



STOCKPORT
METROPOLITAN BOROUGH COUNCIL

STOCKPORT METROPOLITAN BOROUGH COUNCIL STATEMENT OF ACCOUNTS AUDITED

2024/25



Ambitious Stockport, creating opportunities *for everyone*

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PART 1

STOCKPORT METROPOLITAN BOROUGH COUNCIL STATEMENT OF ACCOUNTS

DIRECTOR OF FINANCE - SECTION 151 OFFICER) NARRATIVE REPORT

I am pleased to present the council's 2024/25 Statement of Accounts.

The Statement of Accounts has been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom. The Statement of Accounts play a vital role in providing Stockport residents, council members, and other interested parties with an understanding of the council's financial position, providing assurance that public resources have been used and accounted for in an appropriate manner. It aims to ensure the readers of the Statement of Accounts can:

- Understand the overarching financial position of the council and the 2024/25 financial outturn position;
- Have confidence that the public money that the council has been entrusted has been used and accounted for appropriately; and
- Be assured of the robustness of the council's financial standing.

Legislation for councils to produce their Annual Statement of Accounts in 2024/25 requires draft accounts to be published no later than 30 June, the deadline has been extended from 31 May for financial years 2024/25 to 2027/28. Officers across the council have been working diligently to ensure the council's Accounts have been prepared on a timely basis and to a high-quality standard. Whilst the Annual Statement of Accounts is an important financial review and position of the past twelve months, timely production allows the council to focus on addressing the significant financial challenges ahead, whilst ensuring a sustainable and stable financial position to deliver our overarching priorities and desired outcomes. The draft Statement of Accounts was published and made available to the council's External Auditors on 26 June 2025.

During the year the council, alongside councils across the country, has continued to face significant financial challenge due to increased need for support, creating demand for services. Many in our communities are experiencing the challenges of rising costs, including energy, food, and housing expenses. As a result, our residents and businesses continue to need significant support from the council. This need comes at a time when council funding is not keeping pace with increasing costs placing significant budget pressures on to the council. These budget pressures have been particularly evident for those services supporting our most vulnerable residents such as social care, special educational needs (SEND) and homelessness prevention and support. The council's year end outturn position reflects this, with service budgets overspending by £10.5m due to demand, complexity of support needed and increasing costs. We recognise our responsibility to ensure the effective and efficient use of public funding to deliver these services and during the year we have continued to demonstrate this by addressing the budget pressures through strong financial management, cost avoidance and mitigation, and financial recovery measures. However, continuing to address these pressures without Government reform of council services and funding is becoming increasingly

difficult. Whilst we await these reforms following the Government's Spending Review, it is crucial to maintain a strong and resilient financial position.

Whilst we expect greater certainty of the council's funding allocations from Government over the medium term via service and funding reform, simplification of council funding and multi-year funding settlements, we remain cautious about the impact on the council's medium-term financial plan (MTFP). Government's commitment to reform council funding and change funding formulae and allocation methods to redistribute national funding and equalise local taxation across all councils' presents a financial risk. In addition, the continuing national economic uncertainty, and delays to long awaited service and funding reforms including those to address pressures in social care, SEND and homelessness prevention and support services again presents financial risk. The combination of these presents an increasingly challenging financial outlook for the council. At the start of the year the council had a saving requirement of over £26m to balance its 2025/26 Budget. As part of addressing this, saving proposals of £8.9m were identified. This required difficult decisions about service delivery focusing on addressing financial and demand challenges, enabling longer-term transformation and shared ambitions, and efficient and effective service delivery. Financial planning and decisions will continue to pose challenges about the services the council delivers and how it delivers them. The council remains committed to its MTFP Strategy and the transformational change needed to ensure the financial robustness needed to deliver the council's longer-term ambitions in terms of its transformation, and the delivery of the Council Plan and the One Stockport Borough Plan.

I am happy to report that the council's financial position both in year and over the medium term remains robust and resilient, despite the challenges faced. Strong financial management continues to be key to the council's sustainability and resilience over the medium term, as evidenced by the financial position presented in these accounting statements. This strong financial position results from the council's comprehensive financial management processes throughout the year, including budget monitoring, medium-term financial planning, the Capital Strategy, Treasury Management Strategy, and Reserves Policy. These processes enable the council to allocate resources effectively to mitigate and smooth the financial impact of significant uncertainties while underpinning the achievement of the council's long-term priorities, ambitions and investment plans.

The Finance Service has continued to provide excellent financial leadership across the council through its business partnering approach to financial management and governance. A culture of strong financial management across the organisation and good governance has been embedded and recognised in recent Local Government Association (LGA) Peer Reviews. The Finance Service will continue to build on this and work with Members and Officers across the council to address the significant financial challenge ahead. The skills and commitments of Members and Officers alike will help the council meet this challenge and ensure its financial management provides the council with a strong foundation of financial robustness and resilience. Supporting this the Finance Service vision is to be innovative, providing excellent financial leadership, and enabling colleagues across the organisation to effectively manage the finances of the council. A culture of continuous improvement is at the heart of this, ensuring the service is fit for the future and continues to provide the strong financial management needed

whilst identifying new ways of working and enabling services to deliver on their own transformation priorities and ambitions. The dedication and hard work of the Finance Service, Members and Officers across the council has fostered a strong culture of financial management which puts the council in a strong position to address the financial challenges ahead.

The following Narrative Report provides information about Stockport Metropolitan Borough Council. It highlights the key issues affecting the council and its Statement of Accounts and includes a summary of the council's financial position as at 31 March 2025.

Jonathan Davies
Director of Finance - Section 151 Officer

INTRODUCTION TO STOCKPORT

Stockport is situated in between the Peak District, the Cheshire Plain and one of the UK's fastest growing cities, Manchester. Stockport is a Borough of independent shops, great schools, thriving businesses and strong communities making it a place where people want to live, work, and spend their leisure time.

The Sunday Times named Stockport the 'best place to live' in the North-West in 2024. Stockport suburb The Heatons made the top 10 ranking as 'one of the best places to live' in the North-West of England, praised as 'family friendly but funky' and offering home buyers a chance to bring up a family alongside 'like-minded professional, party friendly folk'. Marple, Gatley and Bramhall have also been named among the top 10 best places to live 2025 in England and Wales by Garrington Property Finders, celebrating locations that combine quality of life, access to green space, broadband speeds and property value.

Stockport was named the second most quintessential market town in England by Independent Cottages, an independent holiday company, their ranking considered factors such as the town's age, the number of independent businesses, museums, and listed buildings.

In a further boost to the town's popularity, Stockport has been hailed as the 'Hollywood of the North' due to its growing reputation as a popular filming location for some of the world's leading TV shows and films.

Stockport has gone from strength to strength due to the development work being carried out and its community spirit. We have a new interchange featuring a rooftop park, Stockport 8 and Weir Mill located by the historical and iconic viaduct, Lisburne School officially opened, providing a state-of-the-art facility for 208 children aged 4–11 with complex needs, and Stockroom which opened in May 2025, as well as being home to an array of independent businesses and a brimming events calendar including Foodie Friday.

Stockport won the 2025 'Authority of the Year' by the Municipal Journal Awards (MJ) that took place on the 20 June 2025. Judges praised the council's '*standout submission for its clarity of purpose and impact and a commitment to people-centred progress*'. '*The "OneStockport" ethos shone through bold investment, strong service delivery and genuine co-production.*' Stockport was also shortlisted for 'Council of the Year' which recognise excellence in Local Government and 'Public/Private Partnership' for our anti-poverty work, supporting our vulnerable residents at the Local Government Chronicle Awards.

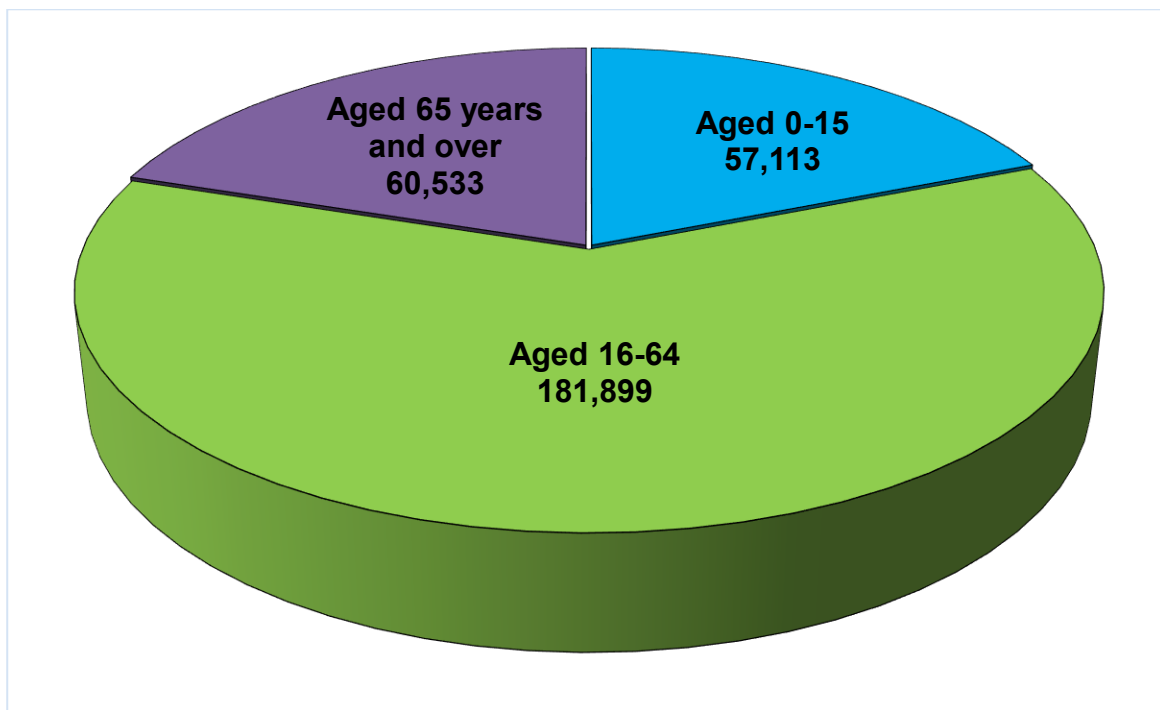
KEY FACTS ABOUT STOCKPORT

Stockport is one of ten councils in the Greater Manchester region. The council is responsible for providing more than 800 services to support and improve the lives of residents, businesses and visitors. Here are just some of the things we have done over the past year:



Population

The 2023 Mid-Year Population Estimates reports Stockport's total population as 299,545. The age profile of the population is shown below:



The working age population (age 16 to 64 years inclusive) as a proportion of the total population is slightly lower than the regional and England averages, those aged 65 years and over represent a higher proportion of the population than regional and England averages, with those 85 years and over representing 2.9% of the population compared to 2.5% for England. The population of those aged 0-15 is in line with regional and England averages. The population is expected to increase over the medium-term with a high proportion of this increase coming from those residents aged 65 years and over. The population age 85 years and over is also forecast to increase, with resulting increases in demand for health and social care services expected.

Local Economy

Stockport's knowledge-driven economy, combined with its high-quality of life, is reflected in the range of occupations held by its resident population. The following data represents the latest figures available at the time. A high proportion of residents are employed in management and professional occupations, which make up around a third of the total number in employment. A higher proportion of residents tend to be employed in skilled or highly skilled occupations in comparison to the Northwest and UK. In addition, a high proportion of residents are self-employed when compared to regional and national averages. The Borough is also able to offer a wide range of employment opportunities in the Foundation Economy from sectors in care and health services, food, housing, energy, construction, tourism and retailers on the high street.

The strength of Stockport's economy is supported by its strategic location, range of business premises, prosperous residential areas and excellent connectivity all of which contributes to a thriving and diverse economy, including many high-growth business start-ups and headquarters of both national and international firms. The Borough is occupied by 13,935 businesses.

145,100 residents are employed (including self-employed). This strength is further illustrated by Stockport's employment rate of 77.3%

The economic activity rate of 80.1% also exceeds the regional average. However, the geographical polarisation of the economic prosperity in the Borough highlights the importance of prioritising that more people benefit from economic growth.

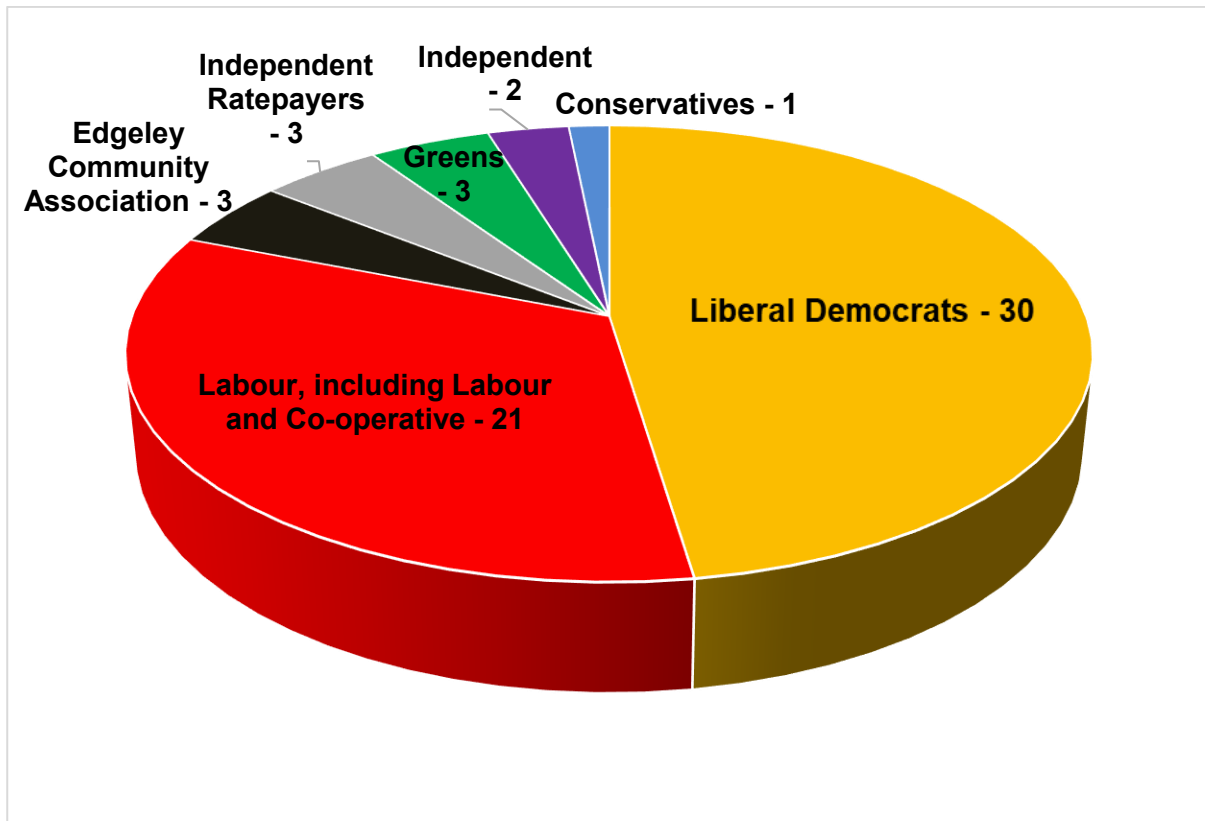
Historically, Stockport has experienced low levels of unemployment relative to regional and national averages. The overall claimant is now 3.1% and the rate for young people aged 18-24 is now 5.7%. The rate for young people is now the same as the national rate.

Stockport Economic Plan supports the One Stockport Borough Plan. There are a number of key actions in this partnership plan that are being implemented to grow an inclusive, resilient and sustainable Stockport economy, building on current strengths and opportunities.

The council's ambitious regeneration programme for the town centre has drawn national acclaim and media attention. From the restoration of the Underbanks, which is now a thriving hub for local independent businesses, to the Transport Interchange project, including Viaduct Park, which is transforming the way that commuters and visitors access the Town Centre. Stockport continues to be transformed to create opportunities for everyone who lives, works and spends time in the Borough. Stockport Exchange has continued to expand providing further high quality new office floorspace, and the Mayoral Development Corporation area, which includes the Stockport 8 housing development, has now been expanded to include the Town Centre East area.

Political Structure

The Borough of Stockport is made up of twenty-one wards with three Councillors representing each ward. After the May 2024 Elections and subsequent Bi-Elections during the year the political make-up of the council for the financial year these accounts are reporting on was:



The Cabinet is the main decision-making body of the council and is responsible for the strategic management of council services. The Cabinet consists of the Cabinet Leader and seven Cabinet Member Councillors, each of whom holds a Cabinet Member Portfolio.

The Cabinet Member Portfolios and their Cabinet Members during financial year 2024/25 were:

- Leader of the council – Councillor Mark Hunter
- Climate Change and Environment – Councillor Mark Roberts (Deputy Leader)
- Children, Families and Education - Councillor Wendy Meikle
- Finance and Resources – Councillor Jilly Julian
- Parks, Highways and Transport Services – Councillor Grace Baynham
- Economy, Regeneration and Housing – Councillor Colin MacAlister
- Communities, Culture and Sport – Councillor Helen Foster-Grime
- Health and Adult Social Care – Councillor Keith Holloway

As it is a fallow year for the local election in May 2025, there will be no change in the political make-up of the council.

The Leader of the council Cllr Mark Hunter in March 2025 announced his decision to stand down as leader of the council, he continued as Leader of the council until May 2025 when a new Leader of the council was elected.

The Cabinet Member Portfolios and their Cabinet Members following the 22 May 2025 Council meeting are as follows:

- Leader of the council – Councillor Mark Roberts
- Finance and Resources – Councillor Jilly Julian (Deputy Leader)
- Communities, Culture and Public Protection – Councillor Dan Oliver
- Parks, Highways and Transport Services – Councillor Grace Baynham
- Children, Families and Education - Councillor Wendy Meikle
- Health, Wellbeing and Adult Social Care – Councillor Helen Foster-Grime
- Economy, Regeneration and Skills – Councillor Micheala Meikle
- Housing and Environment – Councillor Jake Austin

Council Plan

The 2024 to 2027 Council Plan was approved by Stockport Council in February 2024 and was refreshed in February 2025. It is an organisational plan that sets a high-level framework for decision making over the next 3 years. It is a public-facing summary document which sits above the annual Portfolio Performance and Resource Agreements that provide key performance measures for each of the council’s seven Portfolios and complements the One Stockport Borough Plan. Our Council Plan shapes our budget and other strategic decisions over medium term. We know we need to keep an eye on the future financial robustness and resilience of the council whilst delivering our ambitions and priorities for the borough. The Council Plan has been developed around four “Big Ambitions” and two cross-cutting priorities. These are linked to the One Stockport Borough Plan’s three core themes:

 <p>ONE HEART</p>	 <p>ONE HOME</p>	 <p>ONE FUTURE</p>
<p>At the heart of Stockport are its people and the communities in which they live.</p>	<p>Stockport is a great place to live, where no one is left behind.</p>	<p>Growing, creating and delivering a thriving future for Stockport.</p>
<ol style="list-style-type: none"> 1 A caring and growing Stockport Stockport is a great place to grow where children have the best start in life 2 A healthy and happy Stockport People live the best lives they can - happy, healthy and independently 3 A strong and supportive Stockport Confident and empowered communities working together to make a difference 	<ol style="list-style-type: none"> 1 A fair and inclusive Stockport A borough for everyone - diversity and inclusion is celebrated and everyone has equity of opportunity 2 A flourishing and creative Stockport Stockport is an exciting place to live, where people are active and celebrate the culture 3 A climate friendly Stockport Stockport is a responsible and sustainable borough 	<ol style="list-style-type: none"> 1 An enterprising and thriving Stockport A thriving economy which works for everyone 2 A skilled and confident Stockport Everyone has the opportunities and skills to successfully achieve their ambitions 3 A radically digital Stockport A digitally inclusive and dynamic borough

The “Big Ambitions” and associated priorities are:

Ambition 1: ensuring that a thriving economy works for everyone through a robust focus on **Jobs, Investment** and **Regeneration**.

Ambition 2: enabling all our residents to have the **Education, Work** and **Skills** they need to benefit from local economic opportunities.

Ambition 3: improved population health and **Wellbeing** through a focus on **Prevention and Neighbourhood Working**.

Ambition 4: maintaining a focus on **delivering for those who need it most** to continue to improve outcomes for our most vulnerable residents.

These ambitions are underpinned by our clear focus on delivering against our **Climate Action Now** and **Fair and Inclusive Stockport** priorities to realise a greener and fairer Stockport. Our Council Plan has reducing inequality and responding to climate change at its heart, recognising that these are our biggest challenges. It is also shaped by our response to the many challenges faced by Local Government and builds on the positives of our joint working and collaboration to successfully deliver against our ambitions. Progress in delivering the Council Plan will be reported over the course of the year through our Portfolio Performance and Resource Agreements along with our Performance Dashboards.

Our Borough Plan and Council Plan build upon the momentum of close working and collective ambition to address these challenges and shape an even better borough for all people to live, work and spend time in. The plans reaffirm our collective commitment to working together and a series of shared priorities for the future of Stockport. In addition, the Council Plan frames the council's response to its Medium-Term Financial Plan (MTFP) and our commitment to a transformation-led strategy, which aims to manage service demand, deliver services more efficiently ensuring value for money is achieved and focus on the outcomes for Stockport residents and businesses.

Council Values

Underpinning the vision and mission of the council are our Council Values, which are:



**Thinking
Stockport**



**Achieving as a
Team**



**Working with
Ambition**



**Showing everyone
Respect**

Corporate Leadership Team Structure

The council's Corporate Leadership Team (CLT) provides managerial leadership, supporting and advising elected members in:

- Developing the council's strategies;
- Identifying and planning resources for the council;
- Delivering council plans; and,
- Reviewing the council's effectiveness in delivering excellent services to the residents of Stockport.

During the year CLT was made up of the following senior officers:

- Chief Executive (Chair).
- Deputy Chief Executive.
- Executive Director of Corporate and Support Services.
- Executive Director of People and Integration and Director of Children's Services
- Director of Finance (Section 151 Officer).
- Director of Place Management.
- Director of Education Work and Skills.
- Director of Adult Social Care.
- Director of Public Health.



In addition to the above there is also officer representation from the NHS/Integrated Care Board (ICB) who is not a council employee.

Council Employees

At the start of April 2024, the council employed 2,554 full time equivalents (FTEs) excluding school-based employees. By March 2025 this had increased slightly (1%) to 2,587 FTEs.

Our One Team People Plan has been co-designed with our workforce and partners to reflect the changing work environment. It has helped us to embed hybrid, agile working and respond to the changing expectations of our employees, based around the five pillars:

Our Five Pillar Plan ONE TEAM

- **Join Us**

Stockport Council is employer of choice providing local employment for our communities.

- **Grow and Thrive**

Everyone thrives, has access to learning and development and can reach their potential.

- **Feel Supported**

Wellbeing is a priority and everyone feels supported and valued. People first, professional second.

- **Belong Here**

There is an inclusive culture where all individuals are respected and treated fairly, where diversity is celebrated and where everyone can be themselves and thrive.

- **Live Our Values**

Our values and behaviours are at the core of how we work to deliver our One Stockport Borough Plan.

This co-designed plan has, since its introduction in 2021, driven cultural change and transformation across the organisation, including:

- Developing new approaches to recruitment and retention;
- Supporting colleagues to learn and grow;
- Having an uncompromising focus on wellbeing;
- Championing equality, diversity and inclusion; and
- Bringing to life our vision, mission and values.

Greater Manchester Devolution and Partnership Working

The Greater Manchester (GM) Devolution agreement with the Government, established in 2014, has continued to provide opportunities for better integration of policies and decision-making at a local level, leading to improved outcomes for residents across the city region. In March 2023, the "trailblazer" deal was agreed, granting GM greater control than ever before over the levers of economic prosperity. This deal aims to create job opportunities and increase productivity across Greater Manchester, demonstrating levelling up in action by empowering local leadership to make the right decisions to stimulate growth and inclusion across the city region. This includes local transport systems, skills, employment, housing, regeneration, trade, investment, innovation, business support, and finance. The GM Strategy, which integrates the public sector, businesses, and the voluntary, community, and social enterprise sector, remains vital for not only improving services but also driving productivity and prosperity across GM. The "single settlement" went live in April 2025, providing GM with greater freedom and flexibility to fund local services and invest in priorities, further enhancing the region's ability to achieve its strategic goals.

The Greater Manchester Strategy (GMS) 2021-2031: Good Lives for All, outlines ambitions for Greater Manchester (GM) to be a great place to grow up, get on and grow old, a great place to invest, do business, visit and study. The strategy serves as a blueprint to corral and energise partnerships, galvanise relationships across agencies and sectors and provide a platform for the further development and establishment of new relationships, opportunities and ways of working.

The GMS report is currently being updated and is expected to be published by the end of June 2025. Consequently, there has been no progress report since 27 October 2023. The updated report will provide an overview of the collective progress in delivering GMS ambitions, the latest progress report had a particular focus on the following five priority measures:

- **Poverty:** Supporting more families out of poverty, with a clearer understanding of the roles of various policy areas, sectors, and organisations.
- **Carbon Emissions:** Aiming for a carbon-neutral city region by 2038, with better air quality and a natural environment.
- **Employment Rate – Racially minoritised / disabled people:** Increasing the employment rate for all residents and narrowing the employment rate gap for racially

minoritised and disabled people.

- **Overweight and obese children and adults:** Reducing levels of excess weight and obesity through whole system engagement and appropriate governance.
- **Child development in early years:** Increasing the proportion of children who are at or above the expected level of development, with a focus on spatial variation in outcomes.

Stockport is well-positioned to shape and benefit from these opportunities as a member of the Greater Manchester Combined Authority (GMCA). Since June 2022, Stockport has led on the Young People portfolio, with the Leader of the Council serving as the GM portfolio lead for Young People and the council's Chief Executive also playing a specific role in this area.

2024/25 FINANCIAL PERFORMANCE OF THE COUNCIL

2024/25 Revenue Budget and Capital Programme

On 22 February 2024, the council approved the 2024/25 Revenue Budget and Capital Programme.

The revenue budget was set at £335.801m, with £254.268m Cash Limit (Service) budgets and £81.533m Non-Cash Limit (Corporate and Democratic Core) budgets. The council approved the Council Tax Resolution with a 4.99% increase on Council Tax (including a 2% increase on the Adult Social Care Precept) for 2024/25. The three-year Capital Programme approved £262.595m of resources to be allocated to capital schemes in 2024/25.

Revenue Budget and Capital Programme Monitoring

The Revenue Budget and Capital Programme are monitored throughout the year. Progress reports are presented to the council's Cabinet and relevant Scrutiny Committees. Alongside these reports, the council's Treasury Management highlighting the performance of the council's investments and capital borrowing is reported to the Cabinet and the Corporate Resources Management and Governance Scrutiny Committee.

2024/25 Revenue Outturn Position

The council's 2024/25 revenue outturn position is shown in the table below:

Portfolio	Original Budget £000	Revised Budget £000	Final Outturn £000	(Surplus)/ Deficit £000
Climate Change & Environment	10,459	10,677	10,597	(80)
Communities, Culture & Sport	7,409	8,878	8,889	11
Economy, Regeneration & Housing	1,173	1,526	1,526	0
Children, Families & Education	62,052	64,508	73,288	8,780
Finance & Resources	32,809	39,250	38,886	(364)
Health & Adult Social Care	127,462	129,681	131,655	1,974
Parks, Highways, & Transport Services	12,904	13,788	14,016	228
Total Cash Limits	254,268	268,308	278,857	10,549
Total Non-Cash Limits	81,793	67,753	61,323	(6,430)
Total Expenditure	336,061	336,061	340,180	4,119
Financed By				
Council Tax Income	165,672	165,672	165,672	0
Adult Social Care Precept	28,896	28,896	28,896	0
Business Rates Income	85,113	85,113	85,113	0
Business Rates Tariff	(21,770)	(21,770)	(21,770)	0
Grants in Lieu of Business Rates	30,197	30,197	30,208	11
Grants in Lieu of Business Rates - Green	124	124	124	0
Plant and Machinery Compensation				
Business Rates Growth Levy Surplus	0	0	402	402
New Homes Bonus	24	24	24	0
Better Care Fund Allocation	6,619	6,619	6,619	0
Social Care Grant	24,458	24,458	24,458	0
Sustainability and Improvement Fund	5,614	5,614	5,614	0
Services Grant	335	335	335	0
One off Available Resources Waste	2,476	2,476	6,136	3,660
Reserve Return & AGMA Reserve Return				
2022/23 Collection Fund Undeclared	3,860	3,860	3,860	0
2023/24 Collection Fund Declared	4,023	4,023	4,023	0
Appropriation from Earmarked Reserves	420	420	406	(14)
Total Resources	336,061	336,061	340,120	4,059
Outturn	0	0	60	60

The outturn for the council's revenue budget before financing is a deficit of £4.119m. This is made up of a £10.549m deficit on cash limit (service) budgets offset by a £6.430m surplus on non-cash limit (corporate core) budgets. The deficit has been balanced at outturn by £4.059m of additional one-off resources recognised as a part of the council's general financing. The overall outturn position for the council's revenue budget is a deficit of £0.060m when comparing budgeted (planned) expenditure with actual (incurred) expenditure. The year-end deficit of £0.060m will be funded from General Fund Balance.

The Comprehensive Income and Expenditure Statement (CIES) shows a deficit on the provision of services of £111.410m. The difference between this and the outturn surplus

explained above relates to the adjustments that are made to the CIES through the Movement in Reserves Statement (MiRS) to ensure the council's Revenue Account is prepared on a funding basis rather than an accounting basis. Note 2, Adjustments between Accounting Basis and Funding Basis under Regulations reconciles the differences between the CIES deficit and the outturn surplus. Some of the reasons for the differences include:

- Capital investments are accounted for when financed, rather than when consumed, for example General Fund Grants and Contributions of £68.144m were credited to the Comprehensive Income and Expenditure Statement in 2024/25;
- Charges for depreciation, revaluation losses and impairment of non-current assets and investment assets of £65.978m in 2024/25;
- Retirement benefits are charged as amounts when they become payable to the pension fund and pensioners, rather than as future benefits are earned (£0.379m for 2024/25); and,
- The Minimum Revenue Provision for capital financing as a charge to the General Fund does not appear in the CIES (£17.036m for 2024/25).

Dedicated Schools Grant (DSG)

The Centrally Held Budget (CHB) is managed by the council on behalf of schools and consists of a range of services to schools and pupils. The total DSG allocation which is centrally held is £86.055m, comprising the Early Years block (£40.083m), High Needs Block (£38.800m), de-delegated funding for services to local authority maintained schools (£3.430m), Central School Services (£2.431m) and Central Reserve (£1.311m).

The 2024/25 outturn position on the CHB is a deficit of £19.279m. The significant cost pressure experienced in-year reflects the continued cost increases and demand in the high needs block including:

- More pupils in mainstream schools accessing High Needs top-up support funding;
- Requirement to increase local specialist capacity further for Special Educational Needs placements;
- Requirement to access more alternative provision/Pupil Referral Unit places due to increase in permanently excluded pupils;
- Increase in placements in high-cost external/independent providers; and
- Increase in occupational health and speech and language support contracts for the increased special school pupil cohort.

In November 2020, the Ministry of Housing, Communities and Local Government (now Department for Levelling Up, Housing and Communities (DLUHC)) issued a statutory override to the regulations with regards to the recognition of DSG deficits against councils' General Fund Balance. Since the override has been in place, year-end DSG deficits have not been charged to the council's General Fund Balance but instead been held in an unusable reserve on the Balance Sheet. The cumulative DSG deficit balance held at 31 March 2025 is £43.095m. The National Audit Office estimate a national DSG deficit position of more than £4bn, which is before councils' treasury management costs of funding these deficits are factored in. In addition, almost half of councils across the country are estimated to have DSG deficits which are greater than their useable reserves.

In June, the government announced an extension to the statutory override to March 2028 (from March 2026), although this has yet to be passed in legislation. An exponentially increasing deficit position linked to insufficient high needs annual funding to meet an increasing need for support and complexity is a real concern for all councils. Without Government intervention and significant reform to schools funding and particularly high-needs funding, there is a significant risk councils will go bankrupt when their cumulative deficits have to be recognised and funded. This is recognised in the council's corporate risk register. It is hoped that the Government's schools white paper in autumn addresses this.

The table below shows the cumulative DSG deficit balance held on the council's Balance Sheet:

	£000
Cumulative DSG Deficit Balance as at 31 March 2024	23,816
2024/25 DSG Outturn	19,279
Cumulative DSG Deficit Balance as at 31 March 2025	43,095

General Fund Balance

General Fund Balance has increased by £0.608m, from £14.515m at the start of the year to £15.123m as at 31 March 2025. The movement relates to:

- £0.668m increase to top the balance back up to the recommended level following the 2023/24 financial year outturn deficit as part of the 2024/25 Reserves Policy; and,
- £0.060m reduction relating to the 2024/25 outturn deficit.

The recommended minimum level of General Fund Balance as set out in the 2025/26 Budget is £15.183m. It has been assessed that this balance reflects the level of unallocated balances that would be needed to address any unexpected budget pressures in 2025/26. The balance is calculated based on the spending experiences and risks to which the council might be exposed to and is approved as part of the budget setting process and the risk assessment of the budget. The General Fund Balance will be increased to the recommended level as part of the council's 2025/26 Reserves Policy.

Earmarked Reserves

Earmarked reserves represent resources that have been set aside to fund specific commitments and plans. These resources can only be used once to fund expenditure, so there is an 'opportunity cost' to consider when using them. The council's Reserves Policy governs the use of resources held in earmarked reserves and ensures reserves continue to be held at an appropriate level aligned to the council's corporate and strategic priorities. This also provides the council with a robust contingency of resources to mitigate risks associated with the financial challenges over the medium-term period. The council's Reserves Policy was updated during the year.

Reserves continue to be a key part of the council's strong financial management. The annual review of the Reserves Policy at the start of the financial year assured the council resources held in earmarked reserves were sufficient to provide the council with the required level of financial resilience and robustness. The review provided assurance that

resources held could be made available if needed to support increasing demand for services, to mitigate the impact of unexpected financial pressures and funding changes. However, it importantly also highlighted the potential adverse effects of using resources for financial impact mitigation on the council's financial robustness and resilience over the medium-term period and consequent impact on the council's ambitions and priorities – 'the opportunity cost'.

General Fund earmarked reserves, not including schools, saw a net decrease of £8.856m during the year and the balance is £73.728m as at 31 March 2025.

This includes the following use of reserves during the year:

- £0.409m approved use of reserves to support the council's 2024/25 budget;
- £2.854m from the Income and Interest Rate Risk Mitigation reserve;
- £1.483m from the Revenue Contribution to Capital Outlay (RCCO) reserve;
- £0.937m from the Insurance reserve to increase the insurance provision based on the actuary report;
- £0.936m from the Adults reserve;
- £0.874m from the Health and Social Care Integration reserve;
- £0.850m from the Post-Covid Investment reserve;
- £0.640m from the Cabinet One-Off investment reserve;
- £0.565m from the Workforce Investment/Change reserve; and
- £0.408m from the Children's reserve.

The use of reserves is offset by the following increase to reserves at outturn:

- £1.429m to the Collection Fund reserve relating mainly to the 2024/25 Collection Fund surpluses on the Section 31 Grants; and;
- £0.919m to the Legislative and Statutory Requirement reserve.

Note 7 to the Statement of Accounts provides more information about the balances held on individual reserves.

2024/25 Capital Programme Outturn

The 2024/25 Capital Programme had ambitious capital investment plans for the borough helping to regenerate the economy, create jobs and develop strong communities which included a significant and diverse range of schemes, many of which span several years. Individual capital schemes making up the programme are regularly reviewed, and the spending profiles are aligned accordingly as the schemes develop. During the year, a net total of £71.231m additional funding for schemes was added to the programme and £108.741m was re-phased to align with the developing schemes expenditure profiles.

The council successfully delivered its 2024/25 Capital Programme with an outturn expenditure of £117.745m as at 31 March 2025.

As stated above, the council has a large and varied capital programme, with significant expenditure on housing, highways and regeneration projects. The most significant schemes of the 2024/25 Capital Programme include the following:

- Housing Revenue Account (HRA) had £14.171m of expenditure on general capital schemes and £9.704m on new build schemes;
- A total of £24.541m has been spent on highways projects, including £3.372m on the A34 Major Road Network, £3.818m on Active Travel Measures, £2.314m on Pothole and Highway Maintenance Improvements and £2.229m on SEMMMS Relief Road;
- £32.080m was spent in total on regeneration schemes, including £10.903m on Future High Streets Fund, £11.073m on the Weir Mill Development, and £4.481m on the Academy of Living Well; and,
- A total of £17.413m was spent on School Estate Capital Schemes and £3.516m on the Asset Management Plan.

The table below sets out the 2024/25 three-year Capital Programme as at 31 March 2025 by Portfolio and the resources being used to finance it:

Portfolio	2024/25 Programme £000	2025/26 Programme £000	2026/27 Programme £000
Communities, Culture & Sport	2,968	13,000	6,391
Economy, Regeneration & Housing	61,574	89,130	35,870
Finance and Resources	27,894	37,946	3,539
Health & Adult Social Care	71	220	
Parks, Highways & Transport	25,238	51,661	15,695
Total	117,745	191,957	61,495
<u>Resources</u>			
Capital Grants	53,886	92,740	23,214
Directly Funded Borrowing	26,677	73,323	19,727
Unsupported Borrowing	7,005	4,404	2,559
Capital Receipts	3,539	3,818	306
External Contributions	6,471	872	
Commuted Sums	3,432	766	
Revenue Contributions (RCCO)	2,984	1,685	976
HRA Funding from Major Repairs Reserve	13,751	14,349	14,713
Total	117,745	191,957	61,495

Treasury Management

The council's 2024/25 Treasury Management Strategy and Annual Investment Strategy were approved at the council meeting on 22 February 2024. This sets out the council's approach to managing its:

- Investments and cash flows;
- Banking, money market and capital market transactions; and
- The effective control of the risks associated with these activities to ensure optimum performance in relation to its treasury management.

Treasury Management organises the council’s debt and investment position to ensure there is adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting during the year and through officer activity detailed in the council’s Treasury Management Practices.

At the end of 2024/25, the council’s treasury position, including interest rate as at 31 March 2025 was as follows:

	Financial Year 2024/25			
	General Fund		Housing Revenue Account	
	£000	Interest rate	£000	Interest rate
Total Debt	699,037	3.84%	93,007	4.55%
Total Investments	8,100	5.06%		
Net Debt	690,937		93,007	

UK Economy 2024/25

The Bank of England has been focused on bringing down inflation while supporting economic growth. In 2024 and 2025, the UK economy is expected to experience moderate growth, with inflation gradually returning towards the 2% target. The Bank of England has been adjusting interest rates to manage inflationary pressures and also encouraging sustainable economic growth.

The UK's economic outlook is influenced by global economic conditions, including the performance of major trading partners and commodity prices.

Government policies, such as fiscal measures and investment initiatives, can also impact the economy and influence the Bank of England's monetary policy decisions.

Consumer spending is a key driver of the UK economy, and its strength depends on factors like real income growth, employment levels, and consumer confidence.

Borrowing Outturn Position

Part of the council’s treasury activities is to address the funding requirements for this borrowing need and the treasury service organises the council’s cash position to ensure that there is sufficient cash available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, such as the Government, through the Public Works Loan Board (PWLB), or the money markets, or utilising temporary cash resources within the council.

The PWLB lending facility is operated by the UK Debt Management Office (DMO) on behalf of His Majesty’s (HM) Treasury and provides loans to local authorities from the National Loans Fund, operating within a policy framework set by HM Treasury. This borrowing is for capital projects and usually longer-term in nature, i.e. 1-to-50-year loans. The council also raises temporary loans (under 12 months in duration) through the money markets, predominantly from other local authorities. Cash supporting the council’s reserves and

balances and cash flow generated investments can also be used as an interim measure to manage cashflow.

UK Borrowing Rates

Public Works Loan Board (PWLB) in 2024/25, interest rates varied depending on the loan duration and whether the 'Certainty Rate' was applied. Generally, rates ranged from around 4.82% for a 1-year loan to 5.98% for a 25-year loan, with rates for longer-term loans (like 50 years) being slightly lower. These rates were relatively stable through the year, with some upward fluctuation, particularly after the Autumn Statement.

The Bank of England's base rate (Bank Rate) saw a gradual decrease throughout the 2024/25 financial year. Starting at 5.25% in August 2024, the base rate was cut in stages to 4.25% by May 2025. This reduction is largely due to a decrease in inflation and easing inflationary pressures.

Borrowing Strategy 2024/25

Throughout 2024/25 the council has borrowed shorter-term cash from the market (other councils) and drawn back liquid investments to meet cashflow requirements. The council has also utilised internal cash balances (i.e. working capital and reserves) which were not required in the short/medium-term.

In the latter part of 2024/25, raising loans from other local authorities became difficult due to liquidity shortages in the local authority to local authority lending market. This forced short-term lending rates well above 6% in the last week of March due to supply and demand issues and a general shortage of lenders.

Due to an inability to raise short-term loans in quarter four of 2024/25 the council borrowed £187m from the PWLB, which included the replacement of £89m of maturing PWLB loans. Short-term borrowing levels also reduced to £65m by 31 March 2025 with some loans being replaced by PWLB borrowing.

Investment Outturn Position

The council's investment policy is governed by Ministry of Housing, Communities and Local Government (MHCLG) investment guidance, which has been implemented in the 2024/25 Annual Investment Strategy approved by the council.

Investment activity during the year has operated within the boundaries established by the council's Annual Investment Strategy, with the council's investment priorities being Security of Capital, Liquidity and Yield. For its cash flow generated balances, the council has used notice accounts, Money Market Funds and a limited number of fixed-term deposits to invest available resources during the year.

Looking back to 2024/25, the council was able to achieve investment returns in excess of 5% for all periods ranging from 1 month to 12 months in the spring of 2024 but by March 2025 deposit rates were some 0.75%-1% lower (in line with reductions in Bank Rate). The council's liquidity requirements were a drain on day-to-day investment choices and therefore extending duration was not an option.

Specified investments (investments less than a year in duration), have continued to be at the forefront of the council's investment strategy, particularly given Money Market Funds have provided reasonable returns in close proximity to Bank Rate for liquidity purposes.

The table below shows the investment strategy undertaken during 2024/25:

	Average Balance Invested £000	Weighted Average Return %	Weighted Average time to maturity (days)
Quarter 1	40,376	5.29%	16.95
Quarter 2	46,285	5.18%	19.21
Quarter 3	33,371	4.88%	1.56
Quarter 4	21,405	4.69%	1.09
Weighted Average	35,422	5.06%	11.68

The council's combined investments generated an average rate of return of 5.06% for 2024/25 with an average portfolio of £35.422m and 11.68 days duration. This reflects a positive performance for the year compared to industry indices such as Sterling Overnight Index Average (SONIA) rates and bank rates.

Collection Fund

Under legislation, income and expenditure relating to the council's collection and distribution of Council Tax and Business Rates income as a Billing Authority, is accounted for within the Collection Fund. This ensures Collection Fund income and expenditure is 'ringfenced' and kept separate from the council's General Fund account.

The outturn position is a surplus of £0.524m compared to expected income collection at the start of the year consisting of a £0.986m deficit on Council Tax and a £1.510m surplus on Business Rates. The council's share of this surplus is £0.668m made up of £0.827m deficit on Council Tax and £1.495m surplus on Business Rates. The table below provides a summary of the Collection Fund outturn position for 2024/25:

	Council Tax £000	Business Rates £000	Total £000
Collection Fund Income	(229,530)	(91,926)	(321,456)
Council Tax Hardship	(385)		(385)
Collection Fund Expenditure*	230,901	90,416	321,317
2024/25 (Surplus)/Deficit	986	(1,510)	(524)
Allocated to:			
Stockport Metropolitan Borough Council	827	(1,495)	(668)
Mayoral Police and Crime Commissioner	108		108
Mayoral General including Fire Services Share	51	(15)	36
	986	(1,510)	(524)

*Includes distribution to the council and Precepting Authorities during the year.

The council's share includes £0.187m allocated to Greater Manchester Combined Authority (GMCA) for their additional share of the 100% Business Rates benefit which reduces the overall council share to (£0.481m). The table below provides a summary of this.

	2024/25 Council Tax £000	2024/25 Business Rates £000	Total £000
Collection Fund Outturn - council	827	(1,495)	(668)
Council Tax – council	827		827
Business Rates – council		(1,308)	(1,308)
Total – council	827	(1,308)	(481)
Business Rates – GMCA		(187)	(187)
	827	(1,495)	(668)

The unpredictability of the Collection Fund, particularly on Business Rates, can impact considerably on year-end positions compared to expected forecasts. The variance reflects the following:

- Lower levels of Empty Premises relief on Business Rates;
- Review of the Business Rates appeals provision to reflect internal/external intelligence and subsequent threats to the list along with Valuation Office Agency data concerning the level of appeals known;
- These favourable variances were offset by a higher top up to the Business Rates bad debts provision;
- Higher Section 31 grants funded reliefs compared to the declared position; and
- Lower growth on Council Tax income relating to slippage on new housing developments.

Greater Manchester 100% Business Rates Retention Pilot

The 100% Business Rates retention was introduced as a pilot in 2017/18 and was confirmed as part of the Greater Manchester trailblazer deal to continue until 2033/34. The scheme has enabled the council alongside the other Greater Manchester councils to benefit from the local retention of Business Rates income growth that would otherwise have been passed to Government.

In 2024/25, the 100% local retention of Business Rates income growth generated a benefit at outturn of £8.403m, an increase of £1.283m compared to the budgeted benefit of £7.120m. It has been agreed that the benefit will be shared 75%:25% between the council and GMCA. The council's share of the benefit was £6.302m and has been used to support the council's 2024/25 budget. GMCA use their share alongside the other Greater Manchester councils' 25% benefit share to fund regional priorities and investment.

Housing Revenue Account (HRA)

Under legislation, income and expenditure on council housing is 'ringfenced' within the HRA. This means the council is not able to make contributions to or from its General Fund from or to the HRA.

After considering adjustments between the accounting basis and the funding basis under legislation and transfers to and from earmarked reserves, there is no surplus and the HRA balance remains £1.097m as at 31 March 2025. On an accounting basis, the 2024/25 outturn position on the HRA is a surplus of £5.266m.

	Budget 2024/25 £000	Actual Outturn £000	Variance £000
Total Management and maintenance	38,867	38,719	(148)
Total Other Expenditure	26,309	25,469	(840)
Total Expenditure	65,176	64,188	(988)
Total Income	(65,274)	(65,224)	50
Net Cost of Services	(98)	(1,036)	(938)
Investment Income	(75)	(60)	15
Net Operating Expenditure	(173)	(1,096)	(923)
RCCO		33	33
(Surplus)/Deficit for year	(173)	(1,063)	(890)
(Surplus)/Deficit brought forward	(1,097)	(1,097)	0
Future Investment Reserve - Budgeted	173	173	0
Future Investment Reserve - Additional		890	890
Accumulated (Surplus)/Deficit	(1,097)	(1,097)	0

Group Accounts

The council's Group Accounts include those entities where there is a material financial interest, and the council holds a significant level of control. The council's Group boundary comprises of:

- Stockport Metropolitan Borough Council;
- Stockport Homes Ltd;
- Totally Local Company Ltd;
- Stockport Exchange Phase 3 Ltd;
- Stockport Hotel Management Company Ltd;
- Stockport Mayoral Development Corporation;
- Stockport Active CIC;
- Interchange LLP; and
- Stockport 8 LLP.

In accordance with the Accounting Code of Practice, consideration has been given as to whether these entities should be consolidated into the council's Group Accounts. Totally Local Company Ltd and Stockport Homes Ltd accounts are consolidated into the council's Group Accounts. The interests in the other group companies are not considered material therefore these accounts are not consolidated into the council's Group Accounts.

2025/26 Revenue Budget

At the council meeting on 27 February 2025, the 2025/26 Revenue Budget was approved. The budget was set at £355.978m, with £276.083m Cash Limit (service) budgets and £79.895m Non-Cash Limit (corporate and democratic core) budgets. The following table sets out the approved budget for 2025/26:

	2025/26 Revenue Budget £000
Children, Families & Education	74,006
Climate Change & Environment	8,994
Communities, Culture & Sport	7,941
Economy, Regeneration & Housing	1,542
Finance & Resources	38,972
Health & Adult Social Care	130,775
Parks, Highways & Transport Services	13,853
Total Cash Limit	276,083
Pay Inflation	4,239
Pensions - Superannuation and Auto Enrolment	50
Inflation - Price, Energy, Real Living Wage & Supplier Impact	8,926
Employers NICs Direct Costs	2,382
Public Health 2025/26 Uplift	980
Apprenticeship Levy	450
Leisure Management Fee Contingency	1,313
Non-Cash Limit	61,555
Total Non-Cash Limit	79,895
Total Expenditure	355,978
Financed By	
Council Tax Requirement – General	173,133
Council Tax Requirement – Adult Social Care Precept	33,102
Business Rates Income	89,972
Business Rates - Tariff	(20,724)
Business Rates Section 31 Grants	28,692
Business Rates Green Plant and Machinery Compensation	124
New Homes Bonus Grant	865
Better Care Fund	6,619
Social Care Grant	28,668
Market Sustainability and Improvement Fund	5,614
Children's Services Preventative Grant	883
Employers NICs Compensatory Grant	2,149
Extended Producer Responsibility (pEPR)	2,501
GMCA Extended Producer Responsibility (pEPR) Return	2,168
Collection Fund 2024/25 Outturn Declared	412
Collection Fund 2023/24 Outturn above Declared	1,392
Appropriation From Reserves – Balancing	408
Total Resources	355,978

In setting a balanced 2025/26 Budget, the council bridged the £26.438m saving requirement identified at the start for the year. The council's response to the funding gap has been to focus on a series of change proposals, whilst recognising the importance of a robust and resilient budget to enable these changes. This approach included updating the underpinning MTFP forecasts and assumptions aligned to the changes in the financial landscape during the year, consideration of local taxation, use of reserves and £8.937m of approved saving proposals.

The saving proposals identified focus on addressing the financial challenges whilst ensuring we can support those areas of increasing need:

- **Propositions** - maximising adult social care prevention and independence of clients via the embedding of technology, development of One Stockport Local appointments, delivery of the Learning Disability strategy and delivering Care Act reviews. Managing the external care market to ensure optimum levels of commissioning are achieved and support is appropriate to meet the needs of the individuals. Fairer charging to ensure that the adult social care charging policy is fair and equitable. In addition, there are two proposals around waste collection. The first being a change to the frequency of blue bin collections from fortnightly to four-weekly. The second being a proposal to charge for the collection of garden waste. There is also a proposal to work more effectively with our partners, making the best use of skills and talent across our organisations, helping recruitment and retention and sharing the strengths within our organisations.

Efficient and Effective Service Delivery – Productivity - the delivery of efficient and effective services is at the very heart of everything we are doing, as outlined in our Council Plan. We recognise that alongside our longer-term ambitions, we must deliver good quality services for the people of Stockport. We need to push further on delivering services that are the most efficient and effective they can be, focusing on the right things and doing them in the right way. We need to maximise the benefit of the Stockport pound for our residents. This means making the best use of digital technology and automation and supporting our workforce to provide excellent services whilst exploring further opportunities to work more effectively with partners.

- **Sales, Fees and Charges** – maximising income from services provided and ensuring costs of those services is fully recovered. We recognise that introducing new fees and charges can generate opposition in consultations. However, the council is faced with having to introduce these fees and charges to support the budget and protect essential frontline services.

The table below provides the total contribution of each of the change proposals to the councils MTFP.

Change Proposals	£000
Adult Social Care	2,600
Place Management - Waste	2,250
Corporate Core	250
Productivity and Efficiency	3,330
Sales, Fees and Charges	507
Total	8,937

Alongside the saving proposals, the council approved a 4.99% increase in Council Tax (including a 2% Adult Social Care Precept) for 2025/26. The decision to increase Council Tax was not taken lightly and weighed up the impact this would have on Stockport residents, recognising the difficulties residents, communities and businesses are experiencing with the increased cost of living. However, Government continues to place councils in a challenging position, where the use of Council Tax to support the funding of local services is expected and thus unavoidable; Government's stance remains that councils should use local taxation as a means of funding local services. It was important that a balance was found to protect service provision for those that need the council's support the most, as the need for support from essential council services increases.

The council will continue to analyse budgets during the year to identify the underlying budget pressures and mitigate the impact of the uncertainty and financial risk. This will include the quarterly budget monitoring reporting cycle, the 2025/26 MTFP Summer Review, the 2025/26 Reserves Policy and further development of the council's Capital Strategy and Capital Programme. The continuation of strong financial management across the council will be more important than ever to ensure confidence in its financial robustness and resilience and smooth the impact of the financial challenges ahead whilst delivering essential services to Stockport residents.

Medium-Term Financial Landscape and Financial Challenge

The council continues to face significant budget pressures due to inflationary costs and increasing service demand reflecting residents and businesses increased need for support over the medium-term period. The council's forecast cumulative saving requirement over the next three financial years 2026/27 to 2028/29 is £43.928m. Financial risks remain in the forecasts and assumptions for 2025/26 and beyond, which the council through its strong financial management will continue to review, update and mitigate. The adverse economic impact such as inflation, including changes to National Insurance and increases to the National/Real Living Wage and the increasing service demand, is evidence of these risks.

The 2025/26 Local Government Finance Settlement provided no certainty about Government funding for councils beyond 2025/26. It is recognised that an upcoming Government Spending Review in 2025/26 and planned reforms in 2026/27 will have a bearing on this. Whilst the council welcomes reforms to council funding it is important to stress the need for the overall amount of funding is insufficient and needs to be considered in the Government's Spending Review. There is a significant need to review and increase the funding for councils to cover the rising costs and growing needs for essential services

before any funding distribution reforms are considered. While the council waits for the Government's spending review and planned funding reforms, the MTFP assumptions and forecasts will continue to be shaped in an uncertain and unstable environment.

We are keen to ensure, that the council's MTFP is robust on a recurrent basis whilst dealing with the uncertainty at both a national economic and a local economic level. We expect greater certainty of the council's resource allocations over the medium term via funding simplification and multi-year settlements, but we remain cautious about the impact of changes to the Government priorities and funding reforms will have on the council's MTFP. The 2025/26 final funding settlement clearly indicated Government's intention to distribute funding to councils with higher levels of deprivation and less ability to generate income from Council Tax. This puts the council's future funding allocations at risk, making the sufficiency of and approach to any transitional support important. Officers will continue to work with Government to ensure the financial challenges faced by the council are considered as part of any changes and we will assess the impact of any Government announcements on the council's MTFP.

The council remains committed to its MTFP Strategy to frame the choices it needs to make about the services it delivers and how they are delivered. The MTFP Strategy is central to the delivery of the priorities of the Council Plan and One Stockport Borough Plan. Using each of the four themes as a lens with which to view services, the council can ensure these decisions consider the future shape and financial sustainability of the council and the essential services it provides to Stockport's residents. This is key to the council ensuring its financial planning is robust and resilient whilst dealing with the uncertainty at a national level.

A robust and resilient budget, MTFP and underpinning financial management is key to mitigating and smoothing the financial impact. The financial position reported in these Statement of Accounts and the level of reserves and balances held, underpinned by the council's Reserves Policy, demonstrates this robustness and resilience over the medium-term. Nevertheless, the financial landscape remains challenging with ever increasing levels of uncertainty, volatility and risk. For this reason, the updating of the council's MTFP will remain iterative during 2025/26 to ensure the underpinning financial forecasts and assumptions remain robust and resilient to tackle the challenges ahead and provide a stable financial platform throughout the year.

The Finance Team will continue to build on the council's strong financial management to address challenges, inform decision making and mitigate impact. This includes:

- Budget monitoring and forecasting of the 2025/26 outturn position to understand the financial position of the council during the year and highlight early any emerging financial risks.
- Annual review of the council's Reserves Policy to ensure the council's one-off resources are aligned to its priorities and continue to support its financial resilience.
- Monitoring the council's Capital Programme to understand the revenue implications of capital investments; and
- Continual updates of the council's MTFP during 2025/26 to retest the underpinning assumptions and forecasts, particularly in terms of inflationary cost pressures and demand to ensure the council's medium-term financial planning is robust and informs decision making.

Capital Strategy

CIPFA's Prudential Code for Capital Finance in Local Authorities requires councils to produce a Capital Strategy each year to demonstrate that its capital investment plans have due regard to service objectives, stewardship of assets, value for money, prudence, sustainability and affordability. Through a formalisation of other plans, strategies and policies that the council already has in place, the Capital Strategy provides a robust governance framework for the council's capital investment decisions. It provides a high-level overview of how the council's capital investment decisions contribute towards the provision of services. It sets out the long-term context in which capital expenditure and investment decisions are made, ensuring consideration of both risk and reward, and impact on the achievement of the council's priorities. The council recognises that the management of its capital resources is fundamental to achieving the priorities set out in the Council Plan and its wider One Stockport Borough Plan. The Capital Strategy provides a framework to do this, optimising and managing the council's capital resources and understanding the implication of capital investment decisions on the future sustainability of the council.

The adoption of the Capital Strategy was approved by the council on 27 February 2025 and focuses on:

- **Capital Expenditure** – Provide an overview of governance processes for approval and monitoring of capital expenditure, provide a long-term view of the council's capital expenditure plans and an overview of its asset management planning, and provide details of any restrictions to borrowing or funding linked to these plans;
- **Debt, Borrowing and Treasury Management** – Provide projections of the capital financing requirement (i.e. unfunded capital expenditure requiring external borrowing) and provide details of the required provision for repayment of debt over the life of the underlying asset (minimum revenue provision - MRP);
- **Commercial Activity** – Provide details of the council's approach to commercial investment activities, including ensuring effective due diligence and risk appetite and the requirements for independent and expert advice;
- **Knowledge and Skills** – Provide details of the knowledge and skills required both internally by officers and externally by external advisors; and,
- **Affordability and Risk** – ensure that the Section 151 Officer reports explicitly on the deliverability, affordability and risks associated with the Capital Strategy.

2025/26 Capital Programme

The 2025/26 three-year Capital Programme was approved on 27 February 2025, with a total planned expenditure of £223.171m, including £163.300m for 2025/26.

Portfolio	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 Onwards £000
Communities, Culture & Sport	14,488	306		
Economy, Regeneration & Housing	82,410	34,146		
Finance and Resources	32,775	3,659	2,418	3,366
Health & Adult Social Care	58			
Parks, Highways & Transport Services	33,569	18,057	1,285	946
Total	163,300	56,168	3,703	4,312

The council's 2025/26 three-year Capital Programme approved on 27 February 2025 included the following significant schemes:

- £14.488m capital investment for the Marple Community Hub Scheme.
- £82.410m for Regeneration schemes, including £13.500m on the Weir Mill Development, £15.162m on the Cheadle Eco Business Park Development, £10.287m on the Academy of Living Well, £6.311m for Mayoral Development Corporation (MDC) Schemes;
- £35.483m of capital housing schemes including £25.479m capital investment in the HRA, £14.730m of this is on HRA General schemes and £10.749m on HRA New Build schemes, £9.545m in loans to Stockport Homes for the Affordable Homes Scheme;
- £20.199m on Schools Estate capital schemes, £5.328m on the Asset Management Plan, £2.635m in loans to Totally Local Company for the fleet vehicle loan facility, £4.113m for the redevelopment of Adswold Depot; and
- £33.569m capital investment on Highways, including £13.594m planned capital spend on the long running SEMMMS A6 to Manchester Airport Relief Road scheme, £6.215m on Cheadle Town, which is to invest in walking and cycling facilities in Cheadle Town Centre and new railway station, £9.763m on the A34 Major Road Network, £1.007m on Merseyway Car Park Waterproofing, and £2.216m on the Street Lighting Investment Programme.

Since approval in February 2025, there has been some significant new funding allocations and re-phasing of schemes, resulting in an increase of £28,637m, which brings the total planned expenditure to £191.937m for 2025/26. Further details of these changes are set out by portfolio in the following table.

	2025/26	New and amended schemes	Re-phasing and Virements	2025/26 Updated
Portfolio	£000	£000	£000	£000
Communities, Culture & Sport	14,488	0	(1,488)	13,000
Economy, Regeneration & Housing	82,410	374	6,326	89,110
Finance and Resources	32,775	170	5,001	37,946
Health and Adult Social Care	58		162	220
Parks, Highways & Transport Services	33,569	6,703	11,389	51,661
Total	163,300	7,247	21,390	191,937

Financial Resilience

The council's strong financial management has ensured its robustness and resilience to the many challenges during 2024/25 evidenced by the council's ability to set a balanced budget in 2025/26. It is important that the council continues to build on this to address and mitigate the financial challenges ahead.

CIPFA's Financial Management Code of Practice came into effect from 2021/22. The Financial Management Code is based on six principles supporting financial resilience, which the council demonstrates it complies with through self-assessment:

- **Organisational leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to **professional standards** is promoted by the leadership team and is evidenced.
- **Sources of assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The **long-term sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

There are a number of ways the council demonstrates its financial resilience to council members and Stockport residents, including the following:

- **MTFP Summer Review and Updates** – regular reviews of the key assumptions and forecasts that underpin the council's MTFP to ensure they remain robust and based on the most up to date information throughout the year;

- **Reserves Policy** – annual update of the council’s Reserves Policy to ensure earmarked reserves are aligned to the council’s corporate and strategic objectives over the medium-term period;
- **Budget Risk Assessment** – annual assessment of the adequacy of the council’s General Fund Balance to mitigate the impact of risks;
- **Scrutiny Committee and Audit Committee** - regular Member scrutiny of the council’s Financial Management throughout the year; and
- **Internal and External Audit** – independent audits of the council’s financial management throughout the year. During 2024/25 an internal audit of the council’s financial governance and financial resilience gave the council substantial assurance on the strength of its financial management and financial resilience.
- **CIPFA Financial Management Code** – a self-assessment has been completed against the requirements of the code which provides guidance for good and sustainable financial management in local authorities and ensures that authorities are managing resources and risk effectively. The self-assessment was last reviewed by Internal Audit and reported to the Audit Committee in November 2023. The assessment will be updated in 2025/26, with Internal Audit to reviewing it and presenting the findings to Audit Committee.

2024/25 NON-FINANCIAL PERFORMANCE OF THE COUNCIL

Performance

Each Cabinet Member is responsible for a portfolio of services. At the start of the year each Member signs up to a Portfolio Performance and Resource Agreement (PPRA) which set out key delivery programmes, performance measures and budgets associated with their portfolio. Each Portfolio Holder reports on the progress in delivering these priorities and outcomes during the financial year, with the reports considered in detail by the relevant Scrutiny Committees. In addition, corporate reports are produced during the year, setting out the council’s overall financial position and a summary of the delivery against the key priorities and performance outcome measures. The corporate reports are considered by both the Cabinet and the Corporate and Resource Management and Governance Scrutiny Committee.

Achievements

We have delivered some great things in 2024/25, some of our many achievements during the year are summarised briefly below.

- Stockport Council was selected as a finalist in prominent categories of two highly esteemed public sector award schemes: the ‘Council of the Year’ category in the Local Government Chronicle (LGC) Awards and the ‘Local Authority of the Year’ category in the Municipal Journal (MJ) 2025 Achievement Awards.
- The council was confirmed as Local Authority of the Year by the Municipal Journal. Judges praised the council’s *‘standout’ submission for its ‘clarity of purpose and impact’ and a ‘commitment to people-centred progress’*. *‘Their collective energy, evident in the “OneStockport” ethos, shone through a powerful combination of investment, service delivery, and authentic co-production. From infrastructure projects to the moving story of a new colleague supported into work, their*

commitment to partnership and people-centred progress stood out. Their pride is well-earned, and their promise that “the best is yet to come” feels entirely credible.’

- The ongoing review of MTFP has helped the council ensure that its financial position remains robust and resilient, despite the current challenges.
- Stockport's Neighbourhoods and Prevention programme, 'Stockport Live Well', has facilitated the creation of comprehensive interactive neighbourhood profiles that enhance understanding of local communities. The Live Well online directory has also been launched to provide efficient information, advice, and guidance.
- The national diabetes prevention programme take-up in Stockport continues to be the highest in Greater Manchester. More than 2,000 local people began this nine-month behaviour change programme in 2024/25.
- A new Active Pathways social prescribing service for physical activity has been developed, building on the Stockport Moving Together Wellbeing Prescription that was developed and tested in Brinnington over the past 12 months. The service will initially be piloted across three neighbourhoods with a view to broadening the reach both geographically and to children and young people in the second and third years. In addition, the Stockport SHAPES Alliance's early intervention and prevention programme has recently been recognised for best practice across Greater Manchester (Greater Manchester Moving).
- A community urgent treatment centre was commissioned – this will support the shift from hospital to community and provide better care close to, or in, people's own homes. A Surge Plan was enacted over Christmas and continued through to the end of March, to improve the four-hour Accident and Emergency wait time quality standard. The Community Surge (Urgent Treatment Centre) has positively contributed around 4% towards the standard – the highest individual contribution from all high-impact interventions.
- The Resident Advice and Support (RAS) Alliance (the council's Welfare Rights & Debt Advice and Cost of Living Helpline plus Stockport Support Hub, Stockport Homes and Citizens Advice) has supported 28,331 residents to access £17.129m in new benefits. The Citizens Advice Bureau has assisted 1,204 residents with debt advice; £1.17m of debt written off; 1,440 residents assisted with benefit checks, claims and/or appeals; £1.36m, of one-off/lump sum cash gained; £3.71million of recurring annual income gained.
- During the year 364 households in Stockport received funded home improvements through the ECO4 grant scheme. The total financial benefit of the measures was circa £2.6m the average annual energy bill saving for the households that participated was circa £574 and 1,580 tonnes of CO2 emissions were saved. As a result of this work, 60 jobs and six apprenticeships were supported.
- Innovative use of the apprenticeship levy is upskilling colleagues in a wide range of professions, aligned to hard-to-fill vacancies and areas of skills shortages. During 2024, the council paid out over £1m of its levy, funding 207 current apprentices who are undertaking 57 different apprenticeship courses and working with 34 different training providers. The completion rate of 73%, as reported by the Department for Education, is well above the national average and was noted by the judging panel at the LGC workforce awards.
- Merseyway Innovation Centre (MIC) reached 97% occupancy of its individual office units in February 2025. The centre's co-working space, meeting rooms, and business lounge continued to be well used. Onsite support from the Innovation Director is

aiding growth within occupying businesses. The Workshop has been rebranded as the 'Stockport Business Support Hub' and now provides support for businesses.

Corporate Risks

A number of Corporate Risks have been identified at a strategic level. These risks are under regular review, with emerging risks identified and added in year, along with risk descriptions and controls being updated. The council includes an update on internal controls and mitigating actions for the risks in a detailed update for the Audit Committee to consider.

The Corporate Risks as at March 2025 were:

- **Change Management** – organisational cultures and other barriers impact on ability to manage and implement change effectively;
- **Financial** – failure to deliver the Medium-Term Financial Plan (savings targets and balanced budget);
- **Cyber risk**– impact on the council of a cyber-attack and mitigating controls to minimise the likelihood or successful attack and mitigations should one happen;
- **Demand Pressures** – inability to influence behaviour change resulting in demand and expectations continuing to rise;
- **Supplier and Partner Risk** – key suppliers and partners to significant projects and services unable to deliver on behalf of the council;
- **Information Governance** – failure to protect the council's information assets including personal and sensitive personal data and other confidential data;
- **Adult Social Care (ASC) Change & Transformation programme** - this is a rolling programme that enables the service to continually develop. It reflects on specific demand pressures and responses as well as changes to legislative requirements.
- **Children's and Education change** – financial resources and capacity are insufficient to deliver the strategic change programme and associated benefits to required timescales.
- **School Places** – Commissioning of school places in a challenging financial and legislative landscape, particularly for children with SEND.
- **Condition of School estate** – the quality of the school estate is deteriorating and there is a backlog of urgent condition repairs;
- **Safeguarding** – risk of failure of safeguarding arrangements for children and vulnerable adults
- **Delivering Growth** – failure to deliver key strategic, regeneration and capital investment programmes;
- **Climate Emergency** – the challenges measuring the impact of any plans and policies implemented by the council and affecting change within a limited resource envelope;
- **Civil Contingencies and Business Continuity** – details the potential threats that the council faces and arrangements for managing any such incidents;
- **Workforce recruitment, development, and retention** - challenges recruiting and retaining staff in key areas of service delivery;
- **Integrated Care System (ICS)** – It is important that the council actively engages with and has adequate governance processes to support the stated triple aim of the

ICS - “better health for everyone, better care for all and efficient use of health and care resources”.

- **Property Risk** – Pressure on maintaining the council’s estate and ensuring safe and resilient service delivery; and
- **Dedicated Schools Grant (DSG)** – Highlighting the 3 challenges around insufficiency of funding, overspending against existing budgets and the uncertainty around how the statutory override for historic deficits will be accounted for.

Updates to the Corporate Risk Register are reported to the council’s Audit Committee throughout the year.

Receipt of Further Information

This Statement of Accounts forms one element of the council’s financial reporting to local taxpayers, employees and other interested parties. The council publishes its Budget and quarterly Performance and Resources Reports on the council’s website www.stockport.gov.uk.

If you would like to receive further information on these accounts, please contact me, Jonathan Davies, Director of Finance (Section 151 Officer), at Finance, Corporate and Support Services, Stockport Metropolitan Borough Council, Stopford House, Stockport, SK1 3XE.

MAIN CHANGES TO THE FINANCIAL STATEMENTS AND SIGNIFICANT EVENTS AND TRANSACTIONS

IFRS16 Accounting for leases – change in accounting requirements

For the 2024/25 financial year, International Financial Reporting Standard (IFRS) 16, which sets out the financial reporting requirements for leases, has been adopted.

The objective of IFRS16 is to provide a clearer picture of an organisations’ financial position by showing all lease commitments on the balance sheet. IFRS16 requires lessees to account for all substantial leases as a right to use asset, with effect from 1 April 2024.

Prior to IFRS16 an operating lease for lessees was accounted for as revenue expenditure, like a pay as you go arrangement, and expensed in the year paid. A finance lease for lessees was recognised on the balance sheet as a finance lease assets and corresponding lease liability. The impact of implementing IFRS16 is that rights acquired to use an asset are recognised over the term of the lease rather than simply expensed in year. The value attached to the leases creates a ‘right of use’ asset together with a corresponding liability, which is recognised on the council’s balance sheet. This accounting treatment removes the traditional distinction between operating and finance leases for lessees.

There are two specific exemptions for lessees from applying the accounting requirements of IFRS16, these are for short-term leases and leases where the underlying asset is of low value.

The council has reviewed its leases portfolio to identify any leases where the new accounting standard will impact. From 1 April 2024, £14.205m was added for the identified right of use

assets to the balance sheet. In year repayments, depreciation and revaluation adjustments have reduced this to £4.155m as at 31 March 2025.

The accounting requirements for leases where the council is the lessor are not changed by the adoption of IFRS16.

Material Items of Income and Expenditure

A number of schools have converted to academy status during the 2024/25 financial year.

When a school converts to an academy, the disposal of the school land and buildings is a nil cost and the loss on disposal is disclosed within the Other Operating Expenditure. There is no impact on the General Fund as the loss is reversed out in the Movement in Reserves Statement.

The total loss on disposal was £100.859m and an analysis per school is provided below.

	Loss on Disposal £000
Dial Park Primary	7,994
Norbury Hall Primary	7,021
Hazel Grove Primary	6,841
Bolshaw Primary	3,692
Romiley Primary	6,392
Marple Hall High	38,301
Lisburne School	27,409
Oakgrove School	3,209
Total	100,859

PART 1

STOCKPORT METROPOLITAN BOROUGH COUNCIL STATEMENT OF ACCOUNTS

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 Stockport Council, that Officer is the Director of Finance - Section 151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Director of Finance - Section 151 Officer's Responsibilities

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

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

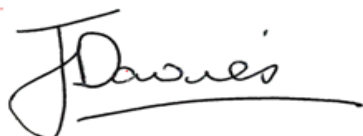
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.

The Director of Finance – Section 151 Officer has also:

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

Certificate of the Statement of Accounts

I certify that the Statement of Accounts presents a true and fair view of the financial position of Stockport Metropolitan Borough Council at 31 March 2025, and its income and expenditure for the year ended 31 March 2025.



Jonathan Davies
Director of Finance - Section 151 Officer
10 December 2025

Approval of the Statement of Accounts

In accordance with the Accounts and Audit Regulations 2015, I hereby certify that the Audit Committee of the Stockport Metropolitan Borough Council approved the Statement of Accounts for the financial year ended 31 March 2025, at its meeting of 10 December 2025.



Councillor Sue Glithero
Chair of Audit Committee
10 December 2025

FINANCIAL STATEMENTS

The financial statements in this section of the Statement of Accounts are applicable to all local authorities whatever their function and comprise:

Comprehensive Income and Expenditure Statement

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

Movement in Reserves Statement

This statement shows the movement from the start to the end of the financial year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves' (i.e. reserves used to hold account balances and adjustments that the Council cannot utilise to provide services). The Movement in Reserves Statement shows the in-year movements of the Council's reserves broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to Council Tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Reserves are reported in two categories. The first category of reserves are usable reserves, used to support services and/or fund specific commitments and plans, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure, repay debt or elect to use as revenue Transformation spend).

The second category of reserves are unusable reserves, which are reserves that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by

way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council. This summarises the inflows and outflows of cash arising from both revenue (day-to-day) and capital (investment in new assets) transactions with third parties.

Group Accounts

The Group accounts are of equal status to the single entity accounts but to achieve a meaningful presentation to the reader of the accounts, they are positioned after the single entity financial statements and notes.

Comprehensive Income and Expenditure Statement

	Gross Exp- enditure £000	Gross Income £000	2024/25 Net Exp - enditure £000	Gross Exp- enditure £000	Gross Income £000	2023/24 Net Exp - enditure £000	Notes
Children, Families & Education	97,012	(25,014)	71,998	84,971	(21,674)	63,297	
Climate Change & Environment	11,213	(672)	10,541	10,922	(530)	10,392	
Communities, Culture & Sport	17,003	(8,357)	8,646	18,307	(8,922)	9,385	
Economy, Regeneration & Housing	15,185	(12,164)	3,021	23,365	(11,017)	12,348	
Finance & Resources	49,733	(9,457)	40,276	53,049	(10,473)	42,576	
Health & Adult Social Care	221,133	(86,727)	134,406	202,768	(79,728)	123,040	
Parks, Highways & Transport Services	50,071	(11,317)	38,754	58,732	(9,156)	49,576	
Non Cash Limits	59,598	(57,905)	1,693	62,296	(59,917)	2,379	
Dedicated Schools Grant	291,232	(266,947)	24,285	286,988	(252,384)	34,604	
Housing Revenue Account	59,809	(65,831)	(6,022)	55,987	(61,822)	(5,835)	
Cost of Services	871,989	(544,391)	327,598	857,385	(515,623)	341,762	
Other Operating Expenditure	144,120		144,120	72,013		72,013	8
Financing and Investment Income and Expenditure	127,630	(94,607)	33,023	99,516	(90,902)	8,614	9
Taxation and Non-Specific Grant Income		(393,331)	(393,331)		(375,614)	(375,614)	10
(Surplus) or Deficit on Provision of Services	1,143,739	(1,032,329)	111,410	1,028,914	(982,139)	46,775	
<i>Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services</i>							
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(66,626)			39,047	
Re-measurement of the net defined benefit liability			(2,555)			141,448	
<i>Items that may be reclassified to the (Surplus) or Deficit on the Provision of Services</i>							
(Surplus) or deficit from investments in equity instruments designated at Fair Value through Other Comprehensive Income			2,900			(26,300)	
Other Comprehensive Income and Expenditure			(66,281)			154,195	
Total Comprehensive Income and Expenditure			45,129			200,970	

Movement in Reserves Statement

	General Fund Balance Note a £000	Housing Revenue Account Note a £000	Capital Receipts Reserve Note b £000	Major Repairs Reserve* Note b £000	Capital Grants Unapplied Note b £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance at 31 March 2023 carried forward	(107,154)	(2,614)	(15,793)	0	(7,774)	(133,335)	(1,537,233)	(1,670,568)
Movement in reserves during 2023/24:								
Total Comprehensive Income and Expenditure	47,957	(1,182)				46,775	154,195	200,970
Adjustments between accounting basis and funding basis under regulations (Note 2)	(51,622)	1,085	(2,944)	0	(4,109)	(57,590)	57,590	0
(Increase)/ Decrease in 2023/24	(3,665)	(97)	(2,944)	0	(4,109)	(10,815)	211,785	200,970
Balance at 31 March 2024 carried forward	(110,819)	(2,711)	(18,737)	0	(11,883)	(144,150)	(1,325,448)	(1,469,598)
Movement in reserves during 2024/25:								
Total Comprehensive Income and Expenditure	116,676	(5,266)				111,410	(66,281)	45,129
Adjustments between accounting basis and funding basis under regulations (Note 2)	(107,048)	6,876	858	0	(4,354)	(103,668)	103,668	0
(Increase)/ Decrease in 2024/25	9,628	1,610	858	0	(4,354)	7,742	37,387	45,129
Balance at 31 March 2025 carried forward	(101,191)	(1,101)	(17,879)	0	(16,237)	(136,408)	(1,288,061)	(1,424,469)

*Major Repairs Reserve includes movements in and out with overall nil effect

Note a – Reserves held for revenue purposes

Note b – Reserves held for capital purposes

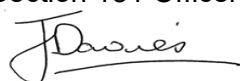
Details of schools reserves within earmarked reserves are set out in Note 7 to the Statement of Accounts.

A breakdown of adjustments between the accounting basis and funding basis under regulations is set out in Note 2 to the Statement of Accounts.

Balance Sheet

	31 March 2025 £000	31 March 2024 £000	Note
Property, Plant & Equipment			
- council dwellings	631,324	604,290	
- other land and buildings	644,373	688,673	
- vehicles, plant, furniture and equipment	13,682	14,380	
- community assets	1,400	1,454	
- surplus assets not held for sale	3,150	3,150	
- assets under construction	63,265	56,162	
- right of use assets	3,687		
- Infrastructure	448,636	446,157	
Property, Plant & Equipment Total	1,809,517	1,814,266	11
Heritage Assets	10,947	11,203	
Investment Property	218,783	212,300	12
Intangible Assets	70	227	
Long Term Investments	57,200	60,100	34
Long Term Debtors	162,635	156,862	15
Long Term Finance lease Debtors	13,700	13,700	33
Long Term Assets	2,272,852	2,268,658	
Assets Held for Sale (short term)	1,241	1,339	17
Inventories	102	150	
Cash and Cash Equivalents	34,564	41,874	16
Short Term Debtors	107,431	87,873	15
Current Assets	143,338	131,236	
Bank Overdraft	(4,464)	(5,845)	16
Short Term Creditors	(97,434)	(98,975)	18
Short Term Provisions	(2,561)	(2,678)	19
Short Term Borrowing	(113,373)	(191,797)	13a
Current Liabilities	(217,832)	(299,295)	
Long Term Creditors	(18,139)	(6,484)	18
Long Term Provisions	(8,758)	(10,920)	19
Long Term Borrowing	(686,659)	(544,954)	13a
Other Long Term Liabilities - Net pensions liability	(16,942)	(19,876)	24
Other Lease Liabilities	(13,700)	(13,700)	33
Revenue Grants Receipts in Advance	(9,740)	(6,617)	30
Capital Grants Receipts in Advance	(19,951)	(28,450)	30
Long Term Liabilities	(773,889)	(631,001)	
Net Assets	1,424,469	1,469,598	
Usable Reserves	(136,408)	(144,150)	MIRS
Unusable Reserves	(1,288,061)	(1,325,448)	21
Total Reserves	(1,424,469)	(1,469,598)	

The unaudited accounts were issued by the Director of Finance - Section 151 Officer on 26 June 2025 and the audited accounts were authorised for issue by the Director of Finance – Section 151 Officer on 10 December 2025.



Jonathan Davies
Director of Finance - Section 151 Officer
10 December 2025

Cash Flow Statement

	2024/25 £000	2023/24 £000	Note
Net deficit on the provision of services	111,410	46,775	
Adjustments to net surplus or deficit on the provision of services for non-cash movements			
Depreciation	(48,175)	(61,724)	
Impairment and revaluation	1,038	(11,596)	
Amortisation	(227)	(227)	
Decrease/(increase) in impairment allowance	178	3,732	
Decrease/(increase) in creditors	(917)	6,543	
(Decrease)/increase in debtors	42	8,423	
(Decrease)/increase in inventories	(48)	41	
Difference between IAS 19 pension cost and pensions paid	379	2,984	
Carrying amount of non-current assets sold	(105,530)	(38,151)	
Movement in value of investment properties	(18,613)	(7,848)	
Movement in provisions	2,279	8,024	
	(169,594)	(89,799)	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	4,244	7,030	
Revenue expenditure funded from capital under statute	(8,687)	(16,239)	
Capital grants	48,715	44,606	
Net cash flows from Operating Activities*	(13,912)	(7,627)	
Investing Activities	79,385	34,090	22
Financing Activities	(59,544)	(26,886)	23
Net (increase) or decrease in cash and cash equivalents	5,929	(423)	
Cash and cash equivalents and bank overdraft at the beginning of the reporting period	36,029	35,606	16
Cash and cash equivalents and bank overdraft at the end of the reporting period	30,100	36,029	16

*The following cash flows are included within the operating activities:

	2024/25 £000	2023/24 £000
Interest Received	(8,042)	(9,112)
Interest Paid	27,581	25,782
Finance lease interest received	(1,553)	(1,532)
Interest paid on lease liabilities	1,240	1,229
Dividends Received	(898)	(323)

NOTES TO THE FINANCIAL STATEMENTS

1. Expenditure and Funding Analysis
2. Adjustments between Accounting Basis and Funding Basis under Regulations
3. Expenditure and Income Subjective Analysis
4. Critical Judgements in Applying Accounting Policies and Assumptions made about the Future and other Major Sources of Estimation Uncertainty
5. Material Items of Income and Expenditure
6. Events After the Balance Sheet Date
7. Earmarked Reserve within General Fund and Housing Revenue Account (HRA) Balances
8. Other Operating Expenditure
9. Financing and Investment Income and Expenditure
10. Taxation and Non-Specific Grant Income
11. Property, Plant and Equipment
12. Investment Properties
13. Financial Instruments
14. Nature and Extent of Risks Arising from Financial Instruments
15. Short and Long-Term Debtors including Payments in Advance
16. Cash and Cash Equivalents
17. Assets Held for Sale
18. Short and Long-Term Creditors including Receipts in Advance
19. Provisions
20. Usable Reserves
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22. Cash Flow Statement – Investing Activities
23. Cash Flow Statement – Financing Activities
24. Pension Schemes
25. Pooled Budget Arrangements
26. Members' Allowances
27. Officers' Remuneration
28. External Audit Costs
29. Dedicated Schools Grant
30. Grant Income
31. Transactions with Related Parties
32. Capital Expenditure and Capital Financing

Notes to the Financial Statements (continued)

- 33. Leases
- 34. Investments
- 35. Accounting Standards issued but not yet adopted
- 36. Accounting Policies

1. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax (and rent) payers how the funding available to the council (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 Portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2024/25	Reported Outturn	Non General Fund Accounts	Earmarked Reserves	Net Expenditure chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000
Children, Families & Education	73,288		(79)	73,209	(1,211)	71,998
Climate Change & Environment	10,597		(52)	10,545	(4)	10,541
Communities, Culture & Sport	8,889		(453)	8,436	210	8,646
Economy, Regeneration & Housing	1,526		728	2,254	767	3,021
Finance & Resources	38,886		4,436	43,322	(3,046)	40,276
Health & Adult Social Care	131,655		2,717	134,372	34	134,406
Parks, Highways & Transport Services	14,016		(284)	13,732	25,022	38,754
Non Cash Limits	61,323		(911)	60,412	(58,719)	1,693
Dedicated Schools Grant		19,279	1,024	20,303	3,982	24,285
Housing Revenue Account			1,609	1,609	(7,631)	(6,022)
Net Cost of Services	340,180	19,279	8,735	368,194	(40,596)	327,598
Other Income and Expenditure	(340,120)		3,111	(337,009)	337,009	0
Reported Deficit/(Surplus)	60					
Use of Earmarked Reserves to top up General Fund	(668)			(668)	668	0
Transfer DSG deficit to Dedicated Schools Grant Adjustment Account		(19,279)		(19,279)	19,279	0
Other Operating Expenditure				0	144,120	144,120
Financing and Investment Income and Expenditure				0	33,023	33,023
Taxation and Non-Specific Grant Income				0	(393,331)	(393,331)
(Surplus) or Deficit	(608)	0	11,846	11,238	100,172	111,410
Opening General Fund and HRA Balances brought forward	(14,515)	(1,097)	(97,918)	(113,530)		
Less (Surplus)/ Deficit on General Fund and HRA Balance in Year	(608)	0	11,846	11,238		
Closing General Fund and HRA Balances carried forward	(15,123)	(1,097)	(86,072)	(102,292)		

2023/24	Reported Outturn £000	Non General Fund Accounts £000	Earmarked Reserves £000	Net Expenditure chargeable to the General Fund and HRA balances £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Climate Change & Environment	10,410		(24)	10,386	6	10,392
Communities, Culture & Sport	7,253		1,137	8,390	995	9,385
Economy, Regeneration & Housing	2,000		696	2,696	9,652	12,348
Children, Families & Education	61,439		2,525	63,964	(667)	63,297
Finance & Resources	38,026		4,146	42,172	404	42,576
Health & Adult Social Care	121,484		975	122,459	581	123,040
Parks, Highways & Transport Services	14,285		(235)	14,050	35,526	49,576
Non Cash Limits	60,882		(5,040)	55,842	(53,463)	2,379
Dedicated Schools Grant		12,563	(214)	12,349	22,255	34,604
Housing Revenue Account		(97)	(1)	(98)	(5,737)	(5,835)
Net Cost of Services	315,779	12,466	3,965	332,210	9,552	341,762
Other Income and Expenditure	(315,111)		(8,031)	(323,142)	323,142	0
Reported Deficit/(Surplus)	668					
Use of Earmarked Reserves to top up General Fund	(267)			(267)	267	0
Transfer DSG deficit to Dedicated Schools Grant Adjustment Account		(12,563)		(12,563)	12,563	0
Other Operating Expenditure					72,013	72,013
Financing and Investment					8,614	8,614
Income and Expenditure						
Taxation and Non-Specific Grant Income					(375,614)	(375,614)
(Surplus) or Deficit	401	(97)	(4,066)	(3,762)	50,537	46,775
Opening General Fund and HRA Balances brought forward	(14,916)	(1,000)	(93,852)	(109,768)		
Less (Surplus)/ Deficit on General Fund and HRA Balance in Year	401	(97)	(4,066)	(3,762)		
Closing General Fund and HRA Balances carried forward	(14,515)	(1,097)	(97,918)	(113,530)		

Note to the Expenditure and Funding Analysis

This note explains the main adjustments from Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement (CIES):

2024/25 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Reclassification between Service Segments for CIES Note a £000	Adjustments for Capital Purposes Note b £000	Net Change for the Pensions Adjustments Note c £000	Other Differences Note d £000	Total Adjustments £000
Children, Families & Education	18	16	(1,245)		(1,211)
Climate Change & Environment			(4)		(4)
Communities, Culture & Sport	(358)	616	(48)		210
Economy, Regeneration & Housing	(123)	921	(31)		767
Finance & Resources	(6,982)	4,137	(201)		(3,046)
Health & Adult Social Care		230	(196)		34
Parks, Highways & Transport Services	(921)	25,991	(48)		25,022
Non Cash Limits	(41,167)	(18,284)	954	(222)	(58,719)
Dedicated Schools Grant	(789)	6,223	(500)	(952)	3,982
Housing Revenue Account	(5,976)	(1,655)			(7,631)
Net Cost Of Services	(56,298)	18,195	(1,319)	(1,174)	(40,596)
Other Income and Expenditure from the Funding Analysis	337,009				337,009
Use of general fund surplus to top up earmarked reserves	668				668
Transfer DSG deficit to Dedicated Schools Grant Adjustment Account				19,279	19,279
Other Operating Expenditure	42,836	101,284			144,120
Financing and Investment Income and Expenditure	13,463	18,620	940		33,023
Taxation and Non-Specific Grant Income	(337,678)	(64,172)		8,519	(393,331)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	0	73,927	(379)	26,624	100,172

2023/24 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Reclassification between Service Segments for CIES Note a £000	Adjustments for Capital Purposes Note b £000	Net Change for the Pensions Adjustments Note c £000	Other Differences Note d £000	Total Adjustments £000
Climate Change & Environment	(1)		7		6
Communities, Culture & Sport	(358)	1,260	93		995
Economy, Regeneration & Housing	(137)	9,728	61		9,652
Children, Families & Education	(13)	48	(702)		(667)
Finance & Resources	(4,279)	4,265	418		404
Health & Adult Social Care	(1)	216	366		581
Parks, Highways & Transport Services	(737)	36,177	86		35,526
Non Cash Limits	(37,661)	(17,592)	1,605	185	(53,463)
Dedicated Schools Grant	(813)	21,910	656	502	22,255
Housing Revenue Account	(5,727)	(10)			(5,737)
Net Cost of Services	(49,727)	56,002	2,590	687	9,552
Other Income and Expenditure from the Funding Analysis	323,142				323,142
Use of general fund surplus to top up earmarked reserves	267				267
Transfer DSG deficit to Dedicated Schools Grant Adjustment Account				12,563	12,563
Other Operating Expenditure	41,440	30,573			72,013
Financing and Investment Income and Expenditure	8,287	5,901	(5,574)		8,614
Taxation and Non-Specific Grant Income	(323,409)	(59,894)		7,689	(375,614)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	0	32,582	(2,984)	20,939	50,537

Notes:

a. Reclassifications – this column represents reclassifications between headings reported to management and how items should be classified in the CIES. The main items include the transfer of funding from Other Income and Expenditure to Taxation and Non-specific Grant Income and the transfer of cost and income from Non-Cash Limit and the Finance and Resources Portfolio relating to interest and the investment estate to Financing and Investment Income and Expenditure.

b. Adjustments for Capital Purposes – this column adds in depreciation and impairment and revaluation gains and losses. It also adjusts for capital disposals and capital grant income. Minimum Revenue Provision (MRP) and capital funding charged to revenue are deducted as they are not chargeable under generally accepted accounting practices.

c. Adjustments for Pensions – this column removes employer pension contributions made by the council as allowed by statute and replaces them with current service costs and past service costs. It also adds in the net interest on the defined pensions liability charged to the CIES.

d. Other adjustments – this column relates to differences between amounts payable/receivable under statute and amounts debited/credited to the CIES. It includes premiums and discounts on debt settlement, timing differences on Council Tax and Business Rates, movement on holiday pay accruals and transfer of the Dedicated Schools Grant deficit.

The adjustments in columns b to d are analysed in more detail in Note 2, Adjustments between Accounting Basis and Funding Basis under Regulations.

2. 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 within the year to the resources that are specified by statutory provisions as being available to the council to meet future capital and revenue expenditure, in accordance with proper accounting practice.

2024/25	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000
<u>Adjustments for Capital Purposes</u>						
Charges for depreciation, revaluation losses and impairment of non current assets	(33,386)	(13,751)				(47,137)
Amortisation of intangible assets	(228)					(228)
Movements in the market value of investment properties	(18,613)					(18,613)
Revenue expenditure funded from capital under statute	(8,687)					(8,687)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement and associated capital receipts	(102,495)	1,204	(4,240)			(105,531)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement and applied to finance capital expenditure	64,060	4,084			(4,354)	63,790
Statutory provision for the repayment of debt	17,036					17,036
Right of Use Assets Minimum Revenue Provision	999					999
Capital expenditure financed from revenue balances	443	1,656				2,099
Posting of HRA resources from revenue to the Major Repairs Reserve		13,751		(13,751)		0
Total Adjustments for Capital Purposes	(80,871)	6,944	(4,240)	(13,751)	(4,354)	(96,272)
<u>Pensions Adjustments</u>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(28,111)	(68)				(28,179)
Employer's pensions contributions and direct payments to pensioners payable in the year	28,558					28,558
Total Adjustments for Pensions	447	(68)	0	0	0	379
<u>Adjustments to Capital Resources</u>						
Use of the Capital Receipts Reserve to finance new capital expenditure			4,424			4,424
Use of the Capital Receipts Reserve to finance historical capital expenditure			674			674
Use of the Major Repairs Reserve to finance capital expenditure				13,751		13,751
Total Adjustments to Capital Resources	0	0	5,098	13,751	0	18,849
<u>Other differences</u>						
Transfer Dedicated Schools Grant deficit to unusable reserve	(19,279)					(19,279)
Financial Instruments (transferred to (or from) the Financial Instruments Adjustment Account)	17					17
Council tax and NDR (transferred to or from Collection Fund)	(8,519)					(8,519)
Holiday pay (transferred to the Accumulated Absences Reserve)	1,157					1,157
Total Adjustments for Other Differences	(26,624)	0	0	0	0	(26,624)
Total Adjustments	(107,048)	6,876	858	0	(4,354)	(103,668)

2023/24	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000
<u>Adjustments for Capital Purposes</u>						
Charges for depreciation, revaluation losses and impairment of non current assets	(60,310)	(13,008)				(73,318)
Amortisation of intangible assets	(227)					(227)
Movements in the market value of investment properties	(7,849)					(7,849)
Revenue expenditure funded from capital under statute	(16,239)					(16,239)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement and associated capital receipts	(31,919)	799	(7,030)			(38,150)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement and applied to finance capital expenditure	65,183	354			(4,109)	61,428
Statutory provision for the repayment of debt	16,470					16,470
Capital expenditure financed from revenue balances	1,146	10				1,156
Posting of HRA resources from revenue to the Major Repairs Reserve		13,008		(13,008)		0
Total Adjustments for Capital Purposes	(33,745)	1,163	(7,030)	(13,008)	(4,109)	(56,729)
<u>Pensions Adjustments</u>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(24,127)	(78)				(24,205)
Employer's pensions contributions and direct payments to pensioners payable in the year	27,189					27,189
Total Adjustments for Pensions	3,062	(78)	0	0	0	2,984
<u>Adjustments to Capital Resources</u>						
Use of the Capital Receipts Reserve to finance new capital expenditure			3,629			3,629
Use of the Capital Receipts Reserve to finance historical capital expenditure			457			457
Use of the Major Repairs Reserve to finance capital expenditure				13,008		13,008
Total Adjustments to Capital Resources	0	0	4,086	13,008	0	17,094
<u>Other differences</u>						
Transfer Dedicated Schools Grant deficit to unusable reserve	(12,563)					(12,563)
Financial Instruments (transferred to (or from) the Financial Instruments Adjustment Account)	17					17
Council tax and NDR (transferred to or from Collection Fund)	(7,689)					(7,689)
Holiday pay (transferred to the Accumulated Absences Reserve)	(704)					(704)
Total Adjustments for Other Differences	(20,939)	0	0	0	0	(20,939)
Total Adjustments	(51,622)	1,085	(2,944)	0	(4,109)	(57,590)

3. Expenditure and Income Subjective Analysis

	Council 2024/25 £000	VA Schools* 2024/25 £000	Total 2024/25 £000	Council 2023/24 £000	VA Schools* 2023/24 £000	Total 2023/24 £000
Expenditure						
Employee Benefit Expenses	286,834	27,194	314,028	284,040	28,060	312,100
Other service expenses	509,386	1,240	510,626	470,785	1,069	471,854
Capital charges including depreciation and impairment	47,335		47,335	73,431		73,431
Financing and investment expenditure including interest	127,630		127,630	99,516		99,516
Levies	42,836		42,836	41,440		41,440
Losses/(gains) on disposal of assets/ impairment of assets held for sale	101,284		101,284	30,573		30,573
	1,115,305	28,434	1,143,739	999,785	29,129	1,028,914
Income						
Fees, charges and other service income**	(164,360)	(3,790)	(168,150)	(155,436)	(3,387)	(158,823)
Financing and investment income including interest	(94,607)		(94,607)	(90,902)		(90,902)
Income from council tax and non domestic rates	(260,542)		(260,542)	(254,112)		(254,112)
Government grants and contributions (including donations)	(484,386)	(24,644)	(509,030)	(452,560)	(25,742)	(478,302)
	(1,003,895)	(28,434)	(1,032,329)	(953,010)	(29,129)	(982,139)
	111,410	0	111,410	46,775	0	46,775

* Voluntary aided school employees are not the employees of the council but of the schools' Governing Bodies. Consequently, the employee benefit expenses, and other transactions of voluntary aided schools have been disclosed separately.

** Further analysis of fees, charges, and other service income is shown below:

Further analysis of Fees, charges and other service income	2024/25 £000	2023/24 £000
-		
HRA Rent	(52,174)	(48,669)
Social Care Charges	(36,092)	(31,662)
School income (excluding grants)	(14,506)	(16,172)
Water recharge income (HRA)	(5,847)	(4,459)
Rents (HRA Communal)	(5,330)	(5,523)
Intercouncil fees for services provided	(4,152)	(3,760)
Greater Manchester ICB - Continuing healthcare packages	(6,409)	(5,926)
Parking charges	(5,753)	(5,468)
GMCA returned Waste monies	(6,168)	(4,598)
Other income (categories < £2m)	(31,719)	(32,586)
	(168,150)	(158,823)

On the whole, the council's contracts with service recipients are straightforward exchange transactions which do not involve complex performance obligations, significant variable consideration, uncertain income or deferred payments.

4. Critical Judgements in Applying Accounting Policies and Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Code requires the council to disclose significant accounting judgements and sources of estimation uncertainty. In most cases, these are included in the relevant Notes to the Statement of Accounts but where there is no appropriate Note in which to include it, details are provided below.

Critical Judgements in Applying Accounting Policies

Details about the accounting policies made and how these have been applied are set out in Note 36 and throughout the Notes to the accounts. In applying the accounting policies, the council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

Accounting for Schools

Within the borough there are local authority maintained schools and non-maintained schools. Local authority maintained schools are Community Schools, Voluntary Controlled Schools (VC) and Voluntary Aided Schools (VA). Non-maintained schools are academy schools.

In line with the Code of Practice and accounting standards, all maintained schools are now considered to be entities controlled by the council. Rather than produce group accounts, the Code requires the income, expenditure, assets and liabilities, reserves and cash flows of each school to be recognised in the council's single entity accounts.

All maintained school accounts are operated in accordance with the council's general accounting policies as per the Statement of Accounts. All school activity is accounted for in the year that it takes place and not simply when cash payments are made or received (i.e. the accruals concept). All schools have a local bank account facility as permitted under the Stockport Scheme for Financing Schools, thereby allowing schools to procure all non-staffing activity direct with suppliers. All such expenditure is collated from schools on a monthly basis and is input into the council's financial system.

All school expenditure is funded directly by the Dedicated Schools Grant (DSG) allocation and other school specific grants provided by the Department for Education (DfE). Any year-end surplus reported on either an individual school or within the DSG centrally retained funds is permitted to be carried forward and recorded in the appropriate council reserve account at year end. In November 2020, the regulations with regards to deficit balances on DSG budgets were amended. An overall year-end deficit on the DSG is no longer charged to a revenue account and is instead recorded as an unusable reserve, carried forward and funded from future DSG income.

Expenditure and income are recorded in the Dedicated Schools Grant reporting line in the Comprehensive Income and Expenditure Statement.

Academies are directly funded by central government (DfE), they are self-governing and are independent of direct control by the council. They are not classed as maintained schools. No expenditure or income relating to academy schools is recorded in the council's Financial Statements.

Accounting for Schools' non-current assets

The Code contains guidance on the recognition of schools' non-current assets in the council's Balance Sheet. It stipulates that assets should be recognised if they meet the appropriate recognition criteria for the council.

The council has reviewed the various arrangements that it has with schools on a case-by-case basis. The decision as to whether the school is recorded on the council's Balance Sheet is determined by the ownership of the asset and the rights and obligations the legal owner has over the asset. An analysis of the number of schools by type is shown below:

Type of School	Nursery Schools	Primary Schools	Secondary Schools	Special Schools	31 March 2025 Total	31 March 2024 Total	On/Off balance sheet
Community	4	48	2	4	58	66	On
Voluntary Controlled		6			6	6	Off
Voluntary Aided		13	2		15	15	Off
Maintained Schools	4	67	4	4	79	87	
Academies*		19	10	2	31	23	Off
Total	4	86	14	6	110	110	

*Includes new build academies outside of the council's control.

Community Schools

All Community Schools are owned by the council, with the associated rights and obligations in relation to these belonging to the council. As a result the land and buildings used by the schools are included in the council's Balance Sheet. The exception to this is the PFI school noted below.

The value of Community schools within the other land and buildings category of non-current assets is £400m at 31 March 2025 (£472m at 31 March 2024).

Capital expenditure on Community Schools, whether a council led scheme, or a school directly funded scheme, is recorded as spend against the relevant school asset (or plant and equipment).

There is one community school that was delivered under a Private Finance Initiative contract under the Priority School Building Programme, funded by the Secretary of State for Education in 2016/17. The Education and Skills Funding Agency entered into a delivery contract directly with the contractor for the design and building of the new school and the life-cycling of the building fabric for 25 years, including any variances under the contract. The school makes an annual contribution to the hard facilities management costs, and this is charged to revenue. It is considered that as the council does not control the setting of fees and charges it does not exercise control

over the asset for recognition purposes. Consequently, the school, valued at approximately £3m, has not been included in the Balance Sheet.

Voluntary Controlled (VC) and Voluntary Aided (VA) Schools

Legal ownership of the council's VC and VA schools rests with a Diocesan Trustee Body or an independent Trustee body in the case of one VA school. The rights and obligations associated with these assets rest with the Trustees, for example, the schools occupy the premises subject to the direction of the Trustees and all decisions relating to the land and buildings rest with the Trustees. There has been no assignment of rights to the schools who occupy premises under an informal licence arrangement, which passes no interest to the council and is terminable by the Trustees at any time.

Under these arrangements the council does not include any VC or VA schools on its Balance Sheet. The exception to this is school playing fields which are usually owned by the council, with the council having the associated rights and obligations in connection with ownership of the assets. These are included on the council's Balance Sheet.

Capital expenditure on VC Schools, whether a Council-led scheme or a school directly funded scheme, is recorded as Revenue Expenditure Funded from Capital Under Statute (REFCUS).

Capital expenditure on VA Schools does not normally form part of the council's capital programme, being accounted for directly by the relevant Trustee or Diocesan Body.

Academies

Academies are not recorded in the council's Balance Sheet. The freehold land on which the schools are located is owned by the Council and 125-year leases at peppercorn rents have been granted to the relevant charitable bodies now responsible for running the schools.

When a school which is held on the council's Balance Sheet transfers to academy status, this is treated as a disposal for nil consideration in the year that the transfer takes place, rather than as an impairment on the date that approval to academy status is announced. The Code effectively treats this as a disposal of a group entity to be accounted for in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

Investment Property

Investment properties (carrying value as at 31 March 2025 - £219m) are categorised, based on consideration of the criteria identified in IAS 40 Investment Property, as being held solely for rental income or capital appreciation or both. The assessment of Investment Properties using these criteria is subject to interpretation to determine if there is an operational reason for holding the properties, such as regeneration.

Group Accounts

The council has relationships with a number of companies over which it has varying degrees of control and influence. The Code requires that where a local authority has material financial interests and a significant level of control over an entity then it should prepare group accounts. In line with the Code, the council continues to review its

relationship with other entities, particularly in respect of the definition of control and accounting for joint arrangements. Further information about the council's Group can be found in the Notes to the Group Accounts.

Sources of Estimation Uncertainty

These are assumptions and estimates made at 31 March 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Manchester Airport Group

The council's shareholding in the Manchester Airport Holdings Ltd in 2024/25 is 3.22% of non-voting ordinary shares. In addition, the council holds three ordinary 'C' shares in Manchester Airport Holdings Ltd, which is part of the Manchester Airport Group and gives the Council the rights to distributable profits from Manchester Airport Car Parks Ltd. Both shareholdings are held at fair value and a valuation must be carried out annually.

A firm of financial experts and valuers has been engaged by the council to provide an independent valuation, which includes reviewing the financial performance, stability, and business assumptions of the Manchester Airport Group. However, it should be noted that the valuation provided is based on estimations and assumptions derived on an open market value basis, taking into account the nature of the shares and therefore, should the council sell its shareholding, the value held in these statements may not be realised.

Various methods of measuring fair value of the airport have been considered by the financial experts and valuers, including earnings-based, discounted cash flow, net asset value and dividend yield methods. They consider that, based on nature and size of the Group, the earnings-based method is the most appropriate for the Manchester Airport Holdings Ltd shares for 2024/25. The estimate of the fair value of the council's shareholding for 2024/25 is £43.400m (£46.300m in 2023/24).

Manchester Airport Car Park Ltd is a relatively newly established business that centres on the leasing of parking spaces to passengers at the airport. There is a limited amount of information regarding turnover available and the valuers have considered the discounted cash flow approach to be the most appropriate method of valuation for the shareholding for 2024/25. The estimate of the fair value of the council's 'C' shares for 2024/25 is £4.400m (£4.400m for 2023/24)

Further information on the valuation of the council's shareholding is provided in Note 13 C, Fair Value of Financial Assets.

Pensions Asset

Estimation of the pensions asset depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the council with expert advice about the assumptions to be applied. For 2024/25, the closing position is £370.159m net pension asset (£186.441m for 2023/24). Accounting standards dictate that any declared surplus must be restricted to the lower of the net pension asset or asset ceiling, which is the surplus that could be refunded to the council or that the

council could expect in future reductions in contributions. Applying the asset ceiling reduces the net pension asset to £nil and this is therefore the net pension position recorded in the balance sheet.

There is no legal right of offset for the unfunded pension obligations and therefore the net defined benefit liability for these is not impacted by the asset ceiling adjustment. The net defined benefit liability for the unfunded pension obligations is £16.942m for 2024/25 (£19.876m for 2023/24).

More information on the Pensions Asset can be found at Note 24, Pensions Schemes.

Property, Plant and Equipment

The valuation of the council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. This includes Council Dwellings, Other Land and Buildings and Surplus Assets. The council's valuer uses a combination of methodologies to value these operational assets, including Depreciated Replacement Cost (DRC), Existing Use Value (EUV and Social Housing EUV) and market/comparable methods. These methods can cause estimation uncertainty due to the indices and inputs that must be used to applying valuations. If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain recorded in the Comprehensive Income and Expenditure Statement. As an example, the impact of a 10% change in the valuation of the council's operational property (carrying value as at 31 March 2025 – £1,283m) would be £130m. Note 11, Property, Plant and Equipment, to the accounts sets out the council's approach to valuation of its PPE.

5. Material items of Income and Expenditure

Schools transferring to Academy Status

A number of schools have converted to academy status during the 2024/25 financial year,

The loss on disposal is disclosed within the Other Operating Expenditure. There is no impact on the General Fund as the loss is reversed out in the Movement in Reserves Statement. The total loss on disposal was £100.859m (£30.998m in 2023/24) and an analysis per school is provided below.

	Loss on Disposal £000
Dial Park Primary	7,994
Norbury Hall Primary	7,021
Hazel Grove Primary	6,841
Bolshaw Primary	3,692
Romiley Primary	6,392
Marple Hall High	38,301
Lisburne School	27,409
Oakgrove School	3,209
Total	100,859

6. Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue on 26 June 2025 by the Director of Finance - Section 151 Officer. This is the date up to which events after the balance sheet date have been considered and included where relevant.

7. Earmarked Reserves within General Fund and HRA Balances

The council has a number of earmarked reserves, which represent sums set aside over the years for specific purposes. These are listed in the table below. With the exception of school and HRA reserves, these reserves are regarded as usable for General Fund purposes.

	Balance 31 March 2024 £000	(Increase)/ Reduction £000	Reclassific- ations £000	Balance 31 March 2025 £000
School Balances under Local Management:				
Primary Schools	(7,837)	2,093		(5,744)
Secondary Schools	(3,626)	157		(3,469)
Special Schools	(655)	(334)		(989)
Other School Balances	(1,602)	(536)		(2,138)
Schools Reserves Total	(13,720)	1,380	0	(12,340)
Transformation - Invest to Save Reserve	(2,393)	343	(58)	(2,108)
Transformation - Double Running Reserve	(1,587)	198	(111)	(1,500)
Workforce Investment/Change Reserve	(2,288)	565	351	(1,372)
Capital Programme Investment Reserve	(2,628)	308	(1,418)	(3,738)
Corporate Property Reserve	(1,000)		(500)	(1,500)
Infrastructure Investment Reserve	(1,050)		1,050	0
Digital by Design Reserve	(1,796)			(1,796)
Health and Social Care Integration Reserve	(12,773)	874		(11,899)
Equipment Refresh Reserve	(66)		(934)	(1,000)
Waste Smoothing Reserve	(412)		(20)	(432)
Community Investment Fund	(623)		294	(329)
SEND	(325)		325	0
Cabinet One-Off Investment/MTFP Reserve	(2,719)	640	812	(1,267)
Greater Manchester Bus Reform Contribution	(1,859)			(1,859)
Climate Action Now	(664)			(664)
Contain Outbreak Management Reserve	(1,216)	850	243	(123)
MTFP Resilience and Smoothing Reserve	(15,792)	159	632	(15,001)
Children's Reserve	(1,705)	408		(1,297)
Adults Reserve	(1,994)	936		(1,058)
Demand Changes Reserve	(1,000)			(1,000)
Insurance Reserve	(8,619)	937	1,119	(6,563)
Collection Fund Reserve	(3,761)	(1,429)	2,375	(2,815)
Legislative and Statutory Requirements Reserve	(3,362)	(919)		(4,281)
Third Party Monies Reserve	(985)	55		(930)
Area Committee Reserves	(481)	(57)		(538)
Revenue Grant Reserve (includes ringfenced reserves)	(2,923)	(159)	909	(2,173)
RCCO	(4,948)	1,483	109	(3,356)
Income and Interest Rate Risk Mitigation Reserve	(3,085)	2,854	(1,915)	(2,146)
Collection Fund Reserve - Business Rates Reset	0		(2,375)	(2,375)
Directorate Flexibility Reserve - Place	(198)		(52)	(250)
Directorate Flexibility Reserve - People	(200)	9	(50)	(241)
Directorate Flexibility Reserve - CSS	(132)	133	(118)	(117)
General Fund Earmarked Reserves	(82,584)	8,188	668	(73,728)
Total Schools and General Fund Earmarked Reserves	(96,304)	9,568	668	(86,068)
HRA Earmarked reserves	(1,614)	1,610	0	(4)
All Earmarked Reserves Total	(97,918)	11,178	668	(86,072)
Comparative figures for previous year	(93,852)	(4,333)	267	(97,918)

	Balance 31 March 2023 £000	(Increase)/ Reduction £000	Reclassifi cations £000	Balance 31 March 2024 £000
School Balances under Local Management:				
Primary Schools	(8,165)	328		(7,837)
Secondary Schools	(3,183)	(443)		(3,626)
Special Schools	(836)	181		(655)
Other School Balances	(1,776)	174		(1,602)
Schools Reserves Total	(13,960)	240	0	(13,720)
Transformation - Invest to Save Reserve	(3,038)	593	52	(2,393)
Transformation - Double Running Reserve	(2,851)	1,264		(1,587)
Workforce Investment/Change Reserve	(2,156)	572	(704)	(2,288)
Airport Reserve	(6,408)		6,408	0
Capital Programme Investment Reserve	(3,001)	127	246	(2,628)
Corporate Property Reserve	(1,000)			(1,000)
Infrastructure Investment Reserve	(1,065)	15		(1,050)
Digital by Design Reserve	(1,943)	147		(1,796)
Health and Social Care Integration Reserve	(14,628)	(1,082)	2,937	(12,773)
Equipment Refresh Reserve	(95)	19	10	(66)
Waste Smoothing Reserve	(399)		(13)	(412)
Community Investment Fund	(623)			(623)
SEND	(387)	62		(325)
Cabinet One-Off Investment/MTFP Reserve	(328)	1,066	(3,457)	(2,719)
Greater Manchester Bus Reform Contribution	(1,859)			(1,859)
Climate Action Now	(664)			(664)
Contain Outbreak Management Reserve	(3,338)	2,122		(1,216)
MTFP Resilience and Smoothing Reserve	(5,950)	(3)	(9,839)	(15,792)
Children's Reserve	(2,904)	2,368	(1,169)	(1,705)
Adults Reserve	(1,500)	943	(1,437)	(1,994)
Demand Changes Reserve	(1,000)			(1,000)
Insurance Reserve	(7,942)	(1,119)	442	(8,619)
Collection Fund Reserve	(4)	(13,112)	9,355	(3,761)
Legislative and Statutory Requirements Reserve	(2,223)	(899)	(240)	(3,362)
Third Party Monies Reserve	(991)	6		(985)
Area Committee Reserves	(422)	(59)		(481)
Revenue Grant Reserve (includes ringfenced reserves)	(3,583)	(11)	671	(2,923)
RCCO	(4,862)	309	(395)	(4,948)
Income and Interest Rate Risk Mitigation Reserve	(2,556)	1,915	(2,444)	(3,085)
Directorate Flexibility Reserve - Place	(205)	16	(9)	(198)
Directorate Flexibility Reserve - People	(141)	50	(109)	(200)
Directorate Flexibility Reserve - CSS	(212)	118	(38)	(132)
General Fund Earmarked Reserves	(78,278)	(4,573)	267	(82,584)
Total Schools and General Fund Earmarked Reserves	(92,238)	(4,333)	267	(96,304)
HRA Earmarked reserves	(1,614)	0	0	(1,614)
All Earmarked Reserves Total	(93,852)	(4,333)	267	(97,918)

8. Other Operating Expenditure

	2024/25 £000	2023/24 £000
Levies	42,836	41,440
Loss/(Gain) on the disposal of non-current assets	101,284	30,459
Impairment of non-current asset for sale		114
	144,120	72,013

9. Financing and Investment Income and Expenditure

	2024/25 Expenditure £000	2024/25 Income £000	2024/25 Net £000	2023/24 Expenditure £000	2023/24 Income £000	2023/24 Net £000
Interest payable and similar charges	30,666		30,666	27,458		27,458
Net interest on the net defined benefit liability	64,481	(63,541)	940	53,087	(58,661)	(5,574)
Interest receivable and similar income		(9,951)	(9,951)		(10,413)	(10,413)
Income and expenditure in relation to investment properties and changes in their fair value	32,102	(19,589)	12,513	18,554	(18,128)	426
(Gains)/ losses on trading accounts	381	(254)	127	417	(269)	148
Other investment income		(898)	(898)		(2,932)	(2,932)
Gains on Fair Value Measurement of financial Instruments		(374)	(374)		(499)	(499)
	127,630	(94,607)	33,023	99,516	(90,902)	8,614

10. Taxation and Non-Specific Grant Income

	2024/25 £000	2023/24 £000
Capital grants and contributions	(64,172)	(59,894)
Council tax income	(193,359)	(183,452)
Non domestic rates	(67,183)	(70,660)
Non-ringfenced government grants	(68,617)	(61,608)
	(393,331)	(375,614)

11. Property, Plant and Equipment

Movements in 2024/25

In accordance with the Code on infrastructure 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.

The council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

	Council Dwellings	Other Land and Buildings*	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Right of Use Assets	Total Property, Plant and Equipment (excluding infrastructure assets)
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2024	616,720	723,302	37,810	1,981	3,159	56,162	0	1,439,134
Additions	13,880	26,381	971			21,063		62,295
Additions IFRS16 adoption			617				4,004	4,621
Revaluation increases/decreases to Revaluation Reserve	3,523	22,662						26,185
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services		(2,790)						(2,790)
Impairment losses to Surplus or Deficit on the Provision of Services								0
Derecognition - Disposals	(2,153)	(107,980)	(7)					(110,140)
Reclassifications & Transfers	(471)	259	(2)			(13,960)		(14,174)
At 31 March 2025	631,499	661,834	39,389	1,981	3,159	63,265	4,004	1,405,131
Accumulated Depreciation and Impairment								
At 1 April 2024	(12,430)	(34,629)	(23,430)	(527)	(9)	0	0	(71,025)
Depreciation Charge	(13,217)	(7,140)	(2,281)	(54)			(317)	(23,009)
Depreciation written out to Revaluation Reserve	25,398	16,413						41,811
Depreciation on Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services		2,551						2,551
Derecognition - Disposals	74	5,344	4					5,422
At 31 March 2025	(175)	(17,461)	(25,707)	(581)	(9)	0	(317)	(44,250)
Net Book Value								
At 31 March 2025	631,324	644,373	13,682	1,400	3,150	63,265	3,687	1,360,881
At 1 April 2024	604,290	688,673	14,380	1,454	3,150	56,162		1,368,109

*Other Land and Buildings contains assets with operating leases see note 33 for further details.

The council has determined in accordance with Regulation 30M England of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations

2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

	Infrastructure Assets 2024/25 £000	Infrastructure Assets 2023/24 £000
Net Book Value (modified historic cost)		
At 1 April	446,157	415,773
Additions	13,826	28,562
Reclassifications & Transfers	13,656	25,165
Depreciation	(25,003)	(23,343)
At 31 March	448,636	446,157

Movements in 2023/24:

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment (excluding infrastructure assets) £000
Cost or Valuation							
At 1 April 2023	640,708	775,315	35,310	1,872	3,423	63,247	1,519,875
Additions	16,479	10,797	3,126	109		24,240	54,751
Revaluation increases/ decreases to Revaluation Reserve	(38,650)	(31,911)			(264)		(70,825)
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services		(561)					(561)
Impairment losses to Surplus or Deficit on the Provision of Services		(10,944)					(10,944)
Derecognition - Disposals	(4,323)	(33,537)	(12)				(37,872)
Reclassifications & Transfers	2,506	14,143	312			(31,325)	(14,364)
Other Movements *			(926)				(926)
At 31 March 2024	616,720	723,302	37,810	1,981	3,159	56,162	1,439,134
Accumulated Depreciation and Impairment							
At 1 April 2023	(12,724)	(31,828)	(22,420)	(475)	(9)	0	(67,456)
Depreciation Charge	(12,505)	(23,721)	(1,941)	(52)			(38,219)
Depreciation written out to Revaluation Reserve	12,721	19,032					31,753
Depreciation on Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services		23					23
Derecognition - Disposals	78	1,865	5				1,948
Other Movements *			926				926
At 31 March 2024	(12,430)	(34,629)	(23,430)	(527)	(9)	0	(71,025)
Net Book Value							
At 31 March 2024	604,290	688,673	14,380	1,454	3,150	56,162	1,368,109
At 1 April 2023	627,984	743,487	12,890	1,397	3,414	63,247	1,452,419

*Fully depreciated and decommissioned assets which have been de-recognised.

Revaluations

The valuation of the freehold and leasehold properties which comprise the council's property portfolio was carried out by a professionally qualified valuer employed by the council.

Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Properties which are valued at current value are formally valued under a five-year rolling programme, with annual desk top reviews in the intervening period, to ensure that carrying values do not differ materially from current values at the balance sheet date. Valuations are commissioned with a valuation date of 31 March 2025.

HRA properties were subject to a full valuation in March 2021 in line with DLUHC (now known as the Ministry of Housing, Communities and Local Government (MHCLG)) guidance "Stock Valuation for Resource Accounting – Guidance for Valuers – 2016". Valuations have been updated since then in line with house price indices.

Valuation bases of property, plant and equipment are set out in the Statement of Accounting Policies.

The council's surplus assets comprise mainly of land sites which have been valued at fair value reflecting highest and best use based on prevailing planning policy.

In the main the valuation figures incorporated in the accounts are the aggregate of separate valuations of parts of the portfolio, not a valuation or apportioned valuation of the portfolio valued as a whole. The sources of information and assumptions made in producing the various valuations are set out in a valuation certificate and report.

The exception to this is in-year expenditure on assets, which is analysed by the valuer at the end of the financial year. Some expenditure is added to asset values, where in the opinion of the valuer, it adds some value to the asset. Other expenditure is written off as an impairment during the year, where in the opinion of the valuer it does not add value to the asset. All assets will be 'officially' revalued, taking this expenditure into account during the five-year rolling programme of revaluations.

In accordance with the Code, the council has charged depreciation on its property, plant and equipment to the Comprehensive Income and Expenditure Statement, regardless of the maintenance regime on any individual asset.

The following table illustrates the life of the assets for each category type, as adopted by the council (other than freehold land and assets under construction which are not depreciated). Depreciation is calculated on a straight-line basis.

Category	Life of Asset
Housing Stock	Buildings 15 to 70 years for components
Other Buildings	Buildings 40 years
Vehicles, Plant and Equipment	Plant 10 years Equipment / ICT 5 years Solar Panels (Council dwellings) 25 years
Infrastructure	Bridges 40 years Highways, footways and cycle tracks 25 years Playgrounds 25 years Street Lighting 25 years Street Furniture 25 years
Community Assets	40 years

Component accounting is applied to calculate depreciation on assets within Property, Plant and Equipment, to accurately reflect the cost of use of the assets. This means that each part of an item of Property, Plant and Equipment, with a cost that is significant in relation to the cost of the item, shall be depreciated separately. In practice this has been achieved by applying a de minimis limit to individual asset values within the Property, Plant and Equipment category of £1m. Below this limit componentisation has been considered not to have a material effect on depreciation charges.

All assets are split into buildings and land (which is not depreciated). Buildings over the £1m threshold have been further subdivided into components of structure, services and roof. They have been valued on an average asset life basis, which averages typical costs of the components of buildings over maximum life expectancy for these components. Depreciation is calculated on these average lives which range from 30 - 40 years, compared to the normal life expectancy of buildings of 40 years.

The council's housing stock has been analysed into significant identifiable components for depreciation purposes. The building components have been depreciated over the useful lives as noted above.

The table below shows the progress of the council's rolling programme for the revaluation of property, plant and equipment. The basis for valuation is set out in the statement of accounting policies.

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Infrastructure Assets £000	Total Property, Plant and Equipment £000
Valued at historical cost:			13,682	1,400		63,265	3,687	448,636	530,670
Valued at current value in:									
2024/2025	631,324	543,059			3,150				1,177,533
2023/2024		36,797							36,797
2022/2023		21,729							21,729
2021/2022		13,048							13,048
2020/2021		29,740							29,740
	631,324	644,373	13,682	1,400	3,150	63,265	3,687	448,636	1,809,517

Capital Commitments

Capital works are normally planned and carried out over a number of years. At 31 March 2025 the council had £23.569m which had been contracted for (£30.901m in 2023/24). These works include further phases of schemes which are already in progress as well as other planned schemes which have not yet been started.

	2024/25 £000	2023/24 £000
New build special school		1,814
Highways Schemes	5,839	7,544
Improvements to schools	3,615	3,672
Housing schemes - affordable housing and new builds	4,029	2,457
Repairs and improvements to other council properties	3,305	1,601
Regeneration and Environmental Works	6,781	13,813
	23,569	30,901

The council has entered into a funding agreement with the Weir Mill developer (Capital and Centric (Rose) Ltd) for the sum of £59m. This development will see the restoration of a listed Victorian Mill and the creation of 250 apartments and mixed use indoor and outdoor space. The development was awarded grant funding which was utilised in advance of the draw down of loan in 2022/23, and the total loan drawn down as at 31 March 2025 is £43.515m (£32.555m as at 31 March 2024).

12. Investment Properties

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

	2024/25 £000	2023/24 £000
Income including rental income	(20,487)	(21,060)
Expenditure	13,482	10,044
Net income from investment properties	(7,005)	(11,016)
Changes in Fair Value of Investment Properties (unrealised gains/losses)	18,613	8,510
	11,608	(2,506)

There are no restrictions on the council's ability to realise the value inherent in its investment property or on the council's right to the remittance of income and the proceeds of disposal. The council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance, or enhancement in the normal course of letting. However, the council as landowner may become liable for maintenance and service costs of certain properties if they become vacant.

Valuation Process for Investment Properties

The fair value of the council's investment property is measured on a rolling basis, but all assets are subject to a desk top review at each reporting date.

Except for the asset detailed below, the valuation of investment properties, which comprise the council's investment property portfolio, has been carried out by a professionally qualified valuer who is employed by the council.

The council's 4.64% interest in land held at Manchester Airport is based on a valuation obtained by Manchester City Council's valuer in 2024/25.

The council's interests in Merseyway Shopping Centre, former Debenhams building and Redrock Leisure complex have been valued by CBRE Ltd at 31 March 2025.

Fair Value Hierarchy

The council's investment portfolio comprises a core of industrial ground leases, as well as a mix of retail, commercial and leisure property.

All of the council's directly held investment assets, valued at £186.803m (£187.914m in 2023/24), have been assessed overall as Level 3 in the fair value hierarchy as the measurement technique uses Level 2 observable inputs, but with some Level 3 unobservable inputs to determine the fair value measurements (e.g. location or physical condition).

The Manchester Airport Land, valued at £11.044m (£10.347m in 2023/24), has been assessed as Level 2 in the fair value hierarchy.

Valuation Techniques used to Determine Level 3 Fair Values for Investment Properties

The valuation of the Merseyway Shopping Centre has adopted the investment method, which uses a discounted cash flow and capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, covenant strength, the terms of in-place leases and expectations for rentals from future leases over the economic life of the buildings.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about rent growth and vacancy levels and the discount rate (market yields). The overall valuation is sensitive to all of these assumptions and they are interrelated. The Hotel and Redrock have been valued using the income capitalisation method and discounted cash flow, having regard to projected trading information. This has been considered in light of transactional evidence and adjustments made to reflect age, size, location and offering.

The capital value of the remaining portfolio has been measured using the income approach, having regard to rental values and investment yields (the “all risk yield” approach). The approach has been developed using the council’s own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, terms of the lease agreement, rent growth, occupancy levels, bad debt levels, maintenance costs, type and location of the property, security of the income (tenant’s covenant strength), etc. Whilst reference is made to comparable market data from independent published sources, the council’s portfolio is in the main secondary in nature and not in prime locations.

The council holds other retail interests, most of which are located in Stockport Town Centre. Capital values have been assessed as above, based on income stream, tenure, lease term and covenant strength.

Highest and Best Use of Investment Properties

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

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Quantitative Information about Fair Value Measurement of Investment Properties using Significant Unobservable Inputs – Level 3

Significant changes in rental income and rent growth; vacancy levels or yield will result in a significantly lower or higher fair value.

It is generally considered that equivalent market yield is the most sensitive unobservable input for the valuation of investment assets.

Generally, the lower the yield the more secure the property is as an investment. This may manifest itself in the quality of the tenant in occupation, the prospects for income and capital growth and the location of the property.

Industrial ground leases are considered very secure assets, which whilst producing relatively modest incomes and are considered by the market to have significant capital values as the risk of default by the tenant is remote given that the income is often secured on commercial premises.

The table below shows the yield sensitivity analysis for the council's largest investment assets:

Asset	Fair value £000	Yield %	Value if yield increases by 0.5% £000	Value if yield decreases by 0.5% £000
2 Stockport Exchange Office	21,000	7.00%	19,638	22,550
Redrock Leisure Complex	15,675	9.69%	14,900	16,475
Aurora Business Park	17,554	6.75%	16,340	18,958
Merseyway Precinct	15,950	11.15%	15,950	16,780
1 Stockport Exchange Office	12,133	7.00%	11,325	13,068
Mallowdale Road land lease	12,785	4.00%	11,362	14,609
Stockport Exchange Hotel	12,960	6.50%	12,032	14,037

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

	Investment Assets*	Assets Under Construction	Investment Assets Held for Sale	Total
	2024/25 £000	2024/25 £000	2024/25 £000	2024/25 £000
Balance at start of year	196,266	14,039	1,995	212,300
Additions:				
- Purchases	99	13,620		13,719
- Other expenditure	1,989			1,989
- Additions due IFRS16 adoption	9,584			9,584
- Transfers	8,653	(6,723)	(1,995)	(65)
Disposal	(131)			(131)
Net unrealised gains from fair value adjustments	(18,613)			(18,613)
Balance at end of the year	197,847	20,936	0	218,783

*This contains Right of Use Assets which are disclosed further in Note 33.

	Investment Assets	Assets Under Construction	Investment Assets Held for Sale	Total
	2023/24	2023/24	2023/24	2023/24
	£000	£000	£000	£000
Balance at start of year	203,292	13,743	1,995	219,030
Additions:				
- Purchases	847	11,518		12,365
- Other expenditure	2,142			2,142
- Transfers	(270)	(11,222)		(11,492)
Disposal	(1,896)			(1,896)
Net unrealised gains from fair value adjustments	(7,849)			(7,849)
Balance at end of the year	196,266	14,039	1,995	212,300

The changes in fair value of investment property are attributable to Level 3 assets (£19.310m loss) and Level 2 assets (£0.697m profit). All other movements (additions and disposals) relate to Level 3 assets.

13. Financial Instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another entity. This definition is broad and includes instruments used in the treasury management activity of an authority, including the borrowing and lending of money and the making of investments.

Non exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Definitions

The **amortised cost of a financial asset or financial liability** is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or un-collectability.

The **effective interest rate (EIR)** is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an estimate is made of cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible, the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments) are used.

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.

A. Financial Instrument Balances

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

	Long-Term Balance at 31 March 2025 £000	Current Balance at 31 March 2025 £000	Long-Term Balance at 31 March 2024 £000	Current Balance at 31 March 2024 £000
Financial liabilities at amortised cost				
Borrowing:				
PWLB: maturity loans	576,386	46,079	433,704	89,534
Market loans - LOBOs	7,965		7,972	
Market loans - converted LOBOs	61,108		61,131	
Market loans - other long-term loans	40,329		40,329	
Short-term loans		66,347		101,045
Salix Loans	871	947	1,818	1,218
Sub Total	686,659	113,373	544,954	191,797
Bank overdraft		4,464		5,845
Total	686,659	117,837	544,954	197,642
Trade Payables		70,545	2,048	63,252
Other Payables				6,930
Other Long-Term Liabilities at amortised cost:				
Stockport Exchange Multi Storey Car Park lease liability	13,700		13,700	
Total Liabilities	700,359	188,382	560,702	267,824
Financial assets at amortised cost				
Cash & Cash Equivalents		34,564		41,874
Total	0	34,564	0	41,874
Financial assets				
Historic Cost				
Unquoted equity investment at cost-Stockport Hotel Management Company Ltd	100		100	
Fair Value through Other Comprehensive Income				
Unquoted equity investments - Airport	47,800		50,700	
Other Long-Term Receivables at amortised cost				
Stockport Exchange Multi Story Carpark finance lease	13,700		13,700	
Total	61,600	0	64,500	0
Receivables at amortised cost				
Trade Receivables	2,856	75,289	2,662	61,896
Other Loans	84,036	1,632	72,570	346
Patient equity investment - Interchange Homes LLP	9,300		9,300	
Loans to subsidiary companies	71,436	9,378	76,448	4,743
Total	167,628	86,299	160,980	66,985
Total Assets	229,228	120,863	225,480	108,859

Under accounting requirements, the carrying value of a financial instrument is shown in the balance sheet, which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an EIR calculation) including accrued interest. Accrued interest is included in current assets/liabilities where the payments/receipts are due within one year (accrued interest in excess of twelve months is shown in long-term assets/ liabilities). The EIR is accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price.

Included in the Other Loans figure of £85.668m (£72.916m for 2023/24) are the following:

- The Manchester Airport loan conversion of debt, which was previously administered on behalf of the Airport by the council, comprising a number of PWLB annuity and maturity loans. In February 2010, these loans were converted into one loan of £9.151m for 45 years at 12% (across 10 Greater Manchester councils). This loan has £3.609m of accrued interest (£3.475m in 2023/24).
- During 2018/19 an opportunity arose for the council, as one of the nine districts along with Manchester City Council who are shareholders in Manchester Airport Group, to support the Airport Transformation Programme through shareholder loans. The investment is fully aligned to the economic and strategic priorities for Greater Manchester and will help secure future dividend growth for the council. The council's total Manchester Airport Strategic Investment is £11.278m. This loan has £3.707m of accrued interest (£3.569m in 2023/24).
- During 2020/21 financial support through a shareholder loan of £9.677m was made to Manchester Airport Group by the council along with the other Greater Manchester Authority shareholders. The shareholder loan was provided to the Airport to contribute to approved capital works. This loan has £2.360m of accrued interest (£2.272m in 2023/24).
- £43.515m loans to Capital & Centric to support the Capital Programme in the development of Weir Mill (£33.301m in 2023/24). Weir Mill is part of the town hall regeneration plans being delivered by Stockport's Mayoral Development Corporation.
- £1.721m of loans for capital expenditure to Stockport Active CIC (£0.746m in 2023/24).

Lenders Option Borrowers Option (LOBO) loans of £7.500m have been included in long-term borrowing as market loans but have an option date in the next 12 months. The above long-term figures are based on EIR calculations where the maturity period for a LOBO is taken as being the contractual period to maturity.

Liquidity shortages in the short-term local authority lending market meant the council took several PWLB loans totalling £187.000m in Q4 of 2024/25, maturing on various dates over 2026 and 2027. The borrowing included £89.027m replacing loans maturing in February and March 2025, and £97.973m of new borrowing.

The loans were kept short in duration as PWLB rates and Bank Rate are expected to fall over the forecast period, and which offered better value than medium to long-term rates. These loans will require repaying and refinancing on their maturity dates which are split between financial years to mature £100m in 2026/27 (average rate 4.73%) and £87m in 2027/28 (average rate 4.87%).

These loans have been staggered to mature in separate years and so not expose the council to too much refinancing risk in any one year. The total borrowing was taken at an average rate of 4.80%.

The council has temporary loans of £65.021m as at 31 March 2025 (£11.736m as at 31 March 2024). Temporary loans comprise money market loans at fixed interest rates, mainly with other local authorities, repayable within the next financial year.

The council has £1.818m in interest free loans from Salix, which is Government funding to the public sector to improve their energy efficiency. £1.218m was repaid to Salix during 2024/25 (£1.328m in 2023/24). A further £0.947m is due to be repaid in 2025/26. If material, the EIR of these loans should be calculated so that the value of the financial assistance provided by the lender to the council can be separated from the financing cost of the transaction. However, in this instance the gain represented by this opportunity is not material.

The other unquoted equity investment at cost consists of a shareholding in a subsidiary undertaking that is not included in the council's Group Accounts. Investments in companies which are included in the council's Group Accounts are covered by other standards and are not included in the financial instruments note.

Designation to Fair Value through Other Comprehensive Income

The adoption of accounting standard IFRS 9 Financial Instruments requires that investments in equity are classed as Fair Value through Profit and Loss unless there is an irrevocable election to designate the asset as Fair Value through Other Comprehensive Income. The investments in Manchester Airport Holdings Ltd and Manchester Airport Car Parking Ltd are equity investments and as such, the accounting treatment is that any gains and losses on changes in fair value would be recognised through profit and loss.

However, the council's shareholdings in the Manchester Airport Group are strategic investments and not held for trading. Therefore the council opted to designate them as Fair Value through Other Comprehensive Income, which means that there is no impact on the revenue budget from any gains and losses on valuation, and this decision is irrevocable. Any gains and losses on the valuation of the shareholding will therefore be transferred to a Financial Instruments Revaluation Reserve.

B. Financial Instruments Gains and Losses

The gains and losses recognised in the CIES in relation to Financial Instruments are made up as follows:

	Balance as at 31 March 2025			
	Financial Liabilities measured at amortised cost	Financial Assets measured at amortised cost	Financial Assets Fair Value through Other Comprehensive Income	Total
	£000	£000	£000	£000
Interest expense	30,666			30,666
Total expense in (Surplus) or Deficit on the Provision of Services	30,666			30,666
Interest income		(9,951)		(9,951)
Gains on Fair Value measurement of financial instruments		(374)		(374)
Dividend income			(898)	(898)
Total income in (Surplus) or Deficit on the Provision of Services		(10,325)	(898)	(11,223)
Unrealised loss on revaluation			2,900	2,900
Total Deficit on revaluation of financial assets in Other Comprehensive Income and Expenditure			2,900	2,900
Net (gain)/loss for the year	30,666	(10,325)	2,002	22,343

	Balance as at 31 March 2024			
	Financial Liabilities measured at amortised cost	Financial Assets measured at amortised cost	Financial Assets Fair Value through Other Comprehensive Income	Total
	£000	£000	£000	£000
Interest expense	27,458			27,458
Total expense in (Surplus) or Deficit on the Provision of Services	27,458			27,458
Interest income		(10,413)		(10,413)
Gains on Fair Value measurement of financial instruments		(499)		(499)
Dividend income			(323)	(323)
Total income in (Surplus) or Deficit on the Provision of Services		(10,912)	(323)	(11,235)
Unrealised (gain) on revaluation			(26,300)	(26,300)
Total (Surplus) on revaluation of financial assets in Other Comprehensive Income and Expenditure			(26,300)	(26,300)
Net (gain)/loss for the year	27,458	(10,912)	(26,623)	(10,077)

C. Fair Value of Financial Assets

Some of the council's financial assets are measured in the balance sheet at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial assets measured at fair value			
Recurring Fair Value Measurements	Input level in Fair Value Hierarchy	Valuation technique used to measure Fair Value	£000
Fair Value through Other Comprehensive Income			
Manchester Airport as at 31 March 2025	Level 2	Earnings Based	43,400
Manchester Airport Holdings Ltd as at 31 March 2025	Level 2	Discounted Cash Flow	4,400
Manchester Airport as at 31 March 2024	Level 2	Earnings Based	46,300
Manchester Airport Car Holdings Ltd as at 31 March 2024	Level 2	Discounted Cash Flow	4,400

The council holds a minority shareholding of 3.22% in Manchester Airport Holdings Ltd (MAHL). There is a high degree of comparability with listed company data and the valuation conclusion (including any movement in share price) is measurable against listed counterparts. It is therefore considered that the shares should be classed as input Level 2 on the fair value hierarchy for the purposes of IFRS 13.

The valuation technique used is the earnings-based method. This takes as its basis the profitability of the company, assessing its historic earnings typically by reference to results of a three to five-year period and arriving at a view of 'maintainable' or 'prospective' earnings. It draws on data from comparable quoted companies and comparable transactions of companies operating in the relevant industrial sector. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the council holds a minority interest with no voting rights.

The valuation has been made using Manchester Airport Group's annual reports and accounts for the year ended 31 March 2025 and interim report and accounts for the six months ended 30 September 2024, in addition to any further information that is publicly available.

The current fair value of the shares may reasonably be estimated at £43.400m as at 31 March 2025 (£46.300m as at 31 March 2024), which is a reduction in value of £2.900m from last year.

Following from the results in the last financial year, Revenue and EBITDA levels have shown continued growth and exceeded pre-pandemic levels.

The Interim Report acknowledges an increase in Revenue and EBITDA due to an increase in passenger numbers coupled by an increase in route networks across multiple airlines in MAG's three airports (Manchester, East Midlands and London Stanstead).

The council, along with the other nine Greater Manchester District Councils, holds an equity investment in Manchester Airport Holdings Ltd (MAHL), which is part of the

Manchester Airport Group. The council's total investment of £5.610m was to assist in funding the capital build of a car park in 2020 in return for the issue of three class 'C' ordinary shares in Manchester Airport Holdings Ltd, which give the council the rights to distributable profits from Manchester Airport Car Parking Ltd (MACP). It should be noted that as a result of the 'C' share equity investment, there was no change to the existing share capital or shareholdings of Manchester Airport Holdings Ltd.

In the context of the limited amount of information regarding turnover available to the holder of the shares in MAG, the valuers have considered a discounted cashflow ('DCF') approach using the MACP Forecast to be the most appropriate method to value MACP. A DCF approaches the valuation on the basis that the value of a particular asset is the sum total of the present value of future cashflows. This requires an estimate of cashflow into the foreseeable future to which must be applied a discount rate or risk factor so as to convert the anticipated monetary returns into current day values.

The valuers were provided with a financial forecast by management for MACP ('MACP Forecast') and understand this was produced around April 2022. The valuers do not have detail of the current trading performance of MACP to compare the MACP Forecast to in order to assess its accuracy; and consider this risk as part of their assessment of an appropriate discount rate for MACP.

The valuers note that the MACP Forecast provides individual estimates, based on undisclosed assumptions for the years FY21 to FY26. The EBITDA in years FY27 to FY50 follow an assumed 2% annual growth rate.

As with the other shareholdings in MAHL, the valuers have considered that the shares should be classed as input Level 2 on the fair value hierarchy.

The current fair value of the shares as at 31 March 2025 may reasonably be estimated at £4.400m; unchanged from 31 March 2024.

D. The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required)

Except for the financial asset carried at fair value (described in the table above), all other financial liabilities and financial assets represented by amortised cost and long-term receivables and payables are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2), using the following assumptions:

- For loans from the PWLB payable, PWLB prevailing market certainty rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures;

- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount; and
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Methods and Assumptions in valuation technique:

The fair value of an instrument is determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of payments in the future in today's terms.

The discount rate used in the NPV calculation should be equal to the current rate in relation to the same instrument from a comparable lender. This will be the rate applicable in the market on the date of valuation, for an instrument with the same duration, i.e. equal to the outstanding period from valuation date to maturity. The structure and terms of the comparable instrument should be the same, although for complex structures it is sometimes difficult to obtain the rate for an instrument with identical features in an active market. In such cases, the prevailing interest rate of a similar instrument with a published market rate, is used as the discount factor.

Inclusion of Accrued Interest:

The purpose of fair value disclosure is primarily to provide a comparison with the carrying value in the balance sheet. Since this also includes accrued interest as at the balance sheet date, accrued interest has also been included in the Fair Value calculation, up to and including the valuation date.

Discount Rates used in NPV Calculation:

The rates quoted in this valuation were obtained by the council's treasury management consultants (MUFG Corporate Markets) from the market on 31 March 2025.

Fair Value of Assets and Liabilities carried at Amortised Cost

The fair values are calculated as follows:

- (i) Fair value of liabilities carried at amortised cost

	31 March 2025		31 March 2024	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair Value £000
Financial Liabilities:				
PWLB: maturity	622,465	479,307	523,238	407,738
Market Loans – LOBOs	7,965	6,377	7,972	7,222
Market Loans - converted LOBOs	61,108	44,041	61,131	49,067
Market Loans - other long-term loans	40,329	18,322	40,329	20,782
Short-term borrowing	66,347	66,347	101,045	101,045
Salix Loans	1,818	1,818	3,036	3,036
Bank overdraft	4,464	4,464	5,845	5,845
Trade and other payables	70,545	70,545	72,230	72,230
Stockport Exchange multi storey car park lease liability	13,700	13,700	13,700	13,700
Total	888,741	704,921	828,526	680,665

The council has used a transfer value (new loan certainty rate) for the fair value of financial liabilities. In addition, an exit price valuation has also been taken (PWLB Maturity £518.898m) which is calculated using early repayment discount rates. The council has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

The fair value of the liabilities at 31 March 2025 is lower than the carrying amount because the council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date. This shows a notional future gain, based on economic conditions at 31 March 2025, arising from a commitment to pay interest to lenders below current market rates. The fair values at 31 March 2025 are lower than last year due to the higher interest rate environment this year which impacts the prevailing market rates used in calculating fair value.

The fair value of Public Works Loan Board (PWLB) loans of £479.307m (£407.738m in 2023/24) measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the reduced interest that the council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

The council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the council will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. But, if the council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid.

For LOBO loans, there were limited trades in the LOBO market for the financial year ending 31 March 2025. In the absence of a substantial active market for new long term market loans, the rates used for new borrowing are based on discussions with possible

market participants for new lending. These rates provide a reasonable proxy for rates that market participants appear to have used for early redemption costs for market loans. The LOBO rates have been derived following market analysis indicating the corresponding gilt rates plus 90 basis points as a suitable proxy.

The fair value assessment above has been carried out on debt and investment instruments in excess of one year only. For instruments less than one year, the fair value is invariably immaterially different from the carrying amount due to the short-term nature of the instrument and therefore the carrying amount is a reasonable approximation of their fair value.

(ii) Fair value of assets carried at amortised cost.

	31 March 2025		31 March 2024	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair Value £000
Financial Assets:				
Cash & Cash Equivalents	34,564	34,564	41,874	41,874
Stockport Exchange multi storey car park finance lease	13,700	13,700	13,700	13,700
Trade receivables	78,145	78,145	64,558	64,558
Other loans	85,668	77,793	72,916	66,243
Loans to subsidiary companies	80,814	80,814	81,191	81,191
Assets	292,891	285,016	274,239	267,566

The fair value of some financial assets above is the same as the carrying amount because the council's portfolio of financial assets includes cash or cash equivalent investments that can be readily converted into cash. The interest rate is the prevailing market rate and so the fair value of these receivables is the same as the carrying value.

The council did not have any investments with banks or building societies at 31 March 2025. Investments held were in Money Market Funds categorised as Cash and Cash Equivalents.

Trade receivables are carried at cost as this is a fair approximation of their value.

The fair value of 'other loans' is lower than the carrying value represented by the lower fair value in the Airport loans of £31.907m compared to a carrying value of £39.782m. The methodology for 2024/25 uses an income approach; a valuation technique that converts future amounts, e.g. cash flows or income and expenses, to a single current, (i.e. discounted) amount. Local authorities are required to follow the fair value hierarchy prescribed by paragraphs 76 to 90 of IFRS 13 to increase consistency and comparability in fair value measurements and related disclosures. The valuation basis adopted in this report uses Level 2 Inputs, i.e. inputs other than quoted prices that are observable for the financial asset/liability either directly or indirectly.

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date; the same accrued interest has also been included in the fair value calculation.

The following valuation basis has been applied, where applicable:

Valuation of Manchester Airport loans

Present value techniques are used to link future cash flows of principal and interest to a present amount, discounted using current market rates.

Since the future interest payments (and deferred interest payments) for the airport loans are uncertain, best estimates of future cash flows are applied based on:

- current expectations of interest payments being returned as they fall due from March 2025 onwards, and
- the repayment of the deferred interest being made by 2029/30 as set out in the schedule provided by the airport.

In the absence of an active market for these loans, discount rates applied in the present value analysis is arrived at by comparison with PWLB maturity interest rates using the new borrowing rate with the same duration to the remaining period of the loan. A margin for the credit risk is then added to reflect the additional risk of lending to the counterparty compared to lending to a local authority.

Accrued interest of £9.676m has been included in the calculation to reflect the interest payments deferred (£8.854m) and the interest accruing on the deferred payments (£1.917m). This has been adjusted for 'catch-up' payments made by the Airport of £0.084m in March 2023, two payments of £0.168m and £0.506m in March 2024 and £0.337m in March 2025. At this time there is no expected credit loss calculation for these loans as the loan agreement allows for interest payments to be deferred. However, the new notional fair value calculation takes account of the expected timing and interest rate of these deferred payments, resulting in an overall reduction in fair value compared to the prior year.

The Manchester Airport loans valuation as at 31 March 2025 was produced using a PWLB Maturity rate plus risk margin approach.

Discount rates used in NPV calculation

The rates quoted in this valuation were obtained from the market on 31st March 2025.

In terms of interest rate risk, the fair value of the Airport Loans would fall by £1.827m (to £30.080m) if interest rates had been 1% higher on the reporting date with all other variables held constant.

Note that for instruments held at Amortised Cost this has no impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure.

14. Nature and Extent of Risks arising from Financial Instruments

The council's activities expose it to a variety of financial risks. The key risks are:

Credit Risk: the possibility that other parties might fail to pay amounts due to the council; and,

Liquidity Risk: the possibility that the council might not have funds available to meet its commitments to make payments;

Refinancing Risk: the possibility that the council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms; and

Market Risk: the possibility that financial loss might arise for the council as a result of changes in such measures as interest rate or Stock Market movements.

Overall Procedures for Managing Risk

The council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the resources available to fund services. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. These require the council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. Overall, these procedures require the council to manage risk in the following ways:

- By formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- By the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- By approving annually in advance prudential and treasury indicators for the following three years limiting:
 - the council's overall borrowing;
 - its maximum and minimum exposures to the maturity structure of its debt;
 - Its management of interest rate exposure;
 - its maximum annual exposures to investments maturing beyond a year;and
- By approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be reported and approved at or before the council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the Annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument

exposure. Actual performance is also reported after each year, as is a mid-year update.

The Annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 22 February 2024 and is available on the council website. The key points within the strategy were:

- The Authorised Limit for 2024/25 was set at £974m (£976m for 2023/24). This is the maximum limit of external borrowings or other long-term liabilities;
- The Operational Boundary was set at £954m (£956m in 2023/24). This is the expected level of debt and other long-term liabilities during the year;
- The maximum amounts of fixed and variable interest rate exposure were set at 100% and 40% respectively, based on the council's net debt; and
- The maximum and minimum exposures to the maturity structure of debt are shown at Note 14c.

Risk management is carried out by the central treasury team, under policies approved by council in the annual treasury management strategy. The council maintains written principles for overall risk management, as well as written policies (Treasury Management Practices TMPs) covering specific areas, such as interest rates risk, credit risk and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

The council's management of treasury risks actively works to protect the financial resources available to fund services. The council has fully adopted CIPFA's Treasury Management Code of Practice and has created and maintained a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities and Treasury Management Practices, setting out the manner in which the council will seek to achieve those policies and objectives and prescribing how it will monitor and control those activities.

Treasury Management Policy Statement

The council defines its treasury management activities as:

'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

The council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

The council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The council's full Treasury Management Policy Statement and Treasury Management Practices are available to view on request.

Managing Treasury Management Risks

The council embodies within its business and service planning processes the means by which it can identify treasury management risks and is familiar with and has implemented methods by which those risks can be successfully managed and contained. The council believes that in by doing so it is treating the subject of risk management with sufficient priority.

In order that the council manages and contains its risks successfully, it has identified what its risks are and considered to what extent it is able and prepared to suffer the consequences of those risks impacting adversely on its finances. To the extent that it is unable or unprepared to bear those consequences, it has sought to protect itself against that eventuality.

(a) Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the council's customers. The risk of failure by a counterparty to meet its contractual obligations to the council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the council's capital or current (revenue) resources.

The risk is minimised through the Annual Investment Strategy which affirms that the effective management and control of risk are prime objectives of the council's treasury management activities.

The council has well documented records of the standing of counterparties it does or may deal with, and continuous access to independent sources of advice and information on the same.

- The council needs to be alert to the prospect of the counterparties they deal with being unable or unwilling to fulfil their contractual responsibilities, especially as a result of failure to maintain their credit status. This applies not only to contracts relating to capital financing and investment, but also to outsourcing;
- The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above;
- The council uses the creditworthiness service provided by its external treasury management advisor, MUFG Corporate Markets. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element.

However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries;
- Know your counterparty is a key principle; the council does not rely on credit ratings alone for their understanding of counterparties. Credit ratings remain a key source of information but it is recognised that they do have limitations. Credit ratings are used as a starting point when considering credit risk. The council also makes use of generally available market information, such as the quality financial press, market data, information on government support for banks and the credit ratings of that government support.

As part of its business or service planning processes, the council has established clear policies on:

- Use of credit risk analysis techniques;
- Diversification;
- Credit criteria used for creating/managing approved counterparty lists/limits;
- Approved methodology for changing limits & adding/removing counterparties;
- Country and group listing of counterparties and the overall limits applied to each, where appropriate; and
- Details of credit rating agencies' services and their application and description of overall approach to collecting and using information other than credit ratings for counterparty risk assessment.

Specific credit criteria in respect of financial assets held by this council at the balance sheet date are detailed in the Treasury Management Policy Statement and Annual Investment Strategy.

The full investment strategy for 2024/25 was approved at full Council Meeting on 22 February 2024 and is available on the council website.

The council holds a number of long-term debtors totalling £84.036m as at 31 March 2025 (£72.570m as at 31 March 2024). When undertaking any long-term loans, the council follows a full due diligence process. Having assessed the council's exposure to credit risk on the long-term debtors as at 31 March 2025, there is no evidence that the entities are unable to meet their commitments on their existing loan structures. The council also has loans to subsidiary undertakings of £80.814m at 31 March 2025 (£81.191m as at 31 March 2024). Loans are issued only after detailed appraisals of new schemes, affordability and repayments are factored into the companies' medium term financial plans, which are overseen by the council. The loans are deemed low credit risk with no exposure to default or uncollectability.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the council.

The council's maximum exposure to credit risk in relation to its investments in financial institutions of £34.564m (£41.874m in 2023/24) cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the council's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

The following analysis summarises the council's exposure to credit risk, based on past experience of default and uncollectability adjusted to reflect current market conditions. No credit limits were exceeded during the financial year and the council expects full repayment on the due date of deposits placed with its counterparties.

	Deposits with Banks & other Financial Institutions £000
Amounts as at 31 March 2025 (£000)	34,564
Historical Experience of Default	0
Historical experience adjusted for market conditions as at 31 March 2025	0
Estimated exposure to default & uncollectability (£000s)	0
 Amounts as at 31 March 2024 (£000)	 41,874
Historical Experience of Default	0
Historical experience adjusted for market conditions as at 31 March 2024	0
Estimated exposure to default & uncollectability (£000)	0

No breaches of the council's counterparty criteria occurred during the reporting period and the council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Within Financial Assets, there is £75.289m in current trade receivables at amortised cost (£61.896m in 2023/24). This is the net amount after the council has applied an estimate for trade receivables which are expected to be irrecoverable based on local experience (i.e. Impairment Allowance). Note 15, Short and Long-Term Debtors including Payments in Advance, provides further details of the current trade receivables.

The council does not generally allow credit for customers. The following table provides an age analysis of invoices raised for customer accounts, including lease and rental receivables, showing £24.697m is past its due date for payment (i.e. over 30 days) (£29.318m in 2023/24).

	31 March 25	31 March 24
	£000	£000
One to three months	3,568	7,334
Three to six months	3,083	3,464
Six months to one year	3,417	3,174
More than one year	14,629	15,346
Total	24,697	29,318

The past due but not impaired amount for invoices raised for customer accounts is £18.872m at 31 March 2025 (£22.257m at 31 March 2024), which is expected to be recoverable.

Amounts Arising from Expected Credit Losses

Impairments have been calculated for deposits held by the council of £8.100m at 31 March 2025 using Historical Default Tables provide by MUFG Corporate Markets (£26.479m at 31 March 2024). A historic risk of default and expected credit loss are only provided if a counterparty has a counterparty credit rating and are not provided for a Money Market Funds, for which the credit rating agencies provide a fund rating. The portfolio's historic risk of default and expected credit loss therefore measure the historic risk of a default and expected credit loss attached only to those investments for which a counterparty has a counterparty credit rating and do not include investments not rated.

The Historic Risk of Default is based on the lowest long-term rating. As this percentage is used for the Credit Loss calculation under IFRS 9, the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default; for these instruments the Expected Credit Loss is nil. There are no investments of this type as at 31 March 2025 (£nil as at 31 March 2024).

The Historic Default rates used were provided by combining historic default data from the three main credit rating agencies, Fitch, Moody's and Standard & Poor's.

The calculation on the council's investments showed the impairment loss to be immaterial and therefore no allowances have been made.

(b) Liquidity Risk

The council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the Treasury and Investment Strategy Reports), as well as through a comprehensive cash flow management system, as required by the Code. This seeks to ensure that cash is available when needed. If unexpected movements happen, the council has ready access to borrowings from the money markets.

The council has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and the PWLB and money markets for access to longer term funds. The council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to

cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity structure of financial liabilities (excluding amounts due to customers) is as follows (at nominal value):

Loans Outstanding	31 March 25 £000	31 March 24 £000
Public Works Loans Board	617,705	519,733
Market debt - LOBOs	7,500	7,500
Market debt - converted LOBOs	60,000	60,000
Market debt - other long-term loans	40,000	40,000
Short-term borrowing	65,021	100,020
Salix Loans	1,818	3,036
Stockport Exchange Multi Story Carpark lease liability	13,700	13,700
Total	805,744	743,989
Less than 1 year	110,968	190,266
Between 1 and 2 years	101,128	45,947
Between 2 and 5 years	94,010	1,367
Between 5 and 10 years	41,754	48,525
Between 10 and 20 years	18,003	16,490
Between 20 and 30 years	103,267	80,579
Between 30 and 40 years	161,614	155,815
Between 40 and 50 years	155,000	185,000
More than 50 years	20,000	20,000
Total	805,744	743,989

In the 30 to 40 years period there are £7.5m of LOBOs which have an option date in the next 12 months.

(c) Refinancing and Maturity Risk

The council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt. The

council therefore has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The council's policy is to ensure that there is a reasonable spread in the maturity periods for borrowing and the value of loans due to mature within any financial year through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments; and

- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the council's day-to-day cash flow needs, and the spread of longer-term investments provide stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period.

	Approved minimum limits %	Approved maximum limits %	31 March 2025			31 March 2024		
			Fixed £000	Variable £000	Fixed %	Fixed £000	Variable £000	Fixed %
Less than 1 year	0%	40%	100,947	10,021	12.5%	180,246	10,020	24.2%
Between 1 and 2 years	0%	40%	101,128		12.6%	45,947		6.2%
Between 2 and 5 years	0%	40%	94,010		11.7%	1,367		0.2%
Between 5 and 10 years	0%	45%	41,754		5.2%	48,525		6.5%
Between 10 and 20 years	0%	40%	18,003		2.2%	16,490		2.2%
Between 20 and 30 years	0%	50%	103,267		12.8%	80,579		10.8%
Between 30 and 40 years	0%	60%	161,614		20.1%	155,815		21.0%
Between 40 and 50 years	0%	60%	155,000		19.2%	185,000		24.9%
More than 50 years	0%	60%	20,000		2.5%	20,000		2.7%
Total			795,723	10,021	98.8%	733,969	10,020	98.7%

(d) Market Risk

Interest rate risk

The council is exposed to interest rate movements on its borrowing and investments and to interest rate risk in two different ways; the first being the uncertainty of interest paid and received, and the second being the effect of fluctuations in interest rates on the fair value of an instrument. Movements in interest rates have a complex impact on the council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates: the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates: the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates: the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and

- Investments at fixed rates: the fair value of the assets will fall (no impact on revenue balances).

Investments measured at amortised cost and borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure as appropriate.

The council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rates borrowing would be postponed. The treasury management team therefore work to an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31 March 2025 £000	31 March 2024 £000
Increase in interest payable on variable rate borrowings	725	1,075
Increase in interest receivable on variable rate investments	(354)	(467)
Impact on Surplus or Deficit on the Provision of Services	371	608
Share of overall impact debited to the HRA	28	28
Impact on Other Comprehensive Income and Expenditure	0	0
Decrease in fair value of fixed rate borrowing liabilities (no impact on surplus or deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(43,453)	(50,050)

Short-term loans and investments (maturing within twelve months) have been included in the increase in interest payable and receivable, despite being at fixed rates. This is due to the short-term nature of the borrowing that would effectively be subject to being replaced at higher rates within twelve months and therefore increase the interest payable.

The increase in interest payable on variable rate borrowings includes LOBO loans as they include either annual or semi-annual option dates.

The impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the note, Fair Value of Assets and Liabilities at Amortised Cost.

The decrease in fair value of fixed rate borrowing liabilities is significantly reduced from the previous financial year, reflecting higher PWLB market rates.

Price Risk

The council does not generally invest in equity shares or marketable bonds, however in common with all Greater Manchester authorities, the council has shareholdings in the Manchester Airport Group. The fair value of the total shareholding at the balance sheet date is £47.800m (more information about the shareholding is provided at Note 13). Whilst this holding is generally illiquid (no active market), the council is exposed to losses arising from movements in the price of the shares.

The Fair Value derived is on a market value basis, taking into account the nature of the holding, its illiquidity and the Company's Articles of Association. As the council is a non-voting minority shareholder the price valuation was made using only information available to minority shareholders/publicly available information.

As the shareholdings have arisen in the acquisition of specific interests, the council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, the council monitors factors that might cause a fall in the value of specific shareholdings.

The shareholdings are classified as an 'equity instruments designated at fair value through other comprehensive income', meaning that all movements in price will impact on gains and losses recognised in Other Comprehensive Income and Expenditure.

Foreign Exchange Risk

The council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

15. Short and Long-Term Debtors including Payments in Advance

	Short-Term Gross Balance £000	Impairment allowance £000	31 March 2025 Short-Term £000	31 March 2025 Long-Term £000	31 March 2025 Total £000
Financial Assets					
<u>Trade Receivables</u>					
Central Government	12,604		12,604		12,604
Other Local Authorities	13,416		13,416		13,416
NHS Bodies	11,966	(26)	11,940		11,940
Other Entities and Individuals:					
Social Services Clients	11,437	(3,314)	8,123		8,123
Housing Rents	2,868	(1,453)	1,415		1,415
Lease and rental receivables	6,828	(1,692)	5,136	2,856	7,992
Other Entities and Individuals	21,411	(794)	20,617		20,617
Subsidiary Undertakings	2,038		2,038		2,038
	82,568	(7,279)	75,289	2,856	78,145
<u>Other Receivables - Loans</u>					
Loans - Manchester Airport	1,170		1,170	38,612	39,782
Loans - Subsidiary Undertakings	9,378		9,378	71,436	80,814
Other loans including those to support the capital programme	462		462	45,424	45,886
	11,010	0	11,010	155,472	166,482
Total Receivables (Financial Assets)	93,578	(7,279)	86,299	158,328	244,627
Other Receivables (Non- Financial Assets)					
Central Government (Tax)	8,015		8,015		8,015
Housing Benefits	3,427	(2,170)	1,257		1,257
Collection Fund:					
Business Rates	8,450	(6,432)	2,018		2,018
Council Tax	14,998	(11,101)	3,897		3,897
Payments in advance:					
Lease and rental receivables	468		468	4,307	4,775
Other payments in advance	5,477		5,477		5,477
Total Receivables (Non- Financial Assets)	40,835	(19,703)	21,132	4,307	25,439
Total Receivables	134,413	(26,982)	107,431	162,635	270,066

	Short-Term Gross Balance £000	Impairment allowance £000	31 March 2024 Short-Term £000	31 March 2024 Long-Term £000	31 March 2024 Total £000
<u>Financial Assets</u>					
<u>Trade Receivables</u>					
Central Government	6,254		6,254		6,254
Other Local Authorities	5,441		5,441		5,441
NHS Bodies	8,615	(26)	8,589		8,589
Other Entities and Individuals:					
Social Services Clients	9,817	(3,908)	5,909		5,909
Housing Rents	2,812	(1,412)	1,400		1,400
Lease and rental receivables	8,425	(1,867)	6,558	2,662	9,220
Other Entities and Individuals	27,140	(1,259)	25,881		25,881
Subsidiary Undertakings	1,864		1,864		1,864
	70,368	(8,472)	61,896	2,662	64,558
<u>Other Receivables - Loans</u>					
Loans - Manchester Airport	338		338	39,084	39,422
Loans - Subsidiary Undertakings	4,743		4,743	76,448	81,191
Loans to support Capital Programme				33,301	33,301
Car and Other loans	8		8	185	193
	5,089	0	5,089	149,018	154,107
Total Receivables (Financial Assets)	75,457	(8,472)	66,985	151,680	218,665
<u>Other Receivables (Non-Financial Assets)</u>					
Central Government (Tax)	8,198		8,198		8,198
Housing Benefits	2,875	(2,486)	389		389
Collection Fund:					
Business Rates	7,747	(6,049)	1,698		1,698
Council Tax	14,435	(10,153)	4,282		4,282
Payments in advance:					
Lease and rental receivables	510		510	5,182	5,692
Other payments in advance	5,811		5,811		5,811
Total Receivables (Non-Financial Assets)	39,576	(18,688)	20,888	5,182	26,070
Total Receivables	115,033	(27,160)	87,873	156,862	244,735

The impairment (loss) allowance for trade and lease receivables is as follows:

	2024/25 £000	2023/24 £000
Balance at beginning of year	(8,472)	(9,721)
Reversal/(increase) in loss allowance recognised in Finance and Investment Income and Expenditure	373	499
Receivables written off during the year	820	750
Balance at end of year	(7,279)	(8,472)

The impairment loss allowance has been calculated based on life-time expected credit losses (simplified approach) for trade and lease receivables, including HRA rental arrears.

Trade receivables have been collectively assessed according to the groupings shown in the Note, for the purposes of calculating expected credit losses. Write offs occur only when all possible debt recovery procedures have been unable to secure payment.

16. Cash and Cash Equivalents

Cash and cash equivalents as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

	Balance at 31 March 2025 £000	Balance at 31 March 2024 £000
Cash and bank balances	26,464	15,395
Short term investments, considered to be cash equivalents	8,100	26,479
	34,564	41,874
Bank Overdraft	(4,464)	(5,845)
	30,100	36,029

17. Assets held for Sale

	Current 31 March 2025 £000	Current 31 March 2024 £000
Balance at start of year	1,339	1,016
Additions		76
Transfers	583	692
Revaluation Losses		(114)
Assets sold	(681)	(331)
Balance at end of year	1,241	1,339

18. Short and Long-Term Creditors including Receipts in Advance

	31 March 2025 Short-Term £000	31 March 2025 Long-Term £000	31 March 2025 Total £000
<u>Financial Liabilities</u>			
<u>Trade Payables</u>			
Central Government	(4,578)		(4,578)
Other Local Authorities	(9,847)		(9,847)
NHS Bodies	(2,772)		(2,772)
Other Entities and Individuals	(47,527)		(47,527)
Subsidiary Undertakings	(5,821)		(5,821)
	(70,545)	0	(70,545)
<u>Other Payables (Non-Financial Liabilities)</u>			
Central Government (Tax)	(5,031)		(5,031)
Collection Fund:			
Business Rates	(2,421)		(2,421)
Council Tax	(2,808)		(2,808)
Receipts in advance:			
Lease and rental receipts in advance	(3,255)	(4,208)	(7,463)
Social Care receipts in advance	(112)		(112)
Other receipts in advance	(6,376)	(37)	(6,413)
Employees Accumulated Absences	(5,773)		(5,773)
Other Entities and Individuals	(1,113)	(13,894)	(15,007)
	(26,889)	(18,139)	(45,028)
Total Payables	(97,434)	(18,139)	(115,573)

	31 March 2024 Short-Term £000	31 March 2024 Long-Term £000	31 March 2024 Total £000
<u>Financial Liabilities</u>			
<u>Trade Payables</u>			
Central Government	(6,304)		(6,304)
Other Local Authorities	(2,750)		(2,750)
NHS Bodies	(4,240)		(4,240)
Other Entities and Individuals	(43,995)		(43,995)
Subsidiary Undertakings	(5,348)		(5,348)
Lease Payables	(615)	(2,048)	(2,663)
	(63,252)	(2,048)	(65,300)
<u>Other Payables</u>			
Employees Accumulated Absences	(6,930)		(6,930)
	(70,182)	(2,048)	(72,230)
<u>Other Trade Payables (Non-Financial Liabilities)</u>			
Central Government (Tax)	(5,042)		(5,042)
Collection Fund:			
Business Rates	(2,720)		(2,720)
Council Tax	(2,920)		(2,920)
Receipts in advance:			
Lease and rental receipts in advance	(4,446)	(4,399)	(8,845)
Social Care receipts in advance	(5,333)		(5,333)
Other receipts in advance	(8,332)	(37)	(8,369)
	(28,793)	(4,436)	(33,229)
Total Payables	(98,975)	(6,484)	(105,459)

19. Provisions

	Insurance Fund	Business Rates Appeals	Total	Comparative figures for 2023/24
	£000	£000	£000	£000
<u>Long-term</u>				
Balance 31 March 2024	(2,278)	(8,642)	(10,920)	(17,695)
Additional Provisions	(736)		(736)	0
Provision Utilised in Year		2,898	2,898	6,775
Balance as at 31 March 2025	(3,014)	(5,744)	(8,758)	(10,920)
<u>Short-term</u>				
Balance 31 March 2024	(535)	(2,143)	(2,678)	(3,927)
Additional Provisions	(200)	(2,646)	(2,846)	(3,054)
Provision Utilised in Year		2,963	2,963	4,303
Balance as at 31 March 2025	(735)	(1,826)	(2,561)	(2,678)
Total Provisions	(3,749)	(7,570)	(11,319)	(13,598)

Insurance Fund

The insurance provision is in respect of outstanding liability claims in connection with employer's and public liability and Education property. Some schools have taken out their own policies to cover uninsured risks in respect of burst water pipes and theft from property. The amount shown in the provision highlights commitments where settlements have yet to be agreed (any balances are shown as an earmarked reserve).

Business Rates Appeals Provision

The council's appeals provision is £7.570m as at 31 March 2025 and is split across two Business Rates valuation lists; appeals relating to the 2017 Business Rates valuation list and appeals relating to the 2023 Business Rates valuation list.

- Both the 2017 and 2023 valuation list appeal provision are calculated using the Valuation Office Agency (VOA) outstanding list of Check, Challenge and Appeals as of 31 March 2025.

20. Usable Reserves

Movements in usable reserves are set out in the Movement in Reserves Statement and supporting notes. An explanation of usable reserves is set out below.

General Fund Balances

The General Fund is the statutory fund into which all the council's receipts are paid and all its liabilities are met, except where otherwise permitted by statutory rules. The General Fund Balance summarises the resources that the council is able to spend on its services or capital investment, or the deficit that it is required to recover. Included within the General Fund Balance reported in the Movement in Reserves Statement are Earmarked General Fund Reserves, which are amounts set aside to provide financing for future expenditure plans. See Note 7 for more details of Earmarked Reserve balances.

See the Narrative Report for more information about the General Fund Balance.

Housing Revenue Account

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for the council's housing provision. It contains the balance of income and expenditure that is available to fund future expenditure in connection to the council's housing provision or the amount required to be recovered from tenants in future years where it is in deficit.

Included within the Housing Revenue Account Balance reported in the Movement in Reserves Statement are Earmarked Housing Revenue Account Reserves, which are amounts set aside to provide financing for future expenditure plans. See the statements and notes for an explanation of the in-year movements on the Housing Revenue Account and Note 7 for Earmarked Housing Revenue Account Reserves.

Capital Receipts Reserve

This represents capital receipts from the disposal of land and other assets which are available to finance capital expenditure. The balance at year end represents receipts that have not yet been applied for this purpose.

Major Repairs Reserve

The council is required to maintain the Major Repairs Reserve, which controls the application of the Major Repairs Allowance (MRA). The MRA is restricted to being applied to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA. A balance held shows the MRA that has yet to be applied at the year end.

Capital Grants Unapplied

The balance at year end represents capital grants without conditions that have been received but not yet applied to finance capital expenditure.

21. Unusable Reserves

The movement on unusable reserves is shown below:

	Revaluation Reserve £000	Capital Adjustment Account £000	Financial Instruments Adjustment Account £000	Deferred Capital Receipts Reserve £000	Pensions Reserve £000	Collection Fund Adjustment Account £000	Accumulated Absences Account £000	Financial Instruments Revaluation Reserve £000	Dedicated Schools Grant Adjustment Account £000	Total Unusable Reserves £000
Balance at 31 March 2023 carried forward	(636,801)	(759,561)	897	(13,820)	(118,588)	(18,263)	6,226	(8,576)	11,253	(1,537,233)
Movement in reserves during 2023/24:										
Other Comprehensive Income and Expenditure	39,047				141,448			(26,300)		154,195
Movements to other reserves	35,627	4,008	(17)		(2,984)	7,689	704		12,563	57,590
Net (Increase)/ Decrease in 2023/24	74,674	4,008	(17)	0	138,464	7,689	704	(26,300)	12,563	211,785
Balance at 31 March 2024 carried forward	(562,127)	(755,553)	880	(13,820)	19,876	(10,574)	6,930	(34,876)	23,816	(1,325,448)
Movement in reserves during 2024/25:										
Other Comprehensive Income and Expenditure	(66,626)				(2,555)			2,900		(66,281)
Movements to other reserves	67,427	9,996	(17)		(379)	8,519	(1,157)		19,279	103,668
Net (Increase)/ Decrease in 2024/25	801	9,996	(17)	0	(2,934)	8,519	(1,157)	2,900	19,279	37,387
Balance at 31 March 2025 carried forward	(561,326)	(745,557)	863	(13,820)	16,942	(2,055)	5,773	(31,976)	43,095	(1,288,061)

(a) Revaluation Reserve

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

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

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

	2024/25 £000	2024/25 £000	2023/24 £000	2023/24 £000
Balance at beginning of the year		(562,127)		(636,801)
Upward revaluation of assets	(83,408)		(25,591)	
Downward revaluation of assets and impairment losses not charged to Surplus/Deficit on the Provision of Services	16,782		64,638	
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		(66,626)		39,047
Difference between fair value depreciation and historical cost depreciation	5,221		14,278	
Accumulated gains on assets sold or scrapped	62,206		21,349	
Amount written off to the Capital Adjustment Account		67,427		35,627
Balance at end of year		(561,326)		(562,127)

(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 under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the council as finance for the costs of acquisition, construction and enhancement.

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

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

Note 2 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25 £000	2024/25 £000	2023/24 £000	2023/24 £000
Balance at beginning of the year		(755,553)		(759,561)
Reversal of items relating to capital expenditure debited or credited to the CIES:				
- Charges for depreciation of non-current assets	48,175		61,801	
- Revaluation (gains)/losses and impairment losses on Property, Plant and Equipment	(1,038)		11,517	
- Amortisation of Intangible Assets	228		227	
- Revenue Expenditure Funded from Capital Under Statute	8,687		16,239	
- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	43,325		16,801	
	99,377		106,585	
Difference between fair value depreciation and historical cost depreciation	(5,221)		(14,278)	
Net written out amount of the cost of non-current assets consumed in the year		94,156		92,307
Capital financing applied in the year:				
- Receipt of capital loans	5,137		13,447	
- Repayment of loans	(5,137)		(13,447)	
- Use of the Capital Receipts Reserve to finance new capital expenditure	(4,424)		(3,629)	
- Use of the Capital Receipts Reserve to finance historical capital expenditure	(674)		(457)	
- Use of the Major Repairs Reserve to finance new capital expenditure	(13,751)		(13,008)	
- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(48,714)		(44,606)	
- Application of grants and contributions to capital financing from the Capital Grants Unapplied Account	(15,076)		(16,822)	
- Statutory provision for the financing of capital investment and charged against the General Fund and HRA balances	(17,036)		(16,470)	
- Capital expenditure charged against the General Fund and HRA balances	(2,099)		(1,156)	
- IFRS16 Repayments	(999)			
		(102,773)		(96,148)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		18,613		7,849
Balance at end of the year		(745,557)		(755,553)

(c) 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.

	2024/25 £000	2023/24 £000
Balance at beginning of the year	880	897
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statute	(17)	(17)
Balance at end of the year	863	880

(d) Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2024/25 £000	2023/24 £000
Balance at beginning of the year	(13,820)	(13,820)
Balance at end of the year	(13,820)	(13,820)

(e) Pensions Reserve

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

See Note 24 to the Financial Statements for an explanation of the in-year movements on the Pensions Reserve.

	2024/25 £000	2023/24 £000
Balance at beginning of the year	19,876	(118,588)
Remeasurements of the net defined benefit liability/asset	(173,333)	(64,869)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	28,179	24,205
Employer's pensions contributions and direct payments to pensioners payable in the year	(28,558)	(27,189)
Asset Ceiling Adjustment	170,778	206,317
Balance at end of the year	16,942	19,876

(f) Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Business Rates income in the Comprehensive Income and Expenditure Statement as it falls due compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2024/25 £000	2023/24 £000
Balance at beginning of the year	(10,574)	(18,263)
Amount by which Council Tax and Business Rates income credited to the Comprehensive Income and Expenditure Statement is different from that calculated for the year in accordance with statutory requirements	8,491	8,199
Amount by which renewable energy NDR income credited to the Comprehensive Income and Expenditure Statement is different from renewable energy NDR income calculated for the year in accordance with statutory requirements	(2,083)	(10,064)
	28	(510)
Balance at end of the year	(2,055)	(10,574)

(g) Accumulated Absences Account

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

	2024/25 £000	2024/25 £000	2023/24 £000	2023/24 £000
Balance at beginning of the year		6,930		6,226
Settlement or cancellation of accrual made at the end of the preceding year	(6,930)		(6,226)	
Amounts accrued at the end of the current year	5,773		6,930	
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(1,157)		704
Balance at end of the year		5,773		6,930

(h) Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve was created on 1 April 2018 due to the reclassification of the Available for Sale asset (investment in Manchester Airport) to an Equity Instrument designated at Fair Value through other Comprehensive Income. It contains gains made by the council arising from increases in the value of this investment. The balance is reduced when investments with accumulated gains are:

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

	2024/25 £000	2023/24 £000
Balance at beginning of the year	(34,876)	(8,576)
(Upward)/downward revaluation of investment - Manchester Airport	2,900	(26,300)
Balance at end of the year	(31,976)	(34,876)

(i) Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account was created on 1 April 2020 following new provisions put in place by the School and Early Years Finance (England) Regulations 2020 and Local Authority Finance Regulations. These regulations require the council to carry forward a deficit on the Dedicated Schools Grant (DSG) from the current and previous years to be dealt with from future DSG income up to 2025/26. The council must record the deficit in an unusable reserve created solely for the purpose of recording deficits relating to its school's budget.

	2024/25 £000	2023/24 £000
Balance at beginning of the year	23,816	11,253
Deficit schools budget for the year	19,279	12,563
Balance at end of the year	43,095	23,816

22. Note to the Cash Flow Statement – Investing Activities

	2024/25 £000	2023/24 £000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	91,278	96,564
Other capital payments for investing activities	25,842	50,556
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(4,244)	(7,030)
Other receipts from investing activities	(5,139)	(13,459)
Capital grants	(28,352)	(52,541)
Purchase of short-term and long-term investments	45,300	40,000
Proceeds from short-term and long-term investments	(45,300)	(80,000)
	79,385	34,090

23. Note to the Cash Flow Statement – Financing Activities

	2024/25 £000	2023/24 £000
Cash receipts of short and long-term borrowing	(502,301)	(550,200)
Repayments of short and long-term borrowing	440,546	523,266
	(61,755)	(26,934)
Other payments/(receipts) from financing activities	2,211	48
	(59,544)	(26,886)

The reconciliation of liabilities arising from financing activities is as follows:

	Balance at 1 April 2024 £000	Financing cash flows £000	Non-cash changes £000	Balance at 31 March 2025 £000
PWLB Loans	(523,238)	(97,972)	(1,255)	(622,465)
LOBOS/Converted LOBOS	(69,103)		30	(69,073)
Temporary loans	(101,045)	34,999	(301)	(66,347)
Market Loans - BAE	(40,329)			(40,329)
Salix Loan	(3,036)	1,218		(1,818)
	(736,751)	(61,755)	(1,526)	(800,032)
Lease liabilities	(27,905)		1,514	(26,391)
	(764,656)	(61,755)	(12)	(826,423)

	Balance at 1 April 2023 £000	Financing cash flows £000	Non-cash changes £000	Balance at 31 March 2024 £000
PWLB Loans	(409,452)	(113,263)	(523)	(523,238)
LOBOS/Converted LOBOS	(79,217)	10,000	114	(69,103)
Temporary loans	(176,327)	75,000	282	(101,045)
Market Loans - BAE	(40,329)			(40,329)
Salix Loan	(4,365)	1,329		(3,036)
	(709,690)	(26,934)	(127)	(736,751)
Lease liabilities	(13,700)			(13,700)
	(723,390)	(26,934)	(127)	(750,451)

24. Pension Schemes

The council participates in three pension schemes, the details of which are set out in the Statement of Accounting Policies.

Pension Schemes Accounted for as Defined Contribution Schemes

Teachers

Teachers employed by the council are members of 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 by making contributions based on a percentage of members' pensionable salaries.

The scheme is a defined benefit scheme. However, the scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme and no liability for future payments of benefits is recognised in the balance sheet.

In 2024/25, the council paid £20.99m to the Department for Education (£17.28m in 2023/24) in respect of teachers' pension costs, which represented 28.6% of teachers' pensionable pay (23.68% in 2023/24). In addition, the council is responsible for all pension payments relating to added years that it has awarded as discretionary benefits, together with the related increases. In 2024/25 these amounted to £1.16m (£1.15m in 2023/24), representing 1.2% of pensionable pay (1.6% in 2023/24).

There were contributions remaining payable as at 31 March 2025 of £2.6m (£2.3m as at 31 March 2024).

The total contributions expected to be made to the Teachers' Pension Scheme by the council in the year to 31 March 2026 are £21.05m.

Defined Benefit Pension Scheme

Other Employees

In 2024/25, the council paid an employer's contribution of £26.6m into the Greater Manchester Pension Fund (£25.3 in 2023/24), representing 18.8% of pensionable pay (18.7% in 2023/24). In addition, the council makes further payments in respect of added years benefits it has awarded, together with the related increases. In 2024/25 these amounted to £0.8m (£0.7m in 2023/24), representing 0.5% of pensionable pay (0.6% in 2023/24).

The Greater Manchester Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme, the scheme is managed by Tameside MBC. Each of the member authorities are represented on the Pension Fund Advisory Panel.

Further information can be found in the Greater Manchester Pension Fund's Annual Report which is available upon request from Greater Manchester Pension Fund, Guardsman Tony Downes House, 5 Manchester Road, Droylsden, M43 6SF.

The costs of retirement benefits are recognised in Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed in the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance through the Movement in Reserves Statement during the year.

Comprehensive Income and Expenditure Statement	2024/25			2023/24		
	Assets	Obligations	Net (Liability)/ Assets	Assets	Obligations	Net (Liability)/ Assets
	£000	£000	£000	£000	£000	£000
<u>Cost of Services:</u>						
- Current service cost		25,486	25,486		27,470	27,470
- Past service costs (including curtailments)		1,308	1,308		2,148	2,148
- Effect of settlements	4,684	(4,239)	445	2,315	(2,154)	161
Total Cost of Services	4,684	22,555	27,239	2,315	27,464	29,779
<u>Financing and Investment Income and Expenditure</u>						0
- Interest income on plan assets	(63,541)		(63,541)	(58,661)		(58,661)
- Interest cost on defined benefit obligation		54,475	54,475		53,087	53,087
- Interest on the effect of the asset ceiling			10,006			
Total Financing and Investment Income and Expenditure	(63,541)	54,475	940	(58,661)	53,087	(5,574)
Total Post-employment benefits charged to CIES	(58,857)	77,030	28,179	(56,346)	80,551	24,205
Remeasurements recognised in CIES Other Comprehensive Income						
- Actuarial gains and losses arising on changes in financial assumptions		(171,853)	(171,853)		(63,975)	(63,975)
- Actuarial gains and losses arising on changes in demographic assumptions		(1,978)	(1,978)		(7,428)	(7,428)
- Other experience and actuarial adjustments		(11,886)	(11,886)		36,437	36,437
- Return on Plan assets (excluding the amount included in the net interest expense)	12,384		12,384	(29,903)		(29,903)
Re-measurements of the net defined pensions liability	12,384	(185,717)	(173,333)	(29,903)	(34,966)	(64,869)

Movement in Reserves Statement						
Reversal of net charges made for retirement benefits	58,857	(77,030)	(18,173)	56,346	(80,551)	(24,205)
Actual amounts charged against the General Fund Balance						
- employers' contributions payable to the scheme	26,636		26,636	25,310		25,310
- unfunded Benefits payable to pensioners	1,922		1,922	1,879		1,879
Movement on pensions reserve	87,415	(77,030)	10,385	83,535	(80,551)	2,984
Reversal of interest on the effect of the asset ceiling			(10,006)			
Movement on pensions reserve			379			2,984

The Balance Sheet holds the underlying assets and liabilities for retirement benefits attributable to the council at 31 March 2025 and they are set out as follows.

	Funded assets and Obligations	Unfunded obligations		Total
		Teachers	Other	
	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000
Fair Value of plan assets	1,356,928			1,356,928
Present value of defined benefit obligation	(969,827)	(11,128)	(5,814)	(986,769)
Net asset/(liability) arising from defined benefit obligation	387,101	(11,128)	(5,814)	370,159
Asset Ceiling Adjustment	(387,101)			(387,101)
Adjusted Net asset/liability arising from defined benefit obligation	0	(11,128)	(5,814)	(16,942)

	Funded assets and obligations	Unfunded obligations		Total
		Teachers	Other	
	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000
Fair Value of plan assets	1,316,901			1,316,901
Present value of defined benefit obligations	(1,110,584)	(12,913)	(6,963)	(1,130,460)
Net liability arising from defined benefit obligation	206,317	(12,913)	(6,963)	186,441
Asset Ceiling Adjustment	(206,317)			(206,317)
Adjusted Net liability arising from defined benefit obligation	0	(12,913)	(6,963)	(19,876)

The funding arrangements and asset liability matching strategy adopted by the pension fund are described in detail in the Greater Manchester Pension Fund's 'Funding Strategy Statement' which gives a summary of the GMPF's approach to funding liabilities.

Asset Ceiling

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

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

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The council's

actuary has calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The calculated asset ceiling for 2024/25 results in greater future service costs than future service contributions so the economic benefit is floored at £nil (£nil in 2023/24). The adjustment has been recognised within other comprehensive income and expenditure of the Comprehensive Income and Expenditure Statement.

There is no legal right of offset for the unfunded pension obligations, which include Teachers' Discretionary Benefits, and therefore the net defined benefit liability for these is not impacted by the asset ceiling adjustment. The net defined benefit liability for the unfunded pension obligations is £16.942m for 2024/25 (£19.876m for 2023/24) and is reported separately on the balance sheet.

The following table is a reconciliation of the effect of the asset ceiling position.

	2024/25	2023/24
	£000	£000
Value of unrecognised surplus (asset ceiling) at 1 April	(206,317)	
Effect of asset ceiling in net interest cost	(10,006)	
Actuarial gains or losses on the asset ceiling	(170,778)	(206,317)
Impact of the asset ceiling as at 31 March	(387,101)	(206,317)

Changes in the fair value of plan assets, defined benefit obligation and net liability are set out in the following table.

Changes in the Fair Value of Plan Assets	Period ended 31 March 2025			Period ended 31 March 2024		
	Assets	Obligations	Net (Liability)/ Assets	Assets	Obligations	Net (Liability)/ Assets
	£000	£000	£000	£000	£000	£000
Fair Value of Employer Assets	1,316,901		1,316,901	1,240,234		1,240,234
Present value of funded liabilities		(1,110,584)	(1,110,584)		(1,100,931)	(1,100,931)
Effect of Asset Ceiling			(206,317)			0
Present value of unfunded liabilities		(19,876)	(19,876)		(20,715)	(20,715)
Opening position at 31 March	1,316,901	(1,130,460)	(19,876)	1,240,234	(1,121,646)	118,588
Service Costs:						
- Current service cost*		(25,486)	(25,486)		(27,470)	(27,470)
- Past service costs (including curtailments)		(1,308)	(1,308)		(2,148)	(2,148)
- effect of settlements	(4,684)	4,239	(445)	(2,315)	2,154	(161)
Total service cost	(4,684)	(22,555)	(27,239)	(2,315)	(27,464)	(29,779)
Net Interest:						
- Interest income on plan assets	63,541		63,541	58,661		58,661
- Interest cost on defined benefit obligation		(54,475)	(54,475)		(53,087)	(53,087)
- Interest cost on the effect of asset ceiling			(10,006)			
Total net interest	63,541	(54,475)	(940)	58,661	(53,087)	5,574
Total defined benefit cost recognised in Profit or (Loss)	58,857	(77,030)	(28,179)	56,346	(80,551)	(24,205)
Cashflows:						
- Contributions from Members	8,861	(8,861)	0	8,491	(8,491)	0
- Contributions from Employer	26,636		26,636	25,310		25,310
- Contributions in respect of unfunded benefits	(41,943)	41,943	0	(43,383)	43,383	0
- Benefits paid	(1,922)	1,922	0	(1,879)	1,879	0
- Unfunded benefits paid	1,922		1,922	1,879		1,879
Cashflows	(6,446)	35,004	28,558	(9,582)	36,771	27,189
Expected closing position	1,369,312	(1,172,486)	(19,497)	1,286,998	(1,165,426)	121,572
Remeasurements:						
- Changes in financial assumptions		171,853	171,853		63,975	63,975
- Changes in demographic assumptions		1,978	1,978		7,428	7,428
- Other experience		11,886	11,886		(36,437)	(36,437)
- Return on assets excluding amounts included in net interest	(12,384)		(12,384)	29,903		29,903
Changes in the effect of asset ceiling			216,323			0
Total Remeasurements recognised in CIES	(12,384)	185,717	389,656	29,903	34,966	64,869
Fair Value of Employer Assets	1,356,928		1,356,928	1,316,901		1,316,901
Present Value of Funded liabilities		(969,827)	(969,827)		(1,110,584)	(1,110,584)
Effect of Asset Ceiling			(387,101)			(206,317)
Present Value of Unfunded liabilities		(16,942)	(16,942)		(19,876)	(19,876)
Closing Position as at 31 March	1,356,928	(986,769)	(16,942)	1,316,901	(1,130,460)	(19,876)

*The service cost figures include an allowance for administration expenses of 0.3% of payroll.

Employer's contributions to the Greater Manchester Pension Fund for the year ended 31 March 2026 will be approximately £26.48m.

The actuarial valuation of the Greater Manchester Pension Fund is carried out on a triennial basis. The aim of the triennial valuation is principally to balance the objectives of stability of contributions and ensuring the solvency of the fund. At subsequent year ends the actuary performs an annual assessment which is an update of the formal valuation to reflect current conditions. These annual assessments form the basis of the balances reflected in the Statement of Accounts in accordance with IAS 19. The IAS 19 valuations do not determine the contributions that the council needs to pay into the fund; these are set by the triennial actuarial valuations. The last formal actuarial valuation of the Greater Manchester Pension Fund was undertaken as at 31 March 2022.

Assets and liabilities in the Greater Manchester Pension Fund have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The assets and liabilities have been assessed by Hymans Robertson, actuaries to the pension fund.

The principal risks to the council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute, as described in the accounting policies note. The main assumptions used in their calculations are set out below:

Basis for Estimating Assets and Liabilities	Assumptions as at 31 March 2025	Assumptions as at 31 March 2024
Longevity at 65 for current pensioners:		
Men	20.6 years	20.7 years
Women	23.7 years	23.7 years
Longevity at 65 for future pensioners:		
Men	21.5 years	21.6 years
Women	25.2 years	25.3 years
Financial Assumptions:		
Rate of increase in pensions	2.75%	2.75%
Rate of increase in salaries	3.55%	3.55%
Rate for discounting scheme liabilities (actual)	5.80%	4.85%

The weighted average duration of the defined benefit obligation for scheme members is 18 years.

Sensitivity Analysis:

Change in Assumptions at 31 March 2025	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	16,875
1 year increase in member life expectancy	4%	39,471
0.1% Increase in the Salary increase rate	0%	669
0.1% Increase in the Pension increase rate	2%	16,676

The sensitivity analysis above is based on reasonable, possible changes to the assumptions occurring at the end of the reporting period. In practice assumptions are unlikely to change and changes may be interrelated. The estimations are in line with accounting policies for the scheme. The methods and types of assumptions used in preparing the analysis have not changed from those used in previous periods.

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, a one-year increase in life expectancy would increase the Defined Benefit Obligation by approximately 3 - 5%.

Assets in the Greater Manchester Pension Fund are valued at fair value, and consist of equities, bonds, property and cash. The table below sets out the value and proportion of assets held in the said classes together with the prices quoted in the market:

Fair value of scheme asset	Period ended 31 March 2025				Period ended 31 March 2024			
	Quoted Prices in active markets	Quoted Prices not in active markets	Total	Percent -age of Total Assets	Quoted Prices in active markets	Quoted Prices not in active markets	Total	Percent -age of Total Assets
	£000	£000	£000	%	£000	£000	£000	%
Equity securities:								
Consumer	86,984		86,984	7%	79,741		79,741	6%
Manufacturing	65,539		65,539	5%	72,812		72,812	6%
Energy and Utilities	72,263		72,263	5%	71,123		71,123	5%
Financial Institutions	110,324		110,324	8%	111,792		111,792	8%
Health and Care	61,683		61,683	5%	65,853		65,853	5%
Information Technology	73,296		73,296	6%	68,692		68,692	5%
Other	18,498		18,498	1%	14,706		14,706	1%
Debt securities:								
Corporate Bonds	44,392		44,392	3%	54,754		54,754	4%
UK Government	57,912		57,912	4%	34,887		34,887	3%
Other	51,974		51,974	4%	41,109		41,109	3%
Private Equity:		86,596	86,596	6%		90,275	90,275	7%
Real Estate:								
UK property		69,948	69,948	5%		53,333	53,333	4%
Investment Funds and Unit Trusts:								
Equities	58,812		58,812	4%	61,584		61,584	5%
Bonds	136,513		136,513	10%	132,040		132,040	10%
Infrastructure		113,670	113,670	8%		111,689	111,689	8%
Other	33,434	176,448	209,882	16%	30,315	187,942	218,257	17%
Derivatives – other	(2,114)		(2,114)	0%				
Cash and Cash Equivalents:								
All	40,756		40,756	3%	34,254		34,254	3%
Total Assets	910,266	446,662	1,356,928	100%	873,662	443,239	1,316,901	100%

In June 2023, the High Court ruled in the case of Virgin Media Ltd v NTL Pension Trustees. The case is relevant to defined benefit pension schemes that were contracted out between April 1997 and 2016. From 6 April 1997, contracted out schemes were required to provide pensions for members that were at least broadly equivalent to those set out in a reference scheme test (known as section 9(2B) rights) and this had to be certified by the scheme's actuary. Any amendments to rights could only be made if the scheme's actuary was notified of the change and confirmed to the trustees in writing that the scheme would continue to satisfy the reference scheme test if the alterations were made. The Virgin Media case concerned the validity of an amendment to section 9(2B) rights where no confirmation from an actuary was obtained.

The ruling was that the pension scheme amendments were invalid if they were not accompanied by the correct actuarial confirmation. The case was appealed but in July 2024 the Court of Appeal upheld the original High Court decision. The ruling is case law and therefore is expected to apply across all other schemes. For LGPS, there is potential for additional pension liabilities to arise as a consequence and the historical rule amendments are in the process of being reviewed.

Recognising the increased uncertainty brought about by the Court of Appeal judgement, and the need for clarity, in June 2025 the government announced that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Scheme obligations will otherwise be unaffected and the government will continue to maintain its robust framework for the funding of defined benefit pension schemes in order to protect people's hard-earned pensions. Given the June 2025 announcement, the Virgin Media case is unlikely to have an impact on LGPS liabilities. The council will continue to monitor developments.

25. Pooled Budget Arrangements

Section 75 of the NHS Act 2006 allows NHS organisations and local authorities to make contributions to a pooled budget. The purpose of a pooled budget is to improve partnership working between organisations and provide integrated and improved services for patients and service users. In accordance with IFRS 11 Joint Arrangements, the pooled budget has been classified as a joint operation as the NHS Organisation, Greater Manchester Integrated Care Board (NHS GM ICB), and Stockport Metropolitan Borough Council have joint control and rights and account for their share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

The council entered into the pooled budget arrangement with NHS GM ICB in July 2022, prior to this the pooled budget arrangement was with NHS Stockport Clinical Commissioning Group (CCG) for many years. The council is host for the pooled budget. The Section 75 agreement allows organisations to vary their contributions to the pool to align with agreed investment proposals.

Whilst the provisions contained within the Section 75 agreement with NHS GM ICB indicate that joint control exists, the fund operates through lead commissioner arrangements whereby the nominated lead commissioner enters into legal contract with providers and the non-lead commissioner cedes control over the end-contract. Under lead commissioning arrangements an organisation acting as a lead commissioner accounts for its own transactions without recognising its interest in its share of total assets, liabilities, revenue, and expenditure that relate to the whole Fund. Each organisation also accounts for any surplus or deficit relating to its own transactions.

The tables below illustrate the contributions by partners and the financial performance by points of delivery (PODS) and the overall performance for the Section 75 Agreement during the year.

Pooled Budget Statement

2024/25	Prevention	Borough wide	Community / Out of Hospital	Total
	£000	£000	£000	£000
Funding provided to the Pooled Budget				
Stockport Council		(5,234)	(29,510)	(34,744)
NHS GM Integrated Care Board	(170)	(1,726)	(8,648)	(10,544)
Total	(170)	(6,960)	(38,158)	(45,288)
Cost of Services Commissioned for the Pooled Budget				
Stockport Council		5,626	29,628	35,254
NHS GM Integrated Care Board	170	1,726	8,380	10,276
Total	170	7,352	38,008	45,530
Net (surplus) / deficit funded by each partner:				
Stockport Council		392	118	510
NHS GM Integrated Care Board			(268)	(268)
Net (surplus) / deficit arising from the pooled budget in year	0	392	(150)	242

2023/24	Prevention	Borough wide	Community / Out of Hospital	Total
	£000	£000	£000	£000
Funding provided to the Pooled Budget				
Stockport Council		(5,148)	(27,627)	(32,775)
NHS GM Integrated Care	(168)	(1,715)	(6,867)	(8,750)
Total	(168)	(6,863)	(34,494)	(41,525)
Cost of Services Commissioned for the Pooled Budget				
Stockport Council		4,747	27,964	32,711
NHS GM Integrated Care	170	1,715	7,555	9,440
Total	170	6,462	35,519	42,151
Net (surplus) / deficit funded by each partner:				
Stockport Council		(401)	337	(64)
NHS GM Integrated Care	2		688	690
Net (surplus) / deficit arising from the pooled budget in year	2	(401)	1,025	626

26. Members' Allowances

The council paid the following amounts to council Members during the year.

	2024/25 £000	2023/24 £000
Allowances	952	958
Expenses	1	1
Total	953	959

27. Officer Remuneration

Senior Officer Remuneration for 2024/25 is provided in the table below.

Post Holder		Salary, Fees & Allowances	Expenses Allowance	Benefits in Kind*	Employers Pension Contribution
		£	£	£	£
Chief Executive - M.Cullen (1)	2024/25	157,159			29,716
	2023/24				
Chief Executive - C.Simpson (2)	2024/25	49,970		694	8,941
	2023/24	204,351		1457	36,885
Deputy Chief Executive (3)	2024/25	120,806		1282	21,459
	2023/24				
Deputy Chief Executive - M.Cullen (4)	2024/25	44,485		1511	7,778
	2023/24	182,070		1627	32,556
Executive Director (People & Integration) - C McLoughlin (5)	2024/25	161,521	963		30,026
	2023/24	156,652	963		29,294
Executive Director for Corporate and Support Services (6)	2024/25	111,297		1393	19,800
	2023/24				
Director of Finance - (7)	2024/25	82,387			13,532
	2023/24				
Director of Education, Work and Skills - (8)	2024/25	119,336		578	21,240
	2023/24	121,716		435	22,238
Director of Public Health - (9)	2024/25	102,657		398	18,742
	2023/24	80,179			14,994
Interim Director of Public Health - (10)	2024/25				
	2023/24	18,944		682	3,017
Director of Adult Social Care - (11)	2024/25	129,427		1354	22,546
	2023/24	126,270		1172	22,232
Director of Place Management - (12)	2024/25	32,537			5,959
	2023/24	112,785			21,091
Assistant Director – Governance, Monitoring Officer (Legal, Democratic and Electoral Services and Information Governance) - (13)	2024/25	109,847		1563	
	2023/24	103,893		2930	10,356

Note	Notes to the Senior Officer Remuneration Table
1	The Chief Executive holds the statutory roles of Head of Paid Service and Council Returning Officer. Chief Executive role Started 25/06/2024. Role also included Section 151 officer statutory role until 09/07/2024.
2	Left the council on 24/06/2024.
3	Started 10/07/2024 and reports directly to the Chief Executive.
4	This position also included the statutory role of Section 151 Officer. This post was held until 24/06/2024.
5	This is a statutory role of the council for Children's Services.
6	Started 10/07/2024 and reports directly to the Chief Executive.
7	As Assistant Director of Finance, started 10/07/2024 as Interim Section 151 Officer and was appointed on 18/11/2024 as Director of Finance this role holds the statutory role of Section 151 Officer.
8	The Director of Education, Work and Skills holds the statutory role of Chief Education Officer, and was also appointed on an interim basis as Director of Children's Services the period was between 09/03/2023 to 10/09/2023.
9	Started 12/6/2023. The Director of Public Health is a statutory Chief officer role accountable for delivery of Public Health Services.
10	Became Interim Director of Public Health on 20/03/23 and continued until June 2023 when the new Director of Public Health started on the 12/06/2023. The post holder is still with the council.
11	The Director of Adult Social Care is a statutory role of the council.
12	This post no longer reports directly to the Chief Executive after the 10/07/24.
13	The Assistant Director holds the statutory role of Monitoring Officer.

The council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid as shown in the table below.

Remuneration Band	2024/25				
	Number of employees who received redundancy or other related payments		Number of employees who did not receive redundancy or other related payments		Total
	Schools	Other Services	Schools	Other Services	
£50,000 to £54,999		1	121	124	246
£55,000 to £59,999		1	76	64	141
£60,000 to £64,999		1	37	39	77
£65,000 to £69,999			25	25	50
£70,000 to £74,999		1	23	29	53
£75,000 to £79,999		1	22	3	26
£80,000 to £84,999			13	7	20
£85,000 to £89,999	1		4	2	7
£90,000 to £94,999			6	9	15
£95,000 to £99,999		1	1	1	3
£100,000 to £104,999					
£105,000 to £109,999			1	2	3
£110,000 to £114,999	1		1	1	3
£115,000 to £119,999				1	1
£120,000 to £124,999					
£125,000 to £129,999			1		1
£130,000 to £134,999					
£135,000 to £139,999					
£140,000 to £144,999					
£145,000 to £149,999					
£150,000 to £154,999				1	1
£155,000 to £159,999			1		1
Total	2	6	332	308	648

Remuneration Band	2023/24				
	Number of employees who received redundancy or other related payments		Number of employees who did not receive redundancy or other related payments		Total
	Schools	Other Services	Schools	Other Services	
£50,000 to £54,999		1	105	90	196
£55,000 to £59,999			48	47	95
£60,000 to £64,999	1		29	32	62
£65,000 to £69,999			23	25	48
£70,000 to £74,999			27	22	49
£75,000 to £79,999			12	7	19
£80,000 to £84,999			13	5	18
£85,000 to £89,999			6	1	7
£90,000 to £94,999				3	3
£95,000 to £99,999			2	1	3
£100,000 to £104,999			2	2	4
£105,000 to £109,999					0
£110,000 to £114,999				2	2
£115,000 to £119,999			1		1
£120,000 to £124,999			1		1
£125,000 to £129,999			1	1	2
£130,000 to £134,999					0
£135,000 to £139,999					0
£140,000 to £144,999			1		1
£145,000 to £149,999				2	2
Total	1	1	271	240	513

Exit packages

Exit packages include voluntary redundancy costs paid to employees and pension contributions (capital costs) paid to the Local Government Pension Scheme applicable to employees who have taken voluntary early retirement.

Exit Package Cost Band	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	2024/25	2024/25	Redundancy 2024/25 £000	Capital 2024/25 £000	Total 2024/25 £000
£0 to £20,000	5	23	28	228	13	241
£20,001 to £40,000		2	2	55		55
£40,001 to £60,000		2	2	44	61	105
Total	5	27	32	327	74	401

Exit Package Cost Band	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		
	2023/24	2023/24	2023/24	Redundancy 2023/24 £000	Capital 2023/24 £000	Total 2023/24 £000
£0 to £20,000	2	16	18	130		130
£20,001 to £40,000	2	3	5	64	78	142
£40,001 to £60,000		1	1	20	34	54
£60,001 to £80,000		1	1	31	54	85
Total	4	21	25	245	166	411

28. External Audit Costs

Stockport Metropolitan Borough Council has incurred the following costs in relation to the audit of the Statement of Accounts by the council's external auditors.

	2024/25* £000	2023/24 £000
Fees payable to Mazars LLP with regard to external audit services carried out by the appointed auditor	406	326
	406	326

*The 2024/25 fees have been adjusted for additional audit fees of £0.052m due in relation to the 2023/24 audit.

29. Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG). DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2024. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

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

	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG for 2024/25 before academy and high needs recoupment			317,448
Academy and high needs figure recouped for 2024/25			(89,768)
Total DSG after academy and high needs recoupment for 2024/25			227,680
Plus: Brought Forward from 2023/24			0
Less: Carry-forward to 2025/26 agreed in advance			0
Agreed initial budgeted distribution in 2024/25	54,468	173,212	227,680
In year adjustments	(6,454)	4,441	(2,013)
Final Budgeted distribution for 2024/25	48,014	177,653	225,667
Less Actual central expenditure	68,752		
Less Actual ISB deployed to schools		176,830	
Plus Local Authority contribution for 2024/25	636		636
In-year carry-forward to 2025/26	(20,102)	823	(19,279)
<u>Analysis of total DSG unusable reserve at 31 March 2025</u>			
DSG unusable reserve at 31 March 2024			(23,816)
Addition to DSG unusable reserve 31 March 2025			(19,279)
Total DSG unusable reserve at 31 March 2025			(43,095)

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

	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG for 2023/24 before academy and high needs recoupment			287,346
Academy and high needs figure recouped for 2023/24			(75,345)
Total DSG after academy and high needs recoupment for 2023/24			212,001
Plus: Brought Forward from 2022/23			0
Less: Carry-forward to 2024/25 agreed in advance			0
Agreed initial budgeted distribution in 2023/24	66,647	145,354	212,001
In year adjustments	(87)		(87)
Final Budgeted distribution for 2023/24	66,560	145,354	211,914
Less Actual central expenditure	79,123		
Less Actual ISB deployed to schools		145,354	
Plus Local Authority contribution for 2023/24			0
Carry-forward to 2024/25	(12,563)	0	(12,563)
<u>Analysis of total DSG unusable reserve at 31 March 2024</u>			
DSG unusable reserve at 31 March 2023			(11,253)
Addition to DSG unusable reserve 31 March 2024			(12,563)
Total DSG unusable reserve at 31 March 2024			(23,816)

30. Grant Income

The council credited the following grants, contributions and donations to the CIES in 2024/25:

	Credited to taxation and non-specific grant income	Credited to services	Credited to taxation and non- specific grant income	Credited to services
	2024/25 £000	2024/25 £000	2023/24 £000	2023/24 £000
Capital				
Department for Education capital programme (including DFC and Schools Condition Allocation)	(7,213)		(16,343)	
Other Education Grants	(426)			
Disabled Facilities Grant	(4,481)	(3,971)		(3,034)
Brownfield Grant	(1,263)			(2,609)
JV North Grant	(2,457)		(814)	
Other HRA Grants	(341)		(3,571)	
Future High Street Fund	(8,450)		(4,830)	
Marple Hub Grant	(2,968)		(846)	
A34 MRN Cheadle Improvement Plan	(3,313)		(1,169)	
SEMMMS Funding	(2,250)		(1,429)	
Active Travel	(3,561)		(1,077)	
Poynton Relief Road	(1,042)		(1,314)	
Cheadle Towns Fund	(1,983)		(385)	
City Region Sustainable Transport Settlements	(5,874)		(4)	
Network North	(1,010)			
Other Highways Grants	(6,182)		(20,743)	
Other Grants	(644)		(3,345)	
<u>Contributions:</u>				
RAAC Contributions	(7,262)			
Developer and other highways contributions	(1,026)		(2,170)	
Other Contributions	(2,426)		(1,854)	
Total Capital Grants and Contributions	(64,172)	(3,971)	(59,894)	(5,643)
Revenue				
Dedicated Schools Grant (DSG)		(225,667)		(211,914)
Pupil Premium Grant		(9,062)		(7,806)
Other Education and Schools Grants		(17,041)		(15,967)
<u>Subsidy grants for benefits payments:</u>				
Rent Allowances		(26,658)		(28,205)
Rent Rebates		(18,643)		(19,288)
Benefit Administration		(647)	(512)	(651)
Other Benefit Grants		(398)		(398)
<u>Other Government Grants:</u>				
New Homes Bonus Grant	(24)		(134)	
Grants in lieu of Business Rates - other	(31,029)		(28,200)	
Improved Better Care Fund	(6,619)	(5,361)	(6,619)	(4,454)
Adult Social Care	(24,458)		(18,577)	

	Credited to taxation and non-specific grant income	Credited to services	Credited to taxation and non- specific grant income	Credited to services
	2024/25 £000	2024/25 £000	2023/24 £000	2023/24 £000
Adoption Support Fund		(1,118)		(1,811)
Adult & Community Learning Services Grant	(335)	(1,528)	(1,938)	(1,575)
Homes for Ukraine Tariff Grant		(1,179)		(1,367)
Household Support Fund		(4,326)		(4,326)
Preventing Homelessness		(1,407)		(1,611)
Troubled Families		(1,551)		(989)
Market Sustainability and Improvement Fund	(5,614)		(4,956)	
Other Grants	(538)	(18,635)	(672)	(15,578)
<u>Contributions:</u>				
Greater Manchester ICB - Adults Social Care (Pooled)		(32,337)		(31,876)
Health and Social Care Joint Contributions		(1,486)		(1,267)
Regional Adoption Agency LA contributions		(4,414)		(4,178)
Greater Manchester ICB to Children's Social Care		(812)		(505)
Total Revenue Grants and Contributions	(68,617)	(372,270)	(61,608)	(353,766)
Total Grants and Contributions	(132,789)	(376,241)	(121,502)	(359,409)

Analysis of Grants Receipts in Advance

The balance of Grants Receipts in Advance represents grants received that have yet to be recognised as income, as they have conditions attached to them, which will require the grant to be repaid, if conditions are not met. The balances at the year end are as follows:

Revenue Grants & Contributions Receipts in Advance	2024/25 £000	2023/24 £000
Homes for Ukraine (Tariff Grant)	(868)	(1,704)
Rural Broadband	(4,292)	
Staying Close Grant	(773)	(783)
Other grants Under £500k	(3,807)	(4,130)
	(9,740)	(6,617)

Capital Grants Receipts in Advance	2024/25 £000	2023/24 £000
Ministry of Housing, Communities and Local Government (MHCLG):		
- St Thomas Gardens Brownfield Grant (via GMCA)	(1,860)	(1,700)
- Disabled Facilities Grant	(2,397)	(7,268)
- Future High Streets Fund		(1,882)
- Cheadle Towns Fund	(2,065)	(1,845)
Other MHCLG grants	(695)	
Local Housing Fund	(1,776)	(1,776)
Homes England Grants	(331)	(2,109)
Department for Transport	(5,285)	(5,540)
Department for Education	(4,831)	(5,754)
Other grants	(711)	(576)
	(19,951)	(28,450)

31. Transactions with Related Parties

The council is required to disclose material transactions with related parties. Related parties are individuals or organisations that have the ability to control or significantly influence the council or be controlled or influenced by the council. This note sets out details of transactions between related parties and the council.

Central Government: the Government has significant influence over the general operations of the council. It is responsible for providing the framework within which the council operates. It also provides the majority of funding for council services. Grants received from government departments are set out in Note 30.

Members of the council have direct control over the council's financial and operating policies. Details of Members' interests, both pecuniary and non-financial are recorded in the Register of Members' Interests, which is open to public inspection. Members' interests are also available to view via the council's web site. The total of Members' allowances paid in 2024/25 is shown in Note 26.

The council's constitution sets out procedures for the declaration of Members' interests, and those of their close family members, at council meetings and for the withdrawal of Members from meetings, if it is deemed that there is a conflict of interest. Several Members are trustees, employees and council representatives of various charitable and similar voluntary organisations that receive financial and other support from the council. During the year, there were no material transactions paid by council to organisations in which Members had either a voluntary interest or held a stewardship role (£nil for 2023/24).

A number of members have been appointed to the boards of organisations that the council wholly own or have an interest in. Information about these is provided in narrative to the Group Accounts.

Corporate Directors and Service Directors are required on an annual basis to make a declaration of related parties. In addition, there is a code of conduct under which such officers must disclose any pecuniary and non-financial interests. No such disclosures have been made for 2024/25. A number of officers have been appointed to the boards of organisations that the council wholly own or have an interest in. Information about these is provided in narrative to the Group Accounts. The following are key management positions held by officers of the council:-

- The Chief Executive is Place-Based Lead for GM NHS and a member of the Greater Manchester Pension Fund Board.

Other material related party transactions

Borough Care Ltd is a not-for-profit residential care provider for the council and manages its contracts with the council through its subsidiary company, Life in Colour Ltd. They operate 11 care homes across Stockport and are a significant supplier of care services for the council, providing circa 20% of the residential care capacity within the Borough. During 2024/25, the council were charged £14.921m for services by Life in Colour (£12.279m in 2023/24). Rental charges of £0.604m were raised by the council to Borough Care during 2024/25 (£0.610m in 2023/24). There were minimal balances outstanding at year end either owed by or to the council.

Related Party Transactions with Other Public Bodies

NHS Bodies

The council's Adult Social Care, Public Health and Health Policy Services form part of the pooled budget with Greater Manchester Integrated Care. Details can be found in Note 25, Pooled Budget Arrangements.

Greater Manchester Combined Authority

Greater Manchester Combined Authority (GMCA) co-ordinates key economic development, regeneration, transport and waste disposal functions. The council pays levies to GMCA for transport and waste disposal functions and the following amounts are included in the Comprehensive Income and Expenditure Statement, within Other Operating Expenditure.

	2024/25	2023/24
	£000	£000
Greater Manchester Combined Authority		
Transport Levy	12,191	11,720
Transport Statutory Charge	8,847	8,956
Waste Disposal Levy	21,602	20,573

Regional Adoption Agency

From 3 July 2017, adoption services in Stockport, Manchester, Trafford, Salford and Cheshire East local authorities are being delivered through an integrated service called Adoption Counts. This is a Regional Adoption Agency as set out in the Education and Adoption Act 2016. Stockport Council is the host of this joint service,

which is funded by partner contributions in accordance with an agreed funding formula. The budget for this service in 2024/25 was £5.244m (2023/24 £4.792m).

Environment Agency

The Comprehensive Income and Expenditure Statement, within Other Operating Expenditure, includes the following amounts that are charged as levies for services not directly provided by the council:

- Environmental Agency - 2024/25 £0.196m (2023/24 - £0.191m)

Other related parties disclosed elsewhere in the Statement of Accounts

Pension funds are disclosed in other notes to the Financial Statements and in Note 24 Pension schemes.

The council prepares Group Accounts for entities where it has material financial interests and a significant level of control. The Stockport Council Group comprises Stockport Homes Ltd, Totally Local Company Ltd, Stockport Exchange Phase 2 Ltd, Stockport Exchange Phase 3 Ltd, Stockport Hotel Management Company Ltd, Stockport Mayoral Development Corporation, Stockport Active CIC, Interchange Homes LLP and Stockport 8 LLP. More information can be found at Note 34 – Investments and The Group Accounts section to the Statement of Accounts.

32. Capital Expenditure and Financing

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

	2024/25 £000	2023/24 £000
Opening Capital Finance Requirement	901,509	862,582
Right of Use Assets (IFRS16 adoption) 1 April 2024	14,205	
Capital Finance Requirement 1 April	915,714	862,582
<u>Capital Investment</u>		
Property, Plant & Equipment	76,079	83,313
Investment Assets	15,754	14,507
Heritage Assets		68
Assets Held for Sale		76
Intangible Assets	70	
Revenue Expenditure funded from capital under statute	8,687	16,239
Loans treated as capital expenditure	17,155	34,317
	117,745	148,520
<u>Sources of Finance</u>		
Government grants received or receivable	(53,886)	(55,521)
Capital receipts	(4,424)	(3,629)
External contributions	(9,904)	(5,907)
Direct Revenue Contributions	(15,849)	(14,164)
Minimum Revenue Provision (MRP)	(17,036)	(16,470)
Third party loan repayments and HRA	(5,815)	(13,902)
Right of Use Assets MRP	(1,000)	
	(107,914)	(109,593)
Closing Capital Financing Requirement	925,545	901,509
Increase in Capital Financing Requirement relating to borrowing	24,036	38,927

33. Leases

Stockport Exchange Leases

In March 2013, the council entered into a series of agreements (leases) to enable the development of a multi-storey car park on the Stockport Exchange site. The development was completed in February 2014 when the lease agreements were triggered.

The agreements comprise separate but linked transactions to establish operating and finance leases for the land and buildings elements of the site. With the mandatory implementation of IFRS16 Leases, the land element being leased by the council that was being accounted for as an operating lease is now being accounted for as a lease liability with effect from 1 April 2024.

The outstanding obligations tables for both operating and finance leases payable and receivable include the future minimum payments due under non-cancellable leases in future years, for all the land and buildings transactions for this development under the lease agreements are included. However, from 1 April 2024, the amounts payable in respect of the land element are being accounted for under IFRS16 Leases with the creation of a right of use asset, with corresponding lease liability and the tables below reflect this change.

Council as Lessee

Right of Use Assets

The mandatory adoption of IFRS16 Leases has come into effect as from 1 April 2024. The objective of this accounting standard is to remove the traditional distinction between operating and finance leases for lessees. Prior to IFRS16, an operating lease for lessees was accounted for as revenue expenditure and rental payments expensed in the year that they are paid.

The impact of implementing IFRS16 is that rights acquired to use an asset are recognised over the term of the lease rather than simply expensed in year. The value attached to the leases creates a 'right of use' asset together with a corresponding liability, which are recognised on the council's balance sheet. There are exemptions for short-term leases and those of low value.

The council had a relatively small number of operating leases, where it is lessee. The council has applied the practical expedient as per the Code, that is to apply IFRS16 to contracts that were previously identified as leases and not to apply it to those that were not previously identified as containing a lease. These have been measured at the present value of the remaining lease payments as at 1 April 2024, discounted using PWLB annuity rates relating to the remaining lease term. The operating lease in respect of Stockport Exchange multi-storey car park land has been revalued in line with investment property valuation policy.

The adoption of IFRS16 has resulted in £14.205m Right of Use assets and corresponding £14.205m lease creditor being added to the balance sheet as at 1 April 2024. The lease creditor balances are held within short and long term creditor balances on the balance sheet.

The following table shows the change in value of right of use assets held under leases by the council.

	Other Land & Buildings £000	Vehicles Plant & Equipment £000	Investment Assets £000	Total £000
Balance at start of year				
Additions IFRS16 adoption	4,004	617	9,584	14,205
Revaluations			(9,583)	(9,583)
Depreciation	(317)	(150)		(467)
Balance at end of year	3,687	467	1	4,155

The newly recognised lease liability as at 1 April 2024, £13.690m compares with the operating lease commitments of £21.510m reported in 2023/24 statement of Accounts, which were accounted for under IAS 17. The difference is primarily attributable to the discounting of these commitments (weighted average 4.37%), capturing additional leases and adjustment for extension options.

IAS 17 to IFRS 16 Reconciliation - Lease commitments	£000
Future Lease commitments as at 31st March 2024	21,510
Less: Leases where commitments previously recognised or exempt	(769)
Adjustments for extension options reasonably certain to be exercised	974
Additional Lease Agreements Identified	1,173
Total Update Lease Commitments as at 1 April 2024	22,888
Less: Discounting Adjustment using IBR (based on PWLB borrowing rates)	(9,198)
Lease Liability as at 1 April 2024	13,690

The table below shows the maturity analysis of liabilities.

	31 March 2025 £000
Not later than one year	981
Later than 1 year and not later than 5 years	3,101
Over five years	8,912
	12,993

The council incurred the following expenses and cash flows in relation to right of use asset leases

	2024/25 £000	2023/24* £000
<u>Comprehensive Income & Expenditure</u>		
Interest expense	46	
Expense relating to exempt leases	62	
	108	0
<u>Cashflow</u>		
Total cash outflow for leases	1,000	
	1,000	0

*The adoption of IFRS16 from 01/04/2024 means that there are no prior year comparatives.

Stockport Exchange Multi-Storey Car Park Lease Liabilities

The council is committed to making minimum payments under these leases comprising the settlement of the long-term liability for the interest in the property acquired by the council and finance costs that will be payable by the council in future years while the liability remains outstanding. The minimum lease payments made on lease liabilities are shown in the table below:

	31 March 2025 £000	31 March 2024 £000
Not later than one year	(1,156)	(1,123)
Later than 1 year and not later than 5 years	(4,983)	(4,837)
Over five years	(33,402)	(34,703)
Total minimum lease payments	(39,541)	(40,663)
Finance costs payable in future years	25,841	26,963
Lease liability	(13,700)	(13,700)

Outstanding obligations to make payments under the lease liabilities (excluding costs) at 31 March 2025 are as follows:

	31 March 2025 £000	31 March 2024 £000
Not later than one year		
Later than 1 year and not later than 5 years		
Over five years	(13,700)	(13,700)
	(13,700)	(13,700)

Council as Lessor

Finance lease

The council leases a multi-storey car park under a finance lease.

The minimum lease payments comprise the settlement of the long-term debtor for the interest in the property acquired by the lessee and the finance income that will be earned by the council in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	31 March 2025 £000	31 March 2024 £000
Not later than one year	1,400	1,359
Later than 1 year and not later than 5 years	6,031	5,855
Over five years	40,438	42,014
Total minimum lease payments	47,869	49,228
Unearned finance income	(34,169)	(35,528)
Finance lease asset	13,700	13,700

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

	31 March 2025 £000	31 March 2024 £000
Not later than one year		
Later than 1 year and not later than 5 years		
Over five years	13,700	13,700
	13,700	13,700

Operating Leases

The council has numerous operating leasing agreements with private individuals and entities regarding shops, other premises and land where the council acts as the lessor. The table below shows future years minimum lease payments receivable:

	31 March 2025 £000	31 March 2024 £000
Not later than one year	(11,222)	(11,171)
Later than 1 year & not later than 2 years	(10,438)	(9,572)
Later than 2 years & not later than 3 years	(9,604)	(9,140)
Later than 3 years & not later than 4 years	(8,940)	(8,441)
Later than 4 years & not later than 5 years	(8,697)	(7,928)
Over five years	(255,253)	(240,769)
	(304,154)	(287,021)

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2024/25 £12.756m in rents were receivable by the council (£13.992m in 2023/24).

	Property, Plant and Equipment* £000	Investment Properties £000	Total £000
Cost or Valuation			
Opening balance at 1 April 2024	19,291	178,293	197,584
Changes due to expiry/new leases	(2,175)	1,183	(992)
	17,116	179,476	196,592
Additions/Transfers	0	7,036	7,036
Revaluations/Impairments	585	(7,750)	(7,165)
At 31 March 2025	17,701	178,762	196,463
Accumulated Depreciation/ Amortisation and Impairment			
Opening balance at 1 April 2024	(853)		(853)
Changes due to expiry/new leases	(5)		(5)
	(858)		(858)
Depreciation	329		329
At 31 March 2025	(529)	0	(529)
Net book Value at 31 March 2025	17,172	178,762	195,934
Net book Value at 1 April 2024	18,438	178,293	196,731

*All PPE assets within this table are other land and buildings contained with note 11 and information on Investment Properties can be found in note 12.

34. Investments

Long-Term Investments

The long-term investments are shown in the Balance Sheet as follows:

	31 March 2025 £000	31 March 2024 £000
Manchester Airport PLC	43,400	46,300
Manchester Airport Car Parking Ltd	4,400	4,400
Stockport Hotel Management Company Ltd	100	100
Interchange Homes LLP	9,300	9,300
Total Long-Term Investments	57,200	60,100

In addition to the above, the council has the following long-term investments held at nominal value.

Other Long-Term Investments

Stockport Homes Ltd
Totally Local Company Ltd
Stockport Exchange Phase 2 Ltd
Stockport Exchange Phase 3 Ltd
Stockport Active CIC
Stockport 8 LLP

Manchester Airport Holdings Ltd

The Council has a 3.22% minority shareholding of non-voting ordinary shares in Manchester Airports Holdings Ltd, and this has been included in the financial statements at fair value, £43.400m for 2024/25 (£46.300m in 2023/24).

Total dividend payments of £0.484m were received by the council during the year relating to the Airport's 2024/25 performance (£0.323m in 2023/24).

Manchester Airport Holdings Ltd – Equity Investment

The Council has a holding of three ordinary 'C' shares in connection with an equity investment to fund the development of a car multi-storey car park at the Airport. The fair value of the investment has been estimated to be £4.400m as at 31 March 2025 (£4.400m as at 31 March 2024).

Total dividend payments of £0.413m were received by the council in respect of this shareholding in 2024/25 (£nil in 2023/24).

Stockport Homes Ltd

Stockport Homes Ltd is wholly owned by the council and is a company limited by guarantee. The company is an ALMO (arms-length management organisation) of the council and its principal activities are to manage and maintain the housing stock of the council. It commenced trading on 1 October 2005 and has been accounted for at historic cost.

Further details of the company and its trading results are set out in the Group Accounts section of these financial statements.

Totally Local Company Ltd

Totally Local Company Ltd is wholly owned by the council and was formed to take over the responsibility for providing highways maintenance, property and building maintenance, catering, and refuse collection services. It commenced trading on 1 November 2006 and has been accounted for at historic cost (£2).

Further details of the company and its trading results are set out in the Group Accounts section of these financial statements.

Stockport Exchange Phase 2 Ltd

Stockport Exchange Phase 2 Ltd is a wholly owned subsidiary of the council and was set up to undertake the Stockport Exchange Development, which completed in 2016/17. The company is accounted for at historic cost (£1). The company is now dormant.

Stockport Exchange Phase 3 Ltd

Stockport Exchange Phase 3 Ltd was set up to undertake the Stockport Exchange No 2 Office Development, which completed in 2020/21. The company was acquired on 15 May 2020 and became a wholly owned subsidiary of the council. The company is accounted for at historic cost (£1). There were minimal transactions in the 2024/25 financial year and once it is confirmed that all transactions are complete the company will become dormant.

Stockport Hotel Management Company Ltd

On 19 September 2016, the council incorporated Stockport Hotel Management Company Ltd as the trading company for the Hotel appointing two Council Officers as Directors. This is a wholly owned company of the council and the council has provided £0.100m of share capital. There have been no dividend payments received from Stockport Hotel Management Company Ltd during 2024/25 (£nil in 2023/24).

Stockport Mayoral Development Corporation

In March 2019, GMCA agreed to create the Stockport Mayoral Development Corporation (MDC) to lead the regeneration of Town Centre West. The MDC is a 'body corporate', which is run by a board appointed by the Greater Manchester Mayor in consultation with Stockport Council.

Stockport Active CIC

Stockport Active CIC (Community Interest Company) is wholly owned by the council, limited by guarantee. The CIC was incorporated on 18 May 2021 and took over responsibility for providing leisure services for the council from 1 April 2022.

Interchange Homes LLP

Interchange Homes LLP was incorporated on 15 October 2021 as a special purpose vehicle (SPV) for the town centre residential accommodation development at Stockport Interchange. The SPV brings together the council, GMCA, equity investor (Gresham House Investment Management (Guernsey) Ltd) and development partner (Cityrise Interchange Homes LLP). The council and GMCA each provided patient equity investment of £9.300m in 2022/23.

Stockport 8 LLP

Stockport 8 LLP was incorporated on 2 October 2023 as a joint venture between the council and ECF (General Partner) Ltd for the regeneration and development of Stockport Town Centre. Development costs incurred will be met by the Partners on a 50:50 basis. The council and ECF (English Cities Fund) each provided £10 equity contribution towards the LLP during 2023/24.

35. Accounting Standards issued but not yet adopted

The Code requires the council to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The following standards and adaptations are being introduced by the 2025/26 Code where disclosure is required in the 2024/25

financial statements. However, none of these are expected to have a significant impact:

- IAS21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments address a long-standing issue in financial reporting about how to deal with currencies that are not exchangeable;
- IFRS17 Insurance Contracts issued in May 2017. IFRS17 sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- Adaptations and interpretations to the accounting treatment of non-investment assets by modifying the application of IAS16 (Property, Plant and Equipment) and IAS38 (Intangible Assets). The key changes include the following:
 - Setting out three revaluation processes for operational property, plant and equipment, which aims to provide a more structured approach for local authorities to determine asset values in a consistent and reliable manner;
 - mandatory indexation for tangible non-investment assets, providing a form of systematic revaluation to ensure asset values are current and reflective of market conditions; and,
 - historical cost requirement for intangible assets, which will simplify treatment.

36. Accounting Policies

a. General Principles

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

These financial statements have been prepared with reference to the following qualitative characteristics and underlying assumptions:

- **Relevance:** the accounts have been prepared with the objective of providing information about the council's financial performance and position that is useful for assessing the stewardship of public funds and for making financial decisions.
- **Materiality:** the concept of materiality has been utilised in preparing the accounts so that insignificant items and fluctuations under an acceptable level of tolerance are permitted providing that in aggregate they would not affect the interpretation of the accounts.
- **Faithful Representation:** the financial statements are complete, neutral and free from error, and faithfully represent the phenomena that they purport to represent.

- **Comparability:** the financial statements are based on the Code which should aid comparison between other local authorities and with other reporting dates.
- **Verifiability:** these accounts utilise quantified information in order to assure users that this information faithfully represent the economic phenomena that it purports to represent.
- **Timeliness:** these accounts provide decision makers with information that is capable of influencing their decisions.
- **Understandability:** these accounts are based on accounting concepts and terminology which require reasonable knowledge of accounting and local government. Every effort has been made to use plain language and where technical terms are unavoidable they have been explained in the glossary of terms contained within the accounts.
- **Accruals Basis:** the financial statements, other than the cash flow, are prepared on an accruals basis. Income and Expenditure is recognised in the accounts in the period in which it is earned or incurred rather than when the cash is received or paid.
- **Going Concern:** the accounts have been prepared on the assumption that the council's functions and services will continue in operational existence for the foreseeable future.
- **Primacy of Legislation Requirements:** in accordance with the Code, where an accounting treatment is prescribed by law then it has been applied, even if it contradicts accounting standards. The following legislative accounting requirements have been applied when compiling these accounts:
 - Capital receipts from the disposal of property, plant and equipment are treated in accordance with the provisions of the Local Government Act 2003.
 - The Local Government Act 2003 requires the council to set aside a minimum revenue provision.

Conventions

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

Throughout this Statement of Accounts credit balances are indicated with parentheses, e.g. (£1,234).

b. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. The only exception to this principal is for electricity, gas and similar quarterly payments. These are charged at the date of the meter reading rather than being apportioned between financial years.

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

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

c. Acquisitions and Discontinued Operations

Acquired operations

Any material operations acquired or discontinued by the council during the accounting period are disclosed in the accounts.

d. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. The council has deemed that deposits held within money market funds and call accounts are categorised as cash equivalents.

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

e. Council Tax and Business Rates

Billing Authorities act as Agents, collecting Council Tax and Business Rates on behalf of the major preceptors and as principals, collecting Council Tax and Business Rates for themselves. Billing Authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of Council Tax and Business Rates.

Accounting for Council Tax and Business Rates

The Council Tax and Business Rates income included in the Comprehensive Income and Expenditure Statement is the council's share of accrued income for the year. However, regulations determine the amount of Council Tax and Business Rates that must be included in the council's General Fund for the year. Therefore, the difference between the income included in the Comprehensive Income and Expenditure

Statement and the amount required by regulation to be credited to the General Fund for the year is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the council's share of the end of year balances in respect of Council Tax and Business Rates relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments, and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

f. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

g. Charges to Revenue for Non-Current Assets

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

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

The council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by an annual contribution from revenue in the General Fund Balance

(Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

h. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

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

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

Post-Employment Benefits

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

- The Teachers' Pension Scheme, administered by Capita Business Services Ltd on behalf of the Department for Education (DfE);
- The NHS Pension scheme, administered by NHS Business Services Authority; and,
- The Local Government Pensions Scheme, administered by Tameside Metropolitan Borough Council as the Greater Manchester Pension Fund (GMPF).

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

However, the arrangements for the NHS and teachers' schemes mean that liabilities for these benefits cannot ordinarily be identified specifically to the council. These schemes are therefore accounted for as if they are defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The Dedicated Schools Grant line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year. The Health and Adult Social Care line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the NHS Pension Scheme in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Greater Manchester Pension Fund attributable to the council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a basket of high-quality corporate bonds, Government gilts and other factors.
- The assets of the Greater Manchester Pension Fund attributable to the council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.

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

Service Costs

- current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Cash Limit costs.
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the council - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into

account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the Greater Manchester Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Discretionary Benefits

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

i. Events After the Balance Sheet Date

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

Two types of events can be identified:

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

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

j. Fair Value Measurement

The council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as financial assets

classified as fair value through other comprehensive income at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

k. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For all 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 Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed

by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into three types:

- Fair Value through Profit or Loss (FVPL) - the council does not have any assets that fall to be classified as FVPL
- Amortised Cost
- Fair Value through other Comprehensive Income (FVOCI)

Financial Assets Measured at Amortised Cost

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

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

The council has assets such as investments and debtors which are classified as financial assets measured at amortised cost.

Financial Assets Measured at Fair Value through other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value.

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

Where an equity instrument is designated as FVOCI, changes in fair value are posted to Other Comprehensive Income and Expenditure and are balanced by an entry in the Financial Instruments Revaluation Reserve (an unusable reserve). When the asset is de-recognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services.

The council has two equity instruments designated at Fair Value through other Comprehensive Income (FVOCI). The council has made irrevocable elections to

designate the assets as FVOCI on the basis that they are held for non-contractual benefits, they are not held for trading but for strategic purposes.

The fair value is based on the principal that the equity shares have no quoted market prices and is based on an independent appraisal of the company valuation each year.

Expected Credit Loss Model

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

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

I. Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Capital grants and contributions used to fund Revenue Expenditure Funded from Capital Under Statute have been accounted for as revenue grants/contributions at the point at which it is known that they will fund such expenditure.

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

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

to the Capital Adjustment Account once they have been applied to fund capital expenditure.

m. Interests in Companies and Other Entities

The council has material interests in companies that have the nature of subsidiaries and which require it to prepare group accounts. An assessment of the council's interests has been completed during the year to determine the relationships that exist and whether they should be included in the Council's Group accounts.

In the council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

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

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

n. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end.

An investment property under construction is measured at cost until such time as its fair value can be determined reliably or its construction is complete, whichever comes first. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

o. Leases

The Council as Lessee

The council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use for a defined period, which may or may not reflect the expected useful economic life of the asset. This also includes arrangements with nil consideration, peppercorn or nominal payments.

Where the council is leasing an asset from a third party, a right of use asset and corresponding lease liability are recognised at the IFRS16 transition date of 1 April 2024 or commencement of the lease, if later.

The lease liability is measured at the present value of the lease payments over the period of the lease, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include:

- fixed payments;
- variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement;
- the exercise price under a purchase option if the council is reasonably certain to exercise;
- penalties for early termination if the lease term reflects the council exercising a break option; and,
- payments in an optional renewal period if the council is reasonably certain to exercise an extension option or not exercise a break option.

The right of use asset reflects the value of the asset over the period of the lease and is initially measured at cost, comprising:

- the initial lease liability;
- any lease payments already made less any lease incentives received;
- initial direct costs; and,
- any dilapidation or restoration costs.

The right-of-use asset is subsequently measured using the cost model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases;
- leases where rent reviews do not necessarily reflect market conditions;
- leases with terms of more than five years that do not have any provision for rent reviews; and,
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. The right of use assets held under index-linked leases are adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases are initially valued using

market prices or rentals for equivalent land and properties and subsequently using current value.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured using amortised cost principles. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option. When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Council as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the council to a third party. All other leases are classified as operating leases.

Finance Leases

Where the council grants a finance lease over a property or an item of plant or equipment to a third party, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

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

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

Operating Leases

Where the council grants an operating lease over a property, the asset is retained in the Balance Sheet. Rental income is credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement (relating to investment properties). Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

p. Material Items of Income and Expenditure

Where items of income and expenditure are material their nature and amount are disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts. Disclosure will depend upon how significant the items are to the understanding of the reader of the accounts.

q. Overheads and Support Services

The council operates and manages its support services within the Finance and Resources Portfolio and this is how the costs relating to overheads and support services are reported to management. The costs of overheads and support services are therefore not re-apportioned across other council portfolios.

r. Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the

future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

Expenditure is capitalised subject to a de minimis level of £10,000, except for devolved education expenditure where a de minimis level of £2,000 is applied.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price; and,
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historical cost;
- council dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH);
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective;
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

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

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

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

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

Highways Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture and land which together form a single integrated network.

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Impairment

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

Where impairment losses are identified, they are accounted for by:

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up

to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

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

Depreciation is calculated on the bases set out in the Property, Plant and Equipment note to the Financial Statements. Where material, buildings (non-council dwellings) which have been revalued from 1 April 2010 have been valued on an average asset life basis, which averages typical costs of components of buildings over maximum life expectancy for these components. Depreciation is calculated on these average lives which range from 30 to 40 years, compared to the normal life expectancy of buildings of 40 years. Components of council dwellings whose cost is significant in relation to the total cost of the dwellings are depreciated separately.

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

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

s. Provisions

Provisions are made where an event has taken place that gives the council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

t. Reserves

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

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

Internal Insurance Funds

The council operates two main self-insurance funds, set up to meet potential future claims and claims agreed in principal but yet to be settled.

The funds have been split between provisions, reflecting claims which are certain or very likely to occur and reserves, for unknown future claims.

u. Revenue Expenditure Funded from Capital under Statute

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

v. Revenue Recognition

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Where the council is acting as Agent of another organisation, the amounts collected on behalf of that organisation are excluded from the council's revenue.

Revenue for Council Tax and Business Rates is recognised when the amount of revenue can be measured reliably, and it is probable it will be received by the council.

w. Schools

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

x. Value Added Tax

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

Housing Revenue Account

HRA INCOME AND EXPENDITURE STATEMENT	2024/25	2023/24	
	£000	£000	Note
INCOME			
Dwelling rents	(52,174)	(48,495)	
Other rents		(7)	
Charges for services and facilities	(11,460)	(11,510)	
Contributions towards expenditure	(1,905)	(1,810)	
Total Income	(65,539)	(61,822)	
EXPENDITURE			
Repairs and maintenance	18,379	16,783	
Supervision and management	21,435	20,279	
Rents, rates, taxes and other charges	5,894	5,849	
Depreciation of non-current assets	13,751	13,008	
Debt management costs	58	68	
Total expenditure	59,517	55,987	
Net Income of HRA Services per Council Comprehensive Income and Expenditure Statement	(6,022)	(5,835)	
HRA services share of Corporate and Democratic Core	128	128	
Net Income for HRA Services	(5,894)	(5,707)	
HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:			
(Gain) on the sale of HRA non-current assets	(1,204)	(799)	
Interest payable and similar charges	6,289	6,061	
Interest and investment income	(373)	(383)	
Capital grants and contributions receivable	(4,084)	(354)	
(SURPLUS) FOR THE YEAR ON HRA SERVICES	(5,266)	(1,182)	

MOVEMENT ON THE HRA STATEMENT	2024/25	2023/24	
	£000	£000	Note
(Surplus) for the year on the HRA Income and Expenditure Account	(5,266)	(1,182)	
Adjustments between accounting basis and funding basis under statute	6,876	1,085	1
Net decrease/(increase) before transfers to reserves	1,610	(97)	
Transfer to/(from) earmarked reserves	(1,610)	0	
Decrease/ (Increase) in the Housing Revenue Account Balance	0	(97)	
Housing Revenue Account Surplus brought forward	(1,097)	(1,000)	
Housing Revenue Account Surplus carried forward	(1,097)	(1,097)	

Notes to the Housing Revenue Account

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement. Statutory disclosures comply with the Housing Revenue Account (Accounting Practices) Directions 2016.

The council utilises an Arms-Length Management Organisation “Stockport Homes Ltd” to manage the housing stock on its behalf.

1. Adjustments between Accounting Basis and Funding Basis Under Statute

	2024/25 £000	2023/24 £000
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year		
Gain on sale of HRA assets	1,204	799
Depreciation on non-current assets	(13,751)	(13,008)
Capital grants and contributions	4,084	354
Net charges made for retirement benefits in accordance with IAS 19	(68)	(78)
	(8,531)	(11,933)
Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year		
Transfer to/(from) Major Repairs Reserve	13,751	13,008
Capital Expenditure funded from the HRA	1,656	10
	15,407	13,018
Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	6,876	1,085

2. Housing Stock Numbers and Valuation

	Numbers at 31 March 2025	Numbers at 31 March 2024
HOUSING STOCK		
Houses	4,550	4,586
Flats	5,808	5,808
Bungalows	520	520
Total Housing Stock	10,878	10,914

	Valuation 31 March 2025 £000	Valuation 1 April 2024 £000
Operational assets:		
Housing Stock Valuation	504,930	480,946
Land Valuation	126,394	123,344
	631,324	604,290
Other land and buildings	299	305
Other plant and equipment	7,073	6,895
Investment assets	2,785	12,785
Assets under construction	15,504	6,372
Council dwellings held for sale	584	682
	657,569	631,329

Valuation of operational property is net of depreciation. Housing stock and land valuations are included together as council dwellings on the Balance Sheet. The method of valuation is set out in the accounting policies and in Note 11 to the Statement of Accounts.

3. Vacant Possession Value

The vacant possession value as at 31 March 2025 was £1,529.9m (£1,494.8m as at 1 April 2024). The vacant possession value is an opinion of the best sale price that could have been obtained for the property on the date of the valuation. The balance sheet valuation contains an adjustment to reflect the fact that council dwellings have sitting tenants enjoying sub-market rents and rights including right to buy. The adjustment factor measures the difference between market and sub-market rents at a regional level and is set out in the "Stock Valuation for Resource Accounting – Guidance for valuers 2016" as adjusted for the council's particular mix of tenures.

4. Capital Expenditure and Financing

Capital expenditure in the year amounted to £23.875m on council dwellings including spend in assets under construction. This was financed as follows:

	2024/25 £000	2023/24 £000
Borrowing	2,025	1,422
Grants and contributions - HRA	6,154	3,884
Revenue Contribution to Capital Outlay	1,671	10
Major Repairs Reserve	13,751	13,008
Capital Receipts	274	2,083
	23,875	20,407

5. Rent Arrears

As at 31 March 2025 rent arrears (excluding amounts collectable on behalf of other agencies) amounted to £2.903m (£2.529m at 31 March 2024). The aggregate balance sheet provision in respect of all uncollectable debts amounted to £1.454m (£1.413m at 31 March 2024). The reduction in provision of £0.041m has been deducted from the debts written off in the year of £0.282m to arrive at the bad and doubtful debt charge of £0.323m.

6. IAS 19 Employee Benefits

The HRA recognises, within Net Cost of Services, a share of the full IAS 19 costs borne by the council for defined benefit pension schemes. These costs, comprising current service costs, have been allocated via corporate recharges. To ensure that the costs have no impact on the net deficit or on the level of rents, the charges are reversed out of the HRA via an appropriation from the Statement of Movement on the HRA balance.

7. Revaluation Gain of non-current assets

A revaluation gain of £28.921m in 2024/25 has been accounted for (£25.929m revaluation loss in 2023/24). The gain has arisen due to an increase in the HM Land Registry indices of 2.8% during 2024/25.

Collection Fund Statement

	2024/25			2023/24		
	COUNCIL TAX £000	NDR £000	TOTAL £000	COUNCIL TAX £000	NDR £000	TOTAL £000
INCOME						
Council Tax	(232,090)		(232,090)	(218,459)		(218,459)
Non-Domestic Rates		(87,297)	(87,297)		(80,454)	(80,454)
Council Tax Hardship	(385)		(385)	(512)		(512)
Transitional Protection Income Due for the Year		(2,783)	(2,783)		(8,033)	(8,033)
Total Income	(232,475)	(90,080)	(322,555)	(218,971)	(88,487)	(307,458)
EXPENDITURE						
Precepts and Demands:						
Stockport Metropolitan Borough Council	194,568	89,511	284,079	183,695	88,602	272,297
GMCA Mayoral General (including Fire Services)	11,114	904	12,018	10,529	895	11,424
GMCA Mayoral Police and Crime Commissioner	25,219		25,219	23,730		23,730
Non-Domestic Rates:						
Cost of collection		420	420		421	421
Renewable Energy		47	47		33	33
Provisions:						
Increase/(Decrease) in impairment allowance	2,560	936	3,496	699	158	857
Increase/(decrease) in provision for Business Rates rateable value appeals		(3,248)	(3,248)		(7,291)	(7,291)
Total Expenditure	233,461	88,570	322,031	218,653	82,818	301,471
In year (surplus)/deficit	986	(1,510)	(524)	(318)	(5,669)	(5,987)
CONTRIBUTIONS						
Previous years deficit recovery:						
Stockport Metropolitan Borough Council			0	(1,100)		(1,100)
GMCA Mayoral General (including Fire Services)			0	(134)		(134)
GMCA Mayoral Police and Crime Commissioner			0	(57)		(57)
Previous years surplus distribution:						
Stockport Metropolitan Borough Council	2,311	6,849	9,160		15,181	15,181
GMCA Mayoral General (including Fire Services)	132	69	201		153	153
GMCA Mayoral Police and Crime Commissioner	299		299			
In year contributions	2,742	6,918	9,660	(1,291)	15,334	14,043

Collection Fund Statement - Balances

	2024/25			2023/24		
	COUNCIL TAX £000	NDR £000	TOTAL £000	COUNCIL TAX £000	NDR £000	TOTAL £000
Balance brought forward at 1 April	(2,160)	(8,820)	(10,980)	(551)	(18,485)	(19,036)
Previous year forecast surplus/deficit distributed/(recovered) in year	2,742	6,918	9,660	(1,291)	15,334	14,043
Revised balance brought forward from previous year	582	(1,902)	(1,320)	(1,842)	(3,151)	(4,993)
In year (surplus)/deficit	986	(1,510)	(524)	(318)	(5,669)	(5,987)
Balance carried forward at 31 March	1,568	(3,412)	(1,844)	(2,160)	(8,820)	(10,980)
Allocated to:						
Stockport Metropolitan Borough Council	1,316	(3,377)	(2,061)	(1,820)	(8,732)	(10,552)
GMCA Mayoral General (including Fire Services)	81	(35)	46	(104)	(88)	(192)
GMCA Mayoral Police and Crime Commissioner	171		171	(236)		(236)
	1,568	(3,412)	(1,844)	(2,160)	(8,820)	(10,980)

Notes to the Collection Fund Account

As a Billing Authority, the council has a statutory obligation to maintain a separate Collection Fund account from its General Fund account. The purpose of the Collection Fund account is to isolate the income and expenditure relating to Council Tax and Business Rates. The administrative costs associated with the collection process are charged to the council's General Fund account in the financial year they are incurred.

The Collection Fund Statement shows the transactions of the Billing Authority in relation to the collection from taxpayers of Council Tax and from businesses of Business Rates for the financial year. The Statement also shows the distribution of these income streams to the relevant precepting authorities during the financial year. For Stockport, the council Tax precepting authorities are the GMCA Mayoral Police and Crime Commissioner and the GMCA Mayoral General (including Fire Services). For Business Rates, the precepting authority is the GMCA Mayoral General (including Fire Services).

1. Council Tax

Council Tax income derives from charges raised against residential dwellings within the Borough based on their valuation banding (A to H). Council Tax charges are calculated by estimating the total amount of Council Tax income required by the council and the precepting authorities for the forthcoming financial year. This is divided by the Council Tax Taxbase (i.e., the number of Band D equivalent dwellings) to calculate the Council Tax charge for a Band D dwelling. The Council Tax charge for each of the other Bands is calculated as a proportion of the Band D equivalent charge.

The Council Tax Taxbase for 2024/25 was 98,396.6 (97,533.3 in 2023/24). The Council Tax Taxbase for 2024/25 was calculated as follows:

Band	Valuation*	Dwellings on the Valuation List	Adjusted Chargeable Dwellings**	Relevant Proportion	Band D Equivalent Dwellings
A	Up to £40,000	31,697	26,715	06/09	17,805.4
B	£40,001 to £52,000	28,925	25,663	07/09	19,960.3
C	£52,001 to £68,000	28,725	25,949	08/09	23,065.6
D	£68,001 to £88,000	19,792	18,234	09/09	18,234.0
E	£88,001 to £120,000	13,166	12,180	11/09	14,887.0
F	£120,001 to £160,000	6,539	6,142	13/09	8,872.1
G	£160,001 to £320,000	3,561	3,354	15/09	5,590.0
H	Over £320,000	218	171	18/09	342.0
					108,756.4
Allowance for Local Council Tax Support Scheme and Discounts					(10,032.0)
Forecast of Additional Properties During the Year					700.0
Unfurnished Empty Property Premiums					217.7
Council Tax Taxbase for Budget Setting Purposes					99,642.1
Council Tax Taxbase Adjusted for Collection rate 98.75%***					98,396.6

*"Valuation" represents the open market value at 1 April 1991, as assessed by the Inland Revenue.

**"Adjusted chargeable dwellings" gives the effective number of dwellings in each band after allowing for disabled relief, appeals against bandings, single persons discounts etc.

***In setting its budget the council applies an assumed collection rate of 98.75% to its Council Tax Taxbase

The Council Tax shares payable to the council and the precepting authorities were estimated as part of the 2024/25 budget setting process. These sums have been paid in 2024/25 and charged to the Collection Fund account in year. The surplus or deficit relating to Council Tax is apportioned to the council and the precepting authorities. For budget setting purposes an estimate of the outturn surplus or deficit is declared in January which allows for this amount to be budgeted for and will be distributed (surplus) or reimbursed (deficit) in 2025/26. The difference between the declared outturn surplus or deficit and the actual outturn surplus or deficit is not realised by the council and the precepting authorities until 2026/27.

2. Business Rates

The main aim of the Business Rates retention scheme is to give local authorities a greater incentive to grow their local economies and increase their locally raised Business Rates income.

When the retention scheme was introduced, Central Government set baselines for each local authority and a top-up and tariff system to ensure all authorities received at least their baseline amount each year. As Stockport is able to collect Business Rates income above its baseline, the council is required to pay a tariff to Central Government each financial year. The total amount of tariffs collected nationally are used by Central

Government to fund the Top-up grants to those Authorities who cannot achieve their baseline funding levels.

In 2024/25, the council operated under the Greater Manchester 100% Business Rates Trailblazer with 99% of Business Rates income retained by the council and 1% by GMCA Mayoral General (including Fire Services) – the Preceptor.

This does, however, increase the financial risk due to non-collection, the volatility of the Business Rates Taxbase and the appeals on rateable value lodged by businesses. The council's Business Rates collection rates are monitored throughout the year to mitigate the impact of any financial risks.

The council's Business Rates Taxbase is based on the rateable value of individual business properties within the Borough as assessed by the Valuation Office Agency (VOA). The total rateable value at 31 March 2025 for the Stockport area was £239.997m (£241.245m at 31 March 2024). The rateable value of each property, as assessed by the VOA, is multiplied by the Business Rate multiplier determined annually by Central Government to determine the collectable Business Rates income. The Non-Domestic Rating Act has decoupled the non-domestic rating multipliers with small and standard multipliers now set independently of each other. In the Autumn Budget of 2023, the Chancellor announced that the government would freeze the small multiplier at 49.9p (49.9p in 2023/24) and that the standard multiplier would be uprated by CPI inflation. For 2024/25 this was 54.6p in the pound (51.2p in 2023/24 including the 1.3p supplement).

The Business Rates income shares payable to the council and the Preceptor were estimated as part of the 2024/25 budget setting process. These sums have been paid in 2024/25 and charged to the Collection Fund account in year. The surplus or deficit relating to Business Rates is apportioned to the council and the Preceptor. For budget setting purposes an estimate of the outturn surplus or deficit is declared in January which allows for this amount to be budgeted for and will be reimbursed in 2025/26. The difference between the declared outturn surplus or deficit and the actual outturn surplus or deficit is not realised by the council and the precepting authorities until 2026/27.

3. Movement on Impairment Allowance for Doubtful Debts and Appeals Provisions

The Collection Fund account impairment allowance for doubtful debts on Council Tax arrears (excluding costs) is shown below:

	2024/25 COUNCIL TAX £000		2023/24 COUNCIL TAX £000	
Impairment Allowance for Doubtful Debts				
Balance brought forward		(11,293)		(11,805)
Write offs of uncollectable amounts	1,376		1,211	
Allowance for impairment	(2,560)		(699)	
Net increase/decrease in Impairment Allowance in year		(1,184)		512
Balance carried forward		(12,477)		(11,293)
The Council's Share of the Impairment Allowance for Doubtful Debts				
Balance brought forward		(9,519)		(9,950)
Write offs of uncollectable amounts	1,154		1,020	
Allowance for impairment	(2,147)		(589)	
Net increase/decrease in Impairment Allowance in year		(993)		431
Balance carried forward		(10,512)		(9,519)

The Collection Fund account impairment allowance for doubtful debts on Business Rates arrears (excluding costs) as shown below:

	2024/25 NDR £000		2023/24 NDR £000	
Impairment Allowance for Doubtful Debts				
Balance brought forward		(6,065)		(7,751)
Write offs of uncollectable amounts	551		1,844	
Allowance for impairment	(936)		(158)	
Net increase/decrease in Impairment Allowance in year		(385)		1,686
Balance carried forward		(6,450)		(6,065)
The Council's Share of the Impairment Allowance for Doubtful Debts				
Balance brought forward		(6,004)		(7,674)
Write offs of uncollectable amounts	546		1,825	
Allowance for impairment	(926)		(156)	
Net increase/decrease in Impairment Allowance in year		(380)		1,669
Balance carried forward		(6,384)		(6,005)

An aspect of the financial risk associated with the Business Rates retention scheme is the volatility of the Business Rates Taxbase as a result of outstanding rateable value appeals by businesses. To mitigate this risk, the council monitors outstanding rating appeals lodged in the appeals system managed by the VOA and assesses the risk of these appeals being successful in future financial years. At the end of each financial year these appeals are valued in order to quantify the level of provision required to fund any backdated impact on the council's Business Rates income if appeals are successful.

	2024/25 NDR £000		2023/24 NDR £000	
Impairment Allowance for NNDR list amendments and appeals				
Balance brought forward		(10,896)		(18,187)
Use of Impairment Allowance in year for settled appeals	2,963		4,185	
Allowance for impairment	285		3,106	
Net increase/decrease in Impairment Allowance in year		3,248		7,291
Balance carried forward		(7,648)		(10,896)
The Council's Share of the Impairment Allowance for list amendments and appeals				
Balance brought forward		(10,786)		(18,004)
Use of Impairment Allowance in year for settled appeals	2,933		4,143	
Allowance for impairment	283		3,075	
Net increase/decrease in Impairment Allowance in year		3,216		7,218
Balance carried forward		(7,570)		(10,786)

The council's share of the total provision for list amendments and appeals in the Collection Fund at 31 March 2025 is £7.570m (£10.786m at 31 March 2024).

4. Greater Manchester 100% Business Rates Retention

The GM Trailblazer deal was introduced on 1st April 2024 with similar arrangements to the 2017 pilot scheme. Under the deal, the council does not receive Revenue Support Grant or Public Health Grant from Government in 2024/25 but instead the council retains 100% of its Business Rates income locally; 99% council, 1% GMCA Mayoral General (including Fire Services) to support the funding of council services.

Being part of the GM Trailblazer deal provides the council and GM region with potential financial benefits calculated from a comparison of the income it would have received under the 50% retention scheme and would have paid to Government in previous years, to the total income received under the 100% deal. It was always the intention that the GM Region would benefit from 100% Business Rates Retention, and it has been agreed that a minimum of 50% of the benefit would be retained by authorities and any balance retained by GMCA. In 2024/25, the agreed share was 75% to the local authority and 25% to GMCA. At outturn, £6.302m equating to 75% of the benefit, will be retained by GM authorities and the balance of £2.101m retained by GMCA.

GROUP ACCOUNTS

Background

The Code requires that where a council has material financial interests and a significant level of control over one or more entities, it should prepare Group Accounts. The aim of these statements is to give an overall picture of the council's financial activities and the resources employed in carrying out those activities.

The Group Accounts comprise the following key financial statements (with appropriate disclosures):

- Group Comprehensive Income and Expenditure Statement.
- Group Movement in Reserves Statement.
- Group Balance Sheet; and
- Group Cash Flow Statement.

Please refer to the explanation of statements for further description of the purpose of each statement, within the Financial Statements section in the single entity accounts.

Group Comprehensive Income and Expenditure Statement

	Gross Exp- enditure £000	Gross Income £000	2024/25	Restated*	Restated*	Restated*	Note
			Net Exp- -enditure £000	Gross Exp- enditure £000	Gross Income £000	Net Exp- enditure £000	
Children, Families & Education	93,338	(21,331)	72,007	80,910	(17,553)	63,357	
Climate Change & Environment	14,061	(4,813)	9,248	14,126	(5,176)	8,950	
Communities, Culture & Sport	17,429	(8,714)	8,715	18,662	(9,231)	9,431	
Economy, Regeneration & Housing	17,292	(18,926)	(1,634)	25,643	(20,428)	5,215	
Finance & Resources	50,234	(8,110)	42,124	53,222	(9,318)	43,904	
Health & Adult Social Care	221,764	(87,519)	134,245	203,231	(80,383)	122,848	
Parks, Highways & Transport Services	53,333	(16,101)	37,232	62,027	(13,708)	48,319	
Non Cash Limits	59,285	(55,016)	4,269	62,105	(52,917)	9,188	
Dedicated Schools Grant	291,232	(266,947)	24,285	286,988	(252,384)	34,604	
Housing Revenue Account	59,809	(65,831)	(6,022)	55,987	(61,822)	(5,835)	
Cost Of Services	877,777	(553,308)	324,469	862,901	(522,920)	339,981	
Other Operating Expenditure	143,208		143,208	71,789		71,789	
Financing and Investment	138,963	(105,024)	33,939	107,812	(99,744)	8,068	
Income and Expenditure	0	(394,049)	(394,049)	0	(380,908)	(380,908)	
Taxation and Non-Specific Grant Income							
(Surplus) or Deficit on Provision of Services	1,159,948	(1,052,381)	107,567	1,042,502	(1,003,572)	38,930	
Tax expenses of subsidiaries	801		801	309		309	
Group (Surplus)/Deficit	1,160,749	(1,052,381)	108,368	1,042,811	(1,003,572)	39,239	7
<i>Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services</i>							
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(74,160)			48,077	
Re-measurement of the net defined benefit liability			6,012			158,191	
<i>Items that may be reclassified to the (Surplus) or Deficit on the Provision of Services</i>							
(Surplus) or deficit from investments in equity instruments designated at Fair Value through Other Comprehensive Income			2,900			(26,300)	
Other Comprehensive Income and Expenditure			(65,248)			179,968	
Total Comprehensive Income and Expenditure			43,120			219,207	

*The method with which the Council's Group companies have been consolidated has changed in 2024/25. The comparative year of 2023/24 has been restated for consistency. See Note 12 for further details.

Group Movement in Reserves Statement

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Group Income and Expenditure Account	Total Group Reserves
	Note a	Note a	Note b	Note b	Note b					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023 carried forward	(107,154)	(2,614)	(15,793)	0	(7,774)	(133,335)	(1,537,233)	(1,670,568)	(86,899)	(1,757,467)
Movement in reserves during 2023/24: Total Comprehensive Income and Expenditure	47,957	(1,182)				46,775	154,195	200,970	18,237	219,207
Adjustments between accounting basis and funding basis under regulations (Note 2)	(51,622)	1,085	(2,944)	0	(4,109)	(57,590)	57,590	0		0
(Increase)/ Decrease in 2023/24	(3,665)	(97)	(2,944)	0	(4,109)	(10,815)	211,785	200,970	18,237	219,207
Balance at 31 March 2024 carried forward	(110,819)	(2,711)	(18,737)	0	(11,883)	(144,150)	(1,325,448)	(1,469,598)	(68,662)	(1,538,260)
Movement in reserves during 2024/25: Total Comprehensive Income and Expenditure	116,676	(5,266)				111,410	(66,281)	45,129	(2,009)	43,120
Adjustments between accounting basis and funding basis under regulations (Note 2)	(107,048)	6,876	858	0	(4,354)	(103,668)	103,668	0		0
(Increase)/ Decrease in 2024/25	9,628	1,610	858	0	(4,354)	7,742	37,387	45,129	(2,009)	43,120
Balance at 31 March 2025 carried forward	(101,191)	(1,101)	(17,879)	0	(16,237)	(136,408)	(1,288,061)	(1,424,469)	(70,671)	(1,495,140)

The total council reserves are set out in the single entity Movement in Reserves Statement and the supporting notes to the single entity Statement of Account

Group Balance Sheet

	31 March 2025 £000	31 March 2024 £000	Note
Property, Plant & Equipment			
- Council dwellings	726,597	680,241	
- Other land and buildings	657,587	702,176	
- Vehicles, plant, furniture and equipment	22,276	21,346	
- Community assets	1,400	1,454	
- Surplus assets not held for sale	3,150	3,150	
- Assets under construction	79,469	83,165	
- Right of use assets	3,687		
- Infrastructure	448,636	446,157	
Property, Plant & Equipment	1,942,802	1,937,689	5
Heritage Assets	10,947	11,203	
Investment Property	220,133	213,600	
Intangible Assets	70	227	
Long Term Investments	57,200	60,100	
Long Term Debtors	91,199	80,414	2
Pension Asset	270	8,788	6
Long Term Finance lease Debtors	13,700	13,700	
Long Term Assets	2,336,321	2,325,721	
Assets Held for Sale (short term)	1,241	1,456	
Inventories	618	759	
Cash and Cash Equivalents	57,843	64,399	9
Short Term Debtors	99,826	84,859	2
Current Assets	159,528	151,473	
Bank Overdraft	(4,464)	(5,845)	9
Short Term Creditors	(104,032)	(105,997)	3
Short Term Provisions	(3,863)	(3,590)	4
Short Term Borrowing	(113,373)	(191,797)	
Current Liabilities	(225,732)	(307,229)	
Long Term Creditors	(19,227)	(7,188)	3
Long Term Provisions	(8,758)	(10,920)	4
Long Term Borrowing	(686,659)	(544,954)	
Other Long Term Liabilities - Net pensions liability	(16,942)	(19,876)	6
Other Lease Liabilities	(13,700)	(13,700)	
Revenue Grants Receipts in Advance	(9,740)	(6,617)	
Capital Grants Receipts in Advance	(19,951)	(28,450)	
Long Term Liabilities	(774,977)	(631,705)	
Net Assets	1,495,140	1,538,260	
Usable reserves	(136,408)	(144,150)	
Unusable Reserves	(1,288,061)	(1,325,448)	
Group Income and Expenditure Account	(70,671)	(68,662)	
Total Reserves	(1,495,140)	(1,538,260)	

Group Cash Flow Statement

	2024/25 £000	2023/24 £000	Note
Net deficit on the provision of services	107,567	38,930	
Adjustments to net surplus or deficit on the provision of services for non-cash movements			
Depreciation	(51,365)	(64,687)	
Impairment and revaluation	1,038	(13,191)	
Amortisation	(227)	(227)	
Decrease in impairment allowance	153	3,704	
(Increase)/decrease in creditors	844	4,415	
Increase in debtors	111	8,283	
Increase/(decrease) in inventories	(141)	80	
Difference between IAS 19 pension cost and pensions paid	428	4,556	
Carrying amount of non-current assets sold	(117,272)	(43,298)	
Movement in value of investment properties	(18,563)	(7,843)	
Movement in provisions	1,889	8,248	
	(183,105)	(99,960)	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
Proceeds from the Sale of property, plant and equipment, investment property and intangible assets	13,229	7,763	
Revenue expenditure funded from capital under statute	(8,687)	(16,239)	
Capital grants	48,715	44,606	
Net cash flows from Operating Activities*	(22,281)	(24,900)	
Investing Activities	87,000	46,683	10
Financing Activities	(59,544)	(26,886)	11
Net (increase) or decrease in cash and cash equivalents	5,175	(5,103)	
Cash and cash equivalents and bank overdraft at the beginning of the reporting period	58,554	53,451	
Cash and cash equivalents and bank overdraft at the end of the reporting period	53,379	58,554	

*The following items are included within operating activities:

	2024/25 £000	2023/24 £000
Interest Received	(8,828)	(9,904)
Interest Paid	27,402	25,880
Finance lease interest received	(1,553)	(1,532)
Interest paid on lease liabilities	1,240	1,229
Dividends Received	(898)	(328)
Taxation paid	220	43

Notes to the Group Accounts

The Stockport Council Group

The council has relationships with a number of companies over which it has varying degrees of control and influence. In line with the Code, the council continues to review its relationship with other entities, particularly in respect of the definition of control and accounting for joint arrangements. The bodies considered to be part of the Stockport Council Group are shown below.

Bodies Consolidated

Two bodies, in addition to Stockport MBC, have been included in the Group Accounts; Stockport Homes Ltd and Totally Local Company Ltd. These are wholly owned subsidiaries of the council and have been accounted for on an acquisition basis and subsequently consolidated on a full line by line basis, writing out inter-group transactions. Both subsidiaries produce their accounts in accordance with UK Generally Accepted Accounting Practice (UKGAAP) including Financial Reporting Standard 102.

Stockport Homes Ltd was formed by the council to take over the responsibility for managing and maintaining the Council's dwellings and has been a wholly owned subsidiary of Stockport Council since 1 October 2005. It is an ALMO (arms-length management organisation) of the Council and is a company limited by guarantee. The liability of the council is limited to £1.

The Board of Directors of Stockport Homes Ltd consists of eleven voluntary members including customers, independent and stakeholder members.

Stockport Homes Ltd principal source of income is a management fee, paid by the council, for managing and maintaining the council's housing stock, as well as fulfil a number of other statutory responsibilities, including preventing homelessness, managing private sector renewals and disabled adaptations, and the provision of sheltered housing. Stockport Homes Ltd also hold their own stock of social housing.

Stockport Homes Ltd has three subsidiary companies, Three Sixty SHG Ltd, Viaduct Partnerships Ltd and Skylight Proud to be Part of SHG. Three Sixty SHG Ltd and Viaduct Partnerships Ltd were both established in 2016/17 and are limited by shares, wholly owned by Stockport Homes Ltd. Three Sixty SHG Ltd is primarily a construction company, established to deliver core elements of the HRA capital programme. Viaduct Partnerships Ltd is a development company for new builds for rental purposes.

Skylight Proud to be Part of SHG was originally formed in December 2018 as Foundations Stockport Ltd but in August 2022 it was renamed. The company was formed to deliver more social inclusion and health related initiatives for Stockport. It is a company limited by shares, with Stockport Homes Ltd and Skylight Board Members being shareholders. Skylight Proud to be Part of SHG is a charitable Community Benefit Society registered with the Financial Conduct Authority and Companies House.

During 2024/25, the management fee and other charges made to the council by the Stockport Homes Group amounted to £40.915m (£38.487m in 2023/24). Outstanding balances owed by the council to the Stockport Homes Group at the year end amounted to £5.510m (£5.262m 31 March 2024).

During 2024/25, the council charged the Stockport Homes Group £2.819m (£2.911m in 2023/24) for the provision of support services and other items. Outstanding balances owed by the Stockport Homes Group to the council at the year end amounted to £73.793m (£74.215m at 31 March 2024) this was made up of £1.557m (£0.953m at 31 March 2024) of trade receivables and loans of £72.236m (£73.262m at 31 March 2024).

Totally Local Company Ltd was formed to take over the responsibility for providing highways maintenance, property and building maintenance, catering, and refuse collection services. The company became a wholly owned subsidiary of Stockport Council from 1 November 2006. At 31 March 2023, the Board consisted of three Executive Directors, and three Non-Executive Directors. Alongside Totally Local Company Ltd employees, the following council officers are directors of the company:

- Director of Place Management
- Director of Finance – Section 151 Officer (replacing the then Deputy Chief Executive (Section 151 Officer) who resigned this position in February 2025)
- Assistant Director – Legal & Democratic Governance, Monitoring Officer.

Totally Local Company Ltd has a wholly owned subsidiary company; Waste Solutions SK Ltd. This company collects waste and products for recycling in the Greater Manchester Area.

Totally Local Company Ltd Group's principal source of income is from fees and charges for services provided to Stockport Council.

During 2024/25, the management fee and other charges made to the council by Totally Local Company Ltd amounted to £26.541m (£25.771m during 2023/24). Outstanding balances owed by the council to Totally Local Company Ltd at the year end amounted to £0.311m (£0.620m at 31 March 2024).

During 2024/25, the council charged Totally Local Company Ltd £3.182m (£1.511m during 2023/24) for the provision of support services. Outstanding balances owed by Totally Local Company Ltd to the council at the year end amounted to £9.058m (£8.323m at 31 March 2024) this was made up of £0.481m (£0.373m at 31 March 2024) of trade receivables and loans of £8.578m (£7.950m at 31 March 2024).

Bodies Not Consolidated

Stockport Exchange Phase 2 Ltd

Stockport Exchange Phase 2 Ltd is a wholly owned subsidiary of the council and was set up to undertake the Stockport Exchange No 1 office and hotel development, which completed in 2016/17. Two officers of the council are directors of the Company, the Deputy Chief Executive Officer Place and Regeneration (previously Director of Development and Regeneration) and the Executive Director Corporate and Support Services (previously Director of Strategy).

The company is now dormant.

Stockport Exchange Phase 3 Ltd

Stockport Exchange Phase 3 Ltd is a wholly owned subsidiary of the council acquired on 15 May 2020 and was set up to undertake the Stockport Exchange No 2 office development, which completed in 2020/21. Two officers of the council are directors of the Company, the Deputy Chief Executive Officer Place and Regeneration (previously Director of Development and Regeneration) and the Executive Director Corporate and Support Services (previously Director of Strategy).

There were minimal transactions in the 2024/25 financial year and minimal remaining balances and once all transactions are complete the company will become dormant. The latest Statement of Accounts filed with Companies House are as at 31 December 2024, the company recorded a loss of £0.007m (£0.004m for 2023) and net current liabilities of £0.034m (£0.025m as at 31 December 2023).

Based on qualitative and quantitative assessments, it has been judged that the interest in the entity is not material to the council and therefore not consolidated into the council's Group Accounts in 2024/25 or 2023/24.

Stockport Hotel Management Company Ltd

On 19 September 2016, the council incorporated Stockport Hotel Management Company Ltd as the trading company for the Hotel, appointing two council officers as Directors and providing £0.100m of share capital. Interstate Ltd was appointed to operate the Hotel under the Holiday Inn Express franchise and it opened for business on 19 December 2016.

The latest Statement of Accounts filed with Companies House are as at 31 December 2024. The company recorded a profit before tax of £0.358m (£0.298m for year ended 31 December 2023), and net current assets of £0.776m (2023 - £0.443m).

Based on qualitative and quantitative assessments, it has been judged that the interest in the entity is not material to the council and therefore not consolidated into the council's Group Accounts in 2024/25 or 2023/24.

Stockport Mayoral Development Corporation

In March 2019, GMCA agreed to create the Stockport Mayoral Development Corporation (MDC) to lead the regeneration of Town Centre West. The MDC is a 'body corporate', which is run by a board appointed by the Greater Manchester Mayor in consultation with Stockport Council. The MDC board has overall responsibility for all aspects of the organisation's operations. During 2024/25 the Board comprised of the Interim Chair, four private sector Non-Executive Directors, three council Members representing different political parties, including the Leader, Stockport MBC's Chief Executive Officer, and a representative from GMCA. In addition, the Chief Executive Officer role is held by the council's Deputy Chief Executive Officer Place and Regeneration (previously Director of Development and Regeneration).

Total Expenditure by the MDC as at 31 March 2024 was £0.203m and total income £0.203m (£0.181m expenditure and £0.181m income in 2023/24).

Based on qualitative and quantitative assessments, it has been judged that the interest in the entity is not material to the council and therefore not consolidated into the council's Group Accounts in 2024/25 or 2023/24.

Stockport Active CIC

Stockport Active CIC is wholly owned by the council, limited by guarantee. The CIC was incorporated on 18 May 2021 to take over responsibility for providing leisure services for the council as from 1 April 2022. During 2024/25, the Board consisted of three Executive Directors from the CIC and five council officers, including the Chair, which was held by the Director of Place; other roles were held by Deputy Chief Executive Place and Regeneration and the Director of Finance – Section 151 Officer.

The council paid a total management fee of £0.811m during 2024/25 (£1.948m for 2023/24).

Based on qualitative and quantitative assessments, it has been judged that the interest in the entity is not material to the council and therefore not consolidated into the council's Group Accounts in 2024/25 or 2023/24.

Interchange Homes LLP was incorporated on 15 October 2021 as a special purpose vehicle (SPV) for the town centre residential accommodation development at Stockport Interchange. The SPV brings together the council, GMCA, equity investor (Gresham House Investment Management (Guernsey) Ltd) and development partner (Cityrise Interchange Homes LLP), who have made an initial capital contribution of £1 each. The financial conditions of the agreement were fulfilled during 2022/23 and the council made a further capital contribution of £9.300m towards the development.

Based on qualitative and quantitative assessments, the interest in the entity is not material to the council and therefore not consolidated into the council's Group Accounts in 2024/25 or 2023/24.

Stockport 8 LLP

Stockport 8 LLP was incorporated on 2 October 2023 as a joint venture between the council and ECF (General Partner) Ltd for the regeneration and development of Stockport Town Centre. The joint venture must have equal numbers of representatives from partners and is deadlocked, whereby both partners have to agree to do anything and everything. During 2024/25, there were three council officers on the Board, including Deputy Chief Executive Place and Regeneration.

Development costs incurred are met by the Partners on a 50:50 basis. The council and ECF (English Cities Fund) each provided £10 equity contribution towards the LLP during 2023/24. During 2024/25 the council incurred £1.353m of capital spend on development costs (£0.497m in 2023/24). In the draft accounts for the period from 2 October 2023 to 31 March 2025, the LLP reported a loss of £0.113m, representing sums owed by the council to the LLP at the end of the reporting period (there is no comparative period).

Based on qualitative and quantitative assessments, the interest in the entity is not material to the council and therefore not consolidated into the council's Group Accounts in 2024/25 or 2023/24.

No other entities are considered to be part of the Stockport Council Group for consolidation purposes.

Notes to the Group Accounts

Where figures in the Group accounts differ materially from the council's accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the council's accounts.

The Statement of Accounts was authorised for issue on 26 June 2025 by the Director of Finance - Section 151 Officer. This is the date up to which events after the balance sheet date have been considered and included where relevant.

1. Accounting Policies

The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the council, Stockport Homes Ltd and Totally Local Company Ltd.

The accounting policies of the council's consolidated subsidiary companies have been aligned with the council's accounting policies set out in Note 36. Any statutory adjustments between the accounting basis and funding basis included in the council's accounting policies do not apply to the subsidiary companies, for example in relation to retirement benefits.

The total comprehensive income and expenditure items of the group companies are accounted for within the Group Income and Expenditure Account, including the surplus/deficit on the provision of services, surplus/deficit on revaluation of property, plant and equipment and re-measurement of the defined benefit liability.

Since Stockport Homes Ltd accounts show non-current assets at historic cost, the company's dwellings have been revalued to current value to bring them into line with the council's accounting policies. The current value has been assessed by the valuer using the existing use value for social housing (EUV-SH) appropriate to the dwellings' mix of tenures. Any revaluation gains or losses are shown separately in the Property, Plant and Equipment Note 5 and are included in the Group Income and Expenditure Account.

2. Short and Long-Term Debtors including Payments in Advance

	Gross Balance £000	Impairment allowance £000	31 March 2025 Short Term £000	31 March 2025 Long Term £000	31 March 2025 Total £000
Financial Assets					
<u>Trade Receivables</u>					
Central Government	12,604		12,604		12,604
Other Local Authorities	13,416		13,416		13,416
NHS Bodies	11,966	(26)	11,940		11,940
Other Entities and Individuals:					
Social Services Clients	11,437	(3,314)	8,123		8,123
Housing Rents	3,042	(1,522)	1,520		1,520
Lease and rental receivables	6,828	(1,692)	5,136	2,856	7,992
Other Entities and Individuals	23,022	(1,634)	21,388		21,388
	82,315	(8,188)	74,127	2,856	76,983
<u>Other Receivables - Loans</u>					
Loans - Manchester Airport	1,170		1,170	38,612	39,782
Loans to support Capital Programme and other loans	462		462	45,424	45,886
	1,632	0	1,632	84,036	85,668
Trade Receivables (Financial Assets)	83,947	(8,188)	75,759	86,892	162,651
Other Receivables (Non-Financial Assets)					
Central Government (Tax)	8,076		8,076		8,076
Housing Benefits	3,427	(2,170)	1,257		1,257
Collection Fund:					
Business Rates	8,450	(6,432)	2,018		2,018
Council Tax	14,998	(11,101)	3,897		3,897
Payments in advance:					
Lease and rental receivables	468		468	4,307	4,775
Other payments in advance	8,351		8,351		8,351
Total Receivables (Non-Financial Assets)	43,770	(19,703)	24,067	4,307	28,374
Total Receivables	127,717	(27,891)	99,826	91,199	191,025

	Short-term Gross Balance £000	Impairment allowance £000	31 March 2024 Short-Term £000	31 March 2024 Long-Term £000	31 March 2024 Total £000
<u>Financial Assets</u>					
<u>Trade Receivables</u>					
Central Government	6,254		6,254		6,254
Other Local Authorities	5,441		5,441		5,441
NHS Bodies	8,615	(26)	8,589		8,589
Other Entities and Individuals:					
Social Services Clients	9,817	(3,908)	5,909		5,909
Housing Rents	2,945	(1,463)	1,482		1,482
Lease and rental receivables	8,425	(1,867)	6,558	2,662	9,220
Other Entities and Individuals	28,976	(2,092)	26,884		26,884
	70,473	(9,356)	61,117	2,662	63,779
<u>Other Receivables - Loans</u>					
Loans - Manchester Airport	338		338	39,084	39,422
Loans to support Capital Programme				33,301	33,301
Car and Other loans	8		8	185	193
	346	0	346	72,570	72,916
Total Receivables (Financial Assets)	70,819	(9,356)	61,463	75,232	136,695
<u>Other Receivables (Non-Financial Assets)</u>					
Central Government (Tax)	8,485		8,485		8,485
Housing Benefits	2,875	(2,486)	389		389
Collection Fund:					
Business Rates	7,747	(6,049)	1,698		1,698
Council Tax	14,435	(10,153)	4,282		4,282
Payments in advance:					
Lease and rental receivables	510		510	5,182	5,692
Other payments in advance	8,032		8,032		8,032
Total Receivables (Non-Financial Assets)	42,084	(18,688)	23,396	5,182	28,578
Total Receivables	112,903	(28,044)	84,859	80,414	165,273

3. Short and Long-Term Creditors including Receipts in Advance

	31 March 2025 Short Term £000	31 March 2025 Long Term £000	31 March 2025 Total £000
<u>Financial Liabilities</u>			
<u>Trade Payables</u>			
Central Government	(4,578)	(161)	(4,739)
Other Local Authorities	(9,847)		(9,847)
NHS Bodies	(2,772)		(2,772)
Other Entities and Individuals	(53,135)	(446)	(53,581)
Trade Payables (Financial Liabilities)	(70,332)	(607)	(70,939)
<u>Other Payables (Non-Financial Liabilities)</u>			
Central Government (Tax)	(6,962)		(6,962)
Collection Fund:			
Business Rates	(2,421)		(2,421)
Council Tax	(2,808)		(2,808)
Receipts in advance:			
Lease and rental receipts in advance	(3,255)	(4,208)	(7,463)
Social Care receipts in advance	(112)		(112)
Other receipts in advance	(11,043)	(518)	(11,561)
Employees Accumulated Absences	(5,986)		(5,986)
Other Entities and Individuals	(1,113)	(13,894)	(15,007)
Other Payables (Non Financial Liabilities)	(33,700)	(18,620)	(52,320)
Total Payables	(104,032)	(19,227)	(123,259)

	31 March 2024 Short-Term £000	31 March 2024 Long-Term £000	31 March 2024 Total £000
<u>Financial Liabilities</u>			
<u>Trade Payables</u>			
Central Government	(6,304)	(77)	(6,381)
Other Local Authorities	(2,750)		(2,750)
NHS Bodies	(4,240)		(4,240)
Other Entities and Individuals	(48,756)	(338)	(49,094)
Lease payables	(615)	(2,048)	(2,663)
	(62,665)	(2,463)	(65,128)
<u>Other Payables</u>			
Employees Accumulated Absences	(7,163)		(7,163)
	(69,828)	(2,463)	(72,291)
<u>Other Trade Payables (Non-Financial Liabilities)</u>			
Central Government (Tax)	(7,003)		(7,003)
Collection Fund:			0
Business Rates	(2,720)		(2,720)
Council Tax	(2,920)		(2,920)
Receipts in advance:			0
Lease and rental receipts in advance	(4,446)	(4,399)	(8,845)
Social Care receipts in advance	(5,333)		(5,333)
Other receipts in advance	(13,747)	(326)	(14,073)
	(36,169)	(4,725)	(40,894)
Total Payables	(105,997)	(7,188)	(113,185)

4. Provisions

	Insurance Fund £000	Business Rates Appeals £000	Employee Related & Other £000	2024/25 Total £000	Comparative figures for 2023/24 £000
<u>Long-term</u>					
Balance 31 March 2024	(2,278)	(8,642)		(10,920)	(17,695)
Additional Provisions	(736)			(736)	0
Provisions Utilised in Year		2,898		2,898	6,775
Balance as at 31 March 2025	(3,014)	(5,744)	0	(8,758)	(10,920)
<u>Short-term</u>					
Balance 31 March 2024	(535)	(2,143)	(912)	(3,590)	(5,063)
Additional Provisions	(200)	(2,646)	(487)	(3,333)	(3,143)
Provisions Utilised in Year		2,963	97	3,060	4,616
Balance as at 31 March 2025	(735)	(1,826)	(1,302)	(3,863)	(3,590)
Total Provisions	(3,749)	(7,570)	(1,302)	(12,621)	(14,510)

Additional provisions in relation to group companies:

Employee and taxation related provisions

The employee provisions comprise several individual provisions for varied employment issues. No individual provision is material in its nature or size.

5. Property, Plant and Equipment

Movements in 2024/25:

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant and Equipment (excluding infrastructure assets) £000
Cost or Valuation								
At 1 April 2024	700,840	739,444	58,711	1,981	3,159	83,165	0	1,587,300
Additions	13,976	26,381	4,298			31,757		76,412
Additions IFRS16 Adoption			617				4,004	4,621
Revaluation increases to Group reserve	(1,857)							(1,857)
Revaluation increases/decreases to Revaluation Reserve	3,523	22,662						26,185
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services		(2,790)						(2,790)
Impairment losses to Surplus or Deficit on the Provision of Services								0
Derecognition - Disposals	(2,539)	(107,980)	(1,838)			(7,597)		(119,954)
Reclassifications & Transfers	12,829	259	(2)			(27,260)		(14,174)
Other Movements *						(596)		(596)
At 31 March 2025	726,772	677,976	61,786	1,981	3,159	79,469	4,004	1,555,147
Accumulated Depreciation and Impairment								
At 1 April 2024	(20,599)	(37,268)	(37,365)	(527)	(9)	0	0	(95,768)
Depreciation Charge	(14,492)	(7,429)	(3,907)	(54)			(317)	(26,199)
Depreciation written out to Revaluation Reserve	34,789	16,413						51,202
Depreciation on Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services		2,551						2,551
Derecognition - Disposals	127	5,344	1,758					7,229
Reclassifications & Transfers			4					4
At 31 March 2025	(175)	(20,389)	(39,510)	(581)	(9)	0	(317)	(60,981)
Net Book Value								
At 31 March 2025	726,597	657,587	22,276	1,400	3,150	79,469	3,687	1,494,166
At 1 April 2024	680,241	702,176	21,346	1,454	3,150	83,165	0	1,491,532

*Fully depreciated and decommissioned assets which have been de-recognised.

The group value of Property, Plant and Equipment comprises council assets - £1,809.517m; Stockport Homes Ltd assets - £127.276m and Totally Local Company Ltd assets - £6.009m.

Movements in 2023/24:

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment (excluding infrastructure assets) £000
Cost or Valuation							
At 1 April 2023	729,132	791,457	54,474	1,872	3,423	95,689	1,676,047
Additions	16,479	10,797	5,010	109	0	30,292	62,687
Revaluation increases to Group reserve	(9,030)						(9,030)
Revaluation increases/ decreases to Revaluation Reserve	(38,650)	(31,911)			(264)		(70,825)
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services		(561)					(561)
Impairment losses to Surplus or Deficit on the Provision of Services		(10,944)					(10,944)
Derecognition - Disposals	(4,845)	(33,537)	(1,085)			(4,648)	(44,115)
Reclassifications & Transfers	7,754	14,143	312			(36,573)	(14,364)
Other Movements *						(1,595)	(1,595)
At 31 March 2024	700,840	739,444	58,711	1,981	3,159	83,165	1,587,300
Accumulated Depreciation and Impairment							
At 1 April 2023	(19,669)	(34,178)	(35,075)	(475)	(9)		(89,406)
Depreciation Charge	(13,760)	(24,010)	(3,360)	(52)			(41,182)
Depreciation written out to Revaluation Reserve	12,721	19,032					31,753
Depreciation on Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services		23					23
Impairment losses to Surplus or Deficit on the Provision of Services							0
Derecognition - Disposals	109	1,865	1,070				3,044
Reclassifications & Transfers							0
Other Movements *							0
At 31 March 2024	(20,599)	(37,268)	(37,365)	(527)	(9)	0	(95,768)
Net Book Value							
At 31 March 2024	680,241	702,176	21,346	1,454	3,150	83,165	1,491,532
At 1 April 2023	709,463	757,279	19,399	1,397	3,414	95,689	1,586,641

*Fully depreciated and decommissioned assets which have been de-recognised.

The group value of Property, Plant and Equipment comprises council assets - £1,814.266m; Stockport Homes Ltd assets - £119.141m and Totally Local Company Ltd assets - £4.282m

6. Pensions

The Group participate in the Greater Manchester Pension Fund as part of a pooled arrangement, where individual bodies have admitted body status within the Stockport MBC pool for purposes of the actuarial valuation. However, each entity accounts individually for its net defined benefit cost (and the resultant asset or liability).

The single entity also participates in the Teachers' Pension Scheme and the NHS Pensions scheme, further details can be found in the single entity statements Note 24.

In addition, the subsidiaries participate in two separate defined contribution schemes. The pensions charge for the year ended 31 March 2025 was £1.149m (31 March 2024, £1.263m).

The underlying assets and liabilities for retirement benefits attributable to the Group participation in the Greater Manchester Pension Fund as at 31 March are as follows:

	SMBC* £000	Stockport Homes £000	Totally Local Company £000	31 March 2025 £000
Fair Value of plan assets	1,356,928	118,833	129,567	1,605,328
Present value of defined benefit obligation	(986,769)	(73,775)	(71,228)	(1,131,772)
Net asset/(liability) arising from defined benefit obligation	370,159	45,058	58,339	473,556
Asset Ceiling Adjustment	(387,101)	(45,058)	(58,069)	(490,228)
Adjusted Net asset/ (liability) arising from defined benefit obligation	(16,942)	0	270	(16,672)

*includes Teachers Discretionary Benefit (see Note 24 to single entity accounts)

	SMBC* £000	Stockport Homes £000	Totally Local Company £000	31 March 2024 £000
Fair Value of plan assets	1,316,901	112,547	126,035	1,555,483
Present value of defined benefit obligation	(1,130,460)	(84,940)	(81,155)	(1,296,555)
Net asset/(liability) arising from defined benefit obligation	186,441	27,607	44,880	258,928
Asset Ceiling Adjustment	(206,317)	(27,607)	(36,092)	(270,016)
Adjusted Net asset/ (liability) arising from defined benefit obligation	(19,876)	0	8,788	(11,088)

*includes Teachers Discretionary Benefit (see Note 24 to single entity accounts)

The characteristics of the GMPF are set out in the single entity statements Note 24.

For both Stockport Homes and Totally Local Company, the main financial assumptions are 2.75% for pensions increases (31 March 2024 – 2.75%); 3.55% for salary increases (31 March 2024 – 3.55%) and a discount rate of 5.80% (31 March 2024 – 4.85%).

The weighted average duration of the defined benefit obligation for scheme members is 22 years for Stockport Homes and 17 years for Totally Local Company.

The major categories of group company plan assets as a percentage of total plan assets is as follows:

	31 March 2025	31 March 2024
	%	%
Equities	65	68
Bonds	17	15
Property	9	8
Cash	9	9
	100	100

The expected pension scheme contributions to the GMPF for the group for the year ending 31 March 2026 will be approximately £30.373m.

A reconciliation of the group position on the Greater Manchester pension fund is set out below:

Changes in the Fair Value of Plan Assets	Period ended 31 March 2025			Period ended 31 March 2024		
	Assets	Obligations	Net (Liability)/ Assets	Assets	Obligations	Net (Liability)/ Assets
	£000	£000	£000	£000	£000	£000
Fair Value of Plan Assets	1,555,483		1,555,483	1,462,728		1,462,728
Present value of funded liabilities		(1,276,679)	(1,276,679)		(1,265,372)	(1,265,372)
Effect of Asset Ceiling			(270,016)			(270,016)
Present value of unfunded liabilities		(19,876)	(19,876)		(20,715)	(20,715)
Opening position as at 31 March	1,555,483	(1,296,555)	(11,088)	1,462,728	(1,286,087)	176,641
Service Costs:						
- current service cost		(29,161)	(29,161)		(31,716)	(31,716)
- past service costs (including curtailments)**		(1,925)	(1,925)		(2,148)	(2,148)
- effect of Settlements	(4,684)	4,239	(445)	(2,458)	2,286	(172)
Total service cost	(4,684)	(26,847)	(31,531)	(2,458)	(31,578)	(34,036)
Net Interest:						
- interest income on plan assets	75,115		75,115	69,231		69,231
- interest cost on defined benefit obligation		(62,547)	(62,547)		(60,904)	(60,904)
- interest of the effect of asset ceiling			(13,090)			(13,090)
Total net interest	75,115	(62,547)	(522)	69,231	(60,904)	8,327
Total defined benefit cost recognised in Profit or (Loss)	70,431	(89,394)	(32,053)	66,773	(92,482)	(25,709)
Cashflows:						
- Contributions from Members	10,219	(10,219)	0	9,881	(9,881)	0
- Contributions from Employer	30,559		30,559	29,328		29,328
- Benefits paid	(46,721)	46,721	0	(46,300)	46,300	0
- Unfunded benefits paid	(1,922)	1,922	0	(4,109)	4,109	0
- Contributions in respect of unfunded benefits	1,922		1,922	1,879		1,879
- Effect of business combinations & disposals			0			0
Total Cashflows	(5,943)	38,424	32,481	(9,321)	40,528	31,207
Expected closing position	1,619,971	(1,347,525)	(10,660)	1,520,180	(1,338,041)	182,139
Remeasurements:						
- Changes in financial assumptions		188,356	188,356		74,595	74,595
- Changes in demographic assumptions		14,029	14,029		8,461	8,461
- Other experience		13,368	13,368		(41,570)	(41,570)
- Return on assets excluding amounts included in net interest	(14,643)		(14,643)	35,303		35,303
Total Remeasurements recognised in CIES	(14,643)	215,753	201,110	35,303	41,486	76,789
Fair Value of Employer Assets	1,605,328		1,605,328	1,555,483		1,555,483
Present Value of Funded liabilities		(1,114,830)	(1,114,830)		(1,276,679)	(1,276,679)
Effect of Asset Ceiling			(490,228)			(270,016)
Present Value of Unfunded liabilities		(16,942)	(16,942)		(19,876)	(19,876)
Closing Position as at 31 March	1,605,328	(1,131,772)	(16,672)	1,555,483	(1,296,555)	(11,088)

*The service cost figures include an allowance for administration expenses of 0.3% of payroll.

The sensitivity analysis for the group company assumptions is set out below:
Stockport Homes Ltd

Change in Assumptions at 31 March 2025	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	1,566
1 year increase in member life expectancy	4%	2,951
0.1% Increase in the Salary increase rate	0%	54
0.1% Increase in the Pension increase rate	2%	1,556

Totally Local Company Ltd

Change in Assumptions at 31 March 2025	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	1,185
1 year increase in member life expectancy	4%	2,827
0.1% Increase in the Salary increase rate	0%	76
0.1% Increase in the Pension increase rate	2%	1,142

7. Group Expenditure and Funding Subjective Analysis

	Total Group 2024/25 £000	*Restated Total Group 2023/24 £000
<u>Expenditure</u>		
Employee Benefit Expenses	365,982	362,682
Other service expenses	461,277	423,824
Capital charges including depreciation and impairment	50,518	76,395
Financing and investment expenditure including interest	138,963	107,812
Levies	42,836	41,440
Losses/(gains) on disposal of assets/ impairment of assets held for sale	100,372	30,349
Taxation expense	801	309
	1,160,749	1,042,811
<u>Income</u>		
Fees, charges and other service income	(176,885)	(165,925)
Financing and investment income including interest	(105,024)	(99,744)
Income from Council Tax and Business Rates	(260,542)	(254,112)
Government grants and contributions	(509,930)	(483,791)
	(1,052,381)	(1,003,572)
	108,368	39,239

*The method with which the Council's Group companies have been consolidated has changed in 2024/25. The comparative year of 2023/24 has been restated for consistency.

8. Results of Subsidiaries

The results of subsidiaries within Net Cost of Services comprises:

	2024/25 Expenditure £000	2024/25 Income £000	2024/25 Net £000	*Restated 2023/24 Expenditure £000	*Restated 2023/24 Income £000	*Restated 2023/24 Net £000
Operating result of Totally Local Company Ltd	33,071	(33,130)	(59)	32,818	(32,872)	(54)
Operating result of Stockport Homes Ltd	71,117	(74,958)	(3,841)	70,354	(72,081)	(1,727)
Consolidation adjustments	(98,399)	99,170	771	(97,656)	97,656	0
	5,789	(8,918)	(3,129)	5,516	(7,297)	(1,781)

*The method with which the Council's Group companies have been consolidated has changed in 2024/25. The comparative year of 2023/24 has been restated for consistency.

Consolidation adjustments relate to revenue expenditure charged between the Group companies which reduces overall expenditure and income for the Group accounts.

9. Cash and Cash Equivalents

	Balance at 31 March 2025 £000	Balance at 31 March 2024 £000
Cash and bank balances	49,743	37,920
Short term investments, considered to be cash equivalents	8,100	26,479
	57,843	64,399
Bank Overdraft	(4,464)	(5,845)
	53,379	58,554

10. Note to the Cash Flow Statement- Investing Activities

	2024/25 £000	2023/24 £000
Purchase of property, plant and equipment, investment property and intangible assets	107,501	104,551
Other capital payments for investing activities	21,382	42,512
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(13,229)	(7,763)
Other receipts from investing activities	(302)	(76)
Capital grants	(28,352)	(52,541)
Purchase of short-term and long-term investments	45,300	40,000
Proceeds from short-term and long-term investments	(45,300)	(80,000)
	87,000	46,683

11. Note to the Cash Flow Statement- Financing Activities

	2024/25 £000	2023/24 £000
Cash receipts of short- and long-term borrowing	(502,301)	(550,200)
Repayments of short- and long-term borrowing	440,546	523,266
	(61,755)	(26,934)
Other receipts from financing activities	2,211	48
	(59,544)	(26,886)

The reconciliation of liabilities arising from financing activities is set out in the Notes to the Single Entity Statements.

12. Prior Year Adjustments

In line with the requirements of the CIPFA Code of Practice, the Group Comprehensive Income and Expenditure Statement for 2023/24 has been restated. In the prior year accounts, not all intra-company transactions were excluded from gross income and expenditure in the Cost of Services section. It has also been identified that the subsidiary income and expenditure should have been included in individual portfolio service lines to align with the council's internal reporting. The adjustments are across individual income and expenditure line items within the Cost of Services and the overall net Cost of Services remains the same. There is no impact on the assets, liabilities or reserves and the balances remain as reported at 31 March 2024 and therefore an opening balance sheet for 2023/24 has not been presented.

Effect on Comprehensive Income and Expenditure Statement 2023/24

Gross Expenditure:

	2023/24		
	Original Gross Expenditure £000	Amount of restatement £000	Restated Gross Expenditure £000
Children, Families & Education	84,971	(4,061)	80,910
Climate Change & Environment	10,922	3,204	14,126
Communities, Culture & Sport	18,307	355	18,662
Economy, Regeneration & Housing	23,365	2,278	25,643
Finance & Resources	53,049	173	53,222
Health & Adult Social Care	202,768	463	203,231
Parks, Highways & Transport Services	58,732	3,295	62,027
Non Cash Limits	62,296	(191)	62,105
Dedicated Schools Grant	286,988	0	286,988
Housing Revenue Account	55,987	0	55,987
Results of subsidiaries	34,265	(34,265)	
Cost Of Services	891,650	(28,749)	862,901

Gross Income:

	2023/24		
	Original Gross Income £000	Amount of restatement £000	Restated Gross Income £000
Children, Families & Education	(21,674)	4,121	(17,553)
Climate Change & Environment	(530)	(4,646)	(5,176)
Communities, Culture & Sport	(8,922)	(309)	(9,231)
Economy, Regeneration & Housing	(11,017)	(9,411)	(20,428)
Finance & Resources	(10,473)	1,155	(9,318)
Health & Adult Social Care	(79,728)	(655)	(80,383)
Parks, Highways & Transport Services	(9,156)	(4,552)	(13,708)
Non Cash Limits	(59,917)	7,000	(52,917)
Dedicated Schools Grant	(252,384)	0	(252,384)
Housing Revenue Account	(61,822)	0	(61,822)
Results of subsidiaries	(36,046)	36,046	0
Cost Of Services	(551,669)	28,749	(522,920)

Net Expenditure:

	2023/24		
	Original Net Expenditure £000	Amount of restatement £000	Restated Net Expenditure £000
Children, Families & Education	63,297	60	63,357
Climate Change & Environment	10,392	(1,442)	8,950
Communities, Culture & Sport	9,385	46	9,431
Economy, Regeneration & Housing	12,348	(7,133)	5,215
Finance & Resources	42,576	1,328	43,904
Health & Adult Social Care	123,040	(192)	122,848
Parks, Highways & Transport Services	49,576	(1,257)	48,319
Non Cash Limits	2,379	6,809	9,188
Dedicated Schools Grant	34,604	0	34,604
Housing Revenue Account	(5,835)	0	(5,835)
Results of subsidiaries	(1,781)	1,781	0
Cost Of Services	339,981	0	339,981

PART 2 - OTHER ACCOUNTS (not subject to audit)

This section summarises the accounts of various Trust Funds and other bodies which the council administers on behalf of their trustees or otherwise. This statement sets out the income and expenditure in relation to those Trusts. These funds do not represent assets of the council and are not therefore included within the Comprehensive Income and Expenditure Statement or Balance Sheet.

	Balance at 31 March 2024 £	Increases in year £	Reductions in year £	Balance at 31 March 2025 £
Hollingpriest Educational Foundation	(1,268)	(8)	0	(1,276)
Woodbank Memorial Fund	(2,655)	(131)	131	(2,655)
Brookfield Park Shiers Family Trust	(387,526)	(13,118)	42,742	(357,902)
Total	(391,449)	(13,257)	42,873	(361,833)

Notes

Hollingpriest Educational Foundation

The Fund was established for the provision of academic, social and physical training for young people in Stockport under the age of 25 years.

Woodbank Memorial Fund

The income from the invested funds is to be used for the benefit of the park and its services. The annual interest is to be utilised by Parks Services in connection with Woodbank Park.

Brookfield Park Shiers Family Trust

The Charity was established for the residents of Cheadle and Gatley for health, education and social services purposes as the council, as Trustees, in its discretion sees fit. The current policy is to maintain the value of the original bequest in real terms.

The Trustees have a long-standing resolution to use the fund to address the effects of loneliness amongst elderly residents and the consequential effect on their health, support voluntary groups for children and young people, young carers, addressing loneliness amongst children and young people, and supporting sports groups for people of all ages. The reduction in year of £42,742 relates to distributions of £29,537 made during 2024/25 and an overall decrease in market value of the Investment Fund of £13,205 as at 31 March 2025.

Glossary of Accounting Terms

Accounting Period

The period of time covered by the accounts, normally twelve months commencing on 1 April. The end of the accounting period is the balance sheet date.

Accrual

An amount included in the accounts to cover income or expenditure attributable to an accounting period but for which payment has not been received or made by the end of the accounting period. This is based on the concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because: (a) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or (b) the actuarial assumptions have changed.

Amortise

To write off a balance gradually and systematically over a specified period of time. Examples of balances which are amortised include Government Grants Deferred and Premiums and Discounts arising from early repayment of loans.

Asset

Something of value which is measurable in monetary terms.

Asset ceiling

The pensions asset ceiling is a specified estimate of the present value of the economic benefit which the employer organisation can realise, either through refunds or by gaining economic benefit through reductions in future contributions. Such an economic benefit may be available even if it is not realisable immediately at the end of the reporting period. Employer organisations should recognise the maximum economic benefit that is available from refunds, reductions in future contributions or a combination of both.

Billing Authority

An authority responsible for the collection of the Council Tax and Business Rates.

Capital Expenditure

Expenditure on the acquisition of a non-current asset or expenditure which adds to, and not merely maintains, the value of an existing non-current asset. This includes grants or advances paid to third parties to assist them in acquiring or enhancing their own non-current assets.

Capital Grants Unapplied

Proceeds received from Government Grants, Other Grants and Contributions, which have not yet been used to finance capital expenditure.

Capital Receipt

The proceeds from the sale of a non-current asset, or the repayment of an advance.

Cash and Cash Equivalents

Cash in hand, cash overdrawn and short-term, highly liquid investments, which are readily convertible into known amounts of cash.

Cash and Non-Cash Limits

Cash Limit items are items which are under the direct accountable responsibility of a specified officer, as opposed to Non-Cash Limit items (e.g. insurance, levies and financing costs) which are general council in nature and managed on a corporate basis.

Collection Fund

A statutory account which billing authorities have to maintain for the collection and distribution of amounts due in respect of Council Tax and Non-Domestic Rates (Business Rates).

Community Assets

Assets that the council intends to hold in perpetuity, have no determinable finite useful life and in addition may have restrictions on their disposal. Examples of community assets are playing fields and parks.

Consistency

The concept that the accounting treatment of like items within an accounting period and from one period to the next should be the same.

Constructive obligation

An obligation that derives from a council's actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the council has indicated to other parties that it will accept certain responsibilities and
- as a result, the council has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingency

Money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

Council Tax

A banded property tax which is levied on domestic properties throughout the country. The banding is based on estimated property values as at 1 April 1991. The level of tax is set annually by each local authority for the properties in its area.

Creditors

Amounts owed by the council for work done, goods received or services rendered to the council during the accounting period, but for which payment has not been made by the balance sheet date.

Current Assets

Assets which will be consumed or cease to have value within the next accounting period, e.g. stock and debtors.

Current Liabilities

Amounts which will become payable or could be called in within the next accounting period, e.g. creditors and cash overdrawn.

Current Service Cost (Pensions)

The increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Debtors

Amounts due to the council which relate to the accounting period and have not been received by the balance sheet date.

Dedicated Schools Grant

A ring-fenced grant from the government that has to be used to fund the delegated budget of each school, together with certain items of related central expenditure.

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined Contribution Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation

The loss in value of an asset due to age, wear and tear, deterioration or obsolescence.

Discretionary Benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the council's discretionary powers.

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation

EBITDA is an alternative measure of profitability to net income. By including depreciation and amortisation as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by an organisation's operations.

Employees Accumulated Absences

Employees Accumulated Absences are periods during which an employee does not provide services to the employer, but benefits continue to be paid. Accumulating absences are those that are carried forward and can be used in future periods if the current period entitlement is not used in full, for example, annual leave, flexitime and time in lieu.

Exceptional Items

Material items which arise from events or transactions that fall within the ordinary activities of the council and which by virtue of their size or incidence need to be disclosed separately to give a fair presentation of the accounts.

Expected Credit Loss

Expected credit losses (financial instruments) The weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month expected credit losses is 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 are the expected credit losses that result from all possible default events over the expected life of a financial instruments.

Expenditure

Costs incurred by the council for goods received, services rendered or other value consumed during the accounting period, irrespective of whether or not any movement of cash has taken place.

Events after the Balance Sheet Date

Events after the Balance Sheet date, are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

Finance Lease

A lease that transfers the risks and rewards of ownership of a non-current asset to the lessee. Such a transfer may be presumed to occur if at the inception of the lease, the present value of the total of lease payments, amount to all the fair value of the leased asset.

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 entity. The term 'financial instrument' covers both financial assets and financial liabilities and can be straightforward financial assets and liabilities, such as trade receivables and trade payables, or very complex ones, such as derivatives.

Financial Regulations

The written code of procedures approved by the Council, intended to provide a framework for proper financial management.

General Fund

The main revenue account of the council, which brings together all income and expenditure other than that recorded in the HRA and the Collection Fund.

Going Concern

The going concern accounting concept assumes that the organisation will not significantly curtail the scale of its operation in the foreseeable future.

Heritage Assets

Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Benefits

Financial assistance paid to tenants on a low income to help pay their rent and service charges.

Housing Revenue Account

A statutory account which local authorities have to maintain if they provide public housing, and which includes all income and expenditure relating to the administration and maintenance of council dwellings and related properties.

Impairment

A reduction in the value of a non-current asset below its value brought forward in the Balance Sheet.

Income

Amounts due to the council in respect of services performed, taxes levied or grants receivable during the accounting period, irrespective of whether or not any movement of cash has taken place.

Infrastructure Assets

Non-current assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Intangible Assets

Assets that are not physical in nature.

International Accounting Standard 19 (IAS 19)

Accounting standard setting out the treatment of pensions and other forms of retirement benefits in an organisation's statutory accounts.

International Financial Reporting Standards (IFRS)

A set of international financial accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are

issued by the International Accounting Standards Board to make international comparisons as easy as possible.

Inventories

Raw materials and consumable items which the council has procured to use on a continuing basis and have not been used by the end of the accounting period.

Investment

Items such as company shares, other securities and money deposited with financial institutions (other than bank current accounts). A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the council. Investments should be so classified only where an intention to hold the investment for the long-term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments that do not meet the above criteria should be classified as current assets.

Investment Properties

Interests in land and/or buildings in respect of which construction work and development have been completed and which are held for their investment potential rather than for operational purposes, any rental income being negotiated at arm's length.

Liabilities

Amounts due to individuals or organisations which will have to be paid at some time in the future.

Leasing

A method of acquiring the use of an asset by paying a rental for a specified period of time, rather than purchasing it outright.

LOBO ("Lender Option Borrower Option")

A LOBO is a type of loan instrument. The borrower borrows a principal sum for the duration of the loan period (typically 20 to 50 years), initially at a fixed interest rate. Periodically (typically every 2 to 5 years), the lender has the ability to alter the interest rate. Should the lender exercise this option, the borrower then has the option to continue with the instrument at the new rate or alternatively to terminate the agreement and pay back the principal sum with no other penalty.

Materiality

The concept that any omission from or inaccuracy in the statements of account should not be large enough to affect the understanding of those statements by a reader.

Minimum Revenue Provision (MRP)

A revenue charge in respect of the repayment of an element of the accumulated capital expenditure funded by borrowing, in accordance with MRP regulations.

Net Assets

Total Assets less total liabilities. This is the amount by which the total assets of the council exceed its total liabilities, and equals the total Reserves of the council.

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 Defined Benefit Liability (asset)

The present value of the defined benefit obligation less the fair value of the plan assets (adjusted for the asset ceiling).

Net Interest Income (expense) – Pensions

The change during the period in the net defined benefit liability (asset) that arises from the passage of time. This includes allowance for interest on the current service cost.

Non Current Assets

Tangible assets which have value to the council for more than one year, e.g. land, buildings, equipment.

Non Domestic Rates (NDR/Business Rates)

A tax levied on business properties and sometimes known as Business Rates. Previously a Business Rates poundage was set annually by the government and rates, based on properties' rateable value, were collected by billing authorities and paid into a national pool. The proceeds were then redistributed by central government as a grant to local authorities in proportion to adult population. From 1 April 2013 new arrangements came into effect and Business Rates now follows a similar process to Council Tax with the council retaining a proportion of business rates for use in the direct funding of its services.

Observable and unobservable inputs for fair value measurement

- Observable inputs are those that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.
- Unobservable inputs are inputs for which market data is not available and that are developed using the best information available to the council about the assumptions that market participants would use when pricing the asset or liability.

Operating Lease

A lease where the risks and rewards of ownership of a non-current asset remain with the lessor. Such a lease will be for a fixed period which is significantly less than the useful economic life of the asset.

Past Service Cost

The change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by the plan).

Payments in Advance

Amounts paid in an accounting period prior to the period in which they are due.

Pension Plan Assets

Funds the council will use to meet its future compensation obligations to retired employees. Pension plan assets consist of cash as well as investments such as capital stock, bonds, and annuities.

Precept

A levy by one authority which is collected on its behalf by another, e.g. Stockport Metropolitan Borough Council collects Council Tax on behalf of the GMCA Mayoral Police and Crime Commissioner and the GMCA Mayoral General (including Fire Services).

Premiums and Discounts

Premiums and discounts arise on the early repayment and restructuring of debt. The repayment sum will be higher than the principal amount borrowed if interest rates are presently lower than the loan rate (premium). The repayment sum will be lower than the principal amount if the current interest rates are higher than the loan rate (discount).

If Premiums and Discounts arise from debt re-scheduling, they may be amortised over the lifetime of replacement loans where applicable.

Present value of defined benefit obligation

The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Prior Year Adjustments

Material adjustments to the accounts of earlier years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Private Finance Initiative (PFI)

An initiative for utilising private sector funding to provide public sector assets.

Projected Unit Method

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date.

Provisions

Amounts set aside in the accounts for liabilities or losses which are certain or very likely to occur but where there is uncertainty as to the amounts involved or the dates on which they will arise.

Prudence

The concept that income should only be anticipated to the extent that it can be realised with reasonable certainty, whilst full and proper allowance should be made for all known and foreseeable losses and liabilities.

Public Works Loan Board (PWLB)

A Government agency which provides borrowing facilities to local authorities for the financing of capital expenditure.

Reserves

Reserves are split into usable reserves and unusable reserves. Usable reserves are those that derive from council activities and can be set aside to spend on services in future years. They include general and earmarked reserves and the capital receipts reserve. Unusable reserves include accounting reserves such as the pensions reserve, revaluation reserve and capital adjustment account, which derive from accounting adjustments and cannot be used for expenditure on services.

Earmarked reserves are allocated to a specific purpose or area of spending. Unallocated reserves are often described as balances, and usually arise as unplanned surpluses of income over 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. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Revenue Contribution to Capital Outlay (RCCO)

Capital expenditure funded otherwise than from borrowings, grants, contributions or receipts.

Revenue Expenditure

Expenditure incurred on the day-to-day running of the council, as opposed to items which will last for more than one year.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure which may properly be spread over more than one year but which does not result in, or remain matched with, tangible assets. An example of a revenue expenditure funded from capital under statute is a grant of a capital nature to a voluntary organisation.

Revenue Support Grant

A central government grant paid to each local authority to help to finance its general expenditure. The distribution of the grant between authorities is intended to allow the provision of similar standards of service throughout the country for a similar Council Tax levy.

Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Settlement

An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

- a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits.
- the purchase of an irrecoverable annuity contract sufficient to cover vested benefits; and
- the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Subsidiary Undertaking

A subsidiary undertaking is an entity, including an unincorporated entity such as a partnership, which is controlled by the council.

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

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Stockport Metropolitan Borough Council ('the Council') and its subsidiaries ('the Group') for the year ended 31 March 2025, which comprise the Council and Group Comprehensive Income and Expenditure Statements, the Council and Group Movement in Reserves Statements, the Council and Group Balance Sheets, the Council and Group Cash Flow Statements, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Finance - Section 151 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, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events

or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance - Section 151 Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the **Annual Governance Statement** and information included in the **Statement of Accounts** other than the financial statements and our auditor's report thereon. The Director of Finance - Section 151 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director of Finance - Section 151 Officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Director of Finance - Section 151 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, and for being satisfied that they give a true and fair view. The Director of Finance - Section 151 Officer is also responsible for such internal control as the Director of Finance - Section 151 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance - Section 151 Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis, on the assumption that the functions of the **Council and Group** will continue in operational existence for the foreseeable future. The Director of Finance - Section 151 Officer is responsible for assessing each year whether or not it is appropriate for the **Council**

and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Council and Group, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Local Government Act 1972, Section the Town & Country Planning Act 1980(section 106), Local Government (Contracts) Act 1997, Localism Act 2011, health and safety regulations and the Data Protection Act 2018 (UK General Data Protection Regulation GDPR).

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

- gaining an understanding of the legal and regulatory framework applicable to the Council and Group, the environment in which it operates, and the structure of the Council and Group, and considering the risk of acts by the Council and Group which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Audit Committee, as to whether the Council and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- reviewing relevant meeting minutes in the year;

- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council and Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, National Health Service Act 2006 (Section 75), The Income Tax (Pay As You Earn) Regulations 2003, Capital Finance and Accounting) (England) Regulations 2003, Local Government Pension Scheme Regulations 2013, and the Accounts and Audit Regulations 2015,

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk was related to the posting manual journal entries to manipulate financial performance.

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

- making enquiries of management, Head of Internal Audit and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing work on journal entries, accounting estimates impacting amounts included in the financial statements, and considering identified significant transactions outside the normal course of business.

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

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

We are also required to conclude on whether the Director of Finance - Section 151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United

Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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

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

Matter on which we are required to report by exception

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

We have nothing to report in this respect

Responsibilities of the Council

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

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

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

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

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

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

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;

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

We have nothing to report in these respects.

Use of the audit report

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack.



Alastair Newall, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)
One St Peter's Square
Manchester
M2 3DE
United Kingdom

12 December 2025