Transport for
Greater Manchester

TRANSPORT for GREATER MANCHESTER

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2024

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Organisational overview and operational environment

Greater Manchester Combined Authority

The Greater Manchester Combined Authority (GMCA) is made up of the ten Greater Manchester Local Authorities and the Mayor who work with other local services, businesses, communities and other partners to improve the city region. The GMCA oversees Transport for Greater Manchester (TfGM), who are in turn responsible for management of the network.

Set out below is an overview of the operational environment for TfGM. Information is given in this Narrative Report on the development and ongoing delivery of its Financial Sustainability Plan as it continues to deal with the lasting impacts of COVID-19 on its operational environment.

Mayor of Greater Manchester
On the 7 May 2024, Andy Burnham was sworn in for his third term as Mayor of Greater Manchester following the 2 May election.

The Mayor is the Chair and eleventh member of the GMCA. The leaders of the 10 councils form the Mayor's cabinet. The Mayor is able to make some decisions independently, but others involve consultation with, and approval of, the other 10 members of the GMCA. Some decisions need unanimous support, others need a majority.

The Mayor is currently the Transport Portfolio holder for the GMCA. Supporting the Mayor with his transport portfolio is the Transport Commissioner, Vernon Everitt, who was appointed in April 2022 and is playing a leading role in the delivery of the Bee Network, Greater Manchester's London-style integrated transport network. The Mayor is also supported by an Active Travel Commissioner, Dame Sarah Storey. Dame Sarah champions and advises the Mayor on the delivery of the Bee Network Active Travel Mission.

Bee Network Committee

The Bee Network Committee (BNC) was established in May 2023. It replaced the former Greater Manchester Transport Committee with a smaller and more strategically focussed body to lead transport decision-making at a regional level, and take greater ownership and responsibility for Greater Manchester's transport network.

BNC is a joint committee established by the GMCA and the Greater Manchester local authorities under s101(5) of the Local Government Act 1972. It brings together the principal transport decision making bodies – the ten Greater Manchester Local Authorities, the GMCA, and the GM Mayor. This enables appropriate transport functions to be delegated from all of these bodies to the Committee, to assess and oversee transport across Greater Manchester on behalf of residents, businesses, and visitors.

BNC has four main roles

- Decision-Making – Approving significant changes to transport network operations, and the draw down of funding to invest in transport infrastructure and operations.
- Performance Monitoring – Oversight of the performance and financial sustainability of the transport network, holding transport operators and TfGM to account.
- Policy Development – Developing transport policy to support the delivery of the Bee Network, the Local Transport Plan (the Greater Manchester 2040 Transport Strategy), and the Greater Manchester Strategy, within the parameters of the budgets set by GMCA.
- Local Coordination – Facilitating coordination between the Constituent Councils to support effective highways management and infrastructure delivery. For example, oversight of the coordination of road works through the Greater Manchester Road Activity Permit Scheme (GMRAPS).

Greater Manchester Strategy

As part of the family of Greater Manchester public services, TfGM is working deliver the ambitions within the Greater Manchester Strategy (GMS). The GMS sets out a vision for a city region that is greener, fairer and more prosperous, and one of the best places in the world to grow up, get on and grow old. TfGM develops and delivers transport policies, services and infrastructure to deliver on this ambition.

Greater Manchester Transport Strategy 2040

The Greater Manchester Transport Strategy 2040 was published in 2017, and refreshed in 2021, with a new Five Year Transport Delivery Plan also published in 2021 (see the following link: https://tfgm.com/strategy-supporting-documents). It sets out how Greater Manchester will use transport improvements to deliver on the ambitions within the GMS.

The Strategy is updated through a series of five-year Delivery Plans, which set out Greater Manchester's medium and shorter-term delivery priorities. The current Delivery Plan (covering 2021-2026) states that, to deliver our long-term Strategy, we want 50% of all journeys in Greater Manchester to be made by walking, cycling and public transport by 2040. That's one million more sustainable journeys every day.

The Greater Manchester Transport Strategy 2040, five-year Delivery Plans and sub-strategies are underpinned by seven key principles that are applied consistently as we plan Greater Manchester's transport network.

The Greater Manchester Transport Strategy 2040 is aligned with multiple strategies and policy documents including:

- The Greater Manchester Strategy
- The Greater Manchester Transport Strategy 2040 Five Year Transport Delivery Plan (2021-2026)
- The Greater Manchester Transport Strategy 2040 Progress Report
- Congestion Deal
- Greater Manchester Clean Air Plan
- Made to Move and Change a Region to Change a Nation (our LCWIP)
- HS2 and Northern Powerhouse Rail Growth Strategy
- Our Prospectus for Rail

The Greater Manchester Transport Strategy 2040, Five Year Transport Delivery Plan and latest Progress Report continue to provide the appropriate framework for the response, development of options and delivery of appropriate plans. A series of more detailed thematic sub-strategies are being published on an ongoing basis as they are produced, including on the topics of Electric Vehicle Charging Infrastructure, Streets for All, Freight and Logistics, Rapid Transit, Shared Mobility and the Greater Manchester Bus Strategy.

A refresh of the Transport Strategy is currently taking place. An updated Transport Strategy will be developed by the end of January 2025, for consultation.

Greater Manchester's Bee Network

The Mayor of Greater Manchester, Andy Burnham, has committed to creating the 'Bee Network', a London-style transport system which integrates buses, trams and active travel by 2025 and eight local commuter train routes by 2028. TfGM's role is leading the delivery of the Bee Network over the coming years, on behalf of the Mayor, GMCA and the 10 Greater Manchester councils.

The Bee Network is already starting to transform the way people travel. Bus franchising is being rolled out across GM with buses coming back under public control and we are making it easier and more affordable to travel with our new multi modal tickets across bus and tram. We are delivering a world-class walking, wheeling and cycling network for Greater Manchester and are seeing levels of active travel grow alongside our infrastructure investments.

In the year ahead TfGM will continue to build on this momentum, improving our services and customer experience, including introducing a one hour hopper fare on buses, increasing value for money and introducing multi-modal capping. Capping will simplify travel, calculating and setting a cap on the fare paid, making it easier for customers to use public transport. As well as our work on fares and tickets, we are working hard to understand the challenges people face when using public transport and to help them overcome them, through the introduction of audio visual announcements on all services, real-time travel information, journey planning information, better communications in times of disruption and better access at stops, stations and interchanges, all under a single identifiable and trusted brand.

By delivering all of this, TfGM will enable seamless, affordable, safe and sustainable journeys for all, connecting our people and our neighbourhoods, towns and cities to education and opportunities, making it easier for people to get where they want to go. The Bee Network will also help to contribute to our health, our air quality and our commitment to be carbon neutral by 2038, supporting our wider GMS ambitions.

Highways

Based on 2022 data, in the city-region, 68% of all journeys were made by road, with an estimated 1.80 billion trips made on the Greater Manchester (GM) road network (with an origin and/or destination inside GM) each year. It is fundamental to delivering the Bee Network and a critical asset on which public transport, freight, business, visitors and commuters rely including, increasingly, for active travel.

Greater Manchester's roads are changing. We are using them to deliver better facilities for pedestrians and cyclists, giving priority for public transport and enabling better places to live and breathe. This is essential in achieving the aspirations set out in the 2040 Strategy and ensuring the transport network keeps pace with growth in the city region by moving more people more cleanly and efficiently.

TfGM does not manage highways on behalf of Greater Manchester. Greater Manchester's 10 local authorities are responsible for the roads in their area, such as general maintenance and the planning of the work to deliver it. TfGM does, however, have strategic oversight of the Key Route Network ("KRN"), making up over 650km of Greater Manchester's busiest roads. While this is just 7% of the total length of the highways network, it carries two-thirds of all peak-time traffic.

TfGM's primary role is to deliver a better service for all road users and provide a network that enables the city region to achieve its ambitions. TfGM works closely with local authority partners and Highways England to coordinate day-to-day operations and deal with incidents and events on Greater Manchester's roads and motorways. This includes work aimed at tackling congestion such as managing signals to improve traffic flow, controlling pedestrian crossings, conducting long-term planning and modelling and design, and installing and modifying new traffic signal junctions.

Having both visual oversight, through the Control Centre, and close working relationships with each of the districts enables TfGM to communicate up-to-date travel advice across its various media platforms – ranging from web and social media channels through to roadside message boards. Such travel information helps the travelling public to plan their journeys in advance of major events or upcoming roadworks.

Metrolink

Metrolink is owned by TfGM and operated and maintained by KeolisAmey Metrolink (KAM) on an initial seven year contract, which included an option to extend for three years up to 2027, that was exercised in the year. While KAM operates and maintains the network, GMCA/TfGM is responsible for setting the price of tickets, renewing, enhancing and expanding the network and planning future development, as well as overseeing the operations and maintenance contract.

Metrolink services began operating in 1992 and since then the network has grown extensively and is now the largest light rail network in the UK. The system began to expand significantly in 2010, with a c£2 billion expansion and extension programme; the latest extension being the Trafford Park Line which opened in March 2020. The network now has a total of 99 stops and 103km of track. Metrolink is one of the most accessible forms of transport with step-free access at all stops and level access from the platform to the tram. The system is supplied by electricity produced from wind, hydro or solar power and is zero-emission at street level.

This expansion of the Metrolink network was largely funded by the Greater Manchester Transport Fund (GMTF), which included a combination of central government and locally funded borrowings. As agreed by Association of Greater Manchester Authorities (AGMA)/GMCA, the original funding strategy for the local funding element was that all net revenues generated from Metrolink were ring fenced to fund the financing costs associated with the borrowings. However, the onset of COVID-19 and the subsequent post-pandemic period have impacted this funding strategy.

As at March 2024, whilst patronage had broadly recovered to the same levels experienced before the pandemic, this was lower than the projected growth in revenues in the original funding strategy. This reduction in farebox revenues, allied with severe inflationary pressures on the cost base, means that the network continues to face funding challenges over the coming period. These funding challenges have been largely mitigated over the post-pandemic period through exceptional DfT funding (including £18m of exceptional funding received in 2023/24) but this funding support has tapered off gradually over the period and there is currently no additional DfT funding planned to be made available for 2024/25. As such, TfGM has developed and updated a Financial Sustainability Plan (FSP) that sets out how TfGM will navigate the post-pandemic period and gradually return the network to a more stable funding environment. The impact of this on the Accounts is described further in the Basis of Preparation at Note 2 to the Accounts.

Bus and Bus Reform

Greater Manchester's bus network plays a key role in keeping the city-region moving by helping to reduce car journeys and easing congestion on our roads.

Bus services were deregulated in 1986 under the Transport Act 1985. Consequently, before the introduction of bus franchising (see below), there were two interacting bus markets in Greater Manchester: a commercial (deregulated) market and a subsidised (contracted) market. Pre Franchising, over 80% of services were run commercially by bus companies who set the routes, timetables, fares, frequencies and quality standards. The remaining services formed the subsidised market, where bus operators compete to win contracts offered by TfGM. These contracts are for services, or parts of services (e.g. early morning or evening journeys) that are considered to be socially necessary and are funded by TfGM. School transport makes up part of the subsidised market. Greater Manchester has a large network of dedicated school services, funded by TfGM. TfGM also owns a fleet of Yellow School Buses.

In March 2021, the Mayor of Greater Manchester, Andy Burnham took the decision to reform and regulate the bus network through implementation of bus franchising as part of plans for a joined-up and truly customer-focused transport network – the Bee Network. The delivery and roll out of Bus Franchising has commenced during 2023/24. It is being rolled out in three phases or 'tranches', consistent with geographic areas in GM. Tranche 1 went live in September 2023, followed by Tranche 2 in March 2024. Tranches 1 and 2 represent c.50% of the network, with the remainder to be franchised from January 2025. In the franchised network improvements in reliability, service quality and integration are already beginning to be delivered as the franchised services are rolled out and as operators work to meet the new standards that they are contracted to deliver.

The implementation of bus franchising has coincided with the COVID-19 pandemic and its aftermath. At the onset of the pandemic, as with the Metrolink network, both bus patronage and revenue experienced significant declines. These lower farebox revenues, coupled with the rising costs of inflation (higher fuel, labour costs etc) have impacted the trading environment that is being inherited through franchising and subsequently has created funding challenges. As with the Metrolink network, exceptional DfT funding throughout the post-pandemic period has largely mitigated these challenges, including meeting the costs of replacing services that had been withdrawn in advance of franchising commencing. However, these sources of government funding have started to taper off and there remains uncertainty on the level of future year funding. For this reason, the FSP addresses the funding challenges on both the Metrolink and Bus network.

During the year, TfGM has also continued to implement initiatives which are being funded from DfT's Bus Services Improvement Plan (BSIP). This funding allocation of £94.8 million is for the period from 2022/23 to 2024/25. As agreed by GMCA, TfGM has used most of the BSIP funding to introduce capped bus fares. These were introduced in September 2022 (singles and daily fares) and January 2023 (weekly fares). In the report to GMCA in June 2022 on the implementation of single and daily capped fares, it was recommended that these proposals should be introduced on an initial one-year basis, from September 2022 to August 2023, with a commitment to review the delivery by summer 2023. Following this review, in June 2023, GMCA agreed to the continuation of the capped fares scheme subject to a further review in summer 2024. BSIP Funding is also being used to partially support the network stabilisation activities referred to above.

TfGM also funds two Demand Responsive Transport services in Greater Manchester. Local Link allows passengers living in areas where the service is active, to ring and book a journey within the local area. The vehicles used on this service are minibuses and it is a multi-occupancy service. No age or disability restrictions apply to these services.

In addition, Ring and Ride operates across Greater Manchester and provides a door-to-door minibus service for people who find it difficult to use regular public transport. Eligible passengers and an accompanying adult can access free or low-cost journeys of six miles or less in Greater Manchester. The Ring & Ride service is operated by Greater Manchester Accessible Transport Ltd (GMATL) and is mainly funded via a grant from TfGM.

Rail

Greater Manchester places transport at the core of its growth agenda. Excellent transport connectivity is fundamental to our people, businesses, and communities, fulfilling their potential at the heart of a globalised and sustainable Northern Powerhouse economy.

At the heart of our vision for the Bee Network is a renewed policy focus on public transport integration. Rail, the missing piece to GM's integrated transport network, will need to play its part in achieving this concept and support our 'Right Mix' vision and ambitious plans for sustainable growth and economic prosperity.

In March 2023 the GMCA agreed terms with central government via the Department for Housing, Levelling Up and Communities (DHLUC) Trailblazer Deeper Devolution Deal which included more influence on regional rail services. The Trailblazer Deeper Devolution Deal is a major step forward in improving our railways and ensuring socio-economic prosperity is spread across the city region. It commits to fully integrating rail services into the Bee Network by 2030, through the delivery of:

- Full multi modal fares and ticketing integration across bus, Metrolink, rail and cycle hire (including fares simplification and capping) by 2030
- Bee Network co-branding across stations, designs, and standards
- Establishment of a North West Regional Business Unit to help support the management of the current Northern and TransPennine Passenger Service Contracts

- A commercial vehicle to drive land value capture and regeneration at GM stations
- Sponsorship of infrastructure and service enhancement schemes that impact GM
- A Greater Manchester-Great British Railways Partnership and in the interim a Greater Manchester Rail Board which will be responsible for the delivery of the Trailblazer Deal and Integration of Rail into the Bee Network prior to GBR stand-up.

Building on the above Trailblazer outputs and working extensively with the Department for Transport (DfT), Great British Railways Team (GBRTT), and wider rail industry partners, work has now progressed on developing a programme of activity for fully integrating rail into the Bee Network by 2028 and beyond. This work is being driven through the GM-GBR Partnership, with a high-level Programme and funding ask being developed for delivering Bee Network Rail Integration of the 8 priority corridors and a more detailed programme outlining full integration of rail into the Bee Network will be produced by December 2024. Work is also being progressed to develop TfGM's rail reform plans and future target operating model.

Active Travel

Around a third of all trips by GM residents are made by active travel. Additionally, walking, wheeling and cycling form many people's 'first and last mile' of longer journeys by all forms of public transport mode. In fact, almost all of the trips made by GM residents that have train, Metrolink or bus as the main method of travel had a walking leg as part of the trip.[1] By facilitating integration of active travel, other sustainable modes of transport can be made more resilient, provide better customer experience, improve operating revenues, and enhance the contribution that seamless door-to-door journeys can make to reducing congestion.

Walking underpins all public transport and private car journeys. Greater Manchester intends to at least double walking and double then double again cycling as modes of travelling, either as part of longer connected trips or as journeys in their own right. This is essential to achieve health, economic, clean air and decarbonisation targets in GM. These modes have the potential in many parts of GM to be the main form of transport, providing a resilient, cost effective and accessible means of travel for all. This is especially true for local trips to school, employment, leisure and nearby shopping. However, the main barriers to more people cycling are reported as being concerns about safety, access to safe routes, security and the fact that many households do not, still, have access to affordable (and in some cases accessible) bicycles. Yet without these modes GM cannot address the climate, obesity, ill health and economic inequalities experienced by many communities.

This will be achieved by ensuring that sufficient road space and modal priority is provided for walking, wheeling and cycling, and that these changes to the transport network are built to standards that will provide effective alternatives to the car. That demands a clear and consistent vision and leadership to ensure that schemes are designed and delivered consistently across Greater Manchester.

The Active Travel Commissioner, Dame Sarah Storey, has unveiled a refreshed active travel mission for Greater Manchester focusing on accessibility, behaviour change and clear communications.

Five key priorities have been identified to support these:

1. Infrastructure delivery (with four principles leading to a connected network)
2. Home to school travel
3. Cycle hire and access to cycles
4. Integration with public transport
5. Road danger reduction.

Ten steps have been identified. These include: renewing the commitment for the Bee Network to be universally accessible; delivering a pilot for carriage of bikes and non-standard cycles on trams; adopting vision zero; planning for the expansion of the GM Cycle Hire scheme; establishing integrated ticketing for the Bee Network; exploring new ticketing options (including for Our Pass holders); reviewing the network and pipeline for delivery; developing a new school travel plan that reduces the number of children being driven less that 2km; and, addressing training.

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[1] Active Travel in Greater Manchester 2023 (ctfassets.net)

To achieve these objectives, TfGM continues to manage, secure and distribute funding from multiple sources of capital and revenue to support the GM active travel ambitions. GM investment in Active Travel to date (March 2023) since 2020, has grown significantly, to over £170m of approved expenditure on the Active Travel elements of the Bee Network. Funding from the City Region Sustainable Transport Settlement (CRSTS) will begin to increase investment as all highway improvement schemes are obliged to accommodate active travel modes. The first phase of the newly named Starling Bank Bike Hire scheme of Greater Manchester has supported over 720,000 journeys since opening in November 2021 enabling 1.8 million kilometres of trips to be made in a safe and affordable manner.

TfGM's Responsibilities

TfGM is responsible for carrying out the transport-related functions and policies of the Greater Manchester Combined Authority (GMCA) and the Bee Network Committee (BNC), and those functions of the Mayor which may be delegated to it, including the functions set out below. TfGM is not a statutory highway authority.

TfGM's responsibilities include:

- Investing in improving transport services and facilities, to support the regional economy.
- Working closely with bus, tram (Metrolink) and train operators to help improve the full journey experience.
- Owning Metrolink – the UK's largest light rail network – and planning for its future.
- Leading the planning, promotion of and investment in walking and cycling as safe, healthy and sustainable ways to travel.
- Delivering the franchising of bus services in GM.
- Paying for bus services at times and in areas where no commercial bus services are provided, pre franchising.
- Keeping traffic flowing on Greater Manchester's roads by managing a 650km 'Key Route Network' and maintaining the urban traffic control centre for the whole of Greater Manchester.
- Owning and operating Greater Manchester's bus stations, stops and shelters and investing in new, modern transport interchanges.
- Subsidising more affordable fares to help older people, children and disabled people get around.
- Developing easier, smarter ways to travel and plan journeys by using data and technology.
- Playing a leading role in coordinating Greater Manchester's plans to reduce transport-related air pollution.

TfGM is also acting on behalf of the GMCA to coordinate with the GMCA and the ten Local Authorities to develop a strategy that ensures the legal requirements for clean air are met across the city-region.

TfGM's Vision, Purpose and Mission statements

The Bee Network will deliver a fully joined-up transport system that's run for, and owned by, the people of Greater Manchester. Whether it's by bus, tram, train or bike, it will help everyone get to where they need to be in a simple and safe way.

We want everyone to be able to travel sustainably and affordably, which is why the Bee Network will have a daily cap on prices, offer the best tickets and services, and make sure our customers feel safe and happy, with live travel information and audio-visual announcements all part of seamless end-to-end journeys.

To deliver the Bee Network vision we need to be bold, not only in what we do but in the way we do it. How we organise ourselves and work together will be critical to our success. To help everyone understand and work towards the same shared goal we have developed:

- Our Vision – for Greater Manchester to be a place where everyone can live a good life, growing up, getting on and growing old in a greener, fairer, more prosperous city region.
- Our Purpose - to improve lives by connecting people and places.
- Our Vision and Purpose are supported by two clear mission statements which define what we are here to do. For Transport for Greater Manchester, that's to be the enabling force behind journeys for all. For the Bee Network, it's to deliver seamless, affordable, safe and sustainable journeys for all.
- Our Customer Proposition, as the Bee Network comes to life over the next few years is to be everyone's natural choice for travel in Greater Manchester.
- And ultimately our 'Strapline' – "every journey, every day" is our call to action.

TfGM's values were reviewed in 2023. These were co-created through a series of workshops where colleagues were able to submit ideas and attend drop-in sessions. Those ideas and suggestions helped to shape a set of values that feel aspirational, inspiring and set out how we will deliver our ambitions.

The updated Values are set out below:

Deliver: We do the right thing and stick to our commitments.
Adapt: When we move forward so does Greater Manchester
Care: We look after each other, our customers, our great city region and our planet

Current macro economic factors

Like all organisations, TfGM continues to be adversely impacted by cost inflation and other cost and supply pressures which are impacting the supply of services and infrastructure. This includes, but is not limited to, service delivery costs, including in particular for Metrolink and bus, which are largely staff and energy related costs, and supplies for construction projects. TfGM continues to monitor and mitigate these costs as far as possible and adjusting, as appropriate, its expenditure and funding budgets and the Medium Term Financial Plan to reflect this position. These issues are also being factored into the ongoing work to update TfGM's FSP as set out later in this report in the Outlook section.

Operating Environment

TfGM's operating environment has a significant impact on the success of delivering our objectives.

Although with the start of bus franchising an increasing proportion of TfGM's revenues is now being derived from farebox income, most of TfGM's 'core' operational activities remain funded from the Transport Levy and the Mayoral Precept, as far as the latter relates to transport matters. The Transport Levy is provided by the GMCA from funding received from the ten Greater Manchester Local Authorities. The Transport Levy is set annually by the GMCA which approves the transport budget and the amount provided to TfGM. Certain activities which are Mayoral functions are funded from the Mayoral Budget and the Mayoral Precept. This includes the costs associated with developing, updating and delivering the Local Transport Plan, see the following link: Our Five Year Transport Delivery Plan | Transport for Greater Manchester (tfgm.com).

In addition to the policies and activities which are directed by the GMCA transport vision, a number of TfGM activities are determined by government policy or legislation, including the English National Concessionary Travel Scheme.

Greater Manchester Clean Air Plan

The government has instructed many local authorities across the UK to take quick action to bring harmful nitrogen dioxide (NO_2) air pollution levels within legal limits.

In Greater Manchester, the ten local authorities, with the support of Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), are working together to develop a Greater Manchester Clean Air Plan (GM CAP) to tackle NO_2 exceedances at the roadside.

In June 2021 the GMCA endorsed a final GM Clean Air Plan and policy following a review of the information from the GM CAP consultation and wider data, evidence and modelling work. The plan was then agreed by the ten GM local authorities. This included a Greater Manchester-wide category C charging Clean Air Zone (CAZ), where only the most polluting vehicles which don't meet emission standards would have been charged to drive in the Zone.

It was originally intended that the CAZ would go live from 30 May 2022, affecting non-compliant HGVs, buses and non-GM-registered taxi and private hire vehicles. Work to install the CAZ signage and Automatic Number Plate Recognition (ANPR) cameras for monitoring the CAZ began in summer 2021, alongside the development of back office systems.

The CAZ was designed to comply with a legal direction from government issued before the coronavirus pandemic, to deliver compliance with NO_2 legal limits on the local road network by 2024. However, since then there have been significant vehicle supply chain issues and the cost of living has increased leading to concerns about the availability of compliant vehicles and financial hardship for local people.

Late in 2021, Greater Manchester commissioned an independent review of emerging global supply chain issues and the impact this could have on the cost and availability of vehicles.

Based on this the Greater Manchester Mayor and Leaders determined that the original Clean Air Plan was unworkable. Government agreed in February 2022 to lift the previous legal direction requiring GM to achieve compliance with legal NO_2 limits by 2024.

Government gave Greater Manchester until July 2022 to present a revised plan to achieve compliance with legal levels of NO_2 on the local road network in the shortest time possible and by no later than 2026.

The 'Case for a new Greater Manchester Clean Air Plan' was submitted to the Secretary of State in July 2022.

In January 2023, government asked GM for additional evidence including modelling how its investment-led approach performs (in terms of delivering compliance with legal nitrogen dioxide levels) against the 'benchmark' of a charging clean air zone to address the nitrogen dioxide exceedances identified in central Manchester and Salford.

In April 2023, the government advised of a review of its bus retrofit programme as it had evidence that retrofitted buses have poor and highly variable performance in real-world conditions. Due to the bus retrofit review the requested evidence needed further work.

In December 2023, GM submitted an update to the Secretary of State on the Case for a new Greater Manchester Clean Air Plan and confirmed that an appraisal of GM's proposed investment-led plan has been undertaken against a benchmark charging Clean Air Zone (CAZ) in the centre of Manchester and Salford. GM's evidence shows that the investment-led, non-charging plan can achieve compliance in 2025. However, it is for government to determine what measures GM is to implement – only the Investment-led Plan complies with the requirement placed on the 10 GM local authorities to deliver compliance in the shortest possible time and by 2026 at the latest.

<u>Governance</u>

Directors of TfGM

The Directors of TfGM who held offices of statutory membership during the year, in accordance with Section 9 (2) of the Transport Act 1968, are set out below.

EJ Boylan	- Chief Executive (left 23 June 2024)
C Simpson	- Chief Executive (appointed 25 June 2024)
RM Morris	- Chief Operating Officer (left 31 December 2023)
D Vaughan	- Chief Network Officer (appointed 1 May 2024 (role replaced Chief Operating Officer))

SG Warrener	- Managing Director and Finance and Corporate Services Director (left Finance and Corporate Services Director role on 31 October 2024)
DM Bull	- Director of Finance and Corporate Services (appointed 1 November 2024)
S Wilson	- Non-Executive Director (Ex Officio Position for GMCA Treasurer)
J Kaye	- Non-Executive Director
T Matthews	- Non-Executive Director
M Blackburn	- Non-Executive Director

The Annual Governance Statement provides further details regarding the Directors of TfGM, information on TfGM's governance systems and processes and how TfGM complies with the CIPFA / SOLACE Framework Delivering Good Governance in Local Government. TfGM is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Each year the governance systems and processes are reviewed. In July 2023 a number of changes were made to the TfGM Constitution with the aim of providing greater clarity and transparency for TfGM's decision making framework, to improve the distribution and delegation of responsibilities in the interests of empowerment, and to support the delivery of an ambitious programme of transformational change of both the transport network and the organisation. Changes included:

- Revisions to reflect changes to GMCA Governance such as the new Bee Network Committee and the GM Business Board which replaced the GM Transport Committee and the GM Local Enterprise Partnership respectively;
- Reference to TfGM's civil injunction powers to tackle crime and antisocial behaviour.
- New terms of reference for the Chief Executive Leadership Team (CELT), establishing CELT as a new constituted body; the Performance Board; the Infrastructure Pipeline Board, to replace the Investment Board; and a new Bee Network Change Board to oversee and drive delivery of the change portfolio;
- Updates to the Table of Levels of Authority to simplify and give greater clarity on delegated authorities and increased delegation to TfGM Functional Leads within the parameters of budgets and the business plan;
- Updates to Contract and Procurement Rules and Financial Regulations to simplify; and
- Further delegation to Finance and Procurement teams to manage finances and procurement routes respectively.

Business model

Business Plan Overview

The Bee Network is an enabler for GM's vision to make Greater Manchester one of the best places to grow up, get on and grow old, by delivering seamless, affordable, safe and sustainable journeys for all. As the Bee Network grows, we need to be able to change and do things differently to make sure we're set up to deliver that vision.

TfGM achievements and awards against Business Plan in 2023/24

Achievements

Despite the uncertainty caused by the external environment TfGM has continued to deliver significant transport initiatives across the city region. The following list, whilst not exhaustive, provides an indication of the successes that have been achieved in the past year.

April '23	**Contract signed with Ticketer to provide new ticket machines** TfGM concluded a contract with Ticketer to provide new smart bus ticket machines across the region to support the delivery of the integrated Bee Network.	
May '23	**£40.7million to be invested in Active Travel infrastructure** Greater Manchester awarded £23.7million from Active Travel England and GMCA approves release of further £17million to deliver walking, wheeling and cycling schemes.	
Jun'23	**First Bee Network buses handed over** First five electric buses handed over from manufactured Alexander Dennis.	
Jun'23	**Bee AnyBus + Tram tickets announced** Mayor announces new Bee AnyBus +Tram tickets to come in from September making combined bus and tram travel 20% cheaper.	
Aug 23'	**New partnership for city-wide transport and regeneration strategy** Network Rail and Transport for Greater Manchester (TfGM) announced a new partnership to deliver a joint vision for Manchester and Salford's central railway stations – the first of its kind between the two organisations	
Aug '23	**Bus Strategy launched** New bus strategy unveiled setting out an ambition for a 30% increase in bus patronage by 2030.	

Sep‘23	**Bee Network Launch** Greater Manchester retook control of buses after 40 years of deregulation as Bee Network services launched in Bolton, Wigan and parts of Salford, Bury and Manchester bringing a range of benefits to passengers.	
October ‘23	**Google Green Light Project** Greater Manchester becomes first place in the UK to team up with Google to use AI to improve traffic flow and reduce stop and go emissions.	
Dec‘23	**New Active Travel Roadmap** Dame Sarah Storey set out a bold new road map for cycling, walking and wheeling in Greater Manchester following a major review of active travel infrastructure in the city-region.	
Jan‘24	**Consultation on Golborne Station** Public consultation held for people to have their say on plans for a new railway station at Golborne in Wigan.	
Jan‘24	**Starling Bank announced as sponsor of Greater Manchester bike hire scheme** Starling Bank were announced as the first sponsor of the Greater Manchester bike hire scheme. The partnership is the biggest commercial sponsorship in TfGM’s history.	
Mar ‘24	**Stockport Interchange opens** Stockport Interchange opened its doors to passengers. The state-of-the-art facility helps to connect people around the town, Greater Manchester and further afield. It also includes new active travel links, a new town centre park and a residential building.	
Mar ‘24	**Second phase of Bee Network** The second phase of Bus Franchising launched in Oldham and Rochdale – as well as parts of Bury, Salford and Manchester. This means that half of all buses in Greater Manchester are now franchised and delivering more improvements to passengers including new buses, better and more accountable services and improved customer information.	

Developing & implementing the 2024/25 Business Plan

TfGM launched its Business Plan 2023/25 last year. We've now updated the Plan to reflect the progress we've made so far and sharpen our focus for the year ahead.

The Plan – which is linked to TfGM's Behavioural Framework and refreshed approach to setting individual objectives through My Impact – provides a clear focus for the year ahead, with clear measures of success.

The Plan sets out five clear strategic objectives and describes what the areas of focus need to be in 2024/25:

- Ensure transport is an enabler to achieve city region outcomes.
- Operate and sustain a safe, green, customer-centric, integrated transport system.
- Grow and transform the transport network in Greater Manchester.
- Build an inclusive, high-performing organisation with a skilled and engaged workforce.
- Secure financial sustainability and efficient resource management.

To help focus our efforts and for us all to understand how we contribute to the objectives, for each one we've identified:

- 5-year measures: What we want to achieve – and where we want to be - in the longer-term
- Areas of focus for the year ahead: Building on the priorities we set out in the plan last year, the areas of focus where we need to concentrate our efforts and our resources on in the coming year
- Deliverables: What we need to deliver in the next 12 months to keep on track with delivering our strategic objectives

The refreshed Plan was launched in May 2024 and implementation will be closely monitored through the year through the Governance structure described in this report.

Risks, Issues and Opportunities

Changes in the operating environment and associated risks are outlined in the previous sections, along with the ongoing work to update the Financial Sustainability Plan.

Risk strategy

The strategy provides all staff and their partners with a clearly defined and documented framework to ensure risks are identified and managed in an appropriate manner.

TfGM's risk policy statement is:

"Risk management shall be an integral part of day-to-day management at all levels of the organisation with a robust risk management process which will assist in safeguarding TfGM's reputation and delivering the Strategic Objectives and Outcomes."

The strategy sets out best practice drawing principally on guidance and standards in the "Risk Management – ISO: 31000:2018", "The Orange Book, Management of Risk" and "Management of Risk: Guidance for Practitioners" issued by HM Treasury.

The strategy is prepared in accordance with the Constitution of TfGM and is approved by the Executive Board. The approach provides assurance that appropriate controls are in place to deliver a securely run organisation in line with recommendations of the updated version of the UK Corporate Governance Code. It is part of the delivery mechanism for TfGM Strategic Objectives and Business Plan. The strategy includes the management of strategic, functional, operational, project and programme risks.

All TfGM staff and contractors must comply with the requirements around risk management.

The Audit and Risk Assurance Committee (ARAC) independently monitor and assess the adequacy and effectiveness of the risk management framework, providing assurance to the Board.

Further details are included in the Annual Governance Statement.

Performance

Financial Performance

Accounts

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

Primary Statements

The Statement of Accounts includes the following primary statements. A note on the purpose of each of these statements is also shown below:

Comprehensive Income and Expenditure Statement (CIES): This shows the accounting receivable income and the costs incurred in the year of providing services. TfGM's Comprehensive Income and Expenditure Statement for the year shows a net income of £35.3 million (2023: net income of £64.9 million). The net expenditure / income includes capital grants recognised in the year of £124.4 million (2023: £91.7 million), which, under the requirements of the Code, are required to be recognised as income in the year they are received, unless there are conditions attached which TfGM has not met.

A reconciliation from the revenue deficit shown in the CIES, in accordance with the Code, to the surplus is shown below. This information is disclosed in the movement in reserves statement and is included here as an aid in interpreting the information within these financial statements.

Restated 2022/2023			**2023/2024**	
£000	£000		£000	£000
	45,257	**Total comprehensive income and expenditure shown in the CIES**		54,979
		Add back: IAS19 Pension adjustments		
(70,188)		Remeasurement of the net defined benefit liability	697	
20,136		Current service cost and losses on curtailments and settlements	8,747	
204		Past service cost	2,171	
(9,027)		Employer contributions	(11,327)	
2,052		Finance costs of pension scheme	635	
	(56,823)			923
	(11,566)			55,902
-		Less: Revaluation Surplus	-	
264		Less: Revaluation reserve adjustment	309	
(72,091)		Less: Capital grants and contributions	(144,097)	
	(71,827)	Add: Amounts released from the Deferred Capital Grants and Contributions		(143,788)
83,160		Amount to match depreciation of grant funded assets	86,345	
1,549		Amount released on disposal of grant funded assets	2,574	
	84,709			88,919
	1,316			1,033
	(2,598)	Less: Amount transferred to Deregulation Reserve		(3,200)
	(1,282)	**Revenue (deficit) /surplus for the year**		(2,168)

TfGM's net expenditure, after taking into account all sources of income and expenditure, is financed primarily by way of a revenue grant from the GMCA. The GMCA makes a levy on the ten local authorities in Greater Manchester to meet its own expenditure which includes the revenue grant to TfGM. GMCA also receives other grants from central government to fund TfGM's activities. Capital grants are also receivable from the GMCA in respect of approved expenditure on capital schemes.

The grants receivable from GMCA were as follows:

	2024 £000	Restated 2023 £000
Revenue grants	296,729	222,343
Capital grants	141,595	71,670
Passenger Transport Facilities Grants	30,816	5,954
Total grants receivable	**469,140**	**299,967**

Movement in Reserves Statement (MIRS): This shows the year on year movement on different reserves held by TfGM. These are analysed further in note 19 into 'Usable', being those reserves that TfGM may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use, and 'Unusable'; where reserves are those that TfGM is not able to use to provide services.

As of 31 March 2024, TfGM Usable reserves were £47.8 million (2023: £48.1 million) and the Unusable reserves were £1,981.1 million (Restated 2023: £1,925.8 million).

The main Unusable Reserve is the Deferred Capital Receipts Account, which holds the capital grants received by TfGM to fund its capital programme. The Code requires TfGM to recognise capital grants when received in the CIES if these do not have conditions which may give rise to repayment. The majority of grants fall within this category and are held initially within the deferred capital receipts reserve. The reserve is used to fund the future costs of depreciation on the assets delivered by the programme. Each year the depreciation charged for assets that have been funded by the grants held in this reserve are transferred from the deferred capital receipts reserve to the general reserve to allow matching of capital costs and grants. This ensures the capital grants received are ring fenced to cover the future capital depreciation cost.

The Pension 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. TfGM 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 authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The Deregulation Reserve represents the costs relating to the transfer of Greater Manchester Passenger Transport Executive's (GMPTE) bus operations to Greater Manchester Buses Limited following the implementation of the Transport Act 1985. As required by the Act, and in accordance with the transfer scheme, which was approved by the Secretary of State for Transport, GMPTE transferred its bus operation activities and certain of its assets and liabilities to this new company. The Deregulation Reserve represents payments and losses incurred by TfGM (then GMPTE) with respect to deregulation on 25 October 1986, which were not charged to profit and loss.

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

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

The Corporate Capital Reserve primarily relates to the reserves of the entities from which TfGM (then GMPTE) was formed.

Balance Sheet: This shows the value as at the balance sheet date of the assets and liabilities recognised by TfGM. The net assets are matched by reserves held, which are analysed into Usable and Unusable Reserves as described above. The net assets at 31 March 2024 were £2,028.9 million (Restated 31 March 2023: £1,973.9 million).

The key movements in the Balance Sheet are summarised below:

The value of assets held in Property, Plant and Equipment in the year has increased slightly due to capital spend in the year whilst also allowing for the annual depreciation charge. Expenditure in the year includes the following schemes:

- Stockport Interchange scheme - £59 million has been spent in 2023/24 on this project which has delivered a modern, multi-modal transport interchange in conjunction with significant supporting residential and associated development including a public park above the interchange and a link to the rail station.
- Metrolink Renewals Programme – £11 million of expenditure has been incurred on Metrolink renewals projects; and
- Metrolink trams and supporting infrastructure - £8 million has been spent in the year on tram safety improvements and additional capacity.

The Accounts reflect the outcome of the annual actuarial valuation for accounting purposes based on IAS19 of TfGM's pension fund assets and liabilities. A full actuarial valuation on a 'funding' basis was undertaken at 31 March 2022. A 'desktop' valuation was performed as at 31 March 2024 to roll forward the balances from the full valuation adjusting for changes in financial assumptions. The net position on the fund changed from a deficit position of £13.56 million to a deficit of £14.49 million (a movement of £0.93 million). The movement in the year shows an increase in pension assets of £19.8 million before the asset ceiling adjustment. Due to the surplus in the initial forecast position an asset ceiling adjustment was required of £66.1million (2023: £50.2) using the minimum funding requirement from past service calculations.

Cash Flow Statement: This shows the change in cash and cash equivalents of TfGM during the year. The statement shows how TfGM has generated and used cash and cash equivalents; and classifies cashflows into operating, investing and financing activities. The net decrease in cash and cash equivalents during the year was £34.6 million (2023: net increase of £23.2 million). The year on year change from cash outflow to cash inflow is due to the repayment of borrowings and timing of receipts and payments on the capital programme.

The majority of funding received by TfGM is capital and revenue grants from GMCA which significantly reduces any risk over the recoverability of any future cash inflows. Capital and revenue budgets are strictly monitored to ensure spend is within the approved budget. There is on-going monitoring of the cashflow position and security over the majority of income received, however due to the impact of the COVID-19 pandemic on its 'third party' or commercial income streams and the impact of inflation on key cost headings, TfGM is reviewing its cashflow position closely in conjunction with GMCA and this has been considered in the Going Concern statement made as part of finalising these Accounts.

Expenditure and funding analysis: This note aims to provide a clear link between the in-year monitoring of the revenue budget and the final outturn position in the audited financial statements. The Expenditure and funding analysis shows the net expenditure charged to revenue reserves as reported to management and reconciles this expenditure to the comprehensive income and expenditure statement.

The net expenditure in the year is summarised below:

	2023/24 £'000	2022/23 £'000	(Increase)/ Decrease £'000
Concessionary fare scheme	54,449	61,302	6,853
Supported bus services	42,240	37,180	(5,060)
Bus franchising	29,819	0	(29,819)
Metrolink	11,757	11,316	(441)
Accessible transport	3,487	3,686	199
Highways activities	(698)	(906)	(208)
Road safety activities	(989)	(1,610)	(621)
Operational and other costs	91,367	73,097	18,270
	231,432	**184,065**	**(47,367)**

The funding for the net costs above is shown in the CIES with further details in note 5

The key movements in the year have been reviewed below:

TfGM operate schemes of reimbursement for the carriage of concessionary passengers. The English National Concessionary Travel Scheme (ENCTS) is mandated by government and provides for free off-peak bus travel for elderly and disabled passengers. In addition, TfGM also fulfils the GMCA provision of extensions to the concessions available in certain areas, for example travel by children and the elderly at a discount. The aim of these schemes is to ensure that the operators carrying concessionary passengers are no better or no worse off from the existence of the schemes.

The decrease in concessionary reimbursement expenditure in 2023/24 is primarily due to the commencement of bus franchising in September 2023. Instead of reimbursing operators for carrying concessionary passengers the reimbursement is now “due to TfGM” as “revenue foregone” for carrying concessionary passengers for free. This carriage of concessionary passengers is funded via the GMCA levy and the income is included within the non specific grant income line in the CIES. Therefore there are no revenue or costs for the reimbursement of concessionary passengers for TfGM operated services within the cost of services section of the CIES.

The Our Pass scheme, which provides free travel for 16-18 year olds, on bus, throughout Greater Manchester, and is funded from the Mayoral budget, saw an increase in numbers of passes issued, correlated patronage growth, and an increase in reimbursement rates due to inflationary pressures on ticket prices. This scheme is outside the scope of DfT guidance regarding pre-Covid rates of reimbursement.

TfGM provides supported bus services, to ensure that areas and services which operators deem commercially unviable receive adequate public transport provision. Costs of Supported Bus Services have increased as noted above and TfGM has intervened in the market where commercial services have been de-registered.

Bus franchising net expenditure in the year was £29.8m (2023: nil) and relates to the net operational cost of running the TfGM franchised bus services which commenced in 2023/24. The launch of franchising has been phased into three Tranches, the first tranche (c25% of the total network) commenced in September 2023 and the second Tranche (c25%) went live in March 2024. The net cost in 2023/24 therefore predominately relates to the operation of Tranche 1. The net expenditure includes bus ticket revenues, bus specific grant income e.g. Bus Services Operator Grant (BSOG), direct contract costs and overhead costs. This does not include the TfGM allocations for concessionary fare and supported bus services revenue. This income is included in the non specific grant income line within the CIES.

Metrolink net expenditure relates to the net operational cost of running the Metrolink service. The net expenditure reported in the CIES is after removing internal recharges. There has been an increase in net expenditure in the year of £0.4 million (2023: net increase of £10.7 million).

TfGM funds Ring and Ride, a door-to-door accessible transport service for people who find it difficult to use other public transport services. TfGM also provides travel vouchers for those not able to use ordinary buses, trains or Metrolink and who have serious walking difficulties or are registered blind. The vouchers can be used to pay for taxis, private hire vehicles and for travel on accessible bus services such as Ring and Ride and community transport. The net expenditure is consistent with prior year.

Highways activities include the management of traffic signals including the design, installation and on-going maintenance of signals and the monitoring of the Key Route Network. There has been a small decrease in net income in the year of £0.2 million.

The road safety activity net income relates to the Greater Manchester Casualty Reduction Partnership. Income is received for delivering speed awareness and other driver training courses, with any surplus income, after the costs of providing the courses, being invested into improving road safety in Greater Manchester. There has been a small decrease in net income in the year due to higher running costs and additional spend on road safety schemes. Running costs have increased due to an increase in venue costs due to more courses now taking place in classroom rather than on-line and there has been an increase in driver trainer pay.

Operational costs include costs of bus stations operations, Travelshops, safety and security, bus shelters, passenger information, consultation, depreciation and amortisation, support costs and spend on revenue funded projects, including scheme development. In 2023/24 TfGM have also purchased buses and disposed of these to bus operators. This was to ensure they were available for the start of Tranche 1 and Tranche 2. The costs are fully funded by either a revenue grant from GMCA or for operators contribution to the vehicle costs. Spend of £35,213 million was incurred in the year and also I included within this line of the CIES is the operators contribution of £20,686 million. There has been a decrease in expenditure (net of other income) in the year of £1.7 million primarily due to a lower spend on revenue funded projects and programmes. The costs of work on a number of projects are funded from revenue streams outside of Levy and Precept funding and the income is included in the taxation and non-specific grant income line in the CIES. This includes work on developing the next tranche of infrastructure investment schemes and continuing work on the implementation of Bus Franchising.

Outlook

Budget and Reforecasts for 2024/2025

On 9 February 2024 GMCA approved the revenue and capital budgets for TfGM for 2024/25. As in previous years, TfGM will be undertaking regular ongoing updates to reforecast its financial position for the financial year 2024/25 and reports will be submitted to GMCA in July, October and February which will include these reforecasts.

Financial Sustainability Plan

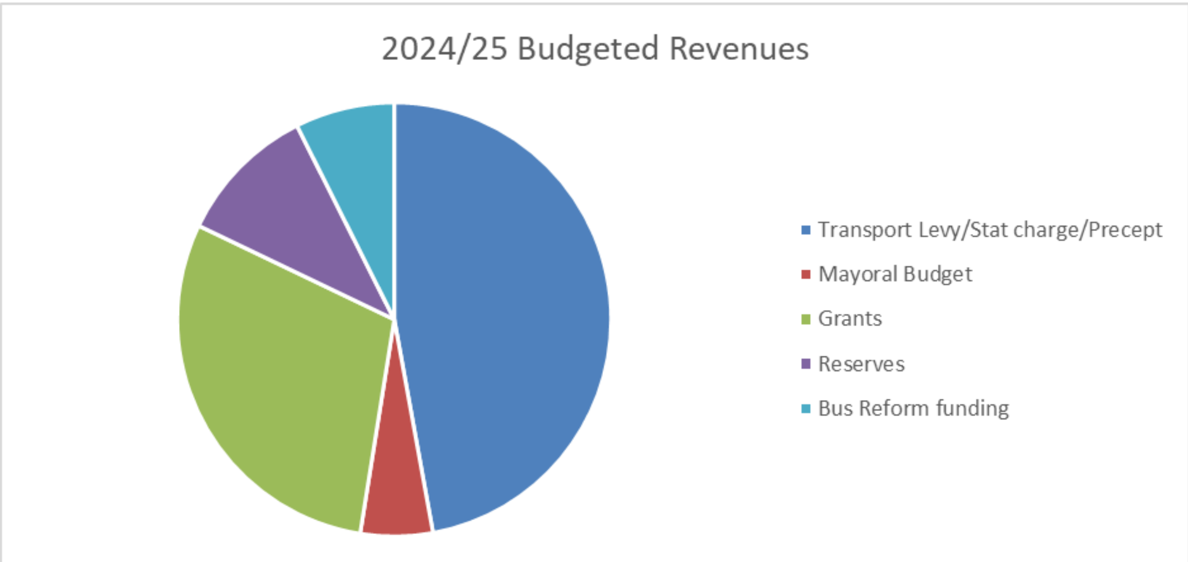
The Bee Network is being delivered against an exceptional set of financial challenges, with patronage and revenue remaining below pre-pandemic actual or planned levels, combined with exceptional inflationary pressures on the cost base of the transport network (e.g. increasing electricity, fuel and labour costs). These challenges have impacted both the Metrolink and Bus networks

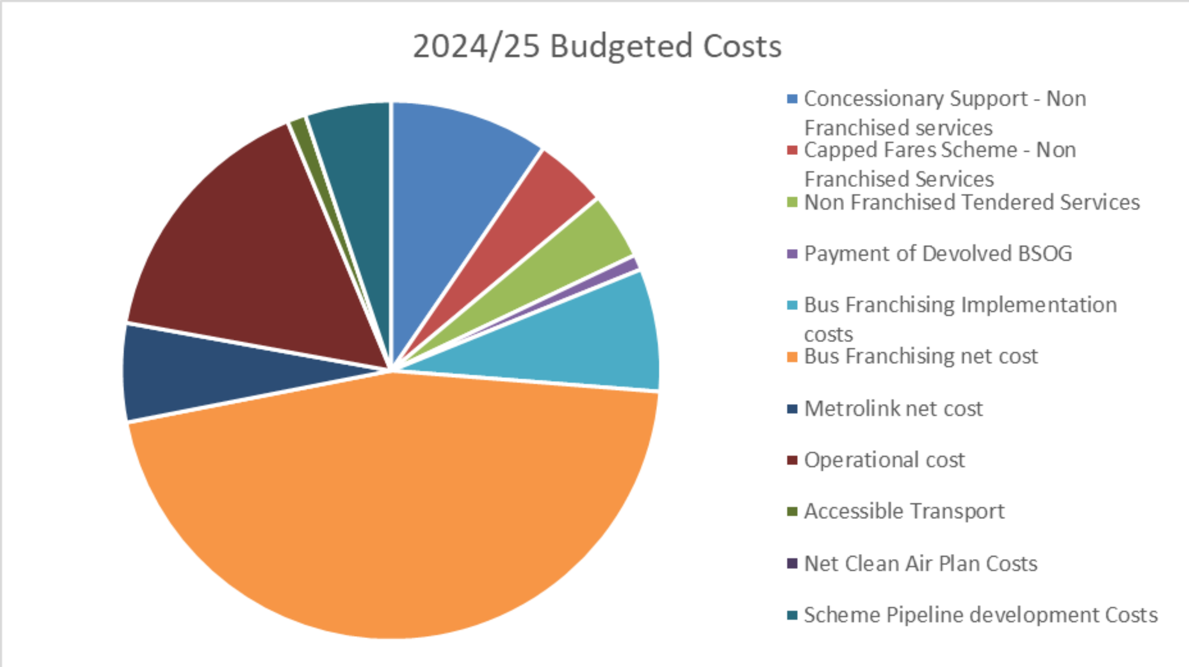
The Budget report to GMCA in February 2024 set out how TfGM are continuing to address these challenges through the ongoing delivery of a Financial Sustainability Plan, which was originally presented as part of the Budget plans for 2023/24. As well as setting out challenging targets in the generation of income, and the control of costs, the Plan includes additional local funding being made available in 2024/25 through the Transport Levy. In addition, TfGM continues to make the case to central government to provide a longer-term and more stable funding environment for local transport that recognises the long-term structural impact of the pandemic and the period afterwards.

Revenue funding for 2024/25

TfGM's Levy budget for 2024/25, which includes the revenue funding for most of its activities, was approved by GMCA on 9 February 2024.

An overview of the key sources of income and expenditure in the Levy Budget are set out below:





Key points to note from the budget are:

Income

- The transport levy, which is raised from the ten GM local authorities, represents the largest source of grant funding for TfGM's operational costs. This will increase by £6 million in 2024/25 which is fully ring fenced to support the costs of bus franchising and Metrolink;
- The Mayoral General budget relates to Mayoral transport functions and priorities, including the costs associated with updating and delivering the Local Transport Plan (LTP) and the costs of Our Pass (the 16-18 Concessionary Travel Scheme).
- Government grants includes funding for bus costs, Scheme Development costs and other smaller grants including the Rail Administration Grant; and
- Funding from reserves includes contributions from Capital Programme reserves and Earnback; and
- Bus Reform funding includes funding from the Mayoral budget, including Earnback, to fund the implementation of bus franchising.

Expenditure

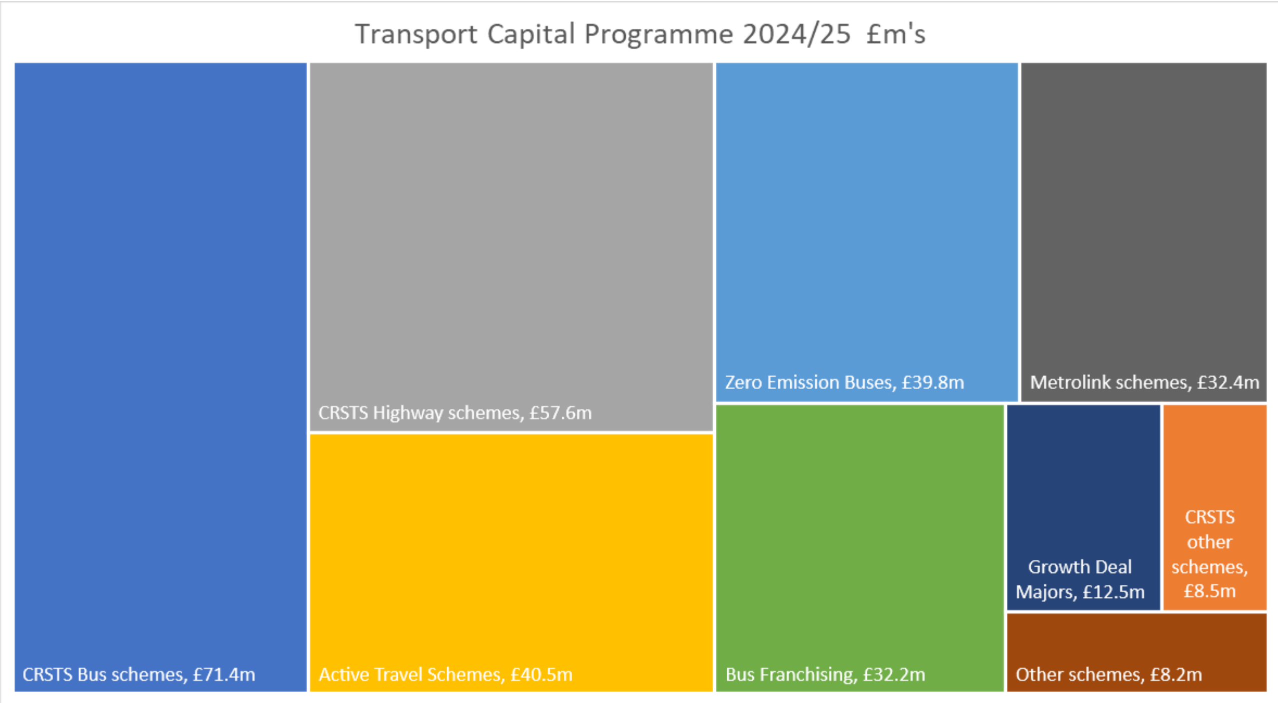
- Concessionary travel includes payments to bus operators for carrying concessionary travellers;
- Capped bus fares were introduced in September 2022 (singles and daily fares) and January 2023 (weekly fares). The budgeted costs for 2024/25 are an estimate of the costs for the year payable in the non franchised area. The Capped Fare scheme is funded from BSIP grant income from DfT. The 'reduced revenue' in the franchised areas due to concessionary fares is included as part of the net contract costs for operating franchised services;
- The costs of funding tendered bus services in the non franchised area are shown in the Non Franchised Tendered Services cost segment. This cost is budgeted to reduce in 2024/25 as the remainder of the bus network is franchised;
- The budget for BSOG represents payments to operators of commercial services in the non franchised areas. This amount is due to reduce in 2024/25 as the remainder of the bus network is franchised;
- Expenditure on Bus Franchising implementation costs is budged to be £24.5m in 2024/25 The key activities in the year include work to mobilise and implement franchised services;
- The net costs (ie net of farebox income) of operating franchised bus services, before any GMCA funding has been applied, are included in the Bus Franchising net cost line;
- The net costs (ie net of farebox income) of operating Metrolink, before any GMCA funding has been applied are included in the Metrolink net cost line;
- Net operational costs include the costs of operating and maintaining the TfGM owned bus stations, travel shops and other infrastructure, the costs of operating the traffic signal network, the costs of support functions and

other specific grant funded costs. The underlying costs are budgeted to increase by c£6 million, largely due to inflationary pressures. It has been assumed that this will be offset by savings delivered by an ongoing programme to ensure the most effective and efficient delivery models; and to reduce the core operating costs of TfGM, including by reductions in external expenditure; and an ongoing focus on increasing commercial income from the existing TfGM asset base. Also included in this cost heading are the revenue costs of Active Travel Schemes which are fully funded by specific revenue grants as noted above.

- The Budget for accessible transport relates largely to the grant to GMATL for the operation of the Ring and Ride service;
- Expenditure on scheme development costs is budgeted to reduce slightly in 2024/25, reflecting the phasing of activity on the development of Business Cases and schemes which are part of the programme of works funded through CRSTS.

Capital Budget

The Capital programme approved by GMCA includes £303.1 million of expenditure on transport related capital projects, including those being delivered by TfGM and the Districts. The main areas of spend are shown below:



A description of the main elements of the Transport Capital Programme are set out below:

- CRSTS funded schemes include the delivery of additional electric buses; bus franchising ticketing infrastructure and local authority highway schemes;
- The Zero Emission buses programme is a combination of electric buses and depot electrification works. It is funded from a combination of DfT Zero Emission Bus (ZEBRA) funding and locally funded prudential borrowings;
- The Active Travel schemes includes cycling and walking infrastructure schemes, to be delivered by the 10 Greater Manchester Authorities;
- Bus Franchising includes costs to support the delivery of the franchising programme including the costs relating to the delivery of the depots strategy and costs in relation to the purchase of on-bus equipment and other equipment and systems;
- The schemes within the Metrolink category mostly relates to renewals works; and
- The Growth Deal Majors Programme consists of 15 major schemes (including Stockport Interchange Mixed Use development) which are being delivered by TfGM and the Local Authorities.

Basis of preparation of Statement of Accounts

This Statement of Accounts includes the individual financial statements for TfGM only. Due to the size of its subsidiary entities, it is considered that they are not material in the context of TfGM and therefore group accounts have not been presented.

There are no changes in accounting standards which are considered to have a material impact on the financial statements for TfGM.

The Statement of Accounts is prepared under an accounting regime adopting the International Financial Reporting Standards (IFRS). TfGM implements IFRS by adopting the IFRS-based ‘Code of Practice on Local Authority Accounting’ (‘the Code’), which is the ‘version’ of IFRS adopted by local authorities.

Steve Warrener	David Bull
SG WARRENER	DM BULL
Director	*Director*
26 February 2025	

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

TfGM's Responsibilities

TfGM 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. That officer is the Finance and Corporate Services Director;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Managing Director's Responsibilities

The Finance and Corporate Services Director is responsible for the preparation of TfGM's Statement of Accounts, in accordance with proper practices as set out in CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (The Code).

In preparing this Statement of Accounts, the Finance and Corporate Services Director has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with The Code, so far as was appropriate for a Passenger Transport Executive.

The Finance and Corporate Services Director 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.

Responsible Financial Officer's Certificate

I hereby certify that the Statement of Accounts gives a true and fair view of the financial position of TfGM as at 31 March 2024 and of its income and expenditure for the year ended 31 March 2024.

David Bull

DM BULL
Director of Finance and Corporate Services

26 February 2025

ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement forms part of TfGM's Governance Framework and results from the requirement to conduct a review at least once a year of the effectiveness of its system of internal control, and to prepare a statement which forms part of the Annual Accounts. This statement covers the period from 1 April 2023 to the date the accounts are signed.

TfGM follows the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* which defines governance as comprising 'the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.' It further states that 'To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.'

This Annual Governance Statement describes how effective TfGM's governance systems and processes are, and where further improvement activity is planned.

Scope of responsibility

TfGM is a body established by the South East Lancashire and North East Cheshire Passenger Transport Area (Designation) Order 1969 (SELNEC Order) that was made under the Transport Act 1968. It is:

- a Passenger Transport Executive under the Transport Act 1968;
- an executive body of the Greater Manchester Combined Authority (GMCA) for the purposes of the strategic functions referred to in Article 9(2) of the Greater Manchester Combined Authority Order 2011 (the GMCA Order); and
- to be treated as an officer of the GMCA for the discharge of functions delegated to the GMCA by other Local Authorities.

In discharging its functions, TfGM is responsible for putting in place proper arrangements for the governance of its affairs; and facilitating the effective exercise of its functions.

TfGM has followed the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government: Framework (2016) in preparing this statement. This Statement explains how TfGM has complied with the Framework and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, which require TfGM to publish a statement on internal control.

The Combined Authority and the Mayor

Greater Manchester Combined Authority (GMCA) and the Greater Manchester Mayor are the public entities that are responsible for the co-ordination of transport, regeneration and economic development functions for the Greater Manchester region. The creation of the Combined Authority in April 2011 saw a transfer of powers from central government to Greater Manchester. In November 2014 central Government and GMCA agreed plans for the further devolution of specific powers to Greater Manchester, including on a number of transport matters, and work has been carried out since, and will continue on implementing this Agreement. In May 2017 the Greater Manchester Mayor was elected pursuant to the GMCA (Election of Mayor with Police and Crime Commissioner Functions) Order 2016. In May 2021 Mayoral elections took place again and Andy Burnham was re-elected. The 2024 Greater Manchester mayoral election is due to be held on 2 May 2024 to elect the mayor of Greater Manchester.

Greater Manchester have new responsibilities over transport as part of the city-region's most significant devolution deal with Government. The Trailblazer Deal announced in March 2023 includes more influence on regional rail services to deliver a London-style integrated public transport system - the Bee Network - by 2030.

The following GMCA functions are reserved to the Mayor, provided that any exercise of the Mayor of these functions requires a vote in favour by at least eight members of the GMCA:

- developing policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within Greater Manchester under s108(1)(a) of the Transport Act 2000;

- the adoption, approval, amendment, modification, revision, variation, withdrawal or revocation of a local transport plan (LTP) under s108(3) of the Transport Act 2000; and

- the duty to keep the local transport plan under review and alter it if considered appropriate to do so including replacing the plan under s109(1) or (2) of the Transport Act 2000.

GMCA and the constituent councils are party to joint arrangements under Section 101(5) of the Local Government Act 1972, Section 20 of the Local Government Act 2000 and Regulations 4, 11 and 12 of the Local Authorities (Arrangements for Discharge of Functions) (England) Regulations 2000 for the discharge of specified transport functions. This includes through a joint committee which until 4 April 2019 was the Transport for Greater Manchester Committee (TfGMC). On 4 April 2019 the GMCA (Functions and Amendment) Order 2019 (Order 3) came into force. It dissolved TfGMC and made provision for the establishment of a joint committee of the GMCA, the constituent councils, and the Mayor. This committee is the Bee Network Committee (BNC). The majority of the functions that were delegated to the TfGMC from the GMCA and the Mayor have been delegated to BNC, with some being directly delegated to TfGM.

Order 3 also provided for the transfer of certain functions from TfGM to the GMCA and the Mayor. These functions are primarily related to TfGM's duties to contract with and reimburse public transport operators to provide subsidised services and concessionary travel; and is intended to align with the Bus Services Act 2017. The GMCA and the Mayor have delegated back to TfGM those functions that TfGM previously exercised.

Over the last few years TfGM has led the work on bus reform which has been carried out in accordance with The Transport Act 2000 (as amended by the Bus Services Act 2017). This required the preparation of a detailed business case; a full assessment; an external audit of the assessment; and a public consultation on the proposals. Following the onset of the pandemic, a further report was prepared on the impact of Covid-19. In March 2021 the Mayor made a decision to introduce bus franchising in Greater Manchester. Two bus operators challenged the decision. However, following a judicial review the claims were dismissed and the process to implement Bus Franchising has continued with the first franchised services commencing operation in September 2023. The second tranche went live in March 2024; the final tranche commenced operation in January 2025.

TfGM's Governance Framework

TfGM's Governance Framework comprises the systems and processes, and the culture and values, by which TfGM is directed and controlled, and the activities through which it is made accountable to, engages with, and supports the community. The Governance Framework enables TfGM to monitor the achievement of its corporate objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the Governance Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance and not absolute assurance of effectiveness. Internal control is an ongoing process, designed to identify and prioritise the risks to the achievement of TfGM's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The internal control environment includes TfGM's policies, procedures and operations that are in place to:

- establish and monitor the achievement of TfGM's objectives;

- identify, assess and manage risks to achieving these objectives;

- facilitate policy and decision making;

- ensure value for money;

- ensure compliance with established policies (including ethical expectations), procedures, laws and regulations;

- safeguard its assets and interests from losses such as those arising from fraud, irregularity or corruption; and
- ensure the integrity and reliability of information, accounts and data including internal and external reporting and accountability processes.

The Governance Framework forms part of TfGM's Constitution, which is reviewed and updated regularly. The latest review was undertaken in 2022/23 and was implemented in 2023/24. This included updates to reflect the new governance arrangements connected with the delivery of the Bee Network and other changes to ensure even greater clarity and transparency for TfGM's decision making framework. A further review of governance arrangements will be undertaken in early 2025.

The leadership and decision-making functions within TfGM are exercised by the Executive Board, which is the ultimate decision-making body within TfGM and is responsible for determining strategic issues and policy on the exercise of its powers and the conduct of its business. The Executive Board consists of seven Statutory Directors appointed in accordance with s9(2) Transport Act 1968, including the Chief Executive who is the Director General of the Executive. Four of the Directors are Non-Executive Directors, of which three are independent, including the Senior Non-Executive Director, reflecting best practice guidance for corporate governance, adapted for TfGM's specific circumstances, including the UK Corporate Governance Code published by the Financial Reporting Council (which is intended for limited companies).

The Executive Board as a whole is collectively responsible for the success of TfGM. The Board's role is to:

- contribute to strategic planning and structured decision-making;
- set challenging goals and objectives for the organisation;
- monitor the performance of the Executive in meeting its strategic objectives; and
- offer constructive criticism and challenge to the Executive Directors.

The Executive Board has delegated the oversight of service delivery, and the infrastructure pipeline and the delivery of the change portfolio to the Chief Executive Leadership Team; the Performance Board; and the Infrastructure Pipeline Board; and the Bee Network Change Board. The responsibilities of these bodies are set out in TfGM's Governance Framework and Constitution. The Constitution specifies the particular functions of the Executive Board which may not be delegated.

A review of the effectiveness of the Executive Board is undertaken annually, with the most recent review undertaken in Summer 2023.

The CIPFA/SOLACE Framework

The overall aim of the CIPFA/SOLACE Framework ('the Framework') is to ensure that resources are directed in accordance with agreed policy and according to priorities; that there is sound and inclusive decision making; and that there is clear accountability for the use of resources in order to achieve desired outcomes for service users and communities. The Framework positions the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance processes and structures.

Defining the Core Principles and Sub-Principles of Good Governance

The fundamental function of good governance in the public sector is to ensure that public bodies achieve their intended outcomes while acting in the public interest at all times. The CIPFA/SOLACE Framework defines seven core principles of good governance in the public sector and how they relate to each other.

Acting in the public interest requires a commitment to and effective arrangements for:

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

B: Ensuring openness and comprehensive stakeholder engagement.

Achieving good governance in the public sector also requires effective arrangements for:

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

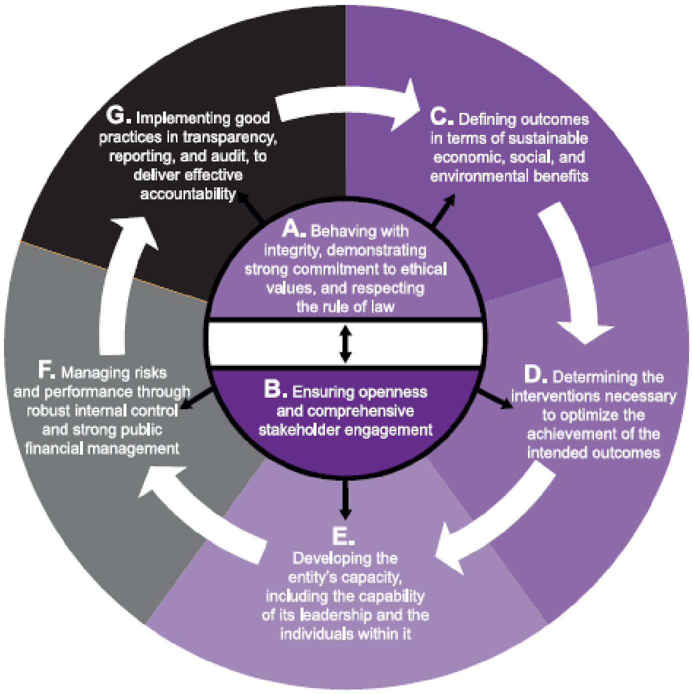
D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

F: Managing risks and performance through robust internal control and strong public financial management.

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

The Framework illustrates the principles using the diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework').



The International Framework notes that 'Principles A and B permeate implementation of principles C to G'. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

TfGM's alignment with the CIPFA/Solace Principles

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

TfGM has the power to implement the decisions of the GMCA and the Bee Network Committee, and those decisions which may be delegated to it by the Mayor; and is particularly responsible for implementing the transport and traffic functions of the Combined Authority.'

In fulfilling this role, TfGM is responsible for ensuring that its activities are conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Sub-Principle: Behaving with integrity

The Executive Board is fully committed, through its policies and actions, to maintaining high standards of conduct and behaviour and to promoting a culture in which these can be openly practised. This is supported by a set of Values which are reviewed regularly including through engagement with staff. The latest review took place during 2022/23 and an updated set of Values was published in the Business Plan for 2023/24.

The updated Values are 'Deliver'; 'Adapt' and 'Care' and these new Values support an updated Vision, Purpose and Mission for TfGM; all of these are described in the Narrative Report within this set of Accounts.

In order to maintain awareness, the Values are re-iterated in key corporate documents, and they underpin the performance management and business planning processes. The Values are an integral part of the induction process for all new staff. TfGM has implemented a Code of Conduct which consolidates a number of existing policies and procedures into a single Code and which underpins the Values.

TfGM has adopted the Guidance entitled "Openness and transparency on personal interests" as published by DCLG. All staff with responsibility for specification, evaluation or procurement, and those who attend and contribute to decision making at the Executive Board meetings, or any meetings of its delegated Boards or Committees, are required to declare their interests in a centrally held register, which is reviewed annually or updated as required on any notifiable changes in interests.

In addition, attendees at each meeting of a decision-making Board or Committee are asked to confirm their registered declarations of interest and declare in addition any interest in any contract or matter to be discussed at the meeting.

TfGM takes fraud, corruption and maladministration very seriously. The following Policies and Procedures are in place:

- a Whistleblowing Policy;
- A Counter Fraud and Corruption Policy;
- Fraud Response Procedures;
- An Anti-Bribery Policy;
- An Anti-Money Laundering Policy and Procedure.

All of these policies are reviewed, and where appropriate updated, in line with an agreed review cycle where appropriate and in line with an agreed review cycle. The above policies and procedures underwent a comprehensive review during 2021. Within the Counter Fraud Strategy Work Programme for 2024-26 there is a task to re-review the Policies and submit them to ARAC for approval in June 2024, who agreed an ongoing review cycle of every two years. The last scheduled review took place in 2023 and was reported to the Audit and Risk Assurance Committee in December 2023. There is also a Counter Fraud Strategy and an annual work programme to direct counter fraud activities and any necessary improvements to the design or operation of the counter-fraud framework.

Staff awareness and understanding of the policies is supported by a mandatory e-learning programme and periodic communications and exercises in relation to online threats. Every two years TfGM participates in the National Fraud Initiative programme which is carried out by the Cabinet Office.

Sub-Principle: Demonstrating strong commitment to ethical values

TfGM has robust policies and procedures for ensuring integrity and compliance with ethical standards, both by TfGM staff and external providers of goods and services.

TfGM's Constitution includes the Financial Regulations and Procurement Rules which are binding on all staff.

Major procurements require suppliers to submit information regarding their organisations (or where appropriate, their Directors') including :

- confirming non-participation in criminal organisations, corruption, fraud, terrorist or related activities, money laundering, child labour or trafficking in human beings;
- compliance with the Modern Slavery Act 2015;
- the health and safety performance of the organisation and their supply chain;
- compliance with equality legislation;
- compliance with environmental legislation;
- Living Wage Foundation; and
- where applicable, all contracts include a commitment to the economic and social regeneration of Greater Manchester as part of the Public Services (Social Value) Act in a reasonable and proportionate manner.

Work has been undertaken, and will continue, to strengthen TfGM's identification and mitigation of the risks of modern slavery and human trafficking in the supply chain, including contacting existing suppliers requesting a statement of compliance, and developing strengthened clauses and wording in all relevant documents. An e-learning course on modern slavery and human trafficking has also been launched to improve staff awareness and the policy has been published on the TfGM web site.

As an anchor institution within Greater Manchester, TfGM also places emphasis on suppliers' social value as part of its commitment to social and ethical values within procurement, in line with the National Procurement Policy Statement released by Cabinet Office in 2021. As part of this, where applicable, supplier commitment to the Greater Manchester Good Employment Charter is gathered, along with their commitments against the Greater Manchester Social Value Framework themes to promote a cleaner, greener, and more prosperous Greater Manchester.

TfGM is also working collaboratively with other GM institutions to ensure the new Procurement Bill is embedded successfully. The Procurement Bill intends to increase transparency across pubilcpublic procurement, to ensure that public bodies 'act, and are seen to act, with integrity', and acrossover 2024, a training delivery plan will be embedded across TfGM.

Sub-Principle: Respecting the rule of law

TfGM's Constitution documents procedures including financial regulations and procurement rules. This is compliant with the duties and responsibilities of TfGM provided under the Transport Acts 1968, 1983, 1985 and 2000, the Local Government Act 1972, the Transport Works Act 1992 and the Greater Manchester Combined Authority Order 2011.

Officers in exercise of delegated powers under the Scheme of Delegation must ensure decisions are taken in accordance with legal requirements; the provisions of the Constitution; capital and revenue budgets; and established policies, plans and procedures. These have been communicated to all staff.

TfGM is not subject to legislation requiring the discharge of the statutory duties of a Monitoring Officer, however, the Head of Legal Services carries out the equivalent duties, where appropriate, with overall responsibility for legal issues. All reports to the Executive Board, Infrastructure Pipeline Board and Performance Board include details of any legal considerations and / or implications.

Principle B: Ensuring openness and comprehensive stakeholder engagement

The Executive Board is the ultimate decision-making body within TfGM and is responsible in particular for determining strategic issues consistent with GMCA policies.

TfGM carries out a range of engagement and consultation activities with wide ranging stakeholders throughout the year.

TfGM's Partnerships, Engagement and Inclusion team aims to build and maintain effective strategic partnerships to ensure that the organisation understands, listens to and influences appropriately across all aspects of transport and end-to-end journeys. This includes engagement with businesses, employers, community groups, education, voluntary sector, residents, councils and those with protected characteristics. The team also designs and delivers statutory and non-statutory consultations and surveys, working closely with functions across the organisation to embed equalities considerations into planning and decision-making, whilst co-designing any activity with stakeholders where appropriate.

Key related activity during 23/24 has included rolling out the decision to allow dogs on Metrolink; continued co-design and implementation of the interactive portal targeted at business and employers to support sustainable travel planning; ongoing work with representative groups to review the concessionary pass process for applicants with autism; development of TfGM's White Ribbon action plan to tackle violence against women and girls through engagement sessions; and an ongoing programme of engagement and co-design with accessibility groups in support of the implementation of bus franchising, including activity focused on fleet design and customer information.

TfGM also continues to support local authorities in the development and delivery of their cycling and walking consultation activity as part of the Bee Active network. Additionally, TfGM has acted on behalf of the ten Greater Manchester local authorities to undertake consultation activity on a number of new/upgraded crossings and junction improvements to enable more walking and cycling by making the roads safer.

Sub-Principle: Openness

TfGM is committed to open governance and to meeting its legal responsibilities under the Freedom of Information Act 2000.

The Local Government Transparency Code (2015) applies to all Local Authorities, including Integrated Transport Authorities and Combined Authorities, but does not apply to Passenger Transport Executives. However, TfGM is committed to transparency and as such voluntarily complies with the Transparency Code, publishing as much information as possible and practicable.

TfGM publishes a substantial amount of public information through the GMCA and the Bee Network Committee. This includes regular financial updates, and updates on the status of the capital programme delivery and the performance of the modes of transport. All decisions which require the approval of the GMCA or the Bee Network Committee are put before a public meeting prior to a resolution being reached, with the exception of those decisions that under section 100 (A) (4) of the Local Government Act 1972 would involve the likely disclosure of exempt information.

All decisions that TfGM requests of the GMCA, the Bee Network Committee or the Mayor, which are considered to be a Key Decision under The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 are published on the GMCA's Key Decision Register a minimum of 30 days in advance of the decision being taken. This gives notice to the public and GMCA's Overview and Scrutiny Committees of forthcoming decisions which are over £500,000 in value, or that are significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the Combined Authority.

Sub-Principle: Engaging comprehensively with institutional stakeholders

Greater Manchester has a long tradition of working in partnership to achieve its objectives. The partners in the 'GM Family' include the GM Mayor, ten Local Authorities and their Leaders, and the Greater Manchester Local Enterprise Partnership (LEP), reflecting the voice of local businesses. The 'GM Family' work closely together to ensure the provision of joined-up, coordinated services that provide value for money for local residents and businesses and realise the shared vision for the area.

The Mayor's Transport Board brings together decision makers from key agencies involved in the operation of, and strategic planning for, GM's transport network. Its objective is to drive continuous customer-focused improvement across the GM transport system; promote integrated and efficient service delivery; and establish a forum for integrated strategic planning for, and investment in, GM's transport network. TfGM continues to participate in the forum, providing regular transport performance reports.

Supporting the Mayor is the Transport Commissioner, Vernon Everitt, who was appointed in April 2022 to play a leading role in the delivery of the Bee Network. In addition the Mayor is supported by an Active Travel Commissioner, Dame Sarah Storey, Dame Sarah will advise the Mayor on the delivery of the Bee Network active travel vision.

The Memorandum of Understanding signed with Highways England continues to facilitate working in partnership towards a long-term vision for motorways and key roads across Greater Manchester.

The process of developing the Transport Delivery Plan (described in detail under Principle D below) involved: district planning and transport officers; Highways England; TfGM and other partners.

Sub-Principle: Engaging with individual citizens and service users effectively

The functions of the Executive Board reflect TfGM's key responsibilities, which includes providing a high quality customer service to people using the Greater Manchester transport networks.

Putting the customer experience at the heart of how we design and deliver services is a key priority for TfGM as we make progress towards implementing the Bee Network.

In response to listening to customers, we have adopted a collaborative approach across all our frontline operations to reassure people in using the public transport network. This has been in partnership with our Travelsafe initiative that has undertaken targeted operations to reduce anti-social behaviour and fare evasion at key hotspots across the network.

We recognise that providing an integrated ticketing and information customer proposition is going to be fundamental in our future success. Over the last 12 months we have continued to make progress across our ticketing and information services. This has included the continuation of single,daily and weekly capped fares on bus across Greater Manchester. A new integrated ticketing and information Mobile Application has also been developed and was launched in September 2023 that allows customers to plan and pay for their travel. Also, on bus Electronic Ticket Machines and an Automated Vehicle Location capability was introducted to support Bus Performance and Real time tracking was launched to support go live of Bus Franchising. This lays the ground for PayGo Capping (Bus and Tram) which will launch in March 2025. In addition to the key retail channels, the wider ticket estate was also uplifted to present the new brand and to make available the simplified product set to all travelling across Greater Manchester

Principle C: Determining outcomes in terms of sustainable economic, social, and environmental benefits

Our Local Transport Plan (LTP) is a statutory document that sets out our long-term ambitions for transport. Greater Manchester's current LTP is the Greater Manchester Transport Strategy 2040 (GMTS 2040) and was prepared in collaboration with the ten Greater Manchester (GM) Local Authorities.

GMTS 2040 was adopted in 2017, with a light refresh undertaken in 2021. The LTP guides future investment and strategic policy decisions for transport across GM by demonstrating a clear rationale for intervention, high-level government funding and local investment for transport.

It was agreed that an approach would be taken to develop a new Greater Manchester transport strategy, comprising two key statutory LTP documents, rather than a single LTP document. These will cover different priorities and time horizons in a more integrated, multi-modal way, enabling a greater degree of flexibility and focus, and allowing documents to be reviewed and updated on a more regular basis in response to significant changes in context.

The main statutory documents comprising Greater Manchester's current LTP are:

- **Greater Manchester Transport Strategy 2040** - a document setting out our strategy giving details of policies, interventions and schemes to support delivery of a vision for transport in 2040. This was published in 2017 and updated in 2021. A link to the latest version of the 2040 Strategy is included **here**; and

- **Our Five-Year Transport Delivery Plan** 2021-2026 – setting out more detailed delivery proposals, a spending plan and monitoring of the performance of transport delivery programmes for 2021-26. This was published in January 2021 and a link to the document is included **here**

These documents are supported by an Integrated Assessment (covering environmental, health and equalities issues) and a travel and transport Evidence Digest that is refreshed on a regular basis to provide an up-to-date evidence base and to support the ongoing development and review of the Transport Strategy.

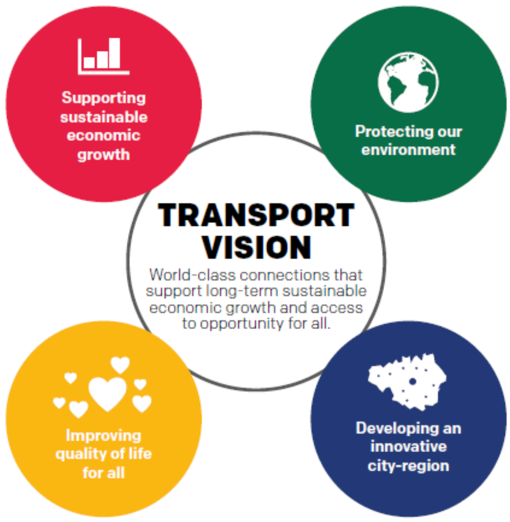
Sub-Principle: Defining Outcomes

The Five Year Transport Delivery Plan was published in January 2021 and forms part of the Greater Manchester Transport Strategy 2040. The plan is structured around five themes:

The Transport Strategy Vision is for Greater Manchester to have **"World class connections that support long-term, sustainable economic growth and access to opportunity for all"**.

Greater Manchester's transport system needs to help the local economy to prosper. It needs to allow residents to more fully contribute to and benefit from that prosperity. It also needs to play a part in creating better places and a better natural environment, and in improving people's quality of life. The role of technology and innovation will be even more important in the period up to 2040, enabling GM to improve transport performance and quality of life, to reduce costs and resource consumption, and to provide tailored information and pricing to transport users, providing a much better customer experience.

The four key elements of GM's Transport Strategy Vision are:



Sub-Principle: Sustainable economic, social and environmental benefits

To support sustainable economic growth and tackle congestion we need to: support the Greater Manchester Strategy, Places for Everyone Joint Development Plan and the refreshed Local Industrial Strategy; develop an increasingly successful Northern Powerhouse economy, with Greater Manchester as a major player at its heart; tackle congestion and enable the efficient and effective movement of people and goods; and ensure transport contributes to high-quality, liveable and healthy neighbourhoods, town and city centres.

To improve quality of life we need to: create an inclusive and accessible transport network that enables access to opportunities; improve the connectivity, reliability and affordability of our networks for all; and encourage and support greater levels of walking and cycling.

To protect our environment and improve air quality we need to: reduce the impact of transport on the environment – particularly in terms of clean air and carbon reduction; and increase the use of sustainable transport to reduce the negative impacts of car use.

To capitalise on new technology and innovation we need to: embrace and champion innovation in the transport sector; and pilot new transport and travel technologies that support our 2040 priorities in line with the Local Industrial Strategy.

All appropriate schemes that are proposed, developed and delivered by TfGM are subject to an Equalities Impact Assessment to ensure fair access to services.

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

TfGM and Greater Manchester have a strong track record for delivery, built on a clear sense of direction and a strong system of governance that allows for development and refinement of priorities over time in support of the Greater Manchester Strategy. TfGM will ensure that there are robust delivery arrangements for investment schemes and programmes as they are confirmed. This will include collaborative working between TfGM, local authorities, national transport agencies and private sector partners wherever required.

The specific schemes to be delivered are, and will be, set out in a series of five-year Delivery Plans. In January 2021 the Joint GMCA/AGMA Executive Board approved the latest Five Year Transport Delivery Plan, running from 2021-2026. It sets out the planned interventions to deliver the Greater Manchester Transport Strategy 2040 and the Greater Manchester Strategy, and to enable a coordinated approach to transport investment. It contains the schemes and interventions necessary to begin to address the existing reliability and capacity issues on our transport network, to deliver a more sustainable and integrated transport system, and to deliver housing and employment growth.

The Five Year Transport Delivery Plan (2021-2026) was prepared in alignment with the Places for Everyone Joint Development Plan and along with GMTS 2040. are critical parts of the evidence base underpinning the Plan. All strategically significant infrastructure is included in Five Year Transport Delivery Plan.

Sub-Principle: Determining interventions

The GMTS 2040 focuses on creating an integrated, sustainable, and well co-ordinated transport system which supports a wide range of different travel needs. The GM Transport Strategy 2040 sets out key principles that will be applied consistently across the networks over the period to 2040 to ensure that the entire transport system is more customer-focused and able to respond effectively to the challenges that lie ahead.

Customers are at the heart of the 2040 Transport Strategy, including residents, businesses and visitors to Greater Manchester. GM is also mindful of the different needs of passengers and freight as it plans and delivers the transport system. GM has therefore established seven core principles, set out below, together with the ambition for each, which will be applied across the transport network.

On an on-going basis TfGM assesses many areas and routes across Greater Manchester where improvements to transport provision may be required. This may be for many reasons. Typical examples are:

- an increase in population or growth in local economic activity leading to congestion and overcrowding on existing infrastructure, or a forecast that the capacity of existing infrastructure will soon be overwhelmed by the travel and transport needs of the people and businesses of an area;
- new housing, commercial or industrial developments requiring new infrastructure;
- a change to essential services, such as hospital provision, which can significantly change the direction in which many thousands of people need to travel, and goods and services need to be delivered;
- ageing infrastructure in need of replacement as it reaches the end of its economic life; or

- an increase in the understanding of the negative impacts of transport on local people, such as pollution, or conversely the impacts of isolation, requiring a reconsideration of transport policy nationally and transport provision locally.

When a need is identified, TfGM carries out studies, looking at local and strategic impacts, to investigate which mix of interventions is likely to provide the greatest benefits for customers and return best value for money for taxpayers, considering whole life cost.

TfGM aims to act as quickly as possible to improve services for its customers. Where major expenditure is needed, TfGM seeks to demonstrate a good balance of sustainable economic and social benefits at an appropriate cost. This facilitates the prioritisation of existing resources and bids for funding from government.

TfGM has been commissioned by GMCA to refresh the GMTS 2040 and develop the next Fiver Year Transport Delivery Plan. Preparing a refreshed LTP will be a collaborative exercise. TfGM will lead its development, but the plan will need to be formally adopted by each Local Authority, and input is required from partners and stakeholders to ensure our next LTP captures our Greater Manchester's ambitions to be a fairer, greener and more prosperous city region.

Sub-Principle: Planning interventions

The functions of the Executive Board reflect TfGM's key responsibilities, which include leading the development of transport strategy for Greater Manchester, shaping and influencing policy.

The Executive Board approves detailed revenue and capital budgets each year following determination by the GMCA of the Levy and other funding available to TfGM. TfGM undertakes a detailed 'bottom up' annual budget setting process whereby all budget holders are required to provide detailed budgets for all cost and income headings within their control.

TfGM's budgeting and business planning processes are integrated and aligned with the medium term financial strategy.

As has been noted in previous Annual Reports, TfGM's revenues and operating costs have been significantly impacted by a combination of factors including the pandemic and certain supply side shocks due to geo-political factors including the war in Ukraine. TfGM has been further developing its Financial Sustainability Plan and this has been a key part of the budget process for 2024/25.

Whilst patronage is now recovering strongly, reflecting the region's population growth and our marketing campaigns to offer affordable alternatives to car travel, the recurrent impacts of the pandemic and the subsequent exceptional inflationary pressures means that the public transport network continues to face financial challenges in 2024/25 and beyond. TfGM continues to consider options, for subsequent consideration by GMCA, for longer term financial sustainability. TfGM have also continued a dialogue with DfT officials with a view to securing a continuation of financial support for the Metrolink and Bus networks

The oversight of day-to-day performance against the budget and business plan is delegated to the Performance Board, which receives detailed monthly performance reports.

Following approval of the budget, progress against targets is monitored on a regular basis including the preparation of monthly management accounts which includes a review of key variances to agreed budgets. Budget monitoring reports are presented monthly to the TfGM Executive Board and quarterly to GMCA.

The Executive Board has delegated to the Infrastructure Pipeline Board the authority to:

- approve funding for capital and revenue schemes not already included within an approved budget, subject to appropriate approvals from GMCA;
- approve the release of funding from budgeted contingency allowances;
- scrutinise investment decisions which are not the responsibility of any other part of the organisation under the terms of the Constitution;
- monitor the progress of capital programmes and associated projects with respect to funding and schedule parameters and reviewing performance indicator data;

- ensure that projects and programmes are managed to budget, time and quality and are focused on the successful delivery of identified benefits; and
- review proposals for new programmes and constituent projects where funding is not yet identified and subsequently make recommendations to the Executive Board / GMCA for approval.

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

Sub-Principle: Optimising achievement of intended outcomes

TfGM has a strong history of successfully securing funding and delivering major transport schemes, including the Metrolink expansion, the first guided busway in the North West and the recently opened new transport interchange and mixed use development in Stockport. TfGM is fully committed to building on its successes to date and ensuring the delivery of the Greater Manchester Transport Strategy.

TfGM has put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources and regularly reviews the adequacy and effectiveness of those arrangements. As noted above TfGM is currently re-reviewing its medium to long term financial strategy in the context of the recovery for the Covid-19 pandemic and current cost inflationary challenges and the significant impacts these are having on revenues and costs.

A risk-based assurance approach is enhanced through the use of a risk complexity tool to assess risk and complexity early in the project lifecycle. The "CIFTER" toolset forms part of the Global Alliance for Project Performance Standards (GAPPS) which enables an organisation to categorise and evaluate projects in terms of risk and complexity against seven key factors and align that complexity to the Project Manager competence level as defined by the International Project Management Association (IPMA). The use of the CIFTER toll is strengthening the assurance approach, to help focus on deployment of the right resources to support successful delivery.

The Gateway Review Process continues to provide independent review of higher risk and major projects, at key stages in the project and programme lifecycle. These processes have operated successfully during the period.

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

Whilst TfGM does not have a statutory duty under the Local Government Act 1999, it is nevertheless committed to achieving continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, with particular emphasis placed on achieving value for money. The organisation continues to ensure that its governance and processes are fit for purpose to reflect delivery and service quality priorities and to meet the challenges of the operating environment.

Sub-Principle: Developing the entity's capacity

Effective local government relies on public confidence in organisations and their officers. Good governance strengthens credibility and confidence in public services. Public Bodies need people with the right skills to direct and control them effectively. Governance roles and responsibilities are challenging and demanding and TfGM needs people with the right skills to direct and control them effectively. In addition, governance is strengthened by the participation of people with many different types of knowledge.

TfGM's People Strategy sets out a number of strategic priorities including Leadership and Performance, Building Capability, Productivity and Cost-Effectiveness and a Values-Driven Organisational Culture.

Sub-Principle: Developing the capability of the entity's leadership and other individuals

There is a corporate induction programme for all new starters. In conjunction with a local induction delivered by the individual's line manager or supervisor, the induction process includes an eLearning module which provides an introductory overview of the structure of the transport networks across Greater Manchester and background information explaining TfGM's activities. The eLearning module also introduces new starters to key policies, procedures and processes.

During 2023/24 TfGM has been reviewing its processes whereby employees are set objectives. Regular 1-2-1s take place with line managers, along with regular health and wellbeing 'check-ins'. A revised performance review process 'My Impact' was launched in the year which aligns with the business plan and to strategic and functional objectives.

In addition, the Learning and Development team at TfGM has established Learning Champions across the organisation to facilitate the collation, consolidation and prioritisation of training requirements across departments. Training solutions are provided by a combination of in-house, online and external resources.

All staff have role profiles which clearly set out their roles and responsibilities. Role profiles are prepared in advance of the recruitment and selection process and assist TfGM in ensuring that all staff possess the necessary skills to undertake their roles.

TfGM has a Scheme of Delegation, as part of its Constitution, which is reviewed regularly. TfGM's Scheme of Delegation sets out details on levels of authority to approve expenditure. These have been communicated to all staff. In determining a Scheme of Delegation, TfGM has reserved powers within its Constitution in respect of those matters reserved for collective decision making. The Scheme of Delegation sets out the authorities of individuals and the authorities delegated to the committees of the Board.

These governance processes give focus to decision making and make a clear distinction between the duties delegated for the day to day management of TfGM and those with respect to decisions on future activities or new ways of delivering its activities.

During the year TfGM again took part in the Best Companies survey, an independent research organisation that compiles and publishes the Sunday Times' 'Top Employers to Work For' staff survey. The latest survey took place in April 2023 (with a further survey having closed in April 2024)). TfGM is currently ranked as a 'one to watch' organisation[1] and has made the Best Companies lists for Top 100 Companies to work for in the North West and the Top 10 Large Not for Profit companies nationally.

The People Committee of the Executive Board, composed of Non-Executive Directors has delegated responsibility from the Board to oversee remuneration policies and the remuneration of senior managers.

TfGM's emphasis on Wellbeing has continued with the roll out of an updated Wellbeing Plan

TfGM is a member of the Greater Manchester Good Employment Charter.

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

Sub-Principle: Managing risk

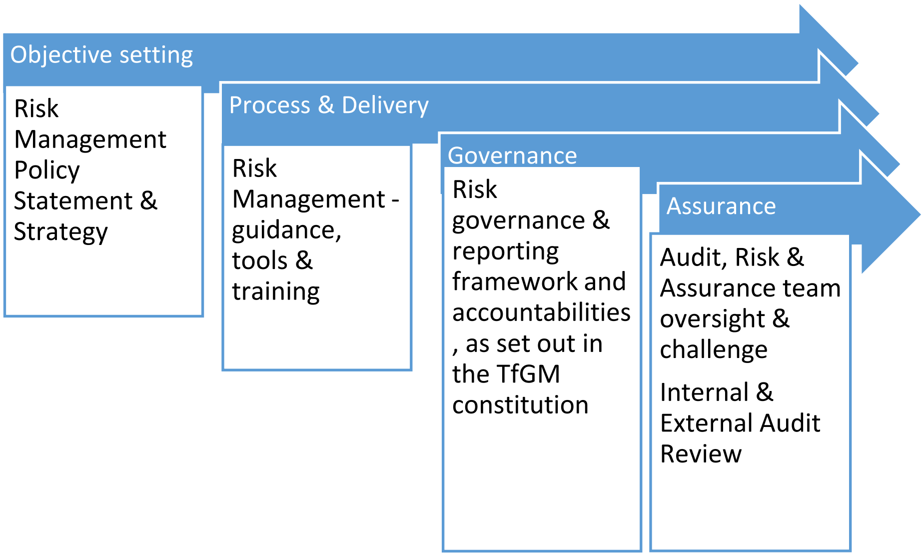
TfGM's Risk Management Strategy sets out best practice drawing principally on guidance and standards in the International Standard in Risk Management – ISO 31000: 2018, The Orange Book, Management of Risk, and Management of Risk: Guidance for Practitioners issued by HM Treasury. TfGM's risk management arrangements are compliant with the UK Corporate Governance Code (2018), as applicable for a non-listed organisation.

As part of TfGM's corporate governance framework, the Executive Board has overall responsibility for the risk management framework and the Audit and Risk Assurance Committee has the responsibility for providing the Board with assurance that the risk management process in place is effective. The Audit and Risk Assurance Committee ensures quarterly oversight and review of the framework. Progress updates on risk management activities and any changes to the strategic risk profile are presented to each meeting of the Audit and Risk Assurance Committee.

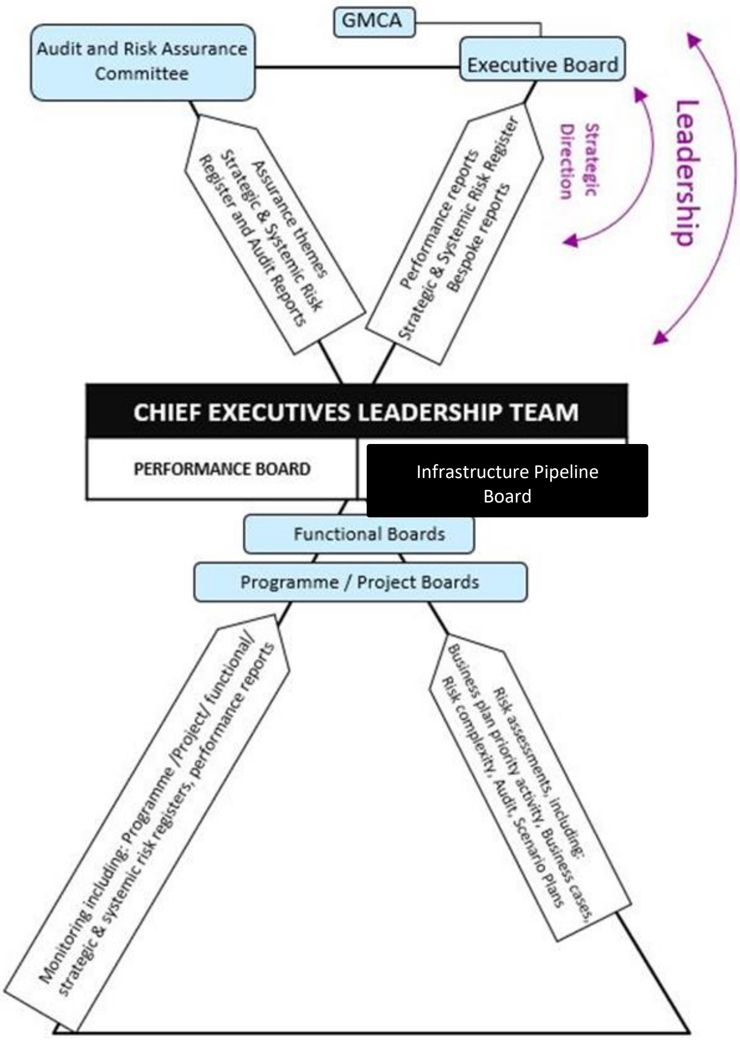
Continued overview and oversight of the risk management framework is also provided across the organisation by the Audit, Risk and Assurance team, working with Functional Risk Champions and senior management, as shown in the

[1] "One to watch" refers to a designation given by the "Best Companies" organization to companies that demonstrate promising levels of employee engagement, signifying they are on the right track to becoming a top workplace, but haven't yet reached the level to receive a full star accreditation (like a 1-star or 2-star rating) based on their employee feedback scores

diagram below. The framework ensures that risk at all levels of the organisation are appropriately and effectively managed.



TfGM's risk management framework incorporates both a 'bottom up' and 'top down' approach, as set out in the diagram below.



The Functional Boards and Performance Board are actively involved in the management and ownership of risk, in accordance with TfGM's Risk Management Strategy, in line with their terms of reference.

TfGM has a project risk management system and a corporate SharePoint site where all risk information is held and maintained centrally. The risks management system also provides the functionality to run quantitative risk analysis.

Robust and established risk processes are in place to ensure that risks at all levels (Strategic, Functional, Project and Programme) are well managed. Each risk is assigned an owner and actions designed to mitigate each risk are also assigned owners. Risks are regularly reviewed and reported in line with the TfGM Risk Management Strategy. This includes monthly reporting to Functional Boards and the Performance and Executive Boards, and quarterly reporting to Audit and Risk Assurance Committee. In addition, risk is considered in all reports presented to the Executive Board, Performance Board, Investment Board/Capital Pipeline Programme Board and Functional Boards. Arrangements for the management of project and programme risks are also embedded in project and programme procedures.

The Audit and Risk Assurance Committee, the Executive Board and the GMCA provide strategic direction and leadership, including determining TfGM's risk appetite.

During 2023/24, as part of regular updates, further thorough reviews of the strategic risk register were undertaken, with Senior Leadership Team reviews throughout the year.

The continuous improvement work during 2023/24 year focussed on:-

- rolling out learning and development activities to staff, including e-learning training and developing our Risk Champions;
- continued implementation of the new Risk Appetite statements that were approved in the Risk Management Strategy to help the organisation and staff members to make better risk informed decisions; and
- continuing to strengthen key supplier continuity arrangements, including enhanced reporting and development and testing of key supplier continuity plans.

Throughout 2023/24, Internal Audit undertook a review of Strategic, Systemic and Operational Risk Management and provided independent assurance on the positive progress that has been achieved in embedding risk management across the organisation. This included the proactive , collaborative and active risk management approach responding effectively to the unprecedented recent global events in the external operating environment. Improvement actions have now been implemented with Risk Champions, Risk Owners and Functional Boards with particular focus on driving risk management and control effectiveness improvements.

TfGM will continue to review and improve its risk management arrangements.

Business Continuity

TfGM's business continuity and resilience plans are regularly tested, including those where TfGM plays a role in Greater Manchester incident management and recovery. Formal lessons learnt exercises are undertaken internally and with Greater Manchester partners. Plans have continued to be reviewed and updated over the period to reflect outputs from exercises and specific reviews. For example, during 2023/24 plans have been reviewed and updated in the context of the implementation of bus franchising.

Sub-Principle: Managing performance

Co-ordination of TfGM's business planning and performance management processes are delegated to the Performance Board, including:

- monitoring key performance indicators and the priority tasks being undertaken and reporting key performance indicators and the priority tasks to the Executive Board; and

- monitoring the performance of transport networks and transport providers and ensuring the integration of activities, including events planning and incident management, across the modal networks;

Effective scrutiny of decisions and business performance is provided in a number of ways. Minutes of the business of the Performance Board and Infrastructure Pipeline Board are considered by the Executive Board. The Executive Board membership includes Non-Executive Directors to provide independent challenge and scrutinise both proposed decisions and the performance of TfGM Directorates and functions.

In support of the activities of the Performance Board and Infrastructure Pipeline Board, a number of Functional Boards meet at least monthly to review the Functional performance and progress in relation to implementation of programmes and projects. The number and terms of reference of such Boards are determined by the Performance Board.

Performance updates are reported to the Executive Board monthly. Regular performance updates are also presented to the GMCA, the Bee Network Committee and the Mayor's Transport Board.

Sub-Principle: Robust internal control

TfGM is responsible for conducting, on a regular basis, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is a responsibility administered by the Audit and Risk Assurance Committee and informed by the work of the Audit, Risk and Assurance team and also by comments made by the external auditors and other assurance providers.

TfGM is compliant with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

Sub-Principle: Managing data

TfGM is committed to safeguarding of all data including any personal data it holds and complies with current Data Protection legislation. The Assistant Director of Information and Data Governance holds the role of Statutory Data Protection Officer. The Head of Legal Services holds the role of the Senior Information Risk Owner (SIRO). There is an IG Change programme underway overseen by the Information and Data Governance Board and biannually Information & Governance reports are submitted to the Audit and Risk Assurance Committee.

The UK General Data Protection Regulation (GDPR) came into effect on 25 May 2018. This, along with the Data Protection Act 2018 which gives effect to the EU Law Enforcement Directive and derogations to the UK GDPR, changed the UK data protection legislation.

TfGM has been focusing on UK GDPR compliance since the Regulation came into effect. An implementation plan for TfGM was developed and continues to be implemented. In particular, significant work has been undertaken to ensure that working practices meet the requirements regarding transparency and accountability under the Data Protection Act 2018. This has included development of TfGM's Information Asset Management Register and assurances that have been developed through the establishment of Information Asset Owners (IAOs) and Information Asset Administrators (IAA). This work will be further enriched through an information and Records Management project.

Systems (internal or external) that are used to process card payments for TfGM operate to the Payment Card Industry Data Security Standard (PCI DSS). TfGM's PCI Accreditation is audited annually. All staff must complete a PCI DSS online training course as part of their induction process.

Sub-Principle: Strong public financial management

The functions of the Executive Board reflect TfGM's key responsibilities, which includes:

- stewardship of Greater Manchester's transport assets, including the maintenance and renewal of assets, and identifying and delivering enhancements; and

- ensuring effectiveness and efficiency in the discharge of TfGM business, securing value for money for the Greater Manchester public purse.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. In particular, the system includes:

- comprehensive budgeting and forecasting systems;

- regular reviews of periodic and annual financial reports which compare financial performance against the budget and forecasts;
- setting targets to measure financial and other performance;
- clearly-defined capital expenditure guidelines; and
- formal programme and project management disciplines.

The proceedings of the Executive Board, Investment Pipeline Board and Performance Board and the decisions taken are formally minuted. The minutes of the Executive Board are signed by the Chief Executive Officer and approved by the Executive Board. Mechanisms are in place to ensure that any conflicts of interest are declared and recorded.

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

TfGM has a requirement under the Transport Act 1968 to seek the authorisation of the GMCA, or the Transport Committee where delegated, of specified decisions that TfGM may take while discharging its duties or exercising its powers. Where TfGM is acting on behalf of the GM Mayor or the GMCA, decisions to be taken are made by the Mayor or the GMCA, as appropriate.

Pursuant to the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, TfGM provides the GMCA with timely and suitable information regarding the decisions that TfGM will ask the Mayor, the GMCA or the Transport Committee to authorise or take. The information is provided at least 30 days in advance and published on the GMCA's website within its 'Key Decisions Register'.

Sub-Principle: Implementing good practice in transparency

TfGM published the Greater Manchester Transport Vision and Strategy, and each year publishes its Annual Accounts on its website. In addition, TfGM produces status reports, reports consulting on decisions, and performance reports to the GMCA and the LEP and also provides reports to meetings of the Transport Committee, which is a public committee focused on providing political oversight of TfGM's activities.

TfGM also provides reports and information to the GMCA's Overview and Scrutiny Committees to support understanding of GMCA's policy development, decisions, and activities in relation to transport.

Sub-Principle: Implementing good practices in reporting

TfGM is committed to reporting on its activities in a manner which is accessible to the intended audience. Reports are prepared such that they are easily understood and provide appropriate and timely information. TfGM's Annual Accounts are reported in compliance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. Reporting to TfGM's Executive Board complies with the UK Corporate Governance Code.

Sub-Principle: Assurance and effective accountability

TfGM has an Audit and Risk Assurance Committee, which meets quarterly, chaired by an independent Non-Executive Director of the Executive Board, to support the Board in discharging its responsibilities with regard to risk, control and governance and associated assurance. In particular, the Audit and Risk Assurance Committee advises the TfGM Board on:

- the overall adequacy and effectiveness of the strategic processes for risk management, internal control and the Annual Governance Statement;
- the robustness of financial controls, including the financial reporting process, accounting policies, and the Annual Report and Accounts of TfGM, to ensure that published financial information has integrity, is well balanced, and transparent; and also, the extent to which assets are safeguarded against fraud and irregularity;
- the adequacy of management responses to recommendations made by the internal and external auditors in their reports;

- progress against planned activity and results of both internal and external audit work; and
- the assurances obtained regarding the adequacy and effectiveness of TfGM's arrangements to satisfy the requirements of the CIPFA/SOLACE framework of corporate governance.

The governance arrangements for TfGM's Audit and Risk Assurance Committee reflect best practice guidance for corporate governance, adapted for TfGM's specific circumstances, including the CIPFA's Audit Committees: Practical Guidance for Local Authorities and Police (2013) and the Financial Reporting Council's Guidance on Audit Committees (which is intended for limited companies).

The Audit and Risk Assurance Committee's membership comprises three Members, who are independent Non-Executive Directors of TfGM's Board, and a fourth Member who is the Treasurer of the GMCA, bringing significant experience from both the public and private sector. The Executive Directors, Head of Audit and Assurance and other managers also attend, as required, at the invitation of the Chair.

The Audit and Risk Assurance Committee is responsible for reviewing the activity of internal and external audit in providing assurance over the effectiveness of internal controls. The Committee also meets at least annually in private with both the external auditors and the Head of Internal Audit, without the presence of executive management.

A review of the Committee's effectiveness is underway as part of the Executive Board effectiveness review. Previous ARAC effectiveness reviews found that the Committee was functioning effectively and had fulfilled its role.

Audit, Risk and Assurance

The Audit, Risk and Assurance team provide a fully integrated approach to the provision of line 2 and line 3 assurance to TfGM. The team is structured with separate teams reporting independently to the Head of Audit, Risk and Assurance, with clear separation between line 2 & 3 activities.

The Head of Audit, Risk and Assurance reports quarterly to the Audit and Risk Assurance Committee, providing updates on Internal Audit, assurance and risk management activities.

The Risk and Assurance team provide an assurance service to SROs and the Executive across projects and programmes. This includes undertaking Gateway Reviews and 'Health Checks' at key stages in project and programme lifecycles and the subsequent reporting of recommendations to the relevant Boards.

The team have also lead on development of the 2024/25 Business Plan; and are responsible for leading on the implementation of the Risk Management framework, including providing challenge on the effectiveness of risk management controls across the organisation.

Internal audit

The Internal Audit service that objectively examines, evaluates, and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

The function operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The work of internal audit is primarily informed by the Internal Audit Strategy which is a three-year strategy based on the assessment of risk faced by TfGM. The risk assessment is kept under regular review and is refreshed in line with changes in the internal or external risk landscape. An annual internal audit plan is then developed based on the three-year strategy. Both the Strategy and the Internal Audit Plan are approved by the Audit and Risk Assurance Committee. Regular progress updates are provided to management and the Audit and Risk Assurance Committee.

The Head of Audit, Risk and Assurance has access to all Executive Officers, Non-Executive Directors and Members and also meets privately with the Audit and Risk Assurance Committee at least annually.

The Head of Audit, Risk and Assurance is required to provide an annual Head of Internal Audit opinion on the effectiveness of the arrangements in place for governance, risk management and internal control. The opinion is based upon and limited to the work performed during the financial year, as well as consideration of other sources of assurance.

On the basis of the audits undertaken during this reporting period, and other sources of assurance available, reasonable assurance can be given over the arrangements in place for governance, risk management and internal control.

An external quality assessment of the effectiveness of the Internal Audit function was last performed in 2019/20 with a further assessment scheduled for early 2025. The key conclusion from the 2019/20 assessment was that the function was compliant with Public Sector Internal Audit Standards (PSIAS). Some improvements were identified to further improve its effectiveness which have since been implemented. In line with good practice, a self-assessment of the effectiveness of the internal audit function has been undertaken by the Head of Audit, Risk and Assurance in 2023/24 and has concluded that the function has operated in conformance with PSIAS.

External audit

The external auditors will issue the following reports in respect of the 2023/24 financial year:

- Audit Strategy Memorandum;
- Audit Completion Report; and
- Auditor’s Annual report including a commentary on the Value for Money arrangements.

Review of Effectiveness

TfGM is committed to a culture of continuous improvement and ensuring value for money. The Annual Governance Statement identifies areas where improvements have been and are continuing to be made. As part of the drive for continuous improvement and value for money TfGM will continue to focus its efforts on these and other areas during 2024/25. The Audit and Risk Assurance Committee and TfGM Executive Board will closely monitor these improvements.

Conclusion

On the basis of the review of the sources of assurance set out in this statement, the Directors are satisfied that, throughout the year and up to the date of the approval of the accounts, TfGM had in place satisfactory systems of internal control which facilitate the effective exercise of the organisation’s functions.

Steve Warrener	David Bull
SG WARRENER	DM BULL
Director	*Director*
26 February 2025	

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF TRANSPORT FOR GREATER MANCHESTER

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Transport for Greater Manchester for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Transport for Greater Manchester as at 31st March 2024 and of its 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 2023/24.

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 section of our report. We are independent of the Transport for Greater Manchester 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates the impact of the COVID-19 pandemic, and ensuing economic environment, upon Transport for Greater Manchester's finances and particularly on its Metrolink and Bus passenger revenue. As stated in Note 2, these events or conditions, along with the other matters as set out in Note 2, indicate a material uncertainty exists that may cast significant doubt on Transport for Greater Manchester's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of management with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to Transport for Greater Manchester's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Director of Finance and Corporate Services 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.

In connection with our audit of the financial statements, 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF TRANSPORT FOR GREATER MANCHESTER

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

The Director of Finance and Corporate Services is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Transport for Greater Manchester will continue in operational existence for the foreseeable future. The Director of Finance and Corporate Services is responsible for assessing each year whether or not it is appropriate for the Transport for Greater Manchester 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 Transport for Greater Manchester, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

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

- inquiring with management and the Audit and Risk Assurance Committee as to whether Transport for Greater Manchester is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- 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 Transport for Greater Manchester which were contrary to applicable laws and regulations, including fraud.

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

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

- making enquiries of management and the Audit and Risk Assurance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF TRANSPORT FOR GREATER MANCHESTER

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 management and the Audit Risk and Assurance

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 and Corporate Services' 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 statement and regularity of public sector bodies in the United Kingdom, 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 Transport for Greater Manchester'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 Transport for Greater Manchester has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in this respect.

Responsibilities of Transport for Greater Manchester
The Transport for Greater Manchester 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 Transport for Greater Manchester 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 Transport for Greater Manchester'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 Transport for Greater Manchester, 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 Transport for Greater Manchester those matters we are required

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF TRANSPORT FOR GREATER MANCHESTER

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 Transport for Greater Manchester, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of Transport for Greater Manchester in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Karen Murray
26 February 2025

Karen Murray,
Key Audit Partner
For and on behalf of Forvis Mazars LLP

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT for the year ended 31 March 2024

The Comprehensive Income and Expenditure 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 revenue grants (or other income). TfGM receives funding from the ten local authorities in Greater Manchester and the Mayoral Budget to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The cost of providing these services is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Restated 2022/23					**2023/24**		
Gross Expend-iture £000	Gross Income £000	Net Expend-iture £000		Notes	Gross Expend-iture £000	Gross Income £000	Net Expend-iture £000
(61,302)	-	(61,302)	Concessionary fare schemes		(54,449)	-	(54,449)
(14,908)	14,908	-	Capped Fares Scheme		(38,533)	38,533	-
(48,046)	10,866	(37,180)	Supported bus services		(56,409)	14,169	(42,240)
(95,425)	83,788	(11,637)	Metrolink		(105,534)	93,788	(11,746)
-	-	-	Bus Franchised Services		(59,322)	29,503	(29,819)
(3,686)	-	(3,686)	Accessible transport		(3,487)	-	(3,487)
(7,446)	8,352	906	Management of traffic signals		(9,680)	10,378	698
(9,044)	10,465	1,421	Road safety activities		(9,700)	10,696	996
(11,919)	11,919	-	Provision of third-party passenger transport facilities	6	(31,576)	31,576	-
(191,234)	24,173	(167,061)	Operational and other costs	7	(218,600)	41,278	(177,322)
(443,010)	164,471	(278,539)	**Cost of services**		(587,290)	269,921	(317,369)
(1,560)	-	(1,560)	Other operating expenditure	10d	(1,694)	-	(1,694)
(4,497)	450	(4,047)	Financing and investment income and expenditure	8	(2,426)	452	(1,974)
-	259,215	259,215	Taxation and non-specific grant income and expenditure	9	-	376,713	376,713
(449,067)	424,136	(24,931)	**Surplus/(deficit) on provision of services**	5	(591,410)	647,086	55,676
		70,188	Remeasurement of the net defined benefit liability	20			(697)
		70,188	**Other comprehensive income and expenditure**				(697)
		45,257	**Total comprehensive income and expenditure**				54,979

All amounts relate to continuing operations. The notes from page 52 onwards form part of these accounts.

A statement is provided in the Financial Performance section of the Narrative Report by way of explanation of the total comprehensive income and expenditure reported under the Code of Practice on Local Authority Accounts and the actual revenue surplus retained / deficit incurred by the organisation.

MOVEMENT IN RESERVES STATEMENT for the year ended 31 March 2024

The Movement in Reserves Statements show the movement in the year on the different reserves held by TfGM, analysed into 'usable reserves' (i.e. those reserves that TfGM may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use) and 'unusable reserves', which include reserves that hold unrealised gains and losses; and reserves that hold timing differences (for example the Capital Adjustment Account).

	Revenue Reserves £000	Unapplied Capital Grants and Contributions Account £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
At 31 March 2022	**48,847**	**887**	**49,734**	**1,878,922**	**1,928,656**
Total comprehensive income and expenditure	(24,931)	-	(24,931)	70,188	45,257
Adjustments between accounting basis and funding basis under regulations	25,983	(317)	25,666	(25,666)	-
Transfer between reserves	(2,334)	-	(2,334)	2,334	-
Increase / (decrease) in 2022/23	(1,282)	(317)	(1,599)	46,856	45,257
At 31 March 2023 restated	**47,565**	**570**	**48,135**	**1,925,778**	**1,973,913**
Total comprehensive income and expenditure	55,676	-	55,676	(697)	54,979
Adjustments between accounting basis and funding basis under regulations	(54,953)	1,812	(53,141)	53,141	-
Transfer between reserves	(2,891)	-	(2,891)	2,891	-
Increase / (decrease) in 2023/24	(2,168)	1,812	(356)	55,335	54,979
At 31 March 2024	**45,397**	**2,382**	**47,779**	**1,981,113**	**2,028,892**

See note 21 for further analysis of the movement in reserves statement.

The notes from page 52 onwards form part of these accounts.

BALANCE SHEET at 31 March 2024

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by TfGM. The net assets of TfGM (assets less liabilities) are matched by the reserves held by TfGM. Reserves are reported in two categories – usable and unusable. Usable are those reserves that TfGM may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves are those that TfGM is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets 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.'

	Notes	31 March 2024 £000	Restated 31 March 2023 £000
ASSETS			
Long term assets			
Property, plant & equipment	10	2,010,276	1,982,322
Investment property	11	17,963	1,470
Long term investments	12	4,450	4,450
Intangible assets	13	26,065	18,681
		2,058,754	2,006,923
Current Assets			
Short term debtors	14	117,183	98,933
Inventories	15	225	199
Cash and cash equivalents	16	5,993	40,605
		123,401	139,737
TOTAL ASSETS		**2,182,155**	**2,146,660**
LIABILITIES			
Current Liabilities			
Short term creditors	17	(100,460)	(103,821)
Provisions	17, 18	(3,814)	(2,235)
Short term borrowing	19	(10,911)	(7,857)
		(115,185)	(113,913)
Long term liabilities			
Provisions	18	(1,122)	(5,942)
Net pension liabilities	20	(14,487)	(13,564)
Long term borrowings	19	(22,469)	(39,328)
		(38,078)	(58,834)
TOTAL LIABILITIES		**(153,263)**	**(172,747)**
NET ASSETS		**2,028,892**	**1,973,913**
FINANCED AS FOLLOWS:			
Reserves as follows:			
Usable reserves	21	47,779	48,135
Unusable reserves	21	1,981,113	1,925,778
		2,028,892	**1,973,913**

The notes from page 52 onwards form part of these accounts.

Steve Warrener David Bull

SG WARRENER DM BULL
Director *Director*
26 February 2025

CASH FLOW STATEMENT for the year ended 31 March 2024

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. The statement shows how TfGM generates and uses cash and cash equivalents and classifies cash flows into 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 are funded by way of grant income or from the recipients of services provided by TfGM. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to future service delivery. Cash flows arising from financing activities are a useful indicator in predicting claims on future cash flows by providers of capital (i.e. borrowing) to TfGM.

	Note	2024 £000	Restated 2023 £000
Net (deficit)/surplus on provision of services		55,676	(24,931)
Adjustments to reconcile income to net cash flows:			
Adjustments for items included in the net surplus on the provision of services that are investing and financing activities			
Grants received for capital works		(144,098)	(72,091)
Finance cost	8	1,791	2,445
Interest paid		(2,065)	(2,817)
IAS19 pension finance interest	20	635	2,052
Adjustments for other non- cash movements			
Depreciation and amortisation	10, 13	88,487	85,326
Loss / (gain) on disposal of non-current assets	10	1,694	1,560
Loss / (gain) on disposal of short and long term investments	12	-	-
IAS19 pension costs	20	(409)	11,313
(Increase)/decrease in debtors		(15,005)	(4,312)
Decrease/ (increase) in inventories		(27)	(79)
(Decrease) / increase in creditors and provisions		12,215	31,532
Net cash flows from operating activities		**(1,106)**	**29,998**
Investing Activities			
Purchase of property, plant and equipment and intangible assets		(162,096)	(73,652)
Grants received for capital works		141,151	78,812
Proceeds from sale of property, land, and equipment		970	20
Net cash flows from investing activities		**(19,975)**	**5,180**
Financing Activities			
Repayment of short and long term borrowings	19	(13,531)	(12,031)
Net cash flows from financing activities		**(13,531)**	**(12,031)**
Net increase/(decrease) in cash and cash equivalents		(34,612)	23,147
Cash and cash equivalents as at 1 April	16	40,605	17,458
Cash and cash equivalents as at 31 March	16	**5,993**	**40,605**

The notes from page 52 onwards form part of these accounts.

NOTES TO THE ACCOUNTS

1 Introduction

TfGM is required to prepare an annual Statement of Accounts in accordance with the Accounts and Audit Regulations 2015. These Regulations require Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

2 Basis of Preparation

The accounts have been prepared on a historical cost basis, except for certain land and building assets that are measured at either current value or fair value, in accordance with the Code.

The financial statements have been prepared on a going concern basis as it is considered by the Board that TfGM will continue to operate for the foreseeable future and will be able to continue to meet its liabilities as they fall due for payment.

As set out in the Narrative Report, the coronavirus pandemic, and the ensuing economic environment, which has seen significant inflationary pressures, have had a significant impact on the finances of TfGM. This includes, in particular, on passenger revenue on both the Metrolink and Bus networks which are below pre-pandemic trend levels, whilst the cost base of both networks have increased at above trend levels due to exceptionally high levels of inflation.

TfGM has continued to receive ‘exceptional’ funding support from the DfT during the financial year, however this largely ends on 31 March 2024.

Based on the position set out above, the Directors have performed a review of the cashflow projections for a period of 12 months after the date of the signing of these financial statements, to support the preparation of the Accounts on the ‘Going Concern’ basis. The conclusion of this review is that there is a material uncertainty regarding the ongoing level of Metrolink net revenues and bus franchising net revenues and the level of funding that will be received. Notwithstanding this, on the basis of the cashflow forecasts prepared and the current levels of available cash and reserves, the TfGM Executive Board considers that it remains appropriate to prepare the Accounts on the ‘Going Concern’ basis.

Statement of Compliance with IFRS

The following accounting standards have been issued but not yet adopted by the Code:

- IFRS 16 Leases.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
- Non-current Liabilities with Covenants (Amendments to IAS 1).
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12).
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

With the exception of IFRS 16 Leases the requirements of paragraph 3.3.4.3 of the Code have been assessed and are not considered to have a significant impact on the Statement of Accounts. TfGM does expect IFRS 16 to have a material impact on the financial statements. A number of land and building assets that were either currently classified as operating leases or at peppercorn rent are expected to be brought on the balance sheet within a new asset category for right of use assets. In addition to the new asset there will be a corresponding liability along with a depreciation and finance charges within the comprehensive income and expenditure statement. TfGM are currently unable to accurately estimate the impact of this in the 2024/25 financial statements but it is expected to be material.

TfGM has adopted all aspects of the Code other than as follows:

- Deregulation Reserve: IFRS 5 would treat the deregulation of bus services in 1986 as a discontinued operation, leading to the write off of any costs connected with deregulation. However, the Transport Act of 1985 allowed any costs incurred on deregulation to be transferred to a specific reserve, called the 'Deregulation Reserve'. TfGM has adopted a policy of amortising the Deregulation Reserve over 30 years. Refer to note 19 for further details.

3 Summary of Significant Accounting Policies

3.1 Property, Plant and Equipment and Assets Under Construction

Items of property, plant and equipment are stated at cost less accumulated depreciation, with the exception of investment properties and non-infrastructure operational assets which are measured at current value. TfGM's policy is to write off the carrying value of all assets, other than freehold land, on a straight-line basis over their estimated remaining useful lives.

The range of estimated useful lives for each class of assets is as follows:

Freehold and long leasehold buildings	10 to 50 years
Short leasehold buildings	over the lease term
Infrastructure assets (see note * below)	15 to 50 years
Plant and equipment (see note** below)	Up to 25 years
Vehicles: Motor vehicles	3 to 5 years
Vehicles: Buses	Up to 15 years

* Infrastructure assets includes a number of categories of assets relating to the Metrolink network, Interchanges and Bus Stations, the Leigh to Ellenbrook Guided busway and cycle hubs.

Further details of the asset lives within this category are given below:

Civil structures	25 to 50 years
Stations and stop infrastructure	10 to 30 years
Track and track bed	20 to 30 years
Ticket machines and information points	5 to 20 years
Overhead power lines	20 to 30 years
Signalling/telecoms	15 to 30 years
Metrolink trams	30 years
Metrolink plant and equipment	3 to 35 years
Guided Busway and infrastructure	5 to 50 years
Park and Ride and infrastructure	5 to 40 years
Bus infrastructure (including internal fittings)	5 to 40 years
Bike hire assets and cycle hubs	10 years

**Plant and Equipment assets include a number of categories of assets, further details of the asset lives included within this category are below:

Electric vehicle rapid charging points	10 years
Bus depot electrification infrastructure	5 to 40 years
CCTV	5 to 15 years
Radios (Bus and Metrolink)	10 years
Audio Video Announcements	10 years

The de minimis level for capitalising assets is £25,000 unless these form part of a larger asset when there is no de minimis level.

The cost of Metrolink includes the costs of acquiring the land required for the system to be constructed. In accordance with standard accounting practice this land is not being depreciated.

Depreciation of assets commences with effect from the month following capitalisation. Capitalisation of assets is carried out as soon as practicable following its acquisition or completion.

Annual reviews are undertaken of the estimated remaining life and current carrying amount of assets; ensuring that significant assets are reviewed annually, and other assets are reviewed at least every three years. Adjustments to the carrying amount, or remaining useful life, are made where necessary.

An item of property, plant and equipment is derecognised upon disposal, replacement or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount) is included in the Comprehensive Income and Expenditure Statement in the year the item is derecognised, offset by the write-back of any grant funding that has been received and which has not been released to the Revenue Reserve.

Where a capitalisation is replacing an existing asset, in whole or in part, the cost, depreciation and net book value, and the associated grant, are written out of the fixed asset note such that only the appropriate gross values of the 'new' assets remain after the replacement.

Where only part of an existing asset is being replaced, the amount to be disposed is calculated with reference to supporting evidence. For example, where an element of track is replaced, the percentage of replacement is calculated using length being disposed over the total length covered by the component. This ensures that only the remaining cost, depreciation and net book value of the operational asset remains. This calculation in relation to track is subject to a 'de minimis' being applied of 1.5% of the gross value of the track, which is being replaced, below which assets are not written off.

For the ongoing measurement of property, plant and equipment, TfGM adopts the Code, which requires the current value method to be applied to non-infrastructure operational assets and surplus assets. Where a current value cannot be obtained the cost model will be used in IAS 16. Assets classified as infrastructure include all Metrolink assets, bus stations, interchanges, turning points, bus depots, bus shelters and other route equipment and works.

As permitted by the Code, the carrying value of property, plant, and equipment in existence on the transition date to IFRS of 1 April 2010 has been treated as deemed cost at the transition date.

Assets under construction relate to expenditure incurred in respect of assets which are incomplete as at the reporting date. The assets are transferred to the appropriate heading and depreciated when they become available for use.

3.2 Fair Value measurement

TfGM measures some of its non-financial assets such as surplus assets and investment properties 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:

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

TfGM 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, TfGM 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.

TfGM 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 TfGM's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- 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.

3.3 Investment properties

Investment properties are initially recognised at cost, including direct transaction costs. They are subsequently revalued annually in accordance with the fair value model, reflecting market conditions at the balance sheet date. Where a fair value cannot be obtained the cost model will be used in IAS 16. Any surplus or deficit arising from any change in fair value is recognised in the Comprehensive Income and Expenditure Statement in the period in which it arises.

Investment properties are not depreciated. They are de-recognised when disposed of, or when no future economic use is expected. The difference between net proceeds and carrying value is recognised in the Comprehensive Income and Expenditure Statement in the period of de-recognition.

3.4 Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by TfGM as a result of past events (e.g. software development costs and software licences) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to TfGM.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and TfGM will be able to generate future economic benefits or deliver service potential by being able to use or sell the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised). Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise TfGM’s goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by TfGM can be determined by reference to an active market. In practice, no intangible asset held by TfGM meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to operational costs in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the operating expenditure line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

3.5 Capital and revenue grants and contributions

Capital and revenue grants receivable and contributions are recognised immediately in the Comprehensive Income and Expenditure Statement except where the grant or contribution has a condition that has not yet been met. These amounts are recognised in the Balance Sheet within capital and revenue grants received in advance until such time as the conditions are met whereupon they are transferred to the Comprehensive Income and Expenditure Statement.

With respect to capital grants or contributions, if the expenditure to be financed from the grant or contribution has been incurred at the balance sheet date, the grant or contribution is transferred from the Revenue Reserve to the Capital Adjustment Account via the Movement in Reserves Statement. If the expenditure has not been incurred at the balance sheet date, the grant or contribution is transferred to the Capital Grants Unapplied Account via the Movement in Reserves Statement.

With respect to revenue grants or contributions, if the expenditure has not been incurred at the balance sheet date, the grant or contribution is transferred to the Revenue Grants Unapplied Account via the Movement in Reserves Statement.

In the cases where a capital or revenue grant is received which is subject to a stipulation that it be returned to the transferor if a specified future event does not occur, a return obligation does not arise until such time as it is expected that the stipulation will be breached; and a liability is not recognised until the recognition criteria have been satisfied.

3.6 Inventories

Inventories are carried at the lower of cost (including costs incurred in bringing the inventory to its present location, such as freight) and net realisable value, determined on a first in first out basis.

3.7 Financial Assets

Financial assets have the following categories: financial assets measured at fair value through profit or loss, financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, in accordance with IFRS 9. Assets held at amortised cost are initially recognised at fair value and subsequently measured at amortised cost. Whereas assets held at fair value are revalued in accordance with fair value measurement set out in paragraph 3.2. TfGM's financial assets include the long term investments, cash, short-term deposits, trade, and other receivables.

Subsequent measurement depends on their classification as follows:

Long term investments: investments are reviewed to determine which category they should be classified as. The current investments have been deemed to fall within the fair value through other comprehensive income category.

Fair value through other comprehensive income assets is initially measured and carried at fair value in line with fair value measurement set out in note 3.2. Assets are held in this category when the amounts received relating to them are solely principal and interest, but they are held to collect case and sell the assets. There are two key criteria for election as a fair value through other comprehensive income asset, these are the asset must be an equity instrument and the asset must not be held for trading.

Comprehensive Income and Expenditure Statement treatment: movements in amortised cost debited/credited to the Surplus or Deficit on the Provision of Services, but movements in fair value debited/credited to Other Comprehensive Income and Expenditure:

- Interest credited to Surplus or Deficit on the Provision of Services using the effective interest rate method.
- Movements in impairment loss allowances debited/ credited to Surplus or Deficit on the Provision of Services (with a compensating credit/debit not against the carrying amount of the asset but to Other Comprehensive Income and Expenditure to offset movements against gains/losses on fair value).
- Changes in fair value posted to Other Comprehensive Income and Expenditure.
- Cumulative gains/losses on fair value are posted to the Surplus or Deficit on the Provision of Services on derecognition.

Cash and cash equivalents: funds placed with banks and other financial institutions by GMCA with a maturity of three months or less. In additional a small amount of cash is held in Travelshop floats. For the purpose of the cash flow statement, cash and cash equivalents are as defined above, net of any outstanding bank overdrafts. These are held at amortised cost.

Loans and deposits: non-derivative financial assets with fixed or determinable payments not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Any gains and losses are recognised in the Comprehensive Income and Expenditure Statement when the assets are amortised, de-recognised or impaired.

Trade and other receivables: recognised and carried at invoice or contract value less an allowance for any amounts which may not be collectable. These are held at amortised cost. The impairment loss allowance has been calculated on life-time expected credit losses (simplified approach) for trade and receivables An expected credit loss provision has been created to allow for any credit losses on trade debtors where TfGM have concerns around recoverability. Should an amount become uncollectable, it is written off to the Comprehensive Income and Expenditure Statement in the period in which the write off is recognised if this was not provided for.

Finance leases: refer to notes 3.15 and 3.16.

3.8 Financial Liabilities

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

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

For Lender Option Borrower Option (LOBO) loans, the effective interest rate has been calculated over the life of the loan. Due to the change in interest rate during the life of the loan the interest rate used is an average rate and differs from the amounts actually paid in the year. The difference between the calculated average interest charge and the interest paid has been adjusted in the carrying amount of the loan. The amount charged in the Comprehensive Income and Expenditure Statement is the effective (average) interest rate for the life of the loan rather than the amount paid in the year as per the loan agreement and current interest rate.

TfGM has not designated any financial liabilities or assets as at fair value through other Comprehensive Income. TfGM's financial liabilities include bank overdraft, trade creditors, loans, and other payables.

Finance leases: refer to notes 3.14 and 3.15.

3.9 Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet, if, and only if, there is an enforceable legal right to offset, and there is an intention to settle on a net basis in order to realise the assets and discharge the liabilities simultaneously.

3.10 Impairment of non-financial assets

TfGM assesses each year whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, TfGM estimates the asset's recoverable amount, which is the higher of its fair value less costs to sell, and its value in use. This is determined for an individual asset unless it does not generate cash flows independently from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is impaired down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted at a rate reflecting TfGM's current assessment of its average borrowing rates. In determining fair value less costs to sell, an appropriate valuation model is used. The calculations are reviewed where possible against other available indicators.

Impairment losses are recognised in the Comprehensive Income and Expenditure Statement in those expense categories consistent with the function of the asset, except for property previously re-valued where the revaluation was taken to reserves. In this case the impairment is also recognised in reserves up to the amount of any previous revaluation.

An assessment is also made each year as to whether there is any indication that previously recognised impairment losses may no longer exist; or may have decreased. If this is the case, TfGM estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited such that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been previously recognised. Such reversal is recognised in the Comprehensive Income and Expenditure Statement unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase.

3.11 Provisions, Contingent liabilities, and Contingent assets

Provisions

Provisions are made where an event has taken place that gives TfGM a legal or constructive obligation that “probably” requires settlement by a transfer of economic benefits or service potential, and, where a reliable estimate can be made of the amount of the obligation.

Provisions are charged either as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement or within project costs included within property, plant and equipment in the year that TfGM 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 be required (or a lower settlement than anticipated is made), the amount of the provision no longer required is reversed and credited back to the relevant service or project cost.

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 in the relevant service line if it is virtually certain that reimbursement will be received if TfGM settles the obligation.

Contingent liabilities

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

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

Contingent assets

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

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

3.12 Passenger Transport Facilities

As part of its statutory duties, TfGM is responsible for meeting the costs of upgrading public passenger transport facilities in the Greater Manchester area, including railway and highways infrastructure. The expenditure incurred is offset by equivalent grants received from GMCA and other parties.

Once completed, ownership of these assets vests in Network Rail, rail operating companies, Highways England, GMCA or the Local Authority as appropriate.

Both the costs and the grant income are recognised within the Comprehensive Income and Expenditure Statement.

3.13 Turnover

Revenue is a sub-set of income and is defined as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net worth.

Revenue 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.

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

Where revenue has been recognised but cash has not been received or paid, a debtor 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.

Turnover, which all arises within the United Kingdom and is stated net of value added tax, represents income arising from Metrolink and bus fare revenues, services provided, rental income, and advertising revenues, including estimates in respect of services provided but not invoiced at the year end.

3.14 Lease Income

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie 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).

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

3.15 Lease expenditure

Assets held under finance leases where TfGM retains substantially all the risks and benefits of ownership are capitalised in the balance sheet at the lower of the fair value of the asset and the net present value of the minimum lease payments; the assets are then depreciated over their useful economic lives.

The lease obligations are recognised as a financial liability. The interest element of the rental obligations is charged to the Comprehensive Income and Expenditure Statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to expenditure on a straight line basis over the term of the lease, recognising on an equal basis the impact of any premia or incentives.

3.16 Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled wholly 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 (eg bike scheme) for current employees and are recognised as an expense for services in the year in which employees render service to TfGM. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end that 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.

Termination benefits

Termination benefits are amounts payable as a result of a decision by TfGM to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when TfGM can no longer withdraw the offer of those benefits or when TfGM recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserves balance to be charged with the amount payable by the authority 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.

3.17 Post -employment benefits

The Local Government Pension scheme

Unless they choose to opt out of the scheme, Employees of TfGM are members of the Local Government Pension Scheme administered by Greater Manchester Pension Fund (GMPF).

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for TfGM.

The Scheme is accounted for as a defined benefits scheme:

- The liabilities of the GMPF attributable to TfGM 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 of 4.8% (2023: 4.75%).
- The assets of GMPF attributable to TfGM are included in the Balance Sheet at their fair value based on the bid values of the assets.
- The change in the net pensions liability is analysed into seven components:
    - Current service cost – the increase in liabilities as a result of years of service earned this year are allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
    - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – is debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
    - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
    - Expected return on assets – the annual investment return on the fund assets attributable to TfGM, based on an average of the expected long-term return - is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
    - Gains or losses on settlements and curtailments – the result of actions to relieve TfGM of liabilities or events that reduce the expected future service or accrual of benefits of employees – are debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;

- Remeasurement of the net defined benefit liability – 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 – are credited or debited to the Pensions Reserve; and
- Contributions paid to the GMPF – cash paid as employer's contributions to the pension fund in settlement of liabilities; are not accounted for as an expense.

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

3.18 Accrual of income and expenditure

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

- 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.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

3.19 Reserves

TfGM holds specific amounts as reserves for future policy purposes or to cover contingencies. Reserves held are shown in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

Certain reserves are kept to manage the accounting processes for non-current assets, capital grants, retirement and employee benefits and do not represent usable resources for TfGM. These reserves are explained in note 21.

3.20 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;

- 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.

3.21 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

3.22 Agency Services

Transactions are excluded from TfGM's financial statements for all agency relationships. As stipulated by the Code TfGM is acting as an agent in situations when TfGM do not have exposure to the significant risks and rewards in providing the goods or services. TfGM review all services provided to determine who has exposure to the significant risks and rewards and when this is not deemed to be TfGM the transactions have been excluded from the financial statements. There are three significant agency relationship; they are in relation to the payments of the Bus Services Operator Grant to bus operators on behalf of GMCA, and Clean Air. See note 22.

4 Significant accounting judgements, estimates and assumptions

The preparation of TfGM's accounts requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

The items in TfGM's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows.

4.1 Pension benefits

The cost of defined benefit pension plans is determined using an independent actuarial valuation, involving the use of assumptions about discount rates, returns on assets, future salary increases, mortality rates and future pension increases. Such assumptions are reviewed at each period end and determined jointly between the pension fund management and the actuaries. The carrying value in the accounts and sensitivities are disclosed in note 20.

4.2 Carrying value of property, plant, and equipment

For assets held at historical cost the carrying value is the initial cost of the asset less accumulated depreciation. Depreciation is calculated using the expected useful life for each component of an asset. The useful life is a best estimate of the life of the asset and is provided by an expert in the relevant area. It is assumed that general repairs and maintenance are made during the life of each asset and where this does not meet the criteria for additional capital expenditure this is charged to the surplus or deficit on the provision of services.

Each year end an annual review is performed to ensure the remaining useful life and carrying value of the asset are appropriate. For assets held at valuation, a full valuation is performed as a minimum every 5 years by an independent external valuer; an impairment review is undertaken by management for all other years. If the useful life is adjusted by one year, this would result in an estimated impact of £8.9 million (2022/23 £7.4 million). The carrying value in the accounts and further information is disclosed in note 10.

5 Expenditure and Funding Analysis statement

Restated 2022/23				2023/24		
Net expenditure chargeable to the revenue reserve	**Adjustments between the Funding and Accounting Basis**	**Net expenditure in the Comprehensive Income and Expenditure Statement**		**Net expenditure chargeable to the revenue reserve**	**Adjustments between the Funding and Accounting Basis**	**Net expenditure in the Comprehensive Income and Expenditure Statement**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
(61,302)	-	(61,302)	Concessionary fare scheme	(54,449)	-	(54,449)
(37,180)	-	(37,180)	Supported bus services	(42,240)	-	(42,240)
-	-	-	Bus Franchised Services	(29,819)	-	(29,819)
(11,316)	(321)	(11,637)	Metrolink	(11,757)	11	(11,746)
(3,686)	-	(3,686)	Accessible transport	(3,487)	-	(3,487)
906	-	906	Management of traffic signals	698	-	698
1,610	(189)	1,421	Road safety activities	989	7	996
(73,097)	(93,964)	(167,061)	Operational and other costs	(91,367)	(85,955)	(177,322)
(184,065)	**(94,474)**	**(278,539)**	**Net cost of Services**	**(231,432)**	**(85,937)**	**(317,369)**
185,117	68,491	253,608	Other income and expenditure	232,155	140,890	373,045
1,052	**(25,983)**	**(24,931)**	Surplus or Deficit	**723**	**54,953**	**55,676**
48,847			Opening revenue reserves balance	47,565		
1,052			Less / Plus surplus or (deficit) on revenue balance in Year	723		
(2,334)			Transfer between reserves	(2,891)		
47,565			Closing revenue reserve at 31 March	**45,397**		

(a) Note to the expenditure and funding analysis

	Adjustments between Funding and Accounting Basis 2022/23		
Adjustments between the Funding and Accounting Basis	**Adjustments for capital purposes (Note 1)**	**Net change for the Pensions adjustment (Note 2)**	**Total Adjustments**
	£'000	£'000	£'000
Metrolink	-	(321)	(321)
Road safety activities	-	(189)	(189)
Operational and other costs	(83,160)	(10,804)	(93,964)
Net cost of Services	**(83,160)**	**(11,314)**	**(94,474)**
Other income and expenditure	70,543	(2,052)	68,491
Difference between revenue reserve surplus and Comprehensive Income and Expenditure Statement surplus on the Provision of Services	(12,617)	(13,366)	(25,983)

Adjustments between the Funding and Accounting Basis	Adjustments for capital purposes (Note 1)	Net change for the Pensions adjustment (Note 2)	Total Adjustments
	Adjustments between Funding and Accounting Basis 2023/24		
Metrolink	-	11	11
Road safety activities	-	7	7
Operational and other costs	(86,345)	390	(85,955)
Net cost of Services	**(86,345)**	**408**	**(85,937)**
Other income and expenditure	141,524	(634)	140,890
Difference between revenue reserve surplus and Comprehensive Income and Expenditure Statement surplus on the Provision of Services	55,179	(226)	54,953

Adjustments for capital purposes

1) Adjustments for capital purposes – this column adds in Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year. Depreciation is added as part of adjustments for capital purposes. This also includes the adjustment for any capital grants remaining on disposal of assets.

Net Change for the Pensions Adjustments

2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

(b) Note to the expenditure and funding analysis

Expenditure/Income	2023/24 £'000	2022/23 £'000
Expenditure		
Employee benefits expenses*	59,364	60,533
Transport expenditure		
Concessionary fare schemes	54,449	61,302
Capped Fares scheme	38,533	14,908
Supported bus services	56,409	48,046
Metrolink	103,341	93,231
Bus Franchised Services	59,322	-
Accessible transport	3,487	3,686
Management of traffic signals	9,680	7,446
Road safety activities	8,491	7,805
Provision of passenger transport facilities	31,576	11,919
Other Transport Expenditure	38,939	48,808
Expenditure on bus purchases	35,214	-
Depreciation, amortisation, impairment	88,485	85,326
Financing costs:		
Interest payable and similar charges	1,825	2,476
Adjustment for the equalisation of interest on a loan	(34)	(31)
Pensions interest cost and expected return on pensions assets	635	2,052
Loss on the disposal of assets	1,694	1,560
Total expenditure	**591,410**	**449,067**

	2023/24 £'000	Restated 2022/23 £'000
Income		
Fees, charges, and other service income		
Transport income		
Supported bus services	14,169	10,866
Capped Fares scheme	38,533	14,908
Metrolink	93,788	83,788
Bus Franchised Services	29,503	-
Management of traffic signals	10,378	8,352
Road safety activities	10,696	10,465
Provision of passenger transport facilities	31,576	11,919
Interest and investment income	452	450
Local government revenue grants and contributions	232,615	187,232
Local government capital grants and contributions	144,098	72,091
Bus station facility charges	2,473	2,707
Rail grant	1,900	1,900
Rents and service charges	1,186	1,012
Advertising revenue	436	441
Other highways income	4,466	4,532
Passenger information services, Travelshop, bus station ancillary charges, rail franchise, operators, and local authorities' recoveries.	30,817	13,473
Total income	**647,086**	**424,136**
Surplus / (deficit) on the Provision of Services	**55,676**	**(24,931)**

*Note this includes the IAS19 employer cost adjustments and removes staff time capitalised.

(c) Revenue from contracts with service recipients

Revenue generated from contracts with service recipients is £29.172 million for 2023/24 (2022/23: £26.500 million). The main source of revenue generated from service with recipients relates to Greater Manchester Urban Traffic Controls works undertaken during the year.

6 Passenger Transport Facilities

As part of its statutory duties, TfGM is responsible for meeting the costs of upgrading public passenger transport facilities in the Greater Manchester area, including certain railway and highways infrastructure. The expenditure incurred is offset by equivalent grants or funding, which for the year ended 31 March 2024 amounted to £31.6 million (2023: £11.9 million). The ownership of these assets normally vests in either Network Rail; train operating companies; GMCA; or the appropriate Local Authority. In certain circumstances, title in these assets may ultimately revert to TfGM. Costs and grants are written off as incurred / received. The spend in the year has included works on the Stockport Interchange Mixed Use Scheme and costs under the Bee Network Scheme.

7 Surplus/(deficit) on provision of services for the year

(a) The operating surplus for the year has been stated after the following payments made to the external auditors:

	2024 £000	2023 £000
Fees payable to external auditors for:		
- audit services	112	49
- other services	-	-

(b) Statutory Directors' remunerations

The Executive Board is composed of the Chief Executive Officer and the other Executive Directors' and Non-Executive Directors' who have been appointed by GMCA as members of the executive under s9(2) of the Transport Act 1968. The remuneration of the Executive Directors' has been disclosed as follows:

		Salary £	Compensation for loss of office £	Employer pension contributions £	Total £
Chief Operating Officer	2023/24	184,400	219,858	31,282	435,540
RM Morris (left 31 December 2023)	2022/23	196,820	-	40,151	236,971
Interim Chief Network Officer	2023/24	193,571	93,392	42,023	328,986
A Cropper (left 31 March 2024)*	2022/23	161,496	-	30,411	191,907
Managing Director and Finance & Corporate Services Director	2023/24	197,576	-	41,297	238,873
SG Warrener	2022/23	194,891	-	39,754	234,645
Contribution to the salary of the Chief Executive					
Chief Executive Officer**	2023/24	115,683	-	-	115,683
EJ Boylan	2022/23	114,720	-	-	114,720

* The roles of both the Chief Operating Officer and Interim Chief Network Officer were dis-established in the year and have been replaced by a new role of Chief Network Officer

** The costs for EJ Boylan relate to a recharge of 50% of the salary costs. The full salary costs are paid by GMCA and are disclosed in their financial statements.

(c) Staff costs (before IAS19 pension adjustments) and average number of employees

	2024 £000	2023 £000
Wages and salaries*	55,300	47,516
Social security costs	6,042	5,450
Pension costs	10,723	9,577
	72,065	**62,543**
The average number of employees during the year	**1,098**	**1,060**

* This does not include staff time that has been subsequently capitalised or recharged to specific capital projects.

The number of employees receiving more than £50,000 remuneration for the year (including severance payments but excluding employer's pension contributions) were as follows:

Remuneration range	2024 Number	2023 Number
£50,000 to £54,999	80	51
£55,000 to £59,999	60	61
£60,000 to £64,999	74	46
£65,000 to £69,999	36	30
£70,000 to £74,999	27	30
£75,000 to £79,999	35	35
£80,000 to £84,999	16	14
£85,000 to £89,999	13	7
£90,000 to £94,999	9	23
£95,000 to £99,999	21	6
£100,000 to £104,999	5	4
£105,000 to £109,999	3	2
£110,000 to £114,999	4	3
£115,000 to £119,999	1	-
£120,000 to £124,999	2	2
£125,000 to £129,999	2	1
£140,000 to £144,999	1	-
£145,000 to £145,999	-	-
£150,000 to £154,999	-	1
£160,000 to £164,999	-	1
£175,000 to £179,999	1	-
£180,000 to £184,999	-	1
£205,000 to £209,999	-	1

Note that the numbers above do not include the Directors salaries. See note 7b) above for the Directors remuneration.

The numbers and bandings above also reflect the impact of the Voluntary Severance scheme run by TfGM in the year which has been implemented in order to deliver ongoing operational cost savings. See note (d) below for further details.

(d) Staff exit packages

Details of the numbers of exit packages, with total cost per band and total cost of redundancies and other departures, are set out in the table below.

Exit package cost band	Number of voluntary redundancies 2024	Number of voluntary redundancies 2023	Number of other departures agreed 2024	Number of other departures agreed 2023	Total number of exit packages by cost band 2024	Total number of exit packages by cost band 2023	Total cost of exit packages in each band 2024 £000	Total cost of exit packages in each band 2023 £000
£0 - £20,000	-	10	5	1	5	11	12	133
£20,001 - £40,000	-	11	2	-	2	11	59	346
£40,001 - £60,000	1	9	-	-	1	9	49	433
£60,001-£80,000	-	6	-	-	-	6	-	453
£80,001-£100,000	2	5	1	-	3	5	261	424
£100,001-£150,000	-	9	-	-	-	9	-	1,037
£150,001-£200,000	-	2	-	-	-	2	-	341
£200,001-£250,000	-	-	1	-	1	-	220	-
£250,001-£300,000	-	1	-	-	-	1	-	253
	3	**53**	**9**	**1**	**12**	**54**	**601**	**3,420**

The reduction in exit packages is due to the voluntary severance scheme that was launched in the prior year.

8 Financing and Investment Income and Expenditure

	2024 £000	2023 £000
Financing Costs		
Interest payable and similar charges	1,825	2,476
Adjustment on the equalisation of interest on a loan	(34)	(31)
Pensions interest cost and expected return on pensions assets	635	2,052
	2,426	**4,497**

	2024 £000	2023 £000
Investment Income		
Received from Piccadilly Triangle Developments LLP – distribution of part of partnership profits	347	449
Interest income	105	1
	452	**450**

9 Taxation and non-specific grant income

	2024 £000	Restated 2023 £000
Revenue Grant income		
GMCA – Levy	146,021	130,903
GMCA – bus purchases	19,926	-
GMCA – Other	66,516	55,764
Other	152	457
Total Revenue Grants	**232,615**	**187,124**
Capital grant income		
GMCA capital grants*	141,595	71,670
Income in advance	1,812	(316)
Other	691	737
Total Capital Grants	**144,098**	**72,091**
Total grant income	**376,713**	**259,215**

*Note the capital grants received from GMCA fund a number of capital schemes. In 2024, these included bus depots and associated infrastructure, the Stockport Interchange / Mixed Use Scheme, the Metrolink Renewals and Enhancement Programme; and Bus Franchising new Information Systems and Ticketing solutions.

10 Property, Plant and Equipment

a) Capitalised assets available for use and assets under construction

Property, plant, and equipment is reported as either capitalised assets available for use or as assets under construction. An analysis of the movements within the gross and depreciated or impaired book value of property, plant and equipment by key category is contained in the tables below:

	Total £000	Infra-structure £000	Land & Building £000	Plant & Equipment £000	Vehicles £000	Surplus assets £000	Assets Under Construction £000
Cost or valuation:							
At 31 March 2022	**2,739,015**	**2,595,304**	**14,380**	**35,779**	**23,094**	**1,267**	**69,191**
Expenditure during the year	63,771	-	-	-	-	-	63,771
Transfers from assets under Construction	-	50,320	-	1,843	5,001	-	(57,164)
Disposals	(6,309)	(5,825)	-	(484)	-	-	-
At 31 March 2023 restated	**2,796,477**	**2,639,799**	**14,380**	**37,138**	**28,095**	**1,267**	**75,798**
Expenditure during the year	115,452	-	-	-	-	-	115,452
Transfers from assets under Construction	-	71,207	11,854	46,106	525	16,485	(146,176)
Disposals	(10,614)	(4,469)	-	(267)	(5,833)	(45)	-
At 31 March 2024	**2,901,316**	**2,706,537**	**26,234**	**82,977**	**22,787**	**17,707**	**45,074**
Depreciation and impairment:							
At 31 March 2022	**736,307**	**695,206**	**-**	**26,432**	**14,669**	**-**	**-**
Depreciation provided during the period	82,577	78,922	623	1,460	1,572	-	-
Disposals	(4,729)	(4,245)	-	(484)	-	-	-
At 31 March 2023	**814,155**	**769,883**	**623**	**27,408**	**16,241**	**-**	**-**
Depreciation provided during the period	84,835	79,353	652	2,888	1,939	3	-
Disposals	(7,950)	(3,325)	-	(267)	(4,358)	-	-
At 31 March 2024	**891,040**	**845,911**	**1,274**	**30,029**	**13,822**	**3**	**-**
Net Book Value:							
At 31 March 2024	**2,010,276**	**1,860,626**	**24,959**	**52,948**	**8,965**	**17,704**	**45,074**
At 31 March 2023 restated	1,982,322	1,869,916	13,757	9,730	11,854	1,267	75,798

The net book value of land and buildings, within infrastructure and non-infrastructure categories comprised of the following:

	31 March 2024 £000	31 March 2023 £000
Freehold	275,138	233,082
Long Leasehold	135,323	91,687
Short Leasehold	1,057	1,231
	411,518	**326,000**

The transfer from assets under construction to infrastructure assets relates to a number of capital schemes that have been completed in the year. These include assets for bus franchising such as ticket machines, CCTV and new information systems. Stockport interchange opened in March 24 and there has also been renewals work on Metrolink.

b) Revaluation of property, plant, and equipment

TfGM carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. 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. The current values for these properties have been based on existing use values and these were re-valued as at 31 March 2024. There have been small immaterial movements in value in the year and these have therefore not been updated in the financial statements.

The bus depots were purchased in the year and are held within the land and buildings category. As these were all purchased within 6 months prior to the 31 March 2024 a valuation at the year end was not deemed necessary. These assets will be included within the current rolling programme and will be revalued at current value at least every five years.

A number of surplus properties were identified in 2015/16 and in accordance with the code were revalued at fair value. The fair value for the properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

In estimating the fair value of TfGM's surplus properties, the highest and best use of the properties is their current use. These were revalued in 2023/24, however due to the value of the properties and the minimal movements the changes in valuations have not been updated in the financial statements.

All valuations were carried out by Leslie Roberts & Co Limited, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. TfGM's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

c) Assets under Construction

The value of assets under construction and the financial movements within this area are provided in Note 10a.

The main items of capital expenditure in the year related to amounts expended on the Metrolink Renewals and Enhancements Programme, the Stockport Interchange / Mixed Used Scheme, Zero Emissions Buses and associated infrastructure as part of the Clean Air Plan. Other items of capital expenditure related to upgrading the existing Metrolink network; and a number of other schemes including rail station improvements.

Financing of the expenditure is from capital grants. Capital grants receivable in the year were receivable from the GMCA. None of the expenditure in the year was financed by finance leases.

At 31 March 2024, the amount of grants received in advance of payments made in respect of expenditure on capital projects and held within the Unapplied Grants Account was £2.38 million (£0.57 million at 31 March 2023).

The value of grants held against assets under construction and as deferred grants held against fixed assets are reported within the Capital Adjustment Account. The Capital Adjustment Account is included with the Unusable reserves within the balance sheet.

d) Net gain / (loss) on disposal of property, plant, and equipment

The reported gain or loss on disposal of fixed assets is calculated with reference to both the carrying value of the assets themselves, and the write-back of any unamortised grant outstanding. In relation to the gain / (loss) made during the year, this can be analysed as follows:

	2024 £000	2023 £000
Net proceeds from sale of assets	979	20
Disposal costs written off	(9)	-
De-recognition of carrying values of assets	(2,664)	(1,580)
Gain / (loss) on disposal of property, plant and equipment per Comprehensive Income and Expenditure Statement	**(1,694)**	**(1,560)**
De-recognition of carrying values of associated grants	2,574	1,548
	880	**(12)**

11 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.

	31 March 2024 £000	31 March 2023 £000
Rental income from investment property	194	52
Direct operating expenses arising from investment property	(57)	(52)
Net Gain/(Loss)	**137**	**-**

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

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

	31 March 2024 £000	31 March 2023 £000
Balance at start of the year	1,470	1,470
Additions:		
Purchases	16,493	-
Net gains/losses from fair value adjustments	-	-
Balance at end of the year	**17,963**	**1,470**

Fair Value Hierarchy

Details of TfGM's investment properties and information about the fair value hierarchy as at 31 March 2024 and 2023 are as follows:

Recurring fair value using:	Other significant observable inputs (Level 2)	Fair Value as at 31 March 2024
	£000s	**£000s**
Residential (market rental) properties	1,255	1,255
Office units	-	-
Commercial units	16,708	16,708
Total	**17,963**	**17,963**

2023 Comparative Figures

Recurring fair value using:	Other significant observable inputs (Level 2)	Fair Value as at 31 March 2023
	£000s	**£000s**
Residential (market rental) properties	1,255	1,255
Office units	-	-
Commercial units	215	215
Total	**1,470**	**1,470**

Transfers between levels of the fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

Valuation techniques used to determine Level 2 and 3 fair values for investment properties

Significant observable inputs – Level 2:

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Highest and best use of investment properties

In estimating the fair value of the authority'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

Valuation process for investment properties

The fair value of TfGM's investment property is usually measured annually at each reporting date. If the property has been purchased during the year at market rates these will initially be held at cost and revalued each year after. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. TfGM's valuation experts work closely with finance officers reporting on a regular basis regarding all valuation matters.

12 Investment Assets

Investments are reviewed to determine which category they should be classified as. The current investments have been deemed to fall within the fair value through other comprehensive income category. Fair value through other comprehensive income assets are initially measured and carried at fair value in line with fair value measurement set out in note 3.2.

Fair value of equity instruments designated at fair value through other comprehensive income include the following:

	31 March 2024 £000	31 March 2023 £000
Non-current assets		
Non-listed securities		
Mayfield Partnership Limited Partnership	2,125	2,125
TfGM Peel Wharfside 1 LLP	2,000	2,000
TfGM Peel Wharfside 2 LLP	325	325
	4,450	**4,450**

Note there has been no income, expenses, gains, or losses recognised in the provision of surpluses at 31 March 2024 and 31 March 2023 for any of the investments.

TfGM, Manchester City Council and London and Continental Railways Limited have formed the Mayfield Partnership Limited Partnership. The partnership is seeking to regenerate the former Mayfield Depot site near Piccadilly Station. Each party has pooled their existing land interests with a view to bringing forward significant development, employment, and business opportunities. Each party has contributed their existing land interests as set out in a Land Pooling Agreement dated 22 January 2015 which also sets out the equity participation, this is currently 10% for TfGM. This Partnership has then entered into a Limited Partnership, the Mayfield Development Partnership LP with the private sector development partner U And I Group Plc (a subsidiary of LandSec Plc). The Public Sector partners share of the scheme is 50% so TfGM 's interest is 5%, represented by a £2.1 million investment which includes TfGM's forecast future share in the investment return from the overall development.

In 2019/20 TfGM entered into an arrangement with Peel Group to form two joint venture vehicles; TfGM Peel Wharfside 1 LLP and TfGM Peel Wharfside 2 LLP. Each of TfGM and Peel Property (Partnerships) Limited (a company within the Peel group) hold membership interests in each of these limited liability partnerships. TfGM Peel Wharfside 1 LLP has been granted a long lease of the former 'Communisis' site, and TfGM Peel Wharfside 2 LLP has been granted a long lease of the site known as 'Wharfside' (each site is adjacent to the Metrolink Trafford Park Line). The manner in which these sites will be dealt with is being progressed between TfGM and Peel, in accordance with the agreed joint venture arrangements.

Fair values of financial assets

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

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2024 £000	31 March 2023 £000
Non-current assets				
Non-listed securities				
Mayfield Partnership Limited Partnership	Level 3	Discounted cash flow	2,125	2,125
TfGM Peel Wharfside 1 LLP	Level 2	Market value	2,000	2,000
TfGM Peel Wharfside 2 LLP	Level 2	Market value	325	325
			4,450	**4,450**

Equity shareholding in Mayfield Partnership Limited Partnership
TfGM's share in Mayfield Partnership LLP – the shares in this company are not traded in an active market and fair value of £2.1 million has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on an analysis of the Gross Development Value, cost inputs and timing assumptions has produced the estimated Market Value of the scheme.

13 Intangible Assets

TfGM accounts for certain items of software as intangible assets, to the extent that the software is not an integral part of a particular IT system and is therefore accounted for as part of the hardware item of property, plant, and equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the authority. The useful lives assigned to the major software suites used by the authority range between 4 and 5 years.

The movement on intangible asset balances during the year is as follows:

	Total £000	**Internally Generated Assets £000**	**Other Assets £000**
Balance as at 31 March 2022	**12,448**	**9,101**	**3,347**
Additions:			
Internal development	8,982	8,283	699
Amortisation for the period	(2,749)	(2,749)	-
Net carrying amount as at 31 March 2023	**18,681**	**14,635**	**4,046**
Comprising:			
Gross carrying amounts	34,795	29,920	4,875
Accumulated amortisation	(16,114)	(15,285)	(829)
At 31 March 2023	**18,681**	**14,635**	**4,046**

	Total £000	**Internally Generated Assets £000**	**Other Assets £000**
Balance as at 31 March 2023	**18,681**	**14,635**	**4,046**
Additions:			
Internal development	11,035	11,026	9
Impairment losses recognised in the surplus/deficit on the provision of services	-	-	-
Amortisation for the period	(3,651)	(3,651)	-
Net carrying amount as at 31 March 2024	**26,065**	**22,010**	**4,055**
Comprising:			
Gross carrying amounts	45,830	40,946	4,884
Accumulated amortisation	(19,765)	(18,936)	(829)
At 31 March 2024	**26,065**	**22,010**	**4,055**

The internally generated assets for 2023/24 mainly relate to expenditure on the Bus Franchising Programmes.

14 Debtors

Short term debtors: amounts falling due within one year:

	31 March 2024 £000	Restated 31 March 2023 £000
Trade debtors	9,476	8,202
Amounts receivable from GMCA	57,570	54,318
Amounts due from group undertakings	257	102
Other debtors	10,064	5,372
Prepayments and accrued income	39,816	30,939
	117,183	**98,933**

Analysed between the following classes of debtors:

Central government bodies	12,033	2,757
Other local authorities	59,147	58,589
Other entities and individuals	46,003	37,587
	117,183	**98,933**

Trade debtors are non-interest bearing; are generally on terms of 30 days or less; and are shown net of any expected credit loss for impairment.

At 31 March 2024, trade debtors at a nominal value of £757,000 (*2023: £719,000*) were impaired. Movements in the expected credit loss for impairment of receivables were as follows:

	31 March 2024 £000	31 March 2023 £000
Opening expected credit loss	719	719
Charge for the year	445	328
Amounts written off	-	-
Unused amounts reversed	(407)	(328)
Closing expected credit loss	**757**	**719**

As at 31 March 2024, the ageing analysis of trade debtors net of the expected credit loss was as follows:

			Past due but not impaired				
	Total £000	Neither overdue nor impaired £000	1-30 days £000	31-60 days £000	61-90 days £000	91-120 days £000	over 120 days £000
31 March 2024	9,476	3,657	4,944	117	283	471	4
31 March 2023	8,202	5,270	1,333	1,330	89	83	97

15 Inventories

	Purchase of vehicles		Maintenance materials		Total	
	31 March 2024 £000	**31 March 2023 £000**	**31 March 2024 £000**	**31 March 2023 £000**	**31 March 2024 £000**	**31 March 2023 £000**
Balance outstanding at start of year	-	-	199	120	199	120
Purchase	35,214	-	173	123	35,387	123
Recognised as an expense in the year	(35,214)	-	(147)	(44)	(35,361)	(44)
Balance outstanding at year	**-**	**-**	**225**	**199**	**225**	**199**

16 Cash and cash equivalents

	31 March 2024 £000	31 March 2023 £000
Cash at bank and in hand	856	337
Short term deposits with GMCA	5,137	40,268
	5,993	**40,605**

Surplus cash funds available to TfGM were deposited with the GMCA depending on the immediate cash requirements of TfGM and GMCA. GMCA earns variable period rates of interest, none of which is receivable by TfGM. Such amounts are shown as 'Short term deposits with GMCA' above.

17 Current Liabilities

	31 March 2024 £000	Restated 31 March 2023 £000
Short term creditors		
Trade creditors	9,220	11,665
Taxation and social security	1,547	1,383
Accruals for expenditure recognised	61,625	56,014
Deferred income	6,987	5,498
Amounts due to GMCA	12,696	23,084
Other creditors	8,385	6,177
	100,460	103,821
Provisions (note 17)	3,814	2,235
Short term borrowings (note 18)	10,911	7,857
	115,185	**113,913**

Analysed between the following classes of creditors:

Central government bodies	1,737	1,744
Other local authorities	12,803	23,084
Other entities and individuals	100,645	89,085
	115,185	**113,913**

Trade creditors are non-interest bearing and are generally on terms of 30 days or less.

For terms and conditions pertaining to related parties, refer to note 23.

18 Provisions

Provisions are established to meet liabilities or losses which are likely or certain to be incurred, but the amounts or timings are uncertain. Provisions during the year may be analysed as follows:

	Total	Insurance Excess	Capital Works	Onerous Leases
	£000	**£000**	**£000**	**£000**
At 1 April 2023	8,177	175	7,808	194
Arising during the year	1,009	305	704	-
Utilised during the year	(3,394)	-	(3,393)	(1)
Unused amounts reversed	(856)	(15)	(841)	-
At 31 March 2024	**4,936**	**465**	**4,278**	**193**

Below is the aged expectation of the utilisation of the provisions.

	Total	Less than 12 months	Greater than 12 months
	£000	**£000**	**£000**
At 31 March 2023			
Insurance Excess	175	75	100
Capital Works	7,808	2,159	5,649
Onerous Lease	194	1	193
Other	-	-	-
	8,177	**2,235**	**5,942**
At 31 March 2024			
Insurance Excess	465	300	165
Capital Works	4,278	3,513	765
Onerous Lease	193	1	192
	4,936	**3,814**	**1,122**

The amounts provided above at 31 March 2024 are described below:

- Insurance excesses: Excesses on Public Liability claims, arising from minor accidents to the public, and Employers Liability claims for work related illnesses that were potentially incurred prior to the transfer of TfGM's bus operations following the implementation of the Transport Act 1985.
- Capital Works: Costs for works arising for land acquired in the ordinary course of delivering TfGM's capital programme, where the amount of payment is uncertain.
- Onerous lease: Future lease costs of a property held on a long term lease by TfGM.

19 Financial Instruments

Set out below is a comparison by class of the carrying amounts of TfGM's financial assets and financial liabilities that are carried in the financial statements in line with the IFRS 9 accounting standard:

	Carrying Amount		Fair Value	
		Restated		Restated
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Financial Assets:				
Held at fair value through Other Comprehensive Income				
Long term investments	4,450	4,450	4,450	4,450
Held at amortised cost				
Trade receivables	9,476	8,202	9,476	8,202
Amounts receivable from GMCA	57,570	54,318	57,570	54,318
Amounts due from group undertakings	258	102	258	102
Other debtors	25,302	14,266	25,302	14,266
Cash and cash equivalents	5,993	40,605	5,993	40,605
Financial Liabilities:				
Held at amortised cost				
Trade creditors	(91,927)	(96,941)	(91,927)	(96,941)
Loans and receivables: Interest bearing loans and borrowings:				
Fixed rate borrowings - due within one year				
Accrued Interest	(586)	(860)	(586)	(860)
PWLB debt	(10,325)	(6,997)	(10,337)	(7,198)
Market debt	-	-	-	-
Fixed rate borrowings - due after one year				
PWLB debt	-	(10,325)	-	(10,656)
Market debt	(22,469)	(29,003)	(25,267)	(33,225)

Fair Values

Fair value in IFRS 13 is defined as 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.

Assets and liabilities are carried at amortised cost where part of their carrying amount (as per the balance sheet) will either be written down or written up via the Comprehensive Income and Expenditure Statement over the term of the financial instrument.

For the purposes of the notes to the accounts, all assets and liabilities are given a fair value, although this is only shown in the balance sheet for long term investments. For many financial instruments the fair value will be the same as the outstanding principal amount, but for others there could be a significant difference.

The fair values of the following classes of financial instruments approximate their carrying amounts due to the short term maturities of these instruments:

- Trade receivables;
- Trade payables and accruals for expenditure recognised;
- Cash and short term deposits;
- Receivables from, and deposits with, GMCA; and
- Amounts due from group undertakings

The valuation technique for long term investments is level 2 – significant observable inputs. There have been no changes in valuation technique during the financial year.

Long term receivables have been evaluated based on collectability risk.

Loans and Borrowings

- For non-PWLB loans payable, the fair value of the current and long term debt has been measured at £25.267 million (2022/23: £33.225 million) using premature repayment rates. These are the rates that would apply if the loan was to be repaid early and is deemed to be the principal market for the current debt. A supplementary measure of the fair value using current market rates is £22.662 million (2022/23: £30.608 million).
- The fair value of Public Works Loan Board (PWLB) loans of £10.337 million (2022/23: £17.854 million) measures the economic effect of the terms agreed with the PWLB based on premature repayment rates. This is deemed to be the principal market for the PWLB loan debt. The difference between the carrying amount and the fair value measures the reduced interest that the authority 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 premature repayment rates.
- However, TfGM has a continuing ability to borrow at concessionary rates from the PWLB via the GMCA rather than from the markets. A supplementary measure of the additional interest that TfGM 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. If a value is calculated on this basis, the carrying amount of £10.325 million would be valued at £10.314million (2022/23: £17.718 million). But, if the authority 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. The exit price for the PWLB loans would be £0.012 million (2022/23: £0.164 million).
- The valuation techniques used for PWLB and non PWLB debt are at level 2 – significant observable inputs. There have been no changes in valuation technique during the financial year.
- The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value, which includes accrued interest as at the balance sheet date. TfGM has therefore included accrued interest in the fair value calculation.
- The discount rates used for the evaluation were obtained by GMCA from Link Asset Services (formally Capita). Link Asset Group is a leading and independent provider of capital financing, treasury advisory and strategic advisory consulting services to the public sector.
- Assumptions used, which do not have a material effect on the fair value evaluation are: interest is calculated using a 365 day basis; interest is paid on the maturity date; no adjustment is made to the interest value and date where a relevant date occurs on a non-working day.
- The repayment profile of loans and borrowings is taken into account during the TfGM's preparation and review of cash flow forecasts which are carried out on a regular basis.
- Public Works Loan Board loans were taken out to assist with the completion of Metrolink phase 2. The loans were taken out from 1997 to 2000 for a period of approximately 25 years and are repayable in full during 2023 and 2024. They are secured by Statute on all revenues.
- DePfa ACS bank loans were taken out in 2002 for 15 and 20 years. The loans taken out for 15 years have been fully repaid, whilst the loans taken out for 20 years were fully repaid in 2022. They were secured by Statute on all revenues.
- Dexia Credit loans were taken out in 2004 for 28-31 years and are repayable in full by 2032-2035 and are secured by Statute on all revenues

	Effective Interest Rate %	Maturity	2024 £000	2023 £000
Current:				
Accrued interest on all loans			586	860
Public Works Loan Board re Metrolink phase 2 - a	6.63%	May 2023	-	6,997
Public Works Loan Board re Metrolink phase 2 - b	4.75%	May 2024	1,208	-
Public Works Loan Board re Metrolink phase 2 - c	4.75%	May 2024	6,237	-
Public Works Loan Board re Metrolink phase 2 - d	5.00%	Nov 2024	2,880	-
			10,911	7,857

	Effective Interest Rate %	Maturity	2024 £000	2023 £000
Non-current:				
Public Works Loan Board re Metrolink phase 2 - a	6.63%	May 2023	-	-
Public Works Loan Board re Metrolink phase 2 - b	4.75%	May 2024	-	1,208
Public Works Loan Board re Metrolink phase 2 - c	4.75%	May 2024	-	6,237
Public Works Loan Board re Metrolink phase 2 - d	5.00%	Nov 2024	-	2,880
Dexia Credit Local - London Branch - a	4.75%	May 2032	7,000	7,000
Dexia Credit Local - London Branch - b	4.80%	May 2033	-	6,500
Dexia Credit Local - London Branch - c	4.80%	May 2034	7,000	7,000
Dexia Credit Local - London Branch - d	5.95%	May 2035	8,000	8,000
Accrued interest for stepped LOBO loan - Dexia d	5.95%	2013-35	469	503
			22,469	39,328
Total Loans and borrowings			**33,380**	**47,185**

	2024 £000	2023 £000
Instalments are payable as follows:		
Within 1 year or repayable on demand	10,911	7,857
Within 1 to 2 years	-	10,325
Within 2 to 5 years	-	-
Within 5 to 10 years	7,000	7,000
Longer than 10 years	15,469	22,003
	33,380	**47,185**

Risk Factors

TfGM'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 TfGM;
- Liquidity Risk – the possibility that TfGM might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that TfGM might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market Risk – the possibility that financial loss might arise for TfGM as a result of changes in such measures as interest rates or stock market movements.

Risks are managed in accordance with the Annual Governance Statement. Management of TfGM's cash balances and funding requirements is undertaken by the daily assessment of available funds for short-term deposits; and the regular preparation of detailed treasury and cash flow forecasts which are reviewed by the Head of Finance and the Director of Finance and Corporate Services. Where necessary, mitigating actions are taken and agreement is sought from GMCA officers if further funding is required to cover, for example, short term cash flow requirements arising from the timing difference between expenditure and grant monies being applied for and received.

Currency risk is not a significant factor for TfGM, as it ensures that substantially all financial assets and liabilities are contracted for in sterling. The value of contracts denominated in Euros is not material.

Equity price risk is not a factor for TfGM since it holds no tradable investments.

Credit risk

GMCA undertake all new borrowings and placing of investments on behalf of TfGM, there is an element of inherent credit risk in respect of these. This is managed in accordance with the policies and procedures set out in the accounts of GMCA and they therefore manage the credit risk in relation to borrowings and investments.

TfGM's debtors primarily relate to GMCA, other Local Authorities and Bus and Metrolink operators. For other debtors TfGM carries out credit assessments of all new customers before contracting with them. A prudent view is taken in respect of impairment of trade debtors as referred to in note 15.

Liquidity risk

TfGM manages its liquidity risk through a comprehensive cashflow management system to ensure that cash is available as needed. As stated above GMCA invest all excess cash on behalf of TfGM and manage the cash flow across the group. Where required, short term funding for working capital is provided by GMCA at zero interest cost to TfGM. The approach to managing liquidity risk across the group is set out in the accounts of GMCA.

TfGM has £22m lender option borrower option (LOBO) loans. These have fixed rates of interest, but the lender may seek to increase interest rates at which point TfGM has the option to repay the loan. As there is no certainty as to whether these loans will be repaid early, TfGM has treated them as fixed loans which will run to maturity. In forming this judgement TfGM has taken account of its ability to refinance through PWLB.

Market Risk

TfGM is exposed to interest rate movements on its borrowings. Movements in interest rates are limited to fixed interest rates on its borrowings. For example a rise in interest rates will result in the fair value of the borrowing liability falling. 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 Deficit / (Surplus) on the Provision of Services or Other Comprehensive Income and Expenditure.

20 Employee Benefits - Pension Costs

The substantial majority of the employees of TfGM participate in the Local Government Pension Fund Scheme (LGPS) which is administered by Greater Manchester Pension Fund ('the Fund') whose administrating authority is Tameside Metropolitan Borough Council. The scheme is a defined benefit scheme. The fund was valued using the projected unit method. The purpose of the valuation was to determine the financial position of the fund and to recommend the contribution rate to be paid by TfGM and the other participating employers.

A full actuarial valuation was carried out at 31 March 2022 by a qualified independent actuary. The market value of the Fund's assets at 31 March 2022 amounted to £29,324 million. The funding level of the Fund as measured using the actuarial method of valuation was 104% as at 31 March 2022.

The principal long term assumptions used by the actuary at that date were:

Rate of increase in salaries	3.7% per annum
Discount rate	3.6% per annum
Inflation assumption	2.9% per annum

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

The valuation has projected the valuation results of the full valuation undertaken as at 31 March 2023 forward to 31 March 2024 using approximate methods. The roll-forward allows for changes in financial assumptions, additional benefit accrual and estimated cash flows over the period.

TfGM recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge TfGM are required to make against Usable Reserves is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the Revenue Reserve via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Usable Reserves balance via the Movement in Reserves Statement during the year:

The pension costs of TfGM, representing the contributions payable to the Fund in respect of current employees, are charged to the revenue account in the year in which they are incurred.

In June 2011, the International Accounting Standards Board (IASB) issued an updated version of IAS19. The key change is that the interest cost and expected return on assets components of profit are now combined into a net figure. In effect this means that the expected return has been replaced by a figure that would be applicable if the expected return on assets was equal to the discount rate.

This has involved removing some disclosure requirements but new requirements have been added. The information below complies with the new disclosure requirements.

	Local Government Pension Scheme	
	2024	**2023**
	£000	**£000**
Comprehensive Income and Expenditure statement		
Cost of Services:		
Service cost comprising:		
Current service cost	(8,747)	(20,136)
Past service costs	(2,171)	(204)
Financing and Investment Income and Expenditure		
Net interest (expense) / income	(635)	(2,052)
Total Post-employment Benefits charged to the Surplus on the provision of services	**(11,553)**	**(22,392)**
Remeasurement of the net defined (liability) / benefit comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	6,735	(25,564)
Actuarial gains and losses arising on changes in demographic assumptions	2,287	3,894
Actuarial gains and losses arising on changes in financial assumptions	15,398	168,161
Other experience	(11,703)	(26,051)
Asset ceiling adjustment current year	(66,053)	(50,252)
Changes in the effect of the asset ceiling	52,639	-
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure statement	**(697)**	**70,188**
Movement in reserves statement		
Reversal of net charges made to the Surplus on the provision of services for post-employment benefits in accordance with the Code	11,553	22,392
Actual amount charged against the Usable Reserves Balance for pensions in the year:		
Employer’s contributions payable to scheme	11,327	9,027
Retirement benefits payable to pensioners	(19,628)	(16,404)

Pension assets and liabilities recognised in the Balance Sheet

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

	Local Government Pension Scheme	
	2024	**2023**
	£000	**£000**
Present value of the defined benefit obligation	(348,838)	(343,882)
Fair value of plan assets	400,404	380,570
Asset ceiling adjustment	(66,053)	(50,252)
Net asset / (liability) arising from the defined benefit obligation	**(14,487)**	**(13,564)**

Reconciliation of the Movements in the Fair Value of the Scheme

	Local Government Pension Scheme	
	2024	**2023**
	£000	**£000**
Opening value of the scheme assets	380,570	399,147
Effect of settlements		
Interest income	17,963	10,727
Remeasurement loss:		
The return on plan assets, excluding the amount included in the net interest expense	6,735	(25,564)
Other experience gains/(losses)		
Contributions from employer	10,699	9,597
Contributions from employees into the scheme	4,065	3,637
Contributions in respect of unfunded benefits	-	(570)
Benefits paid	(19,628)	(16,404)
Closing value of scheme assets	**400,404**	**380,570**

Reconciliation of Present Value of the Scheme Liabilities

	Funded liabilities: Local Government Pension Scheme	
	2024	**2023**
	£000	**£000**
Opening balance at 1 April	343,882	469,534
Effect of settlements	-	-
Current service cost*	8,747	20,136
Interest cost	16,211	12,779
Contributions from scheme participants	4,065	3,637
Remeasurement gains / (losses)		
Actuarial gains/losses arising from changes in financial assumptions	(15,398)	(168,161)
Actuarial gains/losses arising from changes in demographic assumptions	(2,287)	(3,894)
Other experience	11,703	26,051
Past service cost	2,171	204
Contributions for unfunded benefits	(628)	-
Benefits paid	(19,628)	(16,404)
Closing balance at 31 March**	**348,838**	**343,882**

*The current service cost includes an allowance for administration expenses of 0.3% (2023: 0.3%) of payroll.

** The closing liability includes £4.8 million of unfunded liabilities (2023: £4.6 million).

Impact of the Asset Ceiling Adjustment

Following the pensions valuation by TfGM's actuary, Hymans Robertson LLP, TfGM determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2024 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. TfGM's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

TfGM has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling. The remaining represents the unfunded liabilities which are not included in the asset ceiling adjustment and an additional liability has arisen because of a requirement to make future positive secondary contributions in respect of past service cost. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

	Local Government Pension Scheme 2024 £000	2023 £000
Opening value of the asset ceiling adjustment	(50,252)	-
Interest on the effect of the asset ceiling	(2,387)	-
Changes in the effect of the asset ceiling	52,639	-
Effect of the asset ceiling	(66,053)	(50,252)
Closing position as at 31 March 2024	**(66,053)**	**(50,252)**

Local Government Pension Scheme assets comprised:

	Local Government Pension Scheme			
	Quoted prices in active markets 2024 £000	**Quoted prices not in active markets 2024 £000**	**Quoted prices in active markets 2023 £000**	**Quoted prices not in active markets 2023 £000**
Cash and cash equivalents	8,765	-	10,280	-
Equity instruments				
Consumer	17,477	-	14,240	-
Manufacturing	15,959	-	13,102	-
Energy and utilities	15,588	-	11,699	-
Financial institutions	24,502	-	20,220	-
Health and care	14,433	-	11,870	-
Information technology	15,056	-	16,727	-
Other	3,233	-	2,695	-
Sub-total equity	106,248	-	90,553	-
Bonds:				
By sector				
Corporate	100,156	-	129,298	-
Government	7,646	-	5,664	-
Other	9,010	-	7,054	-
Sub-total bonds	116,812	-	142,016	-
Property:				
UK property	-	11,689	-	9,220
Private equity	-	19,786	-	17,728
Investment funds and unit trusts				
Equities	13,498	-	12,660	-
Bonds	28,940	-	21,031	-
Infrastructure	-	24,479	-	18,939
Other	28,995	41,192	25,229	32,915
Sub-total other investment funds	71,433	65,671	58,920	78,802
Derivatives:				
Other	-	-	-	-
Total assets	**303,258**	**97,146**	**301,769**	**78,802**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, rates of inflation and discount rates.

The Local Government Pension Scheme liability has been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Greater Manchester Pension Fund being based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2024	**2023**
Mortality assumptions		
Longevity at 65 for current pensioners		
Men	18.8 years	19.0 years
Women	22.0 years	22.2 years
Longevity at 65 for future pensioners		
Men	22.2 years	22.3 years
Women	25.2 years	25.4 years
Rate of inflation		
Rate of increase in salaries	3.60%	3.80%
Rate of increase in pensions	2.80%	3.00%
Rate for discounting scheme liabilities	4.80%	4.75%

The return on the Employers' portion of the main fund assets for the year to 31 March 2024 is 7.2% (2023: 1.8%).

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Impact on the Defined Benefit Obligation in the scheme			
	2023/24		**2022/23**	
	Approximate % increase to Employer	**Approximate monetary amount £000**	**Approximate % increase to Employer**	**Approximate monetary amount £000**
Rate of increase in salaries (increase or decrease by 0.1%)	2%	5,916	0.2%	690
Rate of increase in pensions (increase or decrease by 0.1%)	0%	654	1.6%	5,210
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2%	5,360	1.8%	5,869

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5% (2023: 3-5%). In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages).

Impact on the Authority’s Cash Flows

The objectives of the scheme are to keep employers’ contributions at as constant a rate as possible. TfGM has agreed a strategy with the scheme’s actuary to achieve a funding level of 100%. Funding levels are monitored on an annual basis. The last triennial valuation was completed as at 31 March 2022.

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

TfGM anticipates paying £10,699,000 (2023/24: £9,597,000) in expected contributions to the scheme in 2024/25.

The following table shows the weighted average duration of the key assumptions for Greater Manchester Pension Fund liabilities:

Weighted Average Duration

	Short 31 March 2024 % p.a.	Medium 31 March 2024 % p.a.	Long 31 March 2024 % p.a.
Pension increase rate	2.80%	2.75%	2.75%
Retail Price Inflation (RPI)	3.20%	3.10%	3.05%
Discount rate	4.80%	4.85%	4.85%

	Short 31 March 2023 % p.a.	Medium 31 March 2023 % p.a.	Long 31 March 2023 % p.a.
Pension increase rate	3.00%	2.95%	2.95%
Retail Price Inflation (RPI)	3.30%	3.20%	3.15%
Discount rate	4.75%	4.75%	4.75%

21 Reserves

Usable Reserves

The usable reserves relate to Revenue Reserves and the Unapplied Capital and Revenue Grants and Contributions Accounts.

Unusable Reserves

Unusable reserves comprise Corporate Capital Reserve, Revaluation Reserve, Pension Reserve, Deregulation Reserve and Deferred Capital Receipts Account.

Corporate Capital Reserve

This primarily relates to the reserves of the entities from which the Greater Manchester Passenger Transport Executive (GMPTE) was formed. On 1 April 2011 GMPTE was renamed Transport for Greater Manchester (TfGM).

Revaluation Reserve

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

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

Pension Reserve

This relates to the net pension liability at 31 March 2024 in accordance with the actuary's report. Further details are shown in Note 20.

Deregulation Reserve

The reserve represents the costs relating to the transfer of Greater Manchester Passenger Transport Executive's bus operations to Greater Manchester Buses Limited following the implementation of the Transport Act 1985. As required by the Act, and in accordance with the transfer scheme, which was approved by the Secretary of State for Transport, GMPTE transferred its bus operation activities and certain of its assets and liabilities to this new company. The Deregulation Reserve represents payments and losses incurred by GMPTE with respect to deregulation on 25 October 1986, which were not charged to profit and loss. On 1 April 2011, under a parliamentary order, Statutory Instrument 2011 number 908 The Greater Manchester Combined Authority Order 2011 article 9(2), GMPTE changed its name to TfGM.

Although there is no legal requirement to amortise this reserve, TfGM acknowledges the prudence of taking steps to reduce the levels of ongoing borrowing by which the deregulation was originally funded. To this end, TfGM commenced transferring the Deregulation Reserve to the Revenue Reserve from 2006 over a period of 30 years. The amount of capital being amortised will increase in future years as interest on the loans supporting the reserve reduces.

Capital Adjustment Account

The Capital Adjustment Account represents the value of capital grants received, which are not subject to conditions which may give rise to repayment thereof, less the amortisation of grants in line with the write off of equivalent depreciation on the value of assets that were supported by the grants.

Analysis of Movement in reserves:

2022/23	**Usable Reserves**				**Unusable Reserves**						**Total Reserves**
	Revenue Reserves £000	**Unapplied Revenue Grants and Contributions Account £000**	**Unapplied Capital Grants and Contributions Account £000**	**Total Usable Reserves £000**	**Corporate Capital £000**	**Revalua-tion Reserve £000**	**Pension Reserve £000**	**De-regulation Reserve £000**	**Capital Adjustment Account £000**	**Total Unusable Reserves £000**	**£000**
At 31 March 2022	**48,533**	**314**	**887**	**49,734**	**2,461**	**6,888**	**(70,387)**	**(39,861)**	**1,979,821**	**1,878,922**	**1,928,656**
Surplus on provision of services	(24,931)	-	-	(24,931)	-		-	-	-	-	(24,931)
Other comprehensive income and expenditure	-	-	-	-		-	70,188	-	-	70,188	70,188
Comprehensive income and expenditure	(24,931)	-	-	(24,931)	-	-	70,188	-	-	70,188	45,257
Adjustments between accounting basis and funding basis under regulations											
Depreciation on assets funded by capital grants	83,161	-	-	83,161	-		-	-	(83,161)	(83,161)	-
Capital grants released (disposals)	1,548	-	-	1,548	-		-	-	(1,548)	(1,548)	-
Capital grants applied	(72,091)	-	(317)	(72,408)	-		-	-	72,408	72,408	-
Pension contributions by employer	(9,027)	-	-	(9,027)	-		9,027	-	-	9,027	-
Pension cost of service	20,340	-	-	20,340	-		(20,340)	-	-	(20,340)	-
Pension finance costs	2,052	-	-	2,052	-		(2,052)	-	-	(2,052)	-
	25,983	-	(317)	25,666	-	-	(13,365)	-	(12,301)	(25,666)	-
Net increase / (decrease) before transfers to earmarked reserves	1,052	-	(317)	735	-	-	56,823	-	(12,301)	44,522	45,257
Transfer from Revaluation Reserve	264	-	-	264	-	(264)	-	-	-	(264)	-
Transfer to Deregulation Reserve	(2,598)	-	-	(2,598)	-	-	-	2,598	-	2,598	-
Increase / (decrease) in 2022/23	(1,282)	-	(317)	(1,599)	-	(264)	56,823	2,598	(12,301)	46,856	45,257
At 31 March 2023 restated	**47,251**	**314**	**570**	**48,135**	**2,461**	**6,624**	**(13,564)**	**(37,263)**	**1,967,520**	**1,925,778**	**1,973,913**

2023/24	**Usable Reserves**				**Unusable Reserves**						**Total Reserves**
	Revenue Reserves £000	**Unapplied Revenue Grants and Contributions Account £000**	**Unapplied Capital Grants and Contributions Account £000**	**Total Usable Reserves £000**	**Corporate Capital £000**	**Revalua-tion Reserve £000**	**Pension Reserve £000**	**De-regulation Reserve £000**	**Capital Adjustment Account £000**	**Total Unusable Reserves £000**	**£000**
At 31 March 2023 restated	**47,251**	**314**	**570**	**48,135**	**2,461**	**6,624**	**(13,564)**	**(37,263)**	**1,967,520**	**1,925,778**	**1,973,913**
Surplus on provision of services	55,676	-	-	55,676	-		-	-	-	-	55,676
Other comprehensive income and expenditure	-	-	-	-		-	(697)	-	-	(697)	(697)
Comprehensive income and expenditure	55,676	-	-	55,676	-	-	(697)	-	-	(697)	54,979
Adjustments between accounting basis and funding basis under regulations											
Depreciation on assets funded by capital grants)	86,345	-	-	86,345	-	-	-	-	(86,345)	(86,345)	-
Capital grants released (disposals)	2,574	-	-	2,574	-	-	-	-	(2,574)	(2,574)	-
Capital grants applied	(144,098)	-	1,812	(142,286)	-	-	-	-	142,286	142,286	-
Pension contributions by employer	(11,327)	-	-	(11,327)	-	-	11,327	-	-	11,327	-
Pension cost of service	10,918	-	-	10,918	-	-	(10,918)	-	-	(10,918)	-
Pension finance costs	635	-	-	635	-	-	(635)	-	-	(635)	-
	(54,953)	-	1,812	(53,141)	-	-	(226)	-	53,367	53,141	-
Net increase / (decrease) before transfers to earmarked reserves	723	-	1,812	2,535	-	-	(923)	-	53,367	52,444	54,979
Transfer from Revaluation Reserve	309	-	-	309	-	(309)	-	-	-	(309)	-
Transfer to Deregulation Reserve	(3,200)	-	-	(3,200)	-	-	-	3,200	-	3,200	-
Increase / (decrease) in 2023/24	(2,168)	-	1,812	(356)	-	(309)	(923)	3,200	53,367	55,335	54,979
At 31 March 2024	**45,083**	**314**	**2,382**	**47,779**	**2,461**	**6,315**	**(14,487)**	**(34,063)**	**2,020,887**	**1,981,113**	**2,028,892**

22 Agency Services

Bus Services Operator Grant

The Bus Services Operator Grant (BSOG) is a grant paid to operators of eligible bus services and community transport organisations to help them recover some fuel costs. The amount each bus operator receives is based on their annual fuel consumption. In 2017/18 the funding was devolved to TfGM via GMCA to reimburse Greater Manchester non franchised bus operators in line with the national scheme.

Clean Air

As Operating Body, TfGM is responsible for the implementation and management of the GM Clean Air Plan.

Although TfGM has discretion over how the service is managed, the outputs have been agreed with the 10 districts and the GMCA through the funding and Business Case mechanism, in addition to the Local Authorities authorising TfGM (via the delegation of executive functions of this kind by the 10 GM authorities governed by the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 (the 2012 Regulations)) to act in a coordinating and delivery role. As such, TfGM does not have any of the associated risks or rewards of the scheme.

23 Related party disclosures

a) Group companies

These financial statements include the financial statements of TfGM only. TfGM has the following interests in other companies but these have not been consolidated on the basis of materiality:

Name of Company	Equity Interest	Nature of business
Transport for Greater Manchester Limited	100%	Non-trading dormant company

TfGM and Manchester City Council are partners in Piccadilly Triangle Developments LLP (PTD LLP). TfGM has a 50% share of PTD LLP. This partnership is for the development of an area of land in Manchester, which commenced in May 2005. PTD LLP made a profit during the year of £660,000 (*2023 £*902,000).

TfGM, Manchester City Council and London and Continental Railways Limited have formed the Mayfield Partnership Limited Partnership. The partnership is seeking to regenerate the former Mayfield Depot site situated near Piccadilly Station. Each party has pooled their existing land interests with a view to bringing forward significant development, employment, and business opportunities. Each party has contributed their existing land interests as set out in a Land Pooling Agreement dated 22 January 2015 which also sets out the equity participation, this is currently 10% for TfGM. This Partnership has then entered into a Limited Partnership, the Mayfield Development Partnership LP with the private sector development partner U And I Group Plc.

In 2019/20 TfGM entered into an arrangement with Peel Group to form two joint venture vehicles; TfGM Peel Wharfside 1 LLP and TfGM Peel Wharfside 2 LLP. Each of TfGM and Peel Property (Partnerships) Limited (a company within the Peel group) hold membership interests in each of these limited liability partnerships. TfGM Peel Wharfside 1 LLP has been granted a long lease of the former 'Communisis' site, and TfGM Peel Wharfside 2 LLP has been granted a long lease of the site known as 'Wharfside' (each site is adjacent to the Metrolink Trafford Park Line). The manner in which these sites will be dealt with is being progressed between TfGM and Peel, in accordance with the agreed joint venture arrangements.

Central Government has effective control over the general operations of the TfGM. It is responsible for providing the framework within which TfGM operates and provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that TfGM has with other parties.

In addition to the entities named above and PTD LLP, the directors regard GMCA as a related party.

b) Greater Manchester Combined Authority

Greater Manchester Combined Authority (GMCA) is the ultimate controlling party, by virtue of its ability to direct the financial and operating policies of TfGM. Additionally, the Chief Executive of GMCA is also the Chief Executive of TfGM and the Treasurer of GMCA is a Non Executive Director of TfGM. A summary of the transactions with GMCA has been provided below.

The following entities are consolidated within the GMCA group accounts; the Chief Constable of Greater Manchester, NW Evergreen Holdings Limited Partnership, Greater Manchester Evergreen 2 Limited Partnership and Greater Manchester Fund of Funds Limited Partnership. No transactions took place between TfGM and any of these entities. There are various other group entities within the GMCA group and the only transaction that took place in the year were with Greater Manchester Accessible Transport Limited (GMATL). These transactions have been included in the summary provided below.

c) Greater Manchester Pension Fund

In line with the definition of a related party in the code of practice, any entity that is a post-employment benefit plan for the benefit of employees of the reporting entity is to be disclosed. Under this basis, Greater Manchester Pension Fund are a related party. For more details of associated transactions please see note 19.

d) General

A summary of the transactions in the year, and the balances outstanding at the end of the year, in respect of related parties, is contained within the following table:

	Transactions during year		**Balances at 31 March**	
	Income from £000	**Expenditure with £000**	**Receivable from £000**	**Payable to £000**
GMCA – grant / sales related 2024 (notes 14 and 17)	492,050	1,448	57,570	12,696
GMCA – grant / sales related 2023 (notes 14 and 17)	311,392	945	54,318	23,084
GMCA - short term deposits 2024	-	-	5,137	-
GMCA - short term deposits 2023	-	-	40,268	-
GMATL 2024	28	3,442	8	-
GMATL 2023	-	3,686	10	-
Piccadilly Triangle Developments 2024	347	-	258	-
Piccadilly Triangle Developments 2023	351	-	102	-

Further details of TfGM's relationship with, and the grants received from GMCA are contained within the Directors' report. Outstanding balances as at 31 March are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received. No impairment of receivables has occurred during the year.

24 Commitments

	2024 £000	2023 £000
Capital commitments at balance sheet date	49,177	59,279

The key commitments for 2023/24 are in relation to the following projects:

- Metrolink Renewals / Enhancements £16.2m (2022/23: £6.1m). Tram Enhancements (£7.9m), Renewals (£5.7m) and Infrastructure improvements (£2.6m)
- Rail Access for All £7.0m (2022/23: £2.1m). Including design and build contracts at Irlam, Daisy Hill relating to access improvement works. Further commitments relating to customer information systems at 14 stations.
- Bus Franchising £6.9m (2022/23: £0.4m). This relates to hardware, installation and software for CCTV, Radio and Ticketing equipment across franchised buses.
- Zero-emission Buses and Electrification £6.8m (2022/23: £25.8m). Relates largely to electric buses not yet delivered (£4.5m) and the continuing electrification works at depots (£2.3m)
- Interchanges £4.4m (2022/23: £43.9m). Relates to Stockport Interchange and associated works (£3.3m) and design of Bury Interchange (£1.2m)

Lease commitments

There were no amounts due under external finance leases and hire purchase contracts for TfGM. There are no annual commitments under non-cancellable operating leases other than for land and buildings, details of which are noted below.

	2024 £000	2023 £000
Land and buildings		
Payments due within 1 year	377	319
Payments due between 2 and 5 years	1,290	599
Total payments due thereafter	8,992	7,323
	10,659	**8,241**

25 Contingent assets and liabilities

A contingent liability exists in relation to a claim received from a third party for damages. There are ongoing proceedings and liability is denied. Due to this, the final amount payable, if any, in relation to this claim is uncertain. The Directors consider that the provision of additional information could be prejudicial to its position in resolving this matter.

26 Post balance sheet events

On 16 June 2023, the High Court made a significant ruling in Virgin Media Ltd v NTL Pension Trustees II Ltd and others regarding the validity of amendments made to benefits in contracted-out pension schemes between 6 April 1997 and 6 April 2016. According to the judgement, any amendments to scheme benefits made during that period will be void unless the scheme actuary had confirmed at the time of the amendment that the pension scheme would continue to satisfy the statutory standard for contracted-out schemes. This is required by section 37 of the Pension Schemes Act 1993.

The High Court ruling was appealed but the Court of Appeal upheld the High Court's decision on 25 July 2024. This decision has raised uncertainty for pension schemes that were formerly contracted-out on a salary related basis between 1997 and 2016. However, there remains a large amount of uncertainty as to whether the Secretary of State will introduce remedial legislation that would validate changes retrospectively in appropriate circumstances. There are also several unresolved national issues in relation to this case, such as what counts as written actuarial confirmation or could be deemed as sufficient evidence to validate the amendment.

Given the continuing legislative uncertainties around the case, the impact of this ruling on LGPS liabilities is not yet known at 18 June 2024 and therefore no adjustments have been made to the financial statements for the year. Management will continue to monitor developments in this case and consider the impact on LGPS liabilities where further information becomes available.

27 Prior period adjustment

In 2022/23 the costs incurred for the purchases of buses for bus franchising was included in assets under construction within the property plant and equipment line on the balance sheet. The equivalent amount of capital grant funding had also been accounted for as a capital grant receipt from GMCA. The buses were purchased with the intent of selling within 12 months (at the commencement of each franchise) and are therefore not capital assets as will be held for less than a year. The correct accounting treatment would be to recognise these within inventory when TfGM was liable for the cost of the bus and then to transfer to the CIES when disposed of. As no buses were delivered in 2022/23 all costs and income should have been recognised in 2023/24. The 2022/23 accounts have been restated to exclude this income and expenditure. The purchase of buses and equivalent funding has been recognised in 2023/24.