00	0	0
Private Debt	182,401	10.80	19,699	-19,699
Infrastructure - Listed	225,035	16.50	37,131	-37,131
Infrastructure - Unlisted	111,547	16.30	18,182	-18,182
Property Unit Trusts	205	15.20	31	-31
Equities - LGPS Central Ltd	1,315	0.00	0	0
Loans - LGPS Central Ltd	750	0.00	0	0
<b>Total assets available to pay benefits</b>	<b>6,252,822</b>		<b>851,601</b>	<b>-851,601</b>

The above table excludes direct property due to the illiquidity of this asset type.

## Interest Rate Risk

The Fund invests in a number of interest bearing instruments such as Government bonds, corporate bonds and secured loans for the primary purpose of obtaining a return on those investments. These investments were subject to interest rate risks, which represent the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Council and its investment advisers in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's assets which have direct exposure to interest rate movements as at 31 March 2025 and 31 March 2024 are set out below. These disclosures present interest rate risk based on the underlying financial asset at fair value:

Asset Type	2024-25 £000	2023-24 £000
Corporate and Government Bonds	2,776,805	2,654,352
Cash balances	65,978	58,022
Cash and cash equivalents	34,416	36,062
<b>Total</b>	<b>2,877,199</b>	<b>2,748,436</b>

## Interest Rate Risk Sensitivity Analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the carrying value of fund assets, both of which affect the value of the net assets available to pay benefits. A 100 basis points (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy. The Fund's investment advisor has advised that long term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The £2,777m fair value of the bond mandates managed by M&G Alpha Opportunities Fund, Janus Henderson Investors, BlueBay, Legal and General and the Emerging Market Debt Fund and Multi Asset Credit Fund managed by LGPS Central are particularly sensitive to movements in interest rates. This sensitivity is measured by their duration of 2.54, 4.12, 3.46, 17.60, 6.99 and 4.50 years respectively.

A 100BPS increase in the prevailing level of interest rates would decrease the aggregate fair value of these mandates by £301.0m (£321.3m in 2023-24). Likewise a 100BPS decrease in the level of interest would be expected to increase the fair value of these mandates by a similar amount.

The analysis that follows assumes that all other variables, in particular exchange rates remain constant and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates.

Asset Type	Duration	Carrying amount at 31 March 2025	Effect of Asset Values	
		£000	+100 BPS	-100 BPS
Cash and Cash Equivalents		34,416		
Cash Balances		65,978		
Fixed Income - M&G	2.54	303,534	-7,710	7,710
Fixed Income - Janus Henderson	4.12	244,581	-10,077	10,077
Fixed Income - BlueBay	3.46	511,336	-17,692	17,692
Fixed Income - Legal and General	17.60	1,409,269	-248,031	248,031
Fixed Income - LGPSC EMD Fund	6.99	151,005	-10,555	10,555
Fixed Income - LGPSC MAC Fund	4.50	157,080	-7,069	7,069
<b>Total change in assets available</b>		<b>2,877,199</b>	<b>-301,134</b>	<b>301,134</b>

Asset Type	Duration	Carrying amount at 31 March 2024	Effect of Asset Values	
		£000	+100 BPS	-100 BPS
Cash and Cash Equivalents		36,062		
Cash Balances		58,022		
Fixed Income - M&G	2.98	291,508	-8,687	8,687
Fixed Income - Janus Henderson	5.52	235,654	-13,008	13,008
Fixed Income - BlueBay	2.90	473,386	-13,728	13,728
Fixed Income - Legal and General	19.42	1,362,490	-264,596	264,596
Fixed Income - LGPSC EMD Fund	7.07	142,005	-10,040	10,040
Fixed Income - LGPSC MAC Fund	5.13	149,310	-7,660	7,660
<b>Total change in assets available</b>		<b>2,748,437</b>	<b>-317,719</b>	<b>317,719</b>

A 1% increase in interest rates will not affect the interest received on fixed interest assets but could reduce their fair value and vice versa. Changes in interest rates do not impact on the value of cash/cash equivalent balances but they will affect the interest income received on those balances. Any cash surplus to the Funds immediate requirements is held in money market funds which earn interest for the Fund. In the year to 31 March 2025 interest earned in these funds equated to £3.1m (2023-24: £4m) a change of 1% to the interest rate during the year would have increased or decreased interest received by approximately £621k (2023-24: £1m).

### Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (GBP). The Fund holds both monetary and non-monetary assets denominated in currencies other than GBP.

The Fund's liabilities are denominated in GBP but as part of its investment strategy the Fund invests in assets denominated in foreign currencies, which exposes the Fund to the risk of

movement in exchange rates. The Fund's investment managers may, at their own discretion, hedge part or all of the foreign exchange risk inherent in their portfolio.

The Fund's currency rate risk is routinely monitored by the Fund and its investment advisers in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following tables summarise the Fund's net currency exposure, after hedging, as at 31 March 2025 and 31 March 2024:

Currency Exposure - Asset Type	Gross Exposure	Hedging Exposure	Net Exposure
<b>2024-25</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Overseas Listed Equities	235,312		235,312
Overseas Unquoted Securities	386,966		386,966
Overseas Unit Trusts	133		133
<b>Total</b>	<b>622,411</b>	<b>0</b>	<b>622,411</b>

Currency Exposure - Asset Type	Gross Exposure	Hedging Exposure	Net Exposure
<b>2023-24</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Overseas Listed Equities	334,190		334,190
Overseas Unquoted Securities	410,352		410,352
Overseas Unit Trusts	205		205
<b>Total</b>	<b>744,747</b>	<b>0</b>	<b>744,747</b>

### Currency Risk - Sensitivity Analysis

Following analysis of historical data in consultation with the Fund investment advisers, the Fund considers the likely volatility associated with foreign exchange rate movements to be 5.0% (as measured by one standard deviation) for 2023-24 this was 7.5%.

A 5.0% fluctuation in the currency risk is considered reasonable based on the Fund adviser's analysis of long-term historical movements in the month-end exchange rates over a rolling 36-month period. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 5.0% strengthening/weakening of the GBP against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows.

Net Currency Exposure - Asset Type	Asset Values	Change to net assets available to pay benefits	
	2024-25	+5.0%	-5.0%
	£000	£000	£000
<b>Overseas Listed Equities:</b>	<b>235,312</b>	<b>11,765</b>	<b>-11,765</b>
Of which from United States Dollar	179,081	8,954	-8,954
Of which from Hong Kong Dollar	21,227	1,061	-1,061
Of which from other currencies	35,004	1,750	-1,750
<b>Overseas Unquoted Securities:</b>	<b>386,966</b>	<b>19,348</b>	<b>-19,348</b>
Of which from United States Dollar	380,559	19,028	-19,028
Of which from Euro	6,407	320	-320
<b>Overseas Unit Trusts:</b>	<b>133</b>	<b>7</b>	<b>-7</b>
Of which from Euro	133	7	-7
<b>Total</b>	<b>622,411</b>	<b>31,120</b>	<b>-31,120</b>

Net Currency Exposure - Asset Type	Asset Values	Change to net assets available to pay benefits	
	2023-24	+7.5%	-7.5%
	£000	£000	£000
<b>Overseas Listed Equities:</b>	<b>334,190</b>	<b>25,064</b>	<b>-25,064</b>
Of which from United States Dollar	264,106	19,808	-19,808
Of which from Hong Kong Dollar	13,259	994	-994
Of which from other currencies	56,825	4,262	-4,262
<b>Overseas Unquoted Securities:</b>	<b>410,352</b>	<b>30,777</b>	<b>-30,777</b>
Of which from United States Dollar	403,810	30,286	-30,286
Of which from Euro	6,542	491	-491
<b>Overseas Unit Trusts:</b>			
Of which from Euro	205	15	-15
<b>Total</b>	<b>744,747</b>	<b>55,856</b>	<b>-55,856</b>

## b) Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the market value of the Fund's financial assets and liabilities.

In essence the Fund's investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions where the risk equates to the net market value of a positive derivative position. However the selection of high quality counterparties, brokers and

financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The primary credit risk to the Fund is through its fixed interest instruments managed by Janus Henderson Investors, BlueBay, M & G Alpha Opportunities Fund and LGPS Central. However, the majority of the Fund's fixed income assets are investment grade quality (above BBB rated) sovereign or corporate bonds rated.

### Multi Asset

The Fund's aggregate exposure to credit risk through these six mandates as measured by the credit rating of external agencies is summarised in the table below:

S&P Quality Rating	Fair Value 2024-25	% of Fair Value of Fixed Income Assets	Fair Value 2023-24	% of Fair Value of Fixed Income Assets
	£000	£000	£000	£000
AAA	75,426	3	68,739	3
AA	1,508,892	54	1,490,648	56
A	383,889	14	381,363	14
BBB	228,766	8	221,991	8
Below BBB	478,133	17	386,505	15
Cash	67,014	2	69,441	3
NR	34,685	2	35,665	1
<b>Total</b>	<b>2,776,805</b>	<b>100</b>	<b>2,654,352</b>	<b>100</b>

Deposits were not made with banks and financial institutions unless they were rated independently and met the Fund's credit criteria. The Fund also set limits as to the maximum percentage of the deposits placed with any one class of financial institution. In addition, the Fund invests an agreed percentage of its assets in the money markets to provide diversification. Money market funds chosen all have at least an AA rating from a leading ratings agency.

The Fund believes it has managed its exposure to credit risk and has experienced only a very small amount of non collectable debt in recent years. Any recognised credit losses are disclosed in Note 28. The Fund's cash holding under its treasury management arrangements as at 31 March 2025 was £66.0m (31 March 2024: £58.0m) and was held in the Deutsche Bank and Fidelity money market accounts. The remainder of the cash was held by the Fund's custodian, Bank of New York Mellon with a small amount of cash in transit which was held by the Fund's property investment manager.

2024-25 Counterparty	Moodys Rating	£000	% of cash balances
Bank of New York Mellon (Money Market Cash / Cash Accounts)	P1	31,513	31.4
Fidelity Worldwide Investment (Money Market)	Aaa-mf	32,903	32.8
Deutsche Bank Advisors (Money Market)	A1	33,075	33.0
Cash in Transit	NR	2,903	2.8
<b>Total</b>		<b>100,394</b>	<b>100.0</b>

2023-24 Counterparty	Moodys Rating	£000	% of cash balances
Bank of New York Mellon (Money Market Cash / Cash Accounts)	P-1	30,028	31.9
Fidelity Worldwide Investment (Money Market)	Aaa-mf	30,946	32.9
Deutsche Bank Advisors (Money Market)	A1	27,076	28.8
Cash in Transit	NR	6,034	6.4
<b>Total</b>		<b>94,084</b>	<b>100.0</b>

### c) Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that the Fund has adequate cash resources to meet its commitments.

The Fund has immediate access to its Pension Fund cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months, subject to normal market conditions. Illiquid assets can include assets where:

- a) there are no highly liquid active markets, such as investment properties and private equity or,
- b) individual fund structures, where the Fund's investment is locked in for a specific period or where the investment manager may have the ability to 'gate' or limit investors withdrawal from the fund.

As at 31 March 2025 the value of illiquid assets was £1,270.8m, which represented 17% of the total fund assets (31 March 2024: £1,111.8m which represented 17% of the total fund assets).

In terms of liquidity risk, the Fund had £100.4m (2023-24: £94.1m) of cash balances as at 31 March 2025 and net current assets of £8.6m (£7.4m in 2023-24). The Fund's net cash flow, before taking account of investments and excluding management expenses, as at 31 March 2025 was -£43.6m (-£17.7m in 2023-24). Income from investments supports the cash flow for the year to ensure there is no significant risk that the Fund will be unable to meet its current commitments.

All current liabilities are due to be paid in less than one year.

### Other Risks

- Financial Mismatch –**
1. The risk that Fund assets fail to grow in line with the developing cost of meeting Fund liabilities.
  2. The risk that unexpected inflation increases the pension and benefit payments and the Fund assets do not grow fast enough to meet the increased cost.

**Changing Demographics –** The risk that longevity improves and other demographic factors change increasing the cost of Fund benefits.



**Systemic Risk -**

The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting Fund liabilities.

The Council measures and manages financial mismatch in two ways. As indicated above, it has set a strategic asset allocation benchmark for the Fund. It assesses risk relative to that benchmark by monitoring the Fund's asset allocation and investment returns relative to the benchmark. It also assesses risk relative to liabilities by monitoring the delivery of benchmark returns relative to liabilities.

The Fund prepares regular cash flow forecasts to understand and manage the timing of cash flows. The appropriate strategic level of cash balances to be held is a central consideration in preparing the Fund's annual investment strategy.

The Council keeps under review mortality and other demographic assumptions which could influence the cost of the benefits. These assumptions were considered formally at the triennial valuation.

The Council seeks to mitigate systemic risk through a diversified portfolio but it is not possible to make specific provision for all possible eventualities that may arise under this heading.

**Stock Lending**

The Fund has entered into a stock lending programme managed by its custodian the Bank of New York Mellon and only accepts government and quasi government bonds as collateral against loaned stock to safeguard the Fund's assets. The credit rating of the collateral accepted is summarised below.

	Fair Value of collateral 31 March 2025	% of Fair Value of collateral 31 March 2025	Fair Value of collateral 31 March 2024	% of Fair Value of collateral 31 March 2024
Moody's rating	£000	%	£000	%
Aaa	2,376	29.7	2,097	59.9
Aa1	0	0.0	0	0.0
Aa2	0	0.0	40	1.1
Aa3	5,625	70.3	1,363	39.0
<b>Grand Total</b>	<b>8,001</b>	<b>100.0</b>	<b>3,500</b>	<b>100.0</b>
<b>Value of Stock on Loan</b>	<b>7,561</b>		<b>3,337</b>	

During the year ended 31 March 2025 the Fund earned £16k (2023-24: £18k) of income from its stock lending activities.

**Note 20 – Funding Arrangements**

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming

triennial period. The last such valuation took place as at 31 March 2022. The next valuation is at 31 March 2025.

The key elements of the funding policy are:

- To ensure long-term solvency of the Fund
- To ensure that sufficient funds are available to meet all members/dependants' benefits as they fall due for payment;
- To ensure that employer contribution rates are reasonably stable where appropriate;
- To minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return;
- To reflect the different characteristics of employers in determining contributions rates;
- To have a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- To use reasonable measures to reduce risk to other employers including tax raising employers from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over each employer's payment period and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2022 valuation, the fund was assessed as 113% funded (97% at the March 2019 valuation). This corresponded to a surplus of £822m (2019 valuation: deficit of £156m) at that time.

Each employer had contribution requirements set at the valuation, with the aim of achieving full funding within a time horizon and probability measure as per the Funding Strategy Statement. Individual employer's contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in the Funding Strategy Statement.

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date, and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership. A market related approach was taken to valuing the liabilities for consistency with the valuation of the Fund assets at their market value.

#### The Principal Assumptions were:

Financial assumptions	Real
Discount rate	3.70%
Salary increase assumption	3.40%
Benefit increase assumption (CPI)	2.70%

#### Longevity Assumptions:

Assumed life expectancy at age 65	Current Pensioners	
	Male	Female
Current Pensioners	21.1 Years	24.1 Years
Future Pensioners*	21.8 Years	25.5 Years

\*Aged 45 at the valuation date

**Note 21 – Actuarial Value of Promised Retirement Benefits**

CIPFA's Code of Practice on Local Authority Accounting 2024-25 requires administering authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 Accounting and Reporting by Retirement Benefit Plans refers to as the actuarial present value of promised retirement benefits. There are three options for disclosure.

The Fund has opted not to disclose the actuarial present value of promised retirements in the net assets statement, instead providing the information by reference to an accompanying actuarial report. A copy of the full actuarial calculation is appended to the Statement of Accounts.

<b>Note 22- Long term assets</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
<b>Long Term Debtors:</b>		
Reimbursement of lifetime tax allowances	831	832
Employer contributions	42	0
<b>Total</b>	<b>873</b>	<b>832</b>

<b>Note 23 – Current Assets</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
<b>Current Debtors and cash:</b>		
Contributions Due - Employers	17,498	16,297
Contributions Due - Employees	4,080	3,535
Sundry Debtors	3,724	2,714
Provision for Doubtful Debt	-2,175	-2,309
Payments in advance	228	209
Cash and cash equivalents	572	0
<b>Total</b>	<b>23,927</b>	<b>20,446</b>

<b>Note 24 – Current Liabilities</b>	<b>2024-25 £000</b>	<b>2023-24 £000</b>
Sundry Creditors	5,599	4,623
Benefits Payable	4,816	4,047
Receipts in Advance	4,881	4,243
Cash and cash equivalents	0	138
<b>Total</b>	<b>15,296</b>	<b>13,051</b>

**Note 25 – Additional Voluntary Contributions (AVCs)**

From the 1 April 2019 Standard Life were appointed as the sole AVC provider for the Fund. Prior to 1 April 2019 the AVC providers to the members of the Fund were Scottish Widows, Standard Life and Utmost who took over Equitable Life on 1 January 2020.

The AVCs are invested separately from the Fund's main assets and used to acquire additional pension benefits and therefore are not included in the Fund's accounts in accordance with regulation 4 (1) (a) of the LGPS (Management and Investment of Funds) Regulations 2016. Members participating in these AVC arrangements each receive an annual statement confirming the amounts held in their account and the movements during the year.

A summary of the information provided by Scottish Widows, Standard Life and Utmost for the year to 31 March 2025 is shown below, along with a prior year comparator. Scottish Widows were unable to provide this data for the year to 31 March 2024.

	Scottish Widows	Standard Life	Utmost	Total
	£000	£000	£000	£000
Contributions received in year 2025	63	1,684	1	1,748
Contributions received in year 2024		950	1	951
Fair value at 31 Mar 2025	1,829	6,086	297	8,212
Fair value at 31 Mar 2024		4,918	347	5,265

## Note 26 – Related Party Transactions

### Cheshire West & Chester Council

The Fund is administered by Cheshire West and Chester Council. During the reporting period, the Council incurred costs of £5.806m (2023-24: £4.477m) in relation to the administration and management of the fund and was reimbursed by the fund for these expenses. The Fund repays cash due to the Council for such transactions plus any interest charges on a monthly basis. In 2024-25 the Fund paid £29.3k (2023-24: £18.1k) to the Council for interest accrued on these balances.

The Council is one of the largest participating employers and contributed £32.2m into the Fund in 2024-25 (2023-24: £31.6m). At the year end, a balance of £3.624m (2023-24: £3.451m) was due to the Fund from the Council, primarily relating to contributions which were paid in April but became due in March. A balance of £193.1k was owed to the Council (2023-24: £115.1k) for recharges from the Council in relation to the administration and management of the Fund.

The Fund has not made any employer related investment at any time during the period.

### Pension Fund Committee and Local Pensions Board

Specific declarations have been received from Pension Fund Committee and Local Pension Board Members regarding membership of and transactions with any parties related to the Pension Fund.

A number of Members act as Councillors or Board Members of particular employers who maintain a conventional employer relationship with the Fund. Employer representatives for the Local Pension Board also act as Trustees for employers of the Fund.

The value of transactions with each of these related parties, namely routine monthly payments to the Fund of employer's and employee's contributions is determined by the Local Government Pension Scheme Regulations, and as such no related party transactions have been declared.

A register of outside bodies that Members are appointed to, along with a register of interests is available on the websites of Cheshire West and Chester, Cheshire East, Warrington and Halton Councils.

Details of the membership of the Local Pension Board are available on the Fund's website.

### Investment Pooling

LGPS Central Ltd has been established to manage investment assets on behalf of eight Local Government Pension Scheme (LGPS) administering authorities across the Midlands including Cheshire. It is jointly owned in equal shares by the eight administering authorities participating in the Pool.

In 2017-18 the fund invested £1.315m in share capital and granted a loan of £685k to LGPS Central Ltd. In 2024-25 interest of £65k (2023-24: £65k) accrued on the loan balance to give a balance at the end of the year of £750k (2023-24: £750k). The share capital was valued at cost at the end of the year at £1.315m. Investments managed by LGPS Central Ltd as at 31 March 2025 are disclosed in Note 17 to the accounts.

During the year the Fund incurred charges for the running costs of LGPS Central Ltd totalling £1.200m (2023-24: £1.237m) and joint pool governance costs of £13k (2023-24: £11k).

The Fund has £122m committed to LGPS Central Private Equity Funds. During the year the Fund paid £14.1m calls to these funds and received £3.1m in distributions (£14.1m calls were made and £1.4m distributions were received in 2023-24).

The Fund has committed £510m to the LGPS Private Debt Funds. During the year the Fund paid £82.3m calls to these funds and received £14.8m in distributions. (£85.5m calls were made and £4.0m distributions were received in 2023-24).

The Fund has committed £135m to LGPS Central Infrastructure Funds. During the year the Fund paid £12.0m calls to these funds and received £7.5m in distributions. (£18.1m calls were made and £3.8m distributions were received in 2023-24).

The Fund has committed £50m to the LGPS Central Residential Indirect Property Partnership Fund. During the year the Fund paid £8.1m calls into this fund and no distributions were received. (No calls or distributions were paid in 2023-24).

The market values at the end of the year of all investments with LGPS Central are shown in Note 17.

Investment management fees of £8.2m (2023-24: £5.9m) were incurred on the Fund's investments managed by LGPS Central Ltd.

### Governance

Responsibility for managing the Fund lies with the full Council of Cheshire West and Chester Council. The Council has delegated responsibility to the Chief Operating Officer who is also the s151 officer. The Chief Operating Officer is advised by the Pension Fund Committee and external advice from Mercer the appointed investment consultant. The Fund also receives actuarial advice from Hymans Robertson. The Council's Audit and Governance Committee has oversight of the Council's governance arrangements for the Fund.

The Local Pension Board was established with effect from the 1 April 2015. The role of the Board, as defined in regulations, is to assist the Administering Authority to ensure the effective and efficient governance and administration of the LGPS.

From January 2004 elected members who were offered membership of the Scheme under their respective Council's scheme of allowances were eligible to join the Scheme. From the introduction of the new scheme in 2014 Councillors in England could only continue to accrue rights until the end of the term of office which they were serving on 1 April 2014. As a consequence, all councillors ceased membership of the scheme from 12 May 2015 including those members of the Pension Fund Committee who had been active members of the Scheme.

There are three members of the Committee who are in receipt of pension benefits from the Fund (Councillor M. Hogg, Councillor Bailey and Neil Harvey). In addition, Councillor Neil, Councillor Dennett and Neil Harvey were active members of the Fund, Councillor Corcoran had a deferred pension as at 31 March 2025.

There are three members of the Local Pension Board who were active members of the Fund as at 31 March 2025; G. Wright, J Lambert and K Lennon. P. Raynes was Chair of the Local Pension Board until 25<sup>th</sup> September 2024 also has a deferred pension with the Fund.

Each member of the Committee and Board is required to declare their interests at each meeting.

As the Fund forms part of the LGPS it does not have trustees. The members of the Committee do not receive any fees in relation to their specific responsibilities as members of the Committee, although they may be reimbursed for any out of pocket expenses incurred whilst discharging their Committee role.

Similarly the members of the Board do not receive any fees in relation to their specific responsibilities as members of the Board, although they may be reimbursed for any out of pocket expenses incurred whilst discharging their role.

Further information on Fund governance can be found in the Fund's Governance Compliance Statement available on the Fund's website at [www.cheshirepensionfund.org](http://www.cheshirepensionfund.org).

### **Key Management Personnel**

The key management personnel of the Fund are the Chief Operating Officer, Director of Finance and Head of Pension Fund. Short term benefits are lower for 31 March 2025 due to the Head of Pension Fund post being vacant from July 2024. As a result of this position being vacant at 31 March 2025, the long term benefits figure is also lower for 31 March 2025 as it excludes the Head of Pension Fund.

The combined financial value of their relationship with the fund (in accordance with IAS24 Related Party Disclosures) is set out below:



	31-Mar-25 £000	31-Mar-24 £000
Short term benefits	71	129
Long term/post-retirement benefits	191	859
<b>Total</b>	<b>262</b>	<b>988</b>

The long term/post-retirement benefits are calculated on an IAS19 basis and will be affected by the assumptions used for the calculation which can vary from year to year.

## Note 27 – Contingent Liabilities and Contractual Commitments

The Fund has contractual commitments to the value of £939m (2023-24: £956m) in private equity funds.

As at 31 March 2025 the Fund had actually invested £738m (2023-24: £715.3m). As the Pantheon, Lexington and Adam Street Partner funds are denominated in US Dollars and Euros the commitment in Sterling is subject to changes due to currency fluctuations.

The Fund has contractual commitments to the value of £510m in private debt funds. As at 31 March 2025 the unfunded commitment to these Funds was £248m (2023-24: £329m).

The Fund has contractual commitments to the value of £135m in infrastructure funds. As at 31 March 2025 the unfunded commitment to these Funds was £15m (2023-24: £25m).

The Fund also made a £50m commitment to the LGPS Central Residential Indirect Property Partnership Fund. As at 31 March 2025 the unfunded commitment was £42m (2023-24: £50m).

There are 17 admitted bodies in the Cheshire Pension Fund who hold insurance bonds to guard against the possibility of being unable to meet their pension obligations, along with an additional 26 employers with Parent Company Guarantees or Deeds of Guarantee in place. The bonds or guarantees are drawn in favour of the Council as administering authority for the Fund and payment will only be triggered in the event of employer default.

## Note 28 – Impairment of Financial Assets

During 2024-25 the Fund has recognised expected credit losses of £2.2m (2023-24: £2.3m) for possible and actual non-recovery of rental income on its investment properties.

## Note 29 – Investment Strategy Statement

The Investment Strategy Statement (ISS) sets out the current investment strategy of the Fund, provides transparency in relation to how the Fund's investments are managed, acts as a high level risk register, and has been designed to be informative for all stakeholders. The ISS also includes the Fund's Responsible Investment Policy which sets out the Fund's approach to the governance and stewardship of its investment assets.

A full copy of the ISS can be obtained is available on the Fund's website at:  
[www.cheshirepensionfund.org](http://www.cheshirepensionfund.org)



**Note 30 – Funding Strategy Statement**

Under the LGPS Regulations 2013 (as amended) administering authorities are required to prepare a Funding Strategy Statement (FSS).

Fund members' accrued benefits are guaranteed by statute. Members' contributions are fixed in the Regulations at a level which covers only part of the cost of accruing benefits. Employers pay the balance of the cost of delivering the benefits to members (net of returns from the Fund's investments). The FSS focuses on the pace at which these liabilities are funded and, insofar as is practical, the measures to ensure that employers pay for their own liabilities.

The Funding Strategy Statement is available on the Fund's website at: [www.cheshirepensionfund.org](http://www.cheshirepensionfund.org)

## Employers that have contributed into The Cheshire Pension Fund and their applicable Investment Strategy for the financial year ending 31 March 2025

\*Employers who joined the fund during 2024-25

Major Scheme Employers	Strategy	Admitted Bodies - Continued	Strategy
Cheshire West & Chester Council	OPEN	Deafness Support Network	CLOSED
Cheshire East Council	OPEN	Dolce - Ashdene*	OPEN
Cheshire Fire Authority	OPEN	Dolce - Meadow	OPEN
Halton Borough Council	OPEN	Dolce - Woodside	OPEN
Police & Crime Commissioner	OPEN	ForHousing	OPEN
Warrington Borough Council	OPEN	Halton Housing Trust	OPEN
		Hutchison Catering	OPEN
		Innovate Services Limited - Holy Family Catholic MAT*	OPEN
		Kings School Chester	CLOSED
		Market Asset Management	OPEN
		Mellors - Elworth*	OPEN
		Mellors - Hurdsfield*	OPEN
		Mellors - Learning for Life	OPEN
		Mellors - St Basils	OPEN
		Mellors Frank Field Trust	OPEN
		Midshire Catering Services Ltd - Hartford High School	OPEN
		Midshire Signature Serv - Tarvin and Eaton	OPEN
		Miquill Catering Limited - Alderley Edge*	OPEN
		Nationwide Property Clean Ltd - The Bridge	OPEN
		Norton Priory Museum Trust	OPEN
		Orbitas Bereavement Service	OPEN
		Orian Solutions Ltd	OPEN
		Orian Solutions Ltd - St Bertelines*	OPEN
		Orian Solutions Ltd - All Saints*	OPEN
		Orian Solutions Ltd - Beechwood*	OPEN
		Orian Solutions Ltd - Ditton*	OPEN
		Orian Solutions Ltd - Gorsewood*	OPEN
		Orian Solutions Ltd - Hale*	OPEN
		Orian Solutions Ltd - Hill View*	OPEN
		Orian Solutions Ltd - Holy Spirit*	OPEN
		Orian Solutions Ltd - Kingsway*	OPEN
		Orian Solutions Ltd - Moore*	OPEN
		Orian Solutions Ltd - Murdishaw West*	OPEN
		Orian Solutions Ltd - Oakfield*	OPEN
		Orian Solutions Ltd - Our Lady of Perpetual Succor*	OPEN
		Orian Solutions Ltd - Pewithall*	OPEN
		Orian Solutions Ltd - St Mary's*	OPEN
		Orian Solutions Ltd - Victoria Road*	OPEN
		Orian Solutions Ltd - Westfield*	OPEN
		Ringway Jacobs	OPEN
		RM Estates Ltd	OPEN
		Sanctuary Housing Association	CLOSED
		Starcare	OPEN
		Tarmac Trading Limited	OPEN
		Torus 62	OPEN
		Torus 62 Foundation	OPEN
		Trafalgar UK Theatres Crewe Limited	OPEN
Admitted Bodies	Strategy		
A.B.M Catering Limited	OPEN		
ABM Catering Ltd - Sandbach High School & Sixth Form	OPEN		
Active Cheshire	OPEN		
Adoption Matters	OPEN		
ANSA Enviromental Services	OPEN		
Aramark - Cornovi Trust (Pear Tree)*	OPEN		
Aramark - Cornovii Trust*	OPEN		
Aramark - Macclesfield	OPEN		
Aramark - Ruskin High School*	OPEN		
Aramark - The Learning Alliance*	OPEN		
Aspens - Bickerton*	OPEN		
Aspens - Brierley*	OPEN		
Aspens - Hermitage*	OPEN		
Aspens - High Legh*	OPEN		
Aspens - Our Lady Help Of Christians Catholic MAT*	OPEN		
Aspens - Weaver*	OPEN		
Belong Limited	CLOSED		
Bouygues E & S Solutions Limited	OPEN		
Brandalls Facilities Management - Christ Church*	OPEN		
Buddies Out of School Care Ltd - JH Godwin*	OPEN		
Bulloughs - Cheshire College South & West	OPEN		
Bulloughs - Lymm	OPEN		
Bulloughs - Tarporley High School	OPEN		
Bulloughs Collegiate	OPEN		
Care Quality Commission	CLOSED		
Catalyst Choices	OPEN		
Caterlink - Saints Peter and Paul High School*	OPEN		
Caterlink - Sir John Brunner Foundation	OPEN		
Caterlink (Ruskin)	OPEN		
Cheshire West Recycle Ltd	OPEN		
Churchill Services Ltd	OPEN		
Citizens Advice	OPEN		
Clean Tec - Hartford High School	OPEN		
COLA's	OPEN		
Compass - St Barts MAT	OPEN		
Compass - True Learning Partnership	OPEN		
Culture Warrington	OPEN		
CWP NHS Trust	OPEN		
Dalkia Operations Limited	OPEN		

Admitted Bodies - Continued	Strategy
TuVida	OPEN
University Of Chester	OPEN
Via Community Ltd	OPEN
Warrington Housing Association	OPEN
Weaver Vale Housing Trust	OPEN

Other Employers	Strategy
Alderley Edge Parish Council	OPEN
Alsager Town Council	OPEN
Appleton Parish Council	OPEN
Avenue Services (NW) Ltd	OPEN
Barnton Parish Council	OPEN
Birchwood Town Council	OPEN
Bollington Town Council	OPEN
Brereton Parish Council	OPEN
Brio Leisure (CWaC CIC)	OPEN
Chelford Parish Council	OPEN
Cheshire College South & West	OPEN
Congleton Town Council	OPEN
Crewe Town Council	OPEN
Cuddington Parish Council	OPEN
Delamere and Oakmere Parish Council	OPEN
Disley Parish Council	OPEN
Edsential	OPEN
Edsential - Brookvale*	OPEN
Edsential - Castle View*	OPEN
Edsential - Fairfield*	OPEN
Edsential - Lunts Heath*	OPEN
Edsential - Moorfield*	OPEN
Edsential - St Clements*	OPEN
Edsential - St Martins*	OPEN
Edsential - St Michaels*	OPEN
Everybody Sport + Recreation	OPEN
Frodsham Town Council	OPEN
Grappenhall and Thelwell Parish Council	OPEN
Hale Parish Council*	OPEN
Handforth Parish Council	OPEN
Hartford Parish Council	OPEN
Holmes Chapel Parish Council	OPEN
Kingsley Parish Council*	OPEN
Kingsmead Parish Council	OPEN
Knutsford Town Council	OPEN
Lymm Parish Council	OPEN
Macclesfield College	OPEN
Macclesfield Town Council	OPEN
Mersey Gateway Crossing Board	OPEN
Middlewich Town Council	OPEN

Other Employers	Strategy
Nantwich Town Council	OPEN
Neston Town Council	OPEN
Northwich Town Council	OPEN
NW Fire Control Limited	OPEN
Odd Rode Parish Council	OPEN
Pickmere Parish Council	OPEN
Poulton with Fearnhead Parish Council	OPEN
Poynton with Worth Parish Council	OPEN
QWest Services Ltd	OPEN
Reaseheath College	OPEN
Riverside College	OPEN
Sandbach Town Council	OPEN
Sandymoor Parish Council	OPEN
Shavingham cum-Gresty Parish Council	OPEN
Stockton Heath Parish Council	OPEN
Warrington & Vale Royal College	OPEN
Warrington Transport	OPEN
West Cheshire Facilities Management	OPEN
Wilmslow Town Council	OPEN
Winsford Town Council	OPEN
Winwick Parish Council	OPEN
Wybunbury Parish Council	OPEN
Your Housing Group	OPEN

Free Schools	Strategy
Grosvenor Park CoE Academy	ACADS
Sandbach School	ACADS
Sandymoor School	ACADS
St Martins Academy	ACADS

Academies	Strategy	Academies - Continued	Strategy
Acorns Primary School and Nursery	ACADS	CLTA	ACADS
Acresfield Primary School	ACADS	Clutton CoE Primary School	ACADS
Acton CE Primary Academy	ACADS	Comberbach Primary School	ACADS
Adelaide Heath Academy	ACADS	Congleton High School	ACADS
Adelaide School	ACADS	Cornerstone Academy	ACADS
Adlington Primary Academy	ACADS	County High School Leftwich	ACADS
Alderman Bolton Community Primary School	ACADS	Cranberry Academy	ACADS
All Hallows Catholic College	ACADS	Crewe Engineering UTC	ACADS
Alsager Highfield Community Primary School	ACADS	Croft Primary School	ACADS
Alsager School	ACADS	Cuddington Primary School	ACADS
Appleton Thorn Primary School	ACADS	Culcheth Community Primary School*	ACADS
Ash Grove Academy	ACADS	Dallam Community Primary School*	ACADS
Astbury St Mary's CoE Primary School	ACADS	Daresbury Primary School	ACADS
Audlem St James CE Primary School	ACADS	Daven Primary School	ACADS
Axis Academy	ACADS	Delamere Primary School	ACADS
Barnton Primary School	ACADS	Disley Primary School	ACADS
Beamont Primary School	ACADS	Ditton Primary School	ACADS
Beaumont Collegiate Academy	ACADS	Dodleston CofE Primary School*	ACADS
Belgrave Academy	ACADS	Eaton Bank School	ACADS
Bexton Primary School	ACADS	Eaton Primary School	ACADS
Birchwood High School	ACADS	Egerton Primary School	ACADS
Bishops Blue Coat CofE High School	ACADS	Ellesmere Port Catholic High School	ACADS
Black Firs Primary School	ACADS	Elworth Hall Primary School	ACADS
Blessed Carlo Acutis Catholic & CofE Academy.	ACADS	Evelyn Street Primary School	ACADS
Bosley St Marys CE Primary School	ACADS	Excalibur Primary School	ACADS
Boughton Heath Academy	ACADS	Frodsham Primary Academy	ACADS
Bradshaw Community Primary School*	ACADS	Gainsborough Primary & Nursery School*	ACADS
Brereton CoE Primary School	ACADS	Gawsworth Primary School	ACADS
Bridgewater High School	ACADS	Glazebury Primary School	ACADS
Bridgewater Park Primary School	ACADS	Gorse Covert Primary School	ACADS
Brine Leas School	ACADS	Gorsebank Primary School	ACADS
Broken Cross Primary Academy	ACADS	Grange Community & Primary School	ACADS
Brook Acre Community Primary School*	ACADS	Great Sankey High School	ACADS
Brookfields School	ACADS	Great Sankey Primary School	ACADS
Broomfields Junior School	ACADS	Hallwood Park Primary School and Nursery*	ACADS
Bruche Primary School	ACADS	Halton Lodge Primary School	ACADS
Bunbury Aldersey CofE Primary School	ACADS	Handforth Grange Community Primary School	ACADS
Burtonwood Community Primary School	ACADS	Hartford Primary School	ACADS
Calveley Primary Academy	ACADS	Haslington Primary School	ACADS
Cavendish High Academy	ACADS	Highfields Community Primary School	ACADS
Chapelford Village Primary School	ACADS	Hollinhey School	ACADS
Cheshire Academies Trust	ACADS	Hollins Green St Helens CoE Primary School	ACADS
Childer Thornton Primary School	ACADS	Holmes Chapel Comprehensive School	ACADS
Christ The King Primary School	ACADS	Holmes Chapel Primary School	ACADS
Christleton High School	ACADS	Hungerford Primary School	ACADS
Cledford Primary School*	ACADS	Huxley Church of England Primary School	ACADS
Cloughwood School	ACADS	Ivy Bank Primary School	ACADS

Academies - Continued	Strategy	Academies - Continued	Strategy
Kelsall Primary School	ACADS	Pear Tree School	ACADS
Kings Leadership Academy	ACADS	Penketh High School	ACADS
Knutsford Academy	ACADS	Penketh Primary School	ACADS
Lacey Green Primary Academy	ACADS	Penketh South Primary School	ACADS
Lache Primary School*	ACADS	Peover Superior Primary School	ACADS
Leftwich Primary School	ACADS	Pikemere School	ACADS
Leighton Academy	ACADS	Poynton High School	ACADS
Little Bollington Primary School	ACADS	Priestley 6th Form College	ACADS
Little Leigh Primary School	ACADS	Puss Bank School	ACADS
Little Sutton CoE Primary School	ACADS	Queens Park High School	ACADS
Locking Stumps Community Primary School*	ACADS	Ravensbank Primary School	ACADS
Lostock Hall Primary School	ACADS	Rudheath Primary School	ACADS
Lower Park School*	ACADS	Rudheath Senior Academy	ACADS
Lymm High School	ACADS	Sandbach High School & 6th Form	ACADS
Macclesfield Academy	ACADS	Sandbach Primary Academy School	ACADS
Manor Park Primary School	ACADS	Sandway Primary School	ACADS
Marlborough Primary School	ACADS	Shavington Academy	ACADS
Marlfields Primary Academy	ACADS	Shavington Primary School	ACADS
Meadow Primary School*	ACADS	Simms Cross Primary School	ACADS
Meadowside Community Primary School	ACADS	Sir John Deanes College	ACADS
Middlewich High School	ACADS	Sir Thomas Boteler High School	ACADS
Mill View Primary School	ACADS	Sir William Stanier Community School	ACADS
Millfields Primary School and Nursery	ACADS	Smallwood CofE Primary Academy	ACADS
Monks Coppenhall Academy	ACADS	St Albans Catholic Primary School	ACADS
Mossley CE Primary School	ACADS	St Augustines Catholic Primary School	ACADS
Mottram St Andrew Primary Academy	ACADS	St Bernards RC Primary School	ACADS
Nantwich Primary Academy	ACADS	St John's CofE Academy, Sandbach*	ACADS
Neston High School	ACADS	St Joseph's Catholic Primary School	ACADS
Nether Alderley Primary School	ACADS	St Marys Catholic Primary School	ACADS
New Horizons School	ACADS	St Mary's Church of England Primary School, Halton*	ACADS
Norley CE Primary School*	ACADS	St Michael with St Thomas Primary School	ACADS
North West Academies	ACADS	St Michaels Community Academy	ACADS
Oak View Primary Academy	ACADS	St Oswalds CofE Aided Primary School	ACADS
Oakfield Lodge School	ACADS	St Oswalds Worleston Primary School	ACADS
Oakwood Avenue Primary School	ACADS	St Pauls Catholic Primary School	ACADS
Offley Primary Academy	ACADS	St Thomas More Catholic High School	ACADS
Oldfield Primary School*	ACADS	Stapeley Broad Lane Primary School	ACADS
Ormiston Bolingbroke Academy	ACADS	Statham Primary School School	ACADS
Ormiston Chadwick Academy	ACADS	Stretton - St Matthews CofE Primary School	ACADS
Oughttrington Primary School	ACADS	Tarporley High School & 6th Form College	ACADS
Our Lady's Catholic Primary School*	ACADS	Tarvin Primary School	ACADS
Over Hall Community School	ACADS	The Berkeley Academy	ACADS
Padgate Academy	ACADS	The Catholic High School - Chester	ACADS
Palacefields Academy	ACADS	The Ellesmere Port C of E College	ACADS
Park Road Primary School	ACADS	The Fallibroome Academy	ACADS
Parklands Community Primary School	ACADS	The Fermain Academy	ACADS
Parkroyal Community School	ACADS	The Grange School	ACADS

<b>Academies - Continued</b>	<b>Strategy</b>
The Great Schools Trust*	ACADS
The Heath Academy	ACADS
The Hermitage Trust	ACADS
The Oaks Academy	ACADS
The Quinta Primary School	ACADS
The Raise Academy*	ACADS
The Russett School	ACADS
Thelwell Primary School	ACADS
Tytherington School	ACADS
Underwood West Academy	ACADS
University Technical College (UTC) Warrington	ACADS
Upton Heath CoE Primary School	ACADS
Upton Priory School	ACADS
Utkinton St Pauls CE Primary School	ACADS
Victoria Road Primary School	ACADS
Wade Deacon High School	ACADS
Warmingham CofE Primary School	ACADS
Weaverham High School	ACADS
Weaverham Primary Academy	ACADS
Westbrook Old Hall School	ACADS
Westminster Community Primary School	ACADS
Weston Point Primary Academy	ACADS
Weston Village Primary School	ACADS
Wheelock Primary School	ACADS
Whirley Primary School	ACADS
Whitley Village School	ACADS
Widnes Academy	ACADS
Willaston Primary Academy	ACADS
William Stockton Community Primary School	ACADS
Willow Wood Community Nursery and Primary School*	ACADS
Wilmslow Academy	ACADS
Wimboldsley Community Primary School	ACADS
Winsford Academy	ACADS
Wistaston Academy	ACADS
Wistaston Church Lane Academy	ACADS
Wolverham Primary and Nursery School	ACADS
Woodfall Primary and Nursery School*	ACADS
Woolston Community Primary School	ACADS
Worth Primary School	ACADS
Wybunbury Delves Primary School	ACADS

## Pension Fund Accounts Reporting Requirement

### Introduction

CIPFA's Code of Practice on Local Authority Accounting 2024/25 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the Cheshire Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

### Present value of promised retirement benefits

Year ended	31 March 2025	31 March 2024
Active members (£m)	1,907	2,139
Deferred members (£m)	900	1,082
Pensioners (£m)	2,216	2,537
<b>Total (£m)</b>	<b>5,023</b>	<b>5,758</b>

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

### Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024. I estimate that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £893m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £12m.



**Financial assumptions**

Year ended	31 March 2025	31 March 2024
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.75%	2.75%
Salary Increase Rate	3.45%	3.45%
Discount Rate	5.80%	4.85%

**Demographic assumptions**

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	20.9 years	23.9 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	21.5 years	25.2 years

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

**Sensitivity Analysis**

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2025	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	86
1 year increase in member life expectancy	4%	201
0.1% p.a. increase in the Salary Increase Rate	0%	4
0.1% p.a. increase in the Rate of CPI Inflation	2%	82

**Professional notes**

This paper accompanies the 'Accounting Covering Report – 31 March 2025' which identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:-

Jamie Baxter FFA C.Act

6 May 2025

For and on behalf of Hymans Robertson LLP

## **Glossary of Terms**

### **Accruals**

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

### **Actuary**

An actuary is an expert on pension scheme assets and liabilities. The Local Government Pension Scheme Actuary reassesses the rate of employer contributions to the Pension Fund every three years.

### **Agency services**

Services the Council provides for other organisations, or services other organisations provide for the Council.

### **Amortisation**

The process of charging capital expenditure, usually on intangible non-current assets, to the accounts over a suitable period of time.

### **Amortised cost**

Amortised cost is the real amount at which the financial instrument is measured rather than the payments made under a contract.

### **Appropriations**

Amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

### **Asset Ceiling**

Under IFRIC14, an asset ceiling limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.

### **Assets held for sale**

Property (land or a building, or part of a building) which is expected to be sold within the next 12 months and is therefore held primarily as a means of generating a capital receipt.

### **Associate**

Where the Council exercises a significant influence and has a participating interest in a company.

### **Balance Sheet**

The Balance Sheet is a summary of an authority's financial position at the year end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness, and the non-current and net current assets employed in its operations, together with summarised information on non-current assets held.

### **Better Care Fund (BCF)**

The BCF is a pooled budget between the Council and the Integrated Care Board (ICB).

### **Budget**

A statement of the Council's expected level of service and spending over a set period, usually one year.

**Capital Adjustment Account**

The Capital Adjustment Account is made up of amounts set aside from revenue resources or capital receipts to pay for spending on non-current assets or for repaying external loans and certain other capital financing transactions.

**Capital Assets**

See Non-current Assets.

**Capital expenditure**

Expenditure on the acquisition of a Non-current asset or expenditure that extends the useful life or operational capability of an existing asset.

**Capital financing**

The means by which capital expenditure incurred by the Council is funded. Usually such funding comprises grants, contributions from third parties, receipts from the sale of assets, contributions from Council reserves and borrowing.

**Capitalisation**

The classification of expenditure as capital rather than revenue, subject to the condition that the expenditure yields a benefit to the Council for a period of more than one year.

**Capital receipts**

Proceeds received from the sale of capital assets. The proceeds are set aside in the Capital Receipts Reserve in order to repay the Council's borrowings or to finance new capital expenditure.

**Capital Receipts Reserve**

A reserve held to provide an alternative source for financing future capital expenditure, and to ensure some stability in the level of capital programmes that can be financed.

**Cash Flow Statement**

Summarises the inflows and outflows of cash arising from transactions with third parties for capital and revenue purposes. It provides a link between the Balance Sheet at the beginning of the year, the Comprehensive Income and Expenditure Statement for the year and the Balance Sheet at the end of the year.

**CIPFA**

The Chartered Institute of Public Finance and Accountancy is the accountancy body which recommends accounting practice for the preparation of local authority accounts.

**Collection Fund**

This is a statutory fund kept separate from the main accounts of the Council. It records all income due from the Council Tax, Business Rates and remaining Community Charge and shows the precept payments due to Cheshire West and Chester Council, Cheshire Police Authority and Cheshire Fire Authority.

**Community Assets**

Assets that the local authority intends to hold forever, that have no determinable useful life and that may have restrictions on their disposal. (e.g. parks).

**Comprehensive Income and Expenditure Statement (CIES)**

This statement consolidates all the gains and losses experienced by the Council during the financial year. The statement has two sections:

- Surplus or Deficit on the Provision of Services (SDPS) – the increase or decrease in net worth as a result of incurring expenditure and generating income.
- Other Comprehensive Income and Expenditure – any changes in net worth not reflected in the surplus or deficit on the provision of services.

This statement shows the accounting cost in year of providing services in accordance with accounting practice rather than the amount to be funded from taxation.

**Consistency**

The principle that the same accounting treatments are used from year to year so that useful comparisons can be made. Any significant change in policies must be declared in the accounting statements.

**Contingencies**

Sums set aside to meet either the potential costs of activities expected to occur during the year, over and above those costs included in the services budgets (pay and price), or items which are difficult to predict in terms of financial impact or timing (uncertain items).

**Corporate and Democratic Core**

Corporate and Democratic Core represents costs associated with democratic representation and management and corporate management. Democratic representation and management include all aspects of Members' activities. Corporate management concerns the cost of the infrastructure that allows services to be provided and the cost of providing information that is required for public accountability. Such costs form part of total service expenditure but are excluded from costs of any particular service.

**Corporate Governance**

The authoritative rules and controls in place within an organisation required to promote openness, inclusivity, integrity and accountability.

**Council Tax**

The means of raising money locally to pay for local authority services. This is a property-based tax where the amount levied depends on the valuation of each dwelling.

**Council Fund / General Fund**

The Council's main revenue fund to which all revenue receipts are credited, and from which revenue liabilities are discharged. The movement on the fund in year represents the excess of income over expenditure once notional charges and credits have been replaced by the amounts required to be funded from Council Tax.

**Creditors**

Amounts owed by the Council for goods or services that it has received but for which payment had not been made by 31 March 2025.

**Credit Adjusted Interest Rate**

The rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset.

**Current Assets and Liabilities**

Current assets are cash and items that can be readily converted into cash. Current liabilities are items that are due for payment immediately or in the short term. By convention these items are ordered by reference to the ease that the asset can be converted into cash, and the timescale in which the liability falls due.

**Current Service Cost (IAS 19 term)**

Employer pension contributions charged during the year have been removed from the Comprehensive Income and Expenditure Statement and replaced with an amount (i.e. current service cost) which reflects the increase in the scheme liabilities expected to arise from employee membership of the Scheme in the year of account.

**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.

**Debtors**

Amounts owed to the Council at 31 March 2025, where services have been delivered but payment has not been received.

**Deferred Capital Receipts**

Amounts derived from asset sales, which will be received in instalments over a period of years. (e.g. mortgages on the sale of council houses).

**Deferred Liabilities**

An amount already received by the Council that is being credited to the Comprehensive Income and Expenditure Statement over a number of years.

**Defined Benefits Pension Scheme**

A pension scheme which is constructed to provide pre-determined pension benefits for retired members, with employers' and employees' contribution rates being calculated based on actuarial assumptions.

**Delegated Budgets**

Budgets for which schools and other services have complete autonomy in spending decisions.

**Depreciation**

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, age or obsolescence through technological or other changes. There are different ways to attribute the cost of the asset over its economic life, of which the most common are straight line method and reducing balance method.

- Straight line depreciation method – the useful life of the asset is estimated, for instance at 3 years for IT equipment or 5 years for a vehicle, and the cost of the asset is divided equally over that number of financial years.
- Reducing balance method – the value of the asset is reduced by a non-current percentage each year, reflecting a greater loss of value in earlier years.

**Depreciated Historic Cost**

The value of an asset shown in the Balance Sheet calculated from the original cost less depreciation to date.

**Derecognition**

The removal of an asset or liability from the Balance Sheet as it has been extinguished, for example, the settling of a liability by paying the creditor.

**Discounting**

Process of determining the present value of a payment or a stream of payments that is to be received in the future.

**Discretionary Benefits**

Retirement Benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers.

**Donated Assets**

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

**Earmarked Reserves**

These reserves represent monies set aside that can only be used for a specific usage or purpose.

**Effective Interest Rate**

The rate of interest that would discount expected cash flows throughout the life of the financial instrument down to the fair value of the asset calculated at initial measurement.

**Emoluments**

All sums paid to or receivable by an employee and sums due by way of taxable expense allowances.

**Entity**

For accounting purposes, an 'entity' is a business, division or other aspect of an organisation that requires its own financial reporting structure for legal or tax purposes.

**Events after the Balance Sheet Date**

Events after the Balance Sheet date are those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

**Exceptional Items**

Items that derive from the ordinary activities of the Council and are material in terms of the Council's overall expenditure but not expected to recur frequently or regularly.

**Expected Credit Losses**

Defined as the weighted average of credit losses with the respective risks of a default occurring as the weights.

**12 Month Expected Credit Loss**

The portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

**Lifetime Expected Credit Losses**

The expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Expected Return on Assets (IAS 19 term)**

The average rate of return expected on the actual assets held by the scheme.

**Expenditure and Funding Analysis (EFA)**

The Expenditure and Funding Analysis links the Comprehensive Income and Expenditure Statement by demonstrating how available funding has been used to provide services. Whilst still reported in accordance with accounting practice, the analysis shows how the expenditure has been allocated by directorates for decision making purposes rather than legislative purposes.

**Fair Value**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction between unrelated parties at the measurement date.

**Fair Value Through Profit and Loss**

Classification is dependent on the contractual terms (i.e. solely payments of principle and interest (SPPI) on the principle outstanding), if any other kind of payment is included the instrument will fail the test and fall into the FVTPL class. The primary objective is to hold the financial asset by any other means than to collect contractual cash flows.

**Fair Value Through Other Comprehensive Income**

Objective is to receive contractual cash flows and sell the financial asset. The terms give rise to specified cash flow on specific dates and must be solely principal and interest (SPPI) on outstanding balance. Election can be made where changes to the value can be reported in Other Comprehensive Income and Expenditure.

**Finance Lease**

An arrangement whereby the owner of an asset (the lessor) accepts a rental in return for allowing another party (the lessee) use of an asset for a specified period, such that substantially all of the risks and rewards associated with ownership are transferred to the lessee.

**Financial Instrument**

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 trade debtors, investments, trade creditors and borrowings.

**Financial Instrument Revaluation Reserve**

Unusable Reserve that holds financial instrument unrealised gains and losses. These amounts will only become available to provide services once the gain/loss has been realised and the financial asset has either been disposed of or reached maturity.

**General Reserves**

These are amounts set aside for use in future years, not earmarked for any specific purpose.

**Government Grants**

Amounts received from Central Government towards funding the Council's activities. Revenue grants and contributions are credited to the appropriate service revenue account. Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, unless there are conditions attached which have not been satisfied. Capital grants and contributions recognised in year are not a credit against the General Fund balance and are reversed out via the Movement in Reserves Statement.

**Government Grants and Contributions Unapplied**

Capital grants and contributions that have been recognised in the Comprehensive Income and Expenditure Statement not yet applied to finance capital expenditure.

**Heritage Assets**

Assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Heritage assets include historical buildings, archaeological sites, military and scientific equipment of historical importance, civic regalia, museum and gallery collections and works of art.



**Housing Revenue Account (HRA)**

Local authorities are required to maintain a separate account. This sets out expenditure and income arising from the provision of Council housing.

**Impairment**

A reduction in the value of a non-current asset arising from physical damage to the asset, dilapidation or obsolescence.

**Impairment Allowance**

A provision held on the balance sheet as a result of the raising of a charge against profit for the inherent expected loss.

**Income**

Income is defined as increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in reserves or net worth. Amounts which the Council receives, or expects to receive, from any source. Income includes fees, charges, sales, capital receipts, government grants, the precept on Council Tax collection funds, Revenue Support Grant and National Non-Domestic Rates.

**Infrastructure**

The Council's network of roads, pavements and bridges.

**Infrastructure Assets**

Non-current assets that are held by the Council in perpetuity and cannot be given or taken away. Spending on these assets is recoverable only by continued use of the asset created (e.g. highways and footpaths).

**Intangible Non-current Assets**

Expenditure incurred on those non-current assets that do not have physical substance but which are separately identifiable and provide the Council with a right of use for a period in excess of one year.

**Interest Cost (IAS 19 term)**

A financing charge reflecting the increases in the present value of scheme liabilities.

**International Financial Reporting Standards (IFRS)**

International Financial Reporting Standards form a principles based set of standards that establish broad rules and dictate specific accounting treatments. The Code of Practice on Local Authority Accounting in the UK (the Code), interprets IFRS accounting principles for local government and recognises the following hierarchy of standards on which accounting treatment and disclosures should be based:

- International Financial Reporting Standards (IFRS)
- International Public Sector Accounting Standards (IPSAS)
- UK Generally Accepted Accounting Practice (UK GAAP)

**IFRS16 Leases**

An accounting standard that became mandatory for implementation by Local Authorities from 1<sup>st</sup> April 2024. Its main impact is to remove the traditional distinction between Finance Leases and Operating Leases for lessees. This will require recognition of Assets and Liabilities for most leases.

**Inventories**

Raw materials and consumable goods bought but not yet used at the end of the accounting period.

**Investments**

Short term investments comprise deposits of temporary surplus funds with banks or similar institutions. Long term investments comprise similar funds held for a period of more than one year.

**Investment Properties**

Assets that are available for immediate sale, where there is a committed plan to sell the asset, an active marketing programme and where the sale is highly probable within 12 months.

**Joint Control**

Where decisions about the relevant activities of an arrangement require the unanimous consent of all the parties sharing control.

**Joint Operation**

Where the Council and another party have joint control of an arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint operators.

**Joint Venture**

Where the Council and another party exercise joint control over a company.

**Lifetime Probability**

The likelihood of accounts entering default during the expected remaining life of the asset.

**Loans And Receivables**

Assets that have fixed or determinable payments but are not quoted in an active market.

**Long Term Borrowing**

The main element of long-term borrowing comprises of loans that have been raised to finance capital expenditure projects.

**Market Value**

The monetary value of an asset determined by current market conditions at the Balance Sheet date.

**Materiality**

The concept that any omission from or inaccuracy in the Statement of Accounts should not be so large as to affect the understanding of those statements by a reader.

**Minimum Revenue Provision (MRP)**

The minimum amount (as laid down in statute) that the Council must charge to the accounts each year in order to meet the costs of repaying amounts borrowed.

**Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable and unusable reserves. The statement reconciles the surplus or deficit on the provision of services, in the Comprehensive Income and Expenditure Statement, to the movement in the General Fund balance for the year.

**Non-Domestic Rate (NDR)**

The government levies a standard rate on all properties used for commercial purposes and cannot increase it by any more than the Retail Price Index. The rates are collected by Councils, and are then shared between Central Government, the Billing Authority (Council) and other bodies in proportion to prescribed shares.

**Net Book Value**

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 Current Replacement Cost**

The estimated cost of replacing or recreating an asset in its existing condition and existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the condition of the existing asset.

**Net Debt**

This comprises short term investments plus cash in hand less cash overdrawn and long-term borrowing.

**Net Realisable Value**

The expected proceeds from the sale of an asset when sold on the open market between a willing buyer and a willing seller less all the expenses incurred in selling the asset.

**Non-current Asset**

An asset which is intended to be in use for several years such as a building or a vehicle. These may be tangible or intangible.

**Non-Distributed Costs**

Costs which cannot be specifically applied to a service or services and are held centrally, comprising certain pension costs and the costs of unused shares of IT facilities and other assets.

**Operating Lease**

An arrangement similar to a finance lease where the risks and rewards associated with ownership remain with the lessor.

**Operational Assets**

Non-current assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

**Past Service Cost (IAS 19 term)**

The increase in the scheme liabilities arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

**Precept**

Amounts the Council is required to raise from Council Tax on behalf of other authorities.

**Prepayments**

Amounts paid by the Council in 2024-25 in relation to goods and services not received until 2025-26.

**Prior Year Adjustments**

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors. They do not include minor corrections or adjustments of accounting estimates made in prior years.

**Private Finance Initiative (PFI)**

A means of securing new assets and associated services in partnership with the private sector.

**Projected Unit Method (IAS 19 term)**

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

**Provisions**

Amounts set aside to meet costs that are likely or certain to be incurred but where the amount of cost or timing of payment is uncertain.

**Receipts In Advance**

Amounts received by the Council during 2024-25 relating to goods or services delivered in 2025-26.

**Right of Use Asset**

An asset that represents a lessee's right to use an asset for the lease term.

**Related Party**

A person or organisation which has influence over another person or organisation.

**Remeasurements (IAS19 term)**

For a defined benefit pension scheme, the changes in the value of a schemes assets and liabilities as a result of the changes to the underlying assumptions concerning their value, as opposed to any performance or activity in year.

**Reserves**

Specific amounts set aside for future policy purposes or to cover contingencies. There are two types of reserve: usable reserves which are available to meet current expenditure, and unusable reserves which are not. Most revenue reserves are capable of being used, but the Revaluation Reserve, Capital Adjustment Account, and the Financial Instruments Adjustment Account cannot be used to meet current expenditure.

**Retirement Benefits**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

**Revaluation Reserve**

Revaluation Reserve is intended to hold surpluses or deficits arising from the regular revaluation of non-current assets.

**Revenue Expenditure**

Revenue expenditure is spending on the day to day running costs of the Council. It includes expenditure on employees, premises, transport and supplies and services.

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

Certain expenditure can be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a Non-current asset. The purpose

of this is to enable it to be funded from capital resources rather than be charged to the General Fund and impact on that year's Council Tax.

### **Revenue Support Grant (RSG)**

Central Government grant support towards local government expenditure.

### **Scheme Liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflects the benefits that the employer is committed to provide for service up to the valuation date.

### **Section 151 Officer**

The Officer designated to assume overall responsibility for the administration of the financial affairs of the Council and for the preparation of the Council's Statement of Accounts.

### **Section 106**

Section 106 (S106) agreements are contracts signed between the Council and a developer whereby both parties agree to work in partnership to mitigate the negative impacts of development in the local area.

### **Service Concession**

An arrangement under which the Council passes to a third party an obligation to deliver a service to the public on its behalf. Organisations delivering services under a service concession arrangement are effectively doing so as an extension of the Council, so any assets employed by them to deliver the contracted services are reported on as if they were the Council's own. This is commonly the case for Private Finance Initiative contracts.

### **Settlements and Curtailments (IAS 19 term)**

Settlements are liabilities settled at a cost materially different to the IAS 19 reserve during the year. Curtailments represent the cost arising from early payment of accrued pensions in respect of any redundancies during the year.

### **Short Period**

In terms of non-current assets this is interpreted to mean that assets are normally revalued once every five years for each class of assets, provided that carrying amount does not differ materially from that which would be determined using the current value at the end of the reporting period.

### **Short Term Accumulating Paid Absences**

Benefits that employees receive as part of their contract of employment, the entitlement to which is built up as they provide services to the Council, e.g. annual leave, flexi leave.

### **Slippage**

This is when delays occur in capital works and therefore payments are not made in the financial year originally anticipated.

### **Solely Payments of Principle and Interest**

The classification of a financial asset depends on whether its contractual terms give rise on specific dates to cash flows that are solely payments of principle and interest.

### **Subsidiary**

Where the Council either wholly or by majority controls a company.

**Tangible Non-current Assets**

Non-current assets of physical substance and which yield benefits to the Council for a period of more than one year.

**Useful Life**

The period over which the local authority will derive benefits from the use of a non-current asset.

**Vested Rights**

In relation to a defined benefit scheme, these are:

- a) for active members, benefits to which they would unconditionally be entitled on leaving the scheme
- b) for deferred pensioners, their preserved benefits
- c) for pensioners, pensions to which they are entitled

They include where appropriate the related benefits for spouses or other dependants.