GMCA GREATER MANCHESTER COMBINED AUTHORITY

Annual Statement of Accounts

Year ended 31 March 2019

Subject to Audit

Annual Statement of Accounts 2018/19

Contents

Narrative Report by the Authority Treasurer

Welcome to the Greater Manchester Combined Authority's (the Authority) Annual Statement of Accounts for 2018/19. The statements have been prepared in accordance with the requirements of the Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

This narrative report aims to provide information so that members of the public, Council Members, partners, stakeholders and other interested parties are able to have:

- A full and understandable explanation of the overarching financial position of the Authority and the outturn for 2018/19;
- Confidence that the public money with which the Authority has been entrusted has been used and accounted for in an appropriate manner;
- Assurance that the financial position of the Authority is sound and secure.

This narrative report provides information about the Authority, including the key issues affecting the Authority and its accounts. It also provides a summary of the financial position at 31 March 2019 and is structured as below:

- How the Authority Performed in 2018/19
- Devolution and Impact in 2018/19
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- Capital Programme and Financing 2018/19
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How the Authority Performed in 2018/19

Greater Manchester is one of the UK's most successful cities and wants to become one of the best in the world.

The Authority is made up of the ten Greater Manchester Council Leaders and the Mayor who work with other local services, businesses, communities and other partners to improve the city-region.

The ten Greater Manchester councils (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) have worked together voluntarily for many years on issues that affect everyone in the region, like transport, regeneration, and attracting investment.

Greater Manchester elected its first Mayor, Andy Burnham, in 2017 and together a blueprint for the future of the city-region was created – Our People Our Place, the Greater Manchester Strategy (the GM Strategy). The GM Strategy was approved by the Local Enterprise Partnership and the GM Centre for Voluntary Organisation as well as the Authority and its partners. In this way, it brings together the public, private and voluntary and community sectors in delivering a bold new vision to make Greater Manchester one of the best places in the world to grow up, get on and grow old.

The GM Strategy sets a comprehensive plan to create a more productive and inclusive city region and addresses education and skills, health, wellbeing, environment, work and economic growth simultaneously to make a real difference to the lives of those living and working in GM. It is focused on the two themes of people and place and is structured around 10 priorities based on a 'life journey' approach.

In April 2018, the Authority agreed a two year Implementation Plan for the GM Strategy with the inclusion of ambitions to be achieved by 2020 and delivery milestones for the first six months, with subsequent milestones being agreed on a rolling six monthly basis. Alongside the Implementation Plan, the GM Strategy Performance Dashboard has been developed to track progress against key outcomes and indicators. Good progress has been made across the whole range of priorities (with further detail provided below) demonstrating the benefits of collaboration and how devolution is continuing to make a real difference to the lives of the people of Greater Manchester, though there remains further challenges and opportunities going forward.

Development of the Greater Manchester Local Industrial Strategy

Greater Manchester is one of three trailblazer areas working with HM Government (HMG) to develop a Local Industrial Strategy. Development has been based on the 2017 Autumn Budget agreement between the Authority and HMG that set out that we would work together to develop a GM Local Industrial Strategy that reflected the main themes of the national Industrial Strategy, but also took a place-based approach that builds on Greater Manchester's unique strengths and opportunities and ensures everyone can contribute to and benefit from enhanced productivity, earnings and economic growth, thus reflecting and complementing the overarching vision within the GM Strategy.

During 2018/19 work to develop the GM Local Industrial Strategy concentrated on describing how we will implement and align key actions and identify where further devolution and strengthened partnership working between Greater Manchester and HMG will deliver improved outcomes across the city region. The GM Local Industrial Strategy will also set out priority actions for taking forward the 'Five Foundations of Productivity' and the 'Grand Challenges' facing the UK economy ('Ageing Society', 'Clean Growth', 'Data and Artificial Intelligence' and 'Future of Mobility'). To develop the GM Local Industrial Strategy, Greater Manchester has followed a three strand process: developing a robust and independently verified evidence base; a broad public consultation; and joint policy development work with districts and HMG departments.

Growing the Economy

Over the past year, the Authority and its partners worked to be ever more connected, productive, innovative and creative, known for the excellent quality of life enjoyed by residents who are able to contribute to and benefit from the prosperity that economic growth brings. Inclusivity and opportunities for all being at the heart of Greater Manchester's strategic approach helped drive up productivity and economic growth across the region.

The GM Investment Strategy continued to support regeneration and job creation in the Greater Manchester area through targeted investment that reflects the strengths and opportunities in the local economy. In March 2019, the GM Investment Strategy for business funding was refreshed to take a sectoral approach, focusing on the growth sectors identified in the draft GM Local Industrial Strategy.

The GM Investment Fund is focused on our strategic priorities in business, housing and commercial property. The GM Investment Strategy was based on sustainably generating returns that can be recycled and reinvested – as existing loans are repaid they can be reinvested in new projects. The fund brought together a range of development funds with the clear objective to safeguard or create jobs. As at the end of 2018/19, the GM Investment team held over £635m of funds (not including recycled monies) under direct and indirect management. Projects to the value of £772m have been approved to date across all funds.

The GM Investment Strategy also provided a platform for working in partnership with the private sector and has secured over £1.1 billion of private sector funding.

As part of this overarching programme, the business funds offered investments at commercial rates to businesses and organisations to fund schemes that boost local employment, improve people's skills and contribute to the region's economic growth. These funds have invested over £131m into more than 160 companies across Greater Manchester who are contracted to create and safeguard over 7,500 jobs.

The Regional Growth Fund Programmes finished in March 2018, significantly exceeding the jobs and private leverage targets.

The GM Investment Strategy also strengthened the drive to see Greater Manchester at the leading edge of science and technology. The £30m Life Sciences Fund was established in 2016 in partnership with Cheshire East Council and Bruntwood to further develop the Alderley Park site and support life sciences businesses across the city region. As at 31st March 2019 the Fund had committed £16m into 26 businesses and has created 157 jobs from those investments. The overall target for the Fund is to create/safeguard 370 jobs over 15 years and the investments to date show good progress against this target.

Commercial property funds have supported the development of 337,437m^2 of commercial floor space and the redevelopment of over 22 hectares of Brownfield land. Developments in the year are expected to unlock over 58,000m^2 of industrial space.

The Greater Manchester Housing Fund aims to unlock the delivery of at least 10,000 homes over the 10 year life of the fund providing the high quality housing offer needed to support GM's economic growth. Over £426m has been committed so far to support the delivery of almost 5,800 new homes. The Housing Investment Fund novated from Manchester City Council to the Authority in 2018/19.

Business Support and Innovation

Greater Manchester has an economy worth over £64bn and around 125,000 businesses, with a diverse business base and a number of world leading industries from health innovation to digital industries, to engineering and financial services along with the large cultural and creative cluster outside London.

Business Growth Hub

To maintain and grow the Greater Manchester business base, it is essential that the city region's business support infrastructure continues to be fit for purpose – providing an integrated service to bring trade, investment and growth to Greater Manchester.

The Business Growth Hub is delivered by the Growth Company one of the Authority's key partners. It provides a single 'go to' access point for impartial and trusted business advice and support. The Hub, which delivers a range of Business Start-up and Growth advice specialist services, also integrates national and local schemes, making accessing the best of public and private sector business support simpler.

The Business Growth Hub's portfolio of services in 2018/19 saw the implementation of the £26m Greater Manchester Productivity and Inclusive Growth Programme targeting highly productive sectors. This was alongside continued work with the Department for Business, Energy and Industrial Strategy as part of the national Growth Hub network to deliver enquiry handling by phone and web, identify and diagnose business needs and introduce businesses to the right services to address their growth challenges. This included providing growth advice, delivering targeted services for businesses with the potential to scale-up and internationalise and access to specialist services enabling businesses to innovate, harness digital technology, or reduce their carbon footprint.

Looking forward, the Business Growth Hub continues to be a leading member of the national Growth Hub network and chairs the Northern Powerhouse Growth Hub Network, helping to share best practice, share intelligence and forge collaboration.

Digital City Region

Greater Manchester has made important strides in becoming the UK's leading Digital City region over the past 12 months. A Digital Strategy has been developed as a framework for action. Greater Manchester is implementing the largest Local Full Fibre Networks programme in the UK connecting over 1,300 public sector premises with 450km of full fibre which is expected to lead to 25% of the city region's premises having full fibre connections within three years. In addition, work is in progress with all 5G mobile operators to accelerate roll out of next generation 5G mobile technologies.

Green City Region

At the Green Summit, held in March 2019, the city region launched a five year Environment Plan and confirmed its target to become carbon neutral by 2038. The aim is for Greater Manchester to be a clean, carbon neutral, climate resilient city-region with a thriving natural environment and circular, zero-waste economy.

To support the realisation of this vision, the Authority has this year been successful in securing European funding to support planning for climate change adaptation and researching how best to support people in fuel poverty. The Authority has also secured UK funding to research a Local Energy Market and the design of an Energy Transition Region, and to support energy efficiency and generation measures in fuel poor homes. In addition, the Authority has supported successful bids to the Ministry for Housing Communities and Local Government (MHCLG) for two £10m European Regional Development Fund (ERDF) projects, Energy House 2.0 and Homes as Energy Systems. A further call for the remaining Low Carbon ERDF funding available was launched in April 2019.

During 2018/19 the Authority ran a procurement process for the management of its waste disposal services. During this procurement period, a run-off contract was in operation with the former Private Finance Initiative (PFI) Contract operator, Viridor Waste (Greater Manchester) Limited.

The Authority has ambitious waste plans to achieve recycling rates of over 50% and diversion from landfill of over 90% by 2020. The Authority has appointed Suez as preferred tenderer for its Waste and Resource Management and Household Waste Recycling Centre (HWRC) Management Contracts. The new contracts commenced on 1 June 2019.

The latest verified figures from the Department for Environment, Food and Rural Affairs WasteDataFlow system are from 2017/18, and record the Authority as diverting 88.5% of waste from landfill and having a recycling rate for household waste of 47.1%. Figures for 2018/19 will be verified by the end of 2019. To support the targeted increase in diversion from landfill and recycling rates, the Authority has developed a Waste Communications and Behavioural Change Delivery Plan with five main aims:

- Reduce contamination and improve the quality of recyclates;
- Encourage waste prevention - raise awareness and educate residents about how to reduce household waste;
- Increase recycling at the HWRCs to meet the target of 60%;
- Develop and promote the Authority's Waste educational service; and
- Raise awareness of recycling across Greater Manchester and engage with residents using a range of on and offline media.

Skills and Employment

Skills and Employment support are the thread which links all aspects of the Greater Manchester Strategy and have been highlighted as key to a successful Local Industrial Strategy. Greater Manchester is working to create the integrated skills and employment system needed to respond to the challenges and opportunities linked to the Local Industrial Strategy and to achieve its ambitions for its residents and businesses.

Careers inspiration, advice and guidance remains a key priority for Greater Manchester, and we have launched one of the 20 Careers Hubs across England designed to help young people develop relationships and connections with employers and businesses, as well as inspiring them to consider a wide range of employment opportunities. The Bridge GM Careers Hub model, which was launched in October 2018 and represents around £0.5m investment by the Authority, Department for Education and the Careers and Enterprise Company (CEC), will see a 'community of practice' established involving 36 schools and colleges, which will in turn support capacity building across other schools, demonstrating the impact and prestige of careers as an element of school improvement more generally.

More broadly, tailored support for young people with careers information, advice and guidance has been delivered in partnership with the CEC. The GM Careers and Enterprise Adviser Network bridges the gap between education and employers, enabling business leaders to work strategically with schools to guide the development of an effective and innovative careers and employer engagement plan. The integrated GM/CEC model has expanded since 2018 from 59 Enterprise Advisers (EAs) working with 67 schools and colleges to a network of 130 EAs matched with 169 schools across Greater Manchester, with the ambition for all of Greater Manchester's schools and colleges to have access to an EA over time. In addition, in February 2019, the Authority launched the GM Digital Skills Programme to develop the next generation of digital talent.

During 2018/19, apprenticeships remained a key pathway into work and skills improvement for our residents, as well as one of the ways in which the devolved Adult Education Budget will support individuals' progression from 2019/20 and beyond. Building on the momentum of the devolved Apprenticeship Grant for Employers, during March 2019, Greater Manchester launched an Small and Medium Enterprise (SME) Apprentice Support offer – a £1.9m support package, which will provide the tools and funding needed to help more than 1,500 small employers and create at least 700 new apprenticeship opportunities.

Greater Manchester's public sector is aiming to lead by example in its co-ordinated approach to the ways in which it recruits and trains apprentices within its public services and the way in which public sector organisations buy apprenticeship training. To date, this approach has supported over 6,000 apprenticeship starts across GM's public services. It has also seen delivery of a number of new collaborative apprenticeship programmes, including three local authorities working together to launch the new Social Worker Degree Apprenticeship - the first programme of its kind in the country - featuring bespoke delivery designed specifically for GM.

Greater Manchester has also been one of five areas selected to be part of the 5 Cities Pilot, launched by Ministers at an event in Trafford in early 2018. The Pilot aims to widen participation in Apprenticeships for people from Black, Asian and Minority Ethnic (BAME) backgrounds, currently underrepresented within Apprenticeships proportionate to the working age population as a whole, to consider how apprenticeship diversity can benefit individuals, communities and support business performance and growth.

Turning to employment support, the devolved GM Working Well (Work and Health Programme) continues to support GM residents who are out of work due to poor health/disabilities and the long term unemployed, to help address their individual barriers to employment with a view to helping them enter or return to work. The £52m programme will support over 22,000 GM residents over its five year span (2018-2024). To date, around 4,000 individuals have started to receive support on the programme across GM and over 800 of those participants have now entered employment.

As part of GM's wider transformation programme linked to employment and health, the Authority and the GM Health and Social Care Partnership developed and commissioned a new Working Well Early Help programme, which went live in March 2019, will run for 36 months and support a total of 11,000 GM residents. This programme will design and test an early intervention system available for GM residents in work who become ill and risk falling out of the labour market, or are newly unemployed due to health issues or disability, in order to enable a more rapid and sustainable return to the labour market.

Looking to the future, GM continues to work with central Government to identify new ways of working and opportunities for innovation, including those linked to devolution. To that end, in October 2018 HM Treasury announced three new skills pilots for Greater Manchester, worth a total of £20m. These pilots, which will commence delivery in 2019, will focus on digital skills, skills for the self-employed, and a Future Workforce pilot to provide training for young people who are not in education, employment or training.

The Authority has also been accelerating preparations for devolution of the Adult Education Budget (AEB) from the 2019/20 academic year, worth in the region of £92m annually.

Housing

The Greater Manchester Plan for Homes, Jobs and the Environment (GM Spatial Framework) was published for consultation in January 2019. The GM Spatial Framework was re-written to reinforce Greater Manchester's ambition to bring forward Brownfield Land, reduce the net loss of Green Belt and provide stronger protection for our important environmental assets. It enables Greater Manchester to meet its Local Housing Need, promotes our new approach to town centres, supports wider strategies around clean air, walking and cycling and underpins the ambition to be a carbon neutral city-region by 2038.

Planning Delivery Fund (PDF) funding of £0.95m was secured from MHCLG in March 2018 for the financial years 2017/18 and 2018/19. The PDF has been used to support GM's objective to boost housing supply on brownfield sites and within our town centres as part of the Mayor's Town Centre Challenge. The PDF has provided additional capacity to support delivery of projects designed to deliver housing development as part of the Housing Infrastructure Fund; helped to support the implementation of the Land Remediation Cost Calculator Tool, working with British Geological Survey; supported a collaborative project with Arcadis to develop an automated model of the site viability process using standardised inputs (in accordance with the national viability assessment process) to improve confidence in the delivery of our residential land supply pipeline, and support the development of the GM Infrastructure Strategy (framework stage) as well as helping to bring forward specific district priority projects which will directly bring forward housing delivery across GM.

Tackling homelessness

Tackling homelessness and rough sleeping have continued to be key priorities and policy objectives in 2018/19. During the year, the GM Strategy endorsed the goal to end the need for rough sleeping in Greater Manchester by 2020 and a considerable range of activity has been undertaken to take decisive steps towards this.

During the year, a key highlight was the delivery of the 'A Bed Every Night' scheme across Greater Manchester. This was a considerable undertaking and is a nationally ground-breaking programme. Funds of up to £1.8m were provided to deliver accommodation and support to well over 1,000 individuals who were at imminent risk of sleeping on the streets.

Part of this funding was secured through the GM Homelessness Prevention Trailblazer programme which continued to invest in promoting the prevention of homelessness, including through support to a new 38-bed hostel in Chorlton and the development of a GM-wide Homelessness Action Network to support a cross-society response.

2018/19 also saw the launch of the first GM-wide Housing First programme, utilising £8m of funding over 3 years to address homelessness for excluded people with complex needs and the continuation of a Social Impact Bond, which has secured accommodation and support for nearly 300 entrenched rough sleepers from our region, through an investment by MHCLG of £2.6m.

Police and Crime - Safer and Stronger Communities

Greater Manchester is committed to building safer and stronger communities where every community and person in Greater Manchester feels safe and secure in their daily lives. The Greater Manchester Mayor fulfils the role of Police and Crime Commissioner.

Launched in March 2018, this ambition is echoed in 'Standing Together', the Greater Manchester Police and Crime plan. The plan sets out our vision for a strong, safe, resilient Greater Manchester standing together and working as one to keep people safe and protect and support the most vulnerable in our society.

The three year strategy focuses on three main priorities of keeping people safe; reducing harm and offending; and strengthening communities and places. More than 3,500 people responded during the consultation process, with 80% saying the priorities set the right tone for the coming years.

In the development of the strategy the Deputy Mayor for Police and Crime made a commitment to develop an outcomes framework that would be used to judge whether the plan was making a difference for Greater Manchester citizens. This work has progressed in consultation with all local authorities and community safety partnerships who will be able to access a broad range of supporting data against each of the priorities of the plan. The outcomes framework will also be informed by the first GM wide survey of policing and community safety which will provide insight on how safe residents feel, why and what can be done. The survey will report quarterly at district and GM levels, and enable us to see trends in resident's views.

In 2018/19 the multi-agency approach to reducing offending has continued, underpinned by investment in targeted prevention work for young people and vulnerable women in our communities which aims to provide an alternative to custody and focusses on family support, skills development, employment and health.

A new Greater Manchester-wide Restorative Justice Service has been commissioned during 2018/19 which will deliver a comprehensive all-age offer for victims across GM and ultimately aims to reduce reoffending.

Youth Justice Services work to intervene earlier with young people who displayed offending behaviour to prevent them from getting involved in crime in the first place. The Deputy Mayor for Police and Crime has committed £0.5m per year for three years to support this important work.

Greater Manchester was the first police force area in the country to work with health colleagues to commission jointly an integrated custody healthcare and liaison and diversion service, providing vulnerable people both within custody and at court with the support they need at the right time in the right place. Everyone who comes into custody has a needs assessment completed which helps to identify and respond to their vulnerabilities, accessing support and interventions which will help them to reduce their offending.

The police service is working closely with our partners to support individuals before they reach crisis point. Supported by a network of health professionals and skilled community volunteers, we have invested in schemes that support both victims of domestic abuse and people who have mental ill health, who may come into the criminal justice system because they are vulnerable and aims to reduce the risk of them coming into contact with the criminal justice system in the future.

The Deputy Mayor works closely with district Community Safety Partnerships. In 2018/19 over £4m was delegated to Community Safety Partnerships to support delivery of 'Standing Together' collectively making our communities safer and more resilient. Part of this funding was ring fenced for supporting communities to contribute to reducing crime and anti-social behaviour in the areas where they live. This meant that more than 70 community groups across Greater Manchester have received funding through their local community safety partnerships and their work has been invaluable to tackling local priorities.

Fire and Rescue Service

Greater Manchester Fire and Rescue Service (GMFRS) is one of the largest Fire and Rescue Services outside London with around 1,800 full time equivalent members of staff and 41 fire stations covering an area of approximately 500 square miles.

GMFRS work closely with the local community to make Greater Manchester a safer place to live, work and visit. In conjunction with the work done with young people, visiting schools and carrying out Safe and Well visits, GMFRS are also responsible for enforcing fire safety legislations.

The Mayor took responsibility for the fire and rescue service from Greater Manchester Fire Authority on 8 May 2017. Only a few weeks following the Mayors appointment, there was a terrorist attack at the Manchester Arena on 22nd May 2017, which was the largest incident to ever hit the city of Manchester, killing 22 people and injuring hundreds more. Following the terrorist attack, the Mayor commissioned Lord Kerslake to review the Authority's preparedness for, and emergency response to, the attack and subsequently commissioned a major internal review of GMFRS known as 'Programme for Change' (PFC).

PFC sets out a radical programme of change for GMFRS, laying the foundations for a stronger organisation that is focused on keeping communities safe and delivering a sustainable, affordable, frontline first emergency service. The proposals contained within the PFC outline business case during 2018/19 have been informed by staff feedback and are underpinned by a robust evidence base. The document sets out a number of options that seek to protect the frontline, enhance firefighter safety, keep more firefighters in communities, whilst having a minimal impact on performance and maintaining response times.

Moorland fires occurred across Greater Manchester during the period June 25th and July 7th 2018 and proved to be the busiest recorded period of operational activity in the history of GMFRS. Significant resources were allocated to and engaged in operational activity from GMFRS and from Fire and Rescue Services across the UK through mutual aid support. In addition, support was provided by the military. The Government have confirmed that they will meet the additional costs incurred by the incident.

The continued focus on prevention within Greater Manchester has resulted in almost 28,000 Safe and Well visits made to homes across Greater Manchester completed last year, which is a reduction of 18% when compared to the number delivered in 2017/18. The prolonged moorland incidents during late June and July impacted on the ability for both crews and community safety staff to carry out Safe and Well visits during this period due to the implementation of the business continuity arrangements and the effect on service wide operation.

During 2018/19, there was a 3.6% reduction in the total number of incidents, (fires, false alarms and special service calls), when compared to the previous year and the service continued to meet or exceed the targets for the average response time for the first GMFRS appliance to attend an emergency incident with the response time to primary fires continuing to be better than the England average.

Injuries as a result of fires have shown a reduction - down by 8% against last year’s performance and the number of people who sadly died in a fire reduced from 21 to 19.

The number of non-domestic fires in Greater Manchester saw a reduction of 17.86% in comparison to 2017/18, 122 fewer incidents.

During 2018/19, 5,107 special service calls were attended which is a reduction of 19% when compared to 2017/18. The main reason for this is due to there being fewer medical incident type calls, the majority of which were associated with the Emergency Medical Response (EMR) trial whereby operational crews were dispatched in parallel with North West Ambulance Service (NWAS) when someone suffered a suspected cardiac arrest. The GMFRS involvement in this trial ceased in September 2017.

Highways and Transport Services

Greater Manchester has set out a long term ambition for a really well connected city-region and we have been working with partners on improving the transport infrastructure network.

The Authority and/or the Mayor sets local public transport policy and is responsible for deciding how funds are spent on supporting and improving Greater Manchester’s public transport network. The decisions of the Authority and/or the Mayor are implemented by Transport for Greater Manchester (TfGM) and TfGM is responsible for implementing the policies of the Authority. TfGM’s net expenditure after taking into account all sources of income and expenditure is financed by way of a Revenue Grant from the Authority. TfGM's corporate objectives are derived from the Authority's policy priorities, stakeholder consultation and its principal statutory obligations. Strategic objectives and targets are set out in the Authority/TfGM Business and Performance Plan.

Metroshuttle – 'free bus' Service

In October 2018 TfGM revamped the Metroshuttle service, introducing later running times, extending the city centre routes to Salford Central during the peak periods, and rebranding the service as 'free bus'.

Metrolink Zonal Ticketing Launch

In January TfGM made one of the largest ever public facing changes to Metrolink by introducing fare zones onto the tram network. Replacing stop-to-stop ticketing with the new system brings Greater Manchester into line with other cities around the world. It offers passengers greater flexibility, better value for money and enables future integration with other modes of transport.

Relaunch of the TfGM website / launch of customer platform improvements

Since April 2018 there have been nearly 13 million visits to the TfGM website and pages have been viewed 32 million times. The website is one of the main GM channels people use to get travel information, plan their journeys or learn more about TfGM. In 2018 TfGM continued to enhance the website, based on feedback, to make it more accessible, easier to update and navigate, better for mobile viewing and able to host more photography and videos.

Alongside the website customers also get in contact with TfGM via social media, email, telephone and by post. Last year TfGM dealt with over 18,000 written customer enquiries on a range of subjects including bus services, Metrolink, passes and general travel information.

Strengthening the TravelSafe Partnership

The TravelSafe Partnership (TSP) works to keep the public safe through enforcement, engagement and education.

Led by TfGM and Greater Manchester Police, and with support from contributing operators KeolisAmey Metrolink, Stagecoach and First Manchester, visible patrols and dedicated, intelligence-led operations offer reassurance and help prevent and deal with incidents of crime, antisocial behaviour and fare evasion on our networks.

This work is complemented by an extensive youth engagement and education programme, which has seen TSP officers speak, first hand, to more than 26,000 children and young adults (between May 2018 and February 2019) about the importance of behaving on public transport.

Greater Manchester Walking Festival

In 2018, to encourage more people to try walking, TfGM delivered the fourth Greater Manchester Walking Festival. Running throughout May the festival offered 369 walks across all ten local authorities in the city-region. More than 5,000 participants took part in the festival.

Clean Air Day

In June 2018 TfGM helped coordinate the second Greater Manchester Clean Air Day. Targeting the general public, schools and businesses the event raised awareness of air pollution and got people to consider how they could change their day-to-day lives to make a difference.

At Exchange Square in Manchester city centre TfGM ran a series of activities. People were asked to make a Clean Air pledge, such as leaving their car at home one day a week, car sharing or walking or cycling for short trips. In total more than 10,000 pledges were made and the social media campaign promoting the event reached over 2 million people.

Launch of Bee Network

In June 2018 ambitious plans for a city-region wide walking and cycling scheme were launched: The Bee Network. Made up of 1,000 miles of routes, including 75 miles of Dutch-style segregated bike lanes the proposed network would connect every community across Greater Manchester and make walking and cycling a real alternative to the car. The plans also include 1,400 safer road crossings and 25 filtered neighbourhoods.

Increasing walking and cycling will help tackle congestion in the city-region, while also improving air quality and boosting people's health and fitness.

Andy Burnham, the Mayor of Greater Manchester, and Chris Boardman, Greater Manchester's Cycling and Walking Commissioner, launched the scheme with the announcement that £160m from the Transforming Cities Fund would be used to fund the first phase.

'Smart' traffic light network

Poorly timed and inefficient traffic lights can slow traffic flow and contribute to congestion. In July 2018 it was announced that there would be an investment of £5.6m of Local Growth Deal funding in expanding the Greater Manchester's smart traffic light system. The money to be invested will mean Greater Manchester will have the largest smart traffic light network in the country outside London.

Wigan Bus Station

In October 2018, Wigan's new transport interchange was opened. Delivered in partnership with Wigan Council the new £15.7m facility was opened two months ahead of schedule. Wigan Bus Station is the latest transport interchange to be built across Greater Manchester, joining Bolton, Rochdale, Wythenshawe and Altrincham. Modern and convenient it is designed to increase the use of sustainable transport and boost the local economy by providing an attractive gateway to the town centre. Wigan Bus Station was funded by Local Growth Deal Funding.

Stockport Mixed Use Development Planning Permission

In March 2019 Stockport Council approved planning permission for the Stockport Mixed Use Development, which will transform the town's bus station into a modern, attractive and accessible interchange.

Along with funding also being secured for a new cycling and walking bridge, which would link the interchange with Stockport rail station, the project will form a key part of a wider regeneration of the town centre.

The other main element of the development will be a residential building off Daw Bank with up to 200 apartments and associated car parking, offering further attractive high-quality living space in the town centre.

Located alongside the A6 and Mersey Square, the multi-million pound development will be delivered by TfGM and funded by Stockport Council and the Authority, with support from HMG through the Greater Manchester Local Growth Deal programme.

Metrolink Trafford Park Line Progress

Metrolink is one of Greater Manchester's public transport success stories, with more than 43 million passenger journeys being taking on the network last year.

This year saw continued construction of the Trafford Park Line, the latest extension of the Metrolink network. When it is completed in 2020 it will add 5.5km and six stops to the system and connect Metrolink to the Intu Trafford Centre and Trafford Park, Europe's largest industrial park.

So far, TfGM have completed significant infrastructure including laying over 65% of the track, a new bridge over the Bridgewater Canal, a new viaduct at Pomona and all platforms are now in place. The new line will run from the intu Trafford Centre to Crumpsall, increasing frequency from the stop to the city centre to every six minutes.

Draft Greater Manchester Transport Delivery Plan

In January 2019 TfGM published the draft five-year Delivery Plan, which sets out our vision for all the transport projects we want to complete or explore in the next five years so we can make Greater Manchester's transport network more accessible, integrated, greener and efficient.

It's a bold and ambitious plan which we estimate would cost around £3bn to deliver everything in the first 5 years of the Plan, but getting our transport right is essential, both for our city-region's continued economic growth and so that our residents and visitors can lead productive, healthy and fulfilling lives.

Public Service Reform

Greater Manchester recognises that achieving our aim of inclusive economic growth and the creation of additional jobs must go hand in hand with improved outcomes for our residents through more effective public services, enabling them to contribute to and benefit from that growth and reducing demand for expensive, reactive services.

The GM Public Service Reform (PSR) programme aims to develop new models of support for people who need it most, including those with more difficult and complex lives. Available resources are aligned to the Public Service Reform programme working collaboratively with the 10 Local Authorities, the GM Health and Care Partnership, Greater Manchester Police, Housing Providers, the Voluntary, Community and Social Enterprise Sector and a range of other partners to continue to shift our emphasis to people, prevention and place.

Troubled Families

Through an agreement with HMG for the Troubled Families funding to be managed through the Reform Investment Fund, the Authority has helped to ensure that money is being invested in things that will allow families to get access to better quality support earlier, whilst also contributing to the transformation of services at neighbourhood level.

Greater Manchester has now exceeded the 27,200 families that it was required to work with by MHCLG and, in line with the national evaluation, is showing some positive sustained outcomes for the majority of families supported by the programme.

Reform Investment

The Reform Investment Fund has continued to invest in the Intensive Community Orders model that supports young male offenders during 2018/19. The Reform Investment Fund also made a contribution of match funding to a co-production project that will operate in 2019/20 and strengthen our understanding of what is needed to co-produce solutions with people in GM Communities that have experience of severe multiple disadvantage.

In addition to the Reform Investment Fund, the Public Service Reform team has continued to support GM districts to embed place-based working. This has included embedding the Authority resources into local teams, working with them to understand and design new models of support from the bottom up. The Authority's resources have also supported locality leadership teams to develop their strategic approach to reform as well as identifying and disseminating good practice.

The Public Service Reform team has also led the work on developing the Greater Manchester model of Unified Public Services, this was supported by the production of a White Paper and a high profile event held in November 2018.

Following the receipt of £7m funding from Department for Education, each of the ten GM districts have been given £0.5m to deliver a range of outcomes and a proportion of funding has been used to establish a programme office that will support the delivery of the GM Children's Plan which is due to be launched in May 2019 and will be overseen by the GM Children's Board.

The PSR team has also continued to fund the Behavioural Insights Team that have undertaken a number of projects designed to help us understand how we can change behaviour of the workforce and people in our communities.

Age Friendly Greater Manchester

An Age Friendly Greater Manchester is priority ten of the Greater Manchester Strategy. Delivering on this priority is a hugely collaborative undertaking coordinated by the Greater Manchester Ageing Hub and involving partners from across the GM system working together on economy and work, housing and planning, transport, culture, age-friendly places and health ageing.

In 2018/19 the Ageing Hub continued to develop partnerships with the ten local authorities to support local ageing plans, supported the development of neighbourhood-scale programmes, including Ambition for Ageing, and connected researchers with policy making and delivery.

In February 2019, the 'Doing Ageing Differently' conference brought together over 300 of GM's system leaders, older people's groups, world-leading academics and other partners to develop the next phase of building an age-friendly city region. The conference saw the launch of the Ageing Hub Digest, a magazine to showcase work and stimulate critical thinking around age friendly policy and practice, primarily targeted at policy makers and practitioners. In July 2018, the Mayoral Age Friendly Communities Challenge was launched to draw out practical examples of best practice across the city region, with 32 neighbourhoods awarded age friendly status by the Mayor at the February conference.

Greater Manchester LEP

The Authority acts as the accountable body for the Greater Manchester LEP, with funds such as, Growth Deal, LEP Capacity and Business Growth Hub being awarded to it. The tables below show Income and Expenditure activity within 2018/19, along with funds held in reserves on behalf of the LEP.

	Income £000	Expenditure £000	Variation £000
Revenue Funds			
LEP Capacity	(700)	593	(107)
Business Growth Hub	(513)	513	0
Business Rates (Enterprise Zones)	(115)	0	(115)
Total Revenue	**(1,328)**	**1,106**	**(222)**
Capital Funds			
Growth Deal	(78,047)	78,047	0
Growing Places Fund	0	341	341
Total Capital	**(78,047)**	**78,388**	**341**
Grand Total	**(79,375)**	**79,494**	**119**

LEP Reserves	Balance 01/04/2018 £000	In Year Transfer £000	Balance 01/04/2019 £000
LEP Capacity	(474)	(107)	(581)
Growing Places Capital Grant	(341)	341	0
Business Rates (Enterprise Zones)	(225)	(115)	(340)
Total Reserves	**(1,040)**	**119**	**(921)**

Devolution and the impact on the Authority in 2018/19

As signalled in the 2017/18 Statement of Accounts additional responsibilities are gradually being conveyed on the Authority and these had various levels of impact during 2018/19.

Waste Disposal

The functions of the Greater Manchester Waste Disposal Authority (GMWDA) that are exercisable in relation to the area of the Authority excluding the Borough of Wigan were transferred by Parliamentary Order to the Authority with effect from 1 April 2018.

Under the Order, all functions and decisions relating to such properties, rights and liabilities are to be exercised and made by the Authority. Any payments and receipts arising from such properties, rights and liabilities are to be paid from and into the General Fund.

The closing balance sheet of GMWDA will be brought into the Authority's 2018/19 balance sheet as an in year transfer using the absorption accounting policy. The Authority's prior year comparative values will not be restated to include the GMWDA 2017/18 values.

Adult Education

A Parliamentary Order was passed in November 2018, which provides for the conferral of certain adult education functions on the Authority. There was limited financial impact of this in 2018/19 as the full responsibility and funding for adult education will transfer from 1 August 2019.

Housing Investment Fund (HIF)

Powers to hold this funding directly enabled projects in receipt of £170m of HIF funding to be novated from Manchester City Council during 2018/19.

Mayoral Development Corporations

The Mayor's power to establish Mayoral Development Corporations (MDC) were conferred in April 2017. During 2018/19 the first steps were taken to establish a MDC to deliver the Stockport Town Centre West development plan which is a key part of the Mayor's Town Centre Challenge launched in November 2017.

The Authority's Group of Companies included in the Group Accounts

The Authority's executive body in relation to delivery of transport services is Transport for Greater Manchester (TfGM). The Authority and the constituent GM district councils have entered in to joint arrangements for the discharge of specified transport functions, which are supported through a joint committee called the Transport for Greater Manchester Committee (TfGMC). TfGM's Account are consolidated into the Group Accounts of the Authority.

With the Parliamentary order which transferred the Police and Crime Commissioner’s powers to the Mayor, the Mayor is required under S21 of the Police Reform and Social Responsibility Act 2011 to keep a fund known as the Police Fund. The Authority is the legal entity which is responsible for administering the Police Fund and executing the Mayor’s decisions in his role as Police and Crime Commissioner. To fulfil these statutory requirements the Chief Constable’s Accounts are consolidated into the Group Accounts of the Authority and a memorandum account is included for the Mayoral Police Fund in the Authority’s Single Entity Statements.

In September 2016 the Authority established NW Evergreen Holdings Limited Partnership (NWEH) to act as a holding fund for tranches of ERDF funding. The Fund has received significant funding from ERDF and will invest in sub funds that provide opportunities to identify, research and negotiate investment opportunities in properties in the North West of England. The accounts of NWEH are consolidated into the Group Accounts of the Authority.

The following companies have been excluded from the Group Accounts, on the basis of immateriality:

- Greater Manchester Fund of Funds Limited Partnership (FoFLP);
- NW Fire Control Company;
- Commission for New Economy Limited (CNE);
- Greater Manchester Accessible Transport Limited (GMATL);
- Manchester Investment and Development Agency Service (MIDAS); and
- Greater Manchester Combined Waste and Recycling Limited (GMCWR).

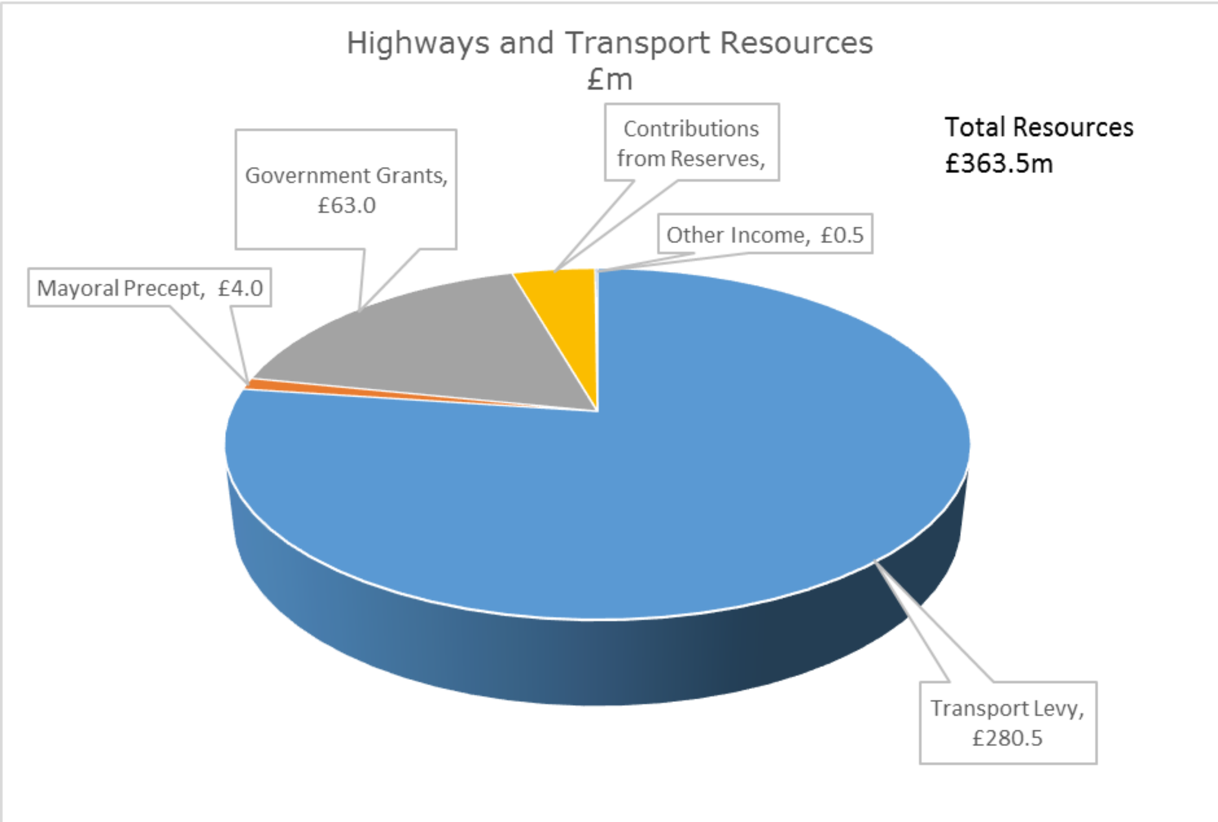
Further details can be found in the Critical Judgements section within the Statement of Accounts.

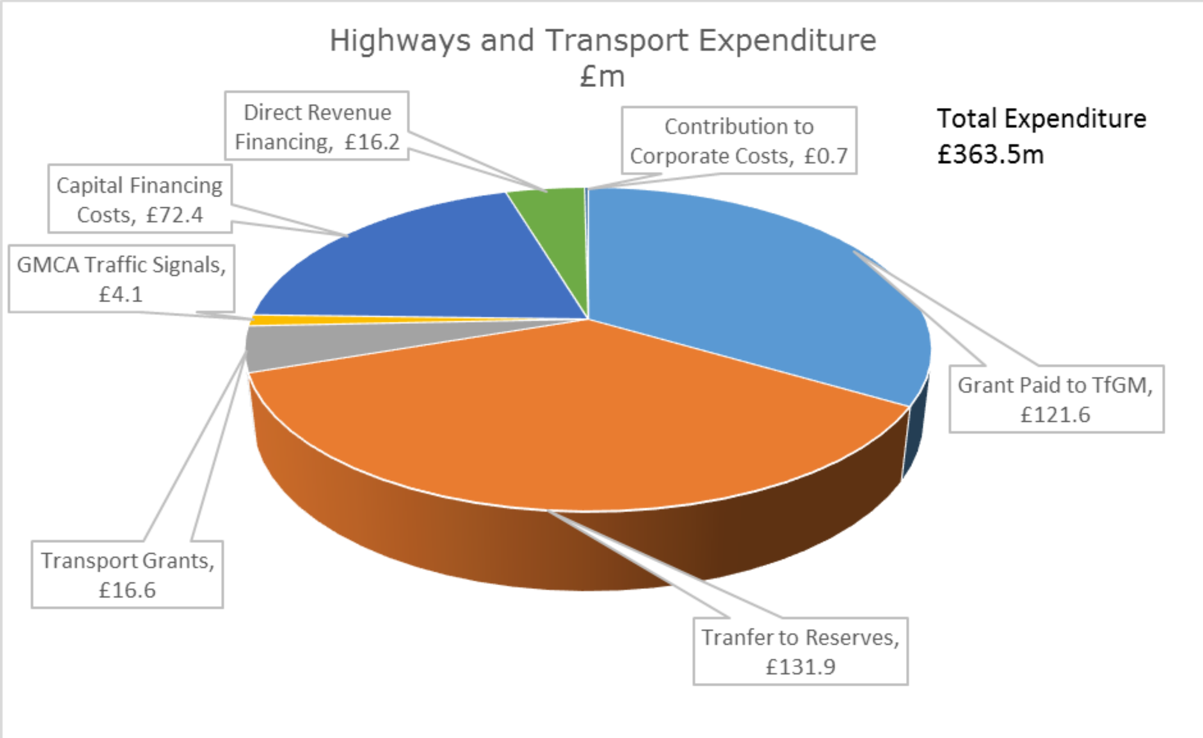
Revenue Outturn 2018/19

The revenue outturn for the Authority is reported and managed in 5 sections, Highways and Transport, Economic Development and Regeneration, Waste Disposal, Mayoral General Fund and Mayoral Police Fund.

Highways and Transport

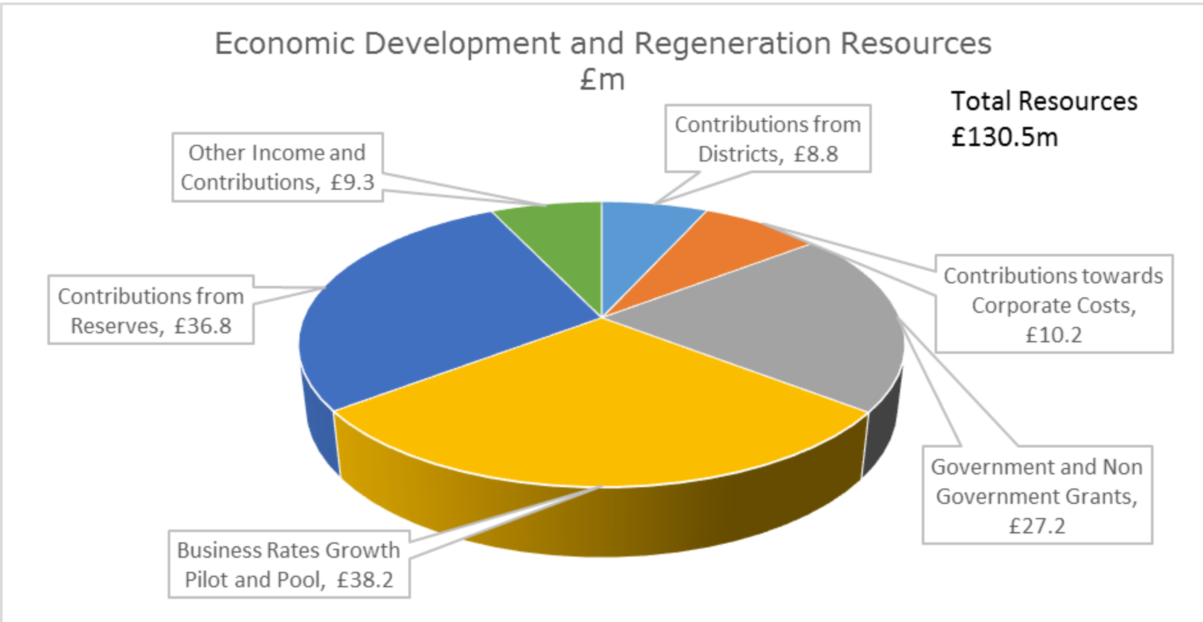
The charts below detail the Highways and Transport resources and expenditure for the year:

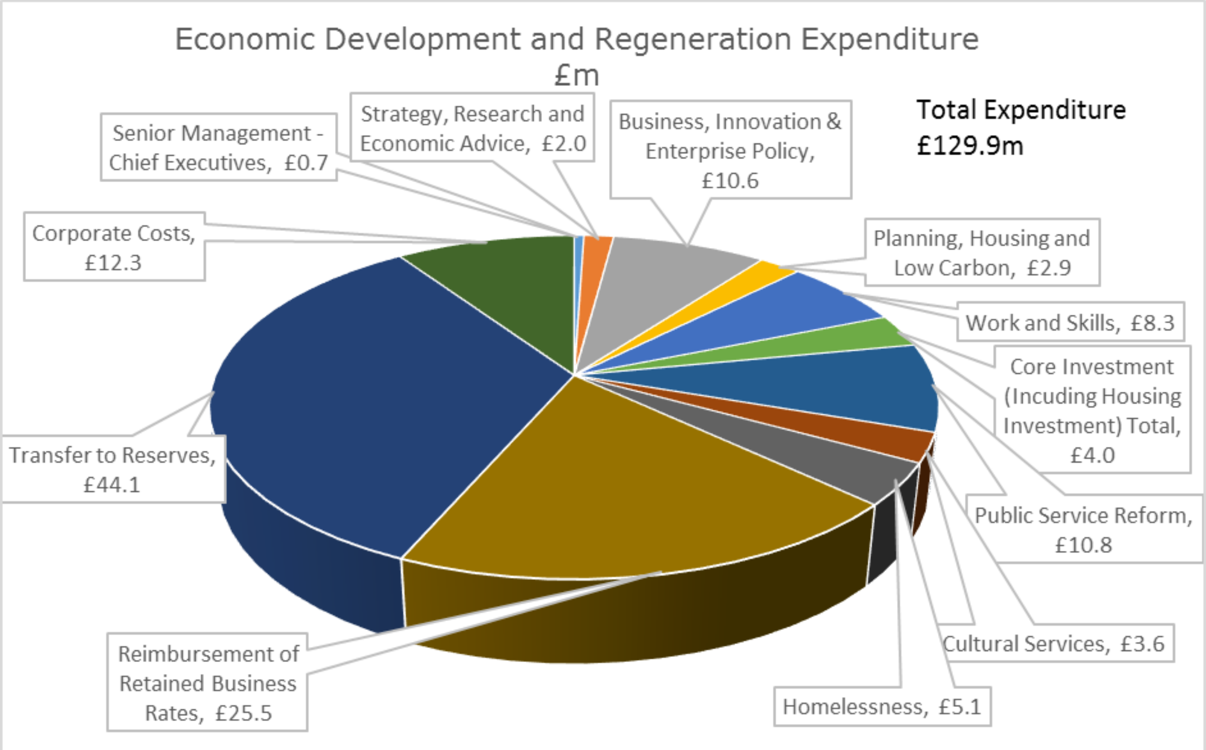




Economic Development and Regeneration

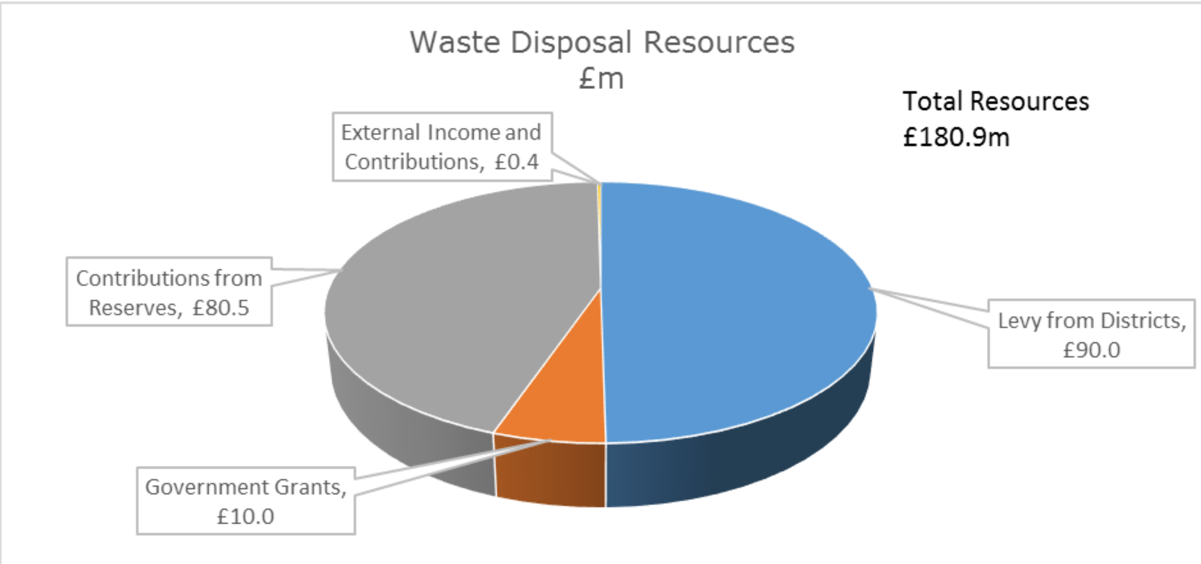
The charts below detail the Economic Development and Regeneration resources and expenditure for the year:

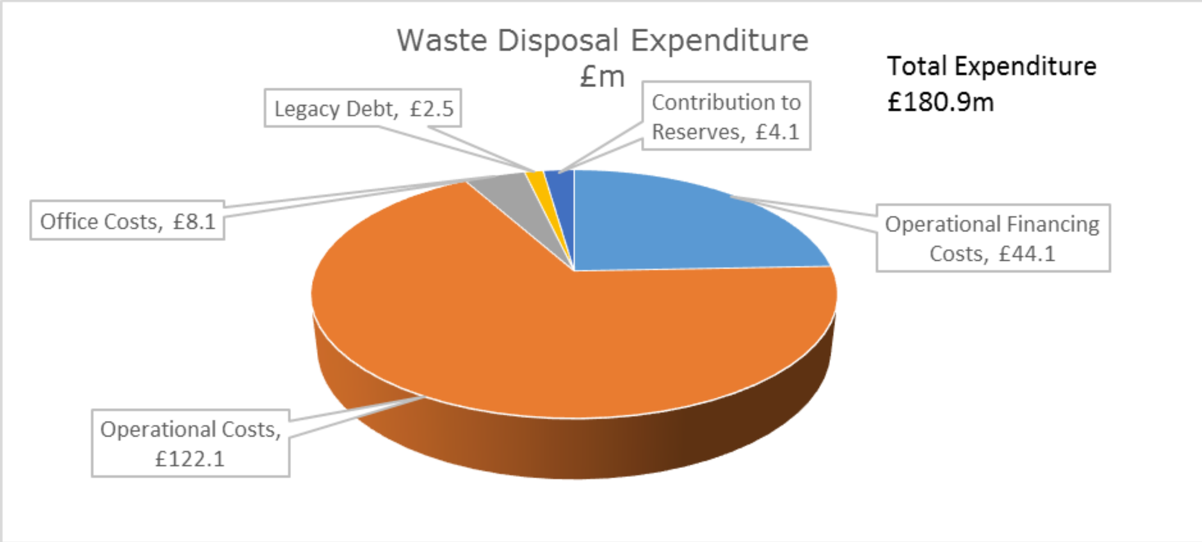




Waste Disposal

The charts below detail the Waste Disposal Service resources and expenditure for the year:

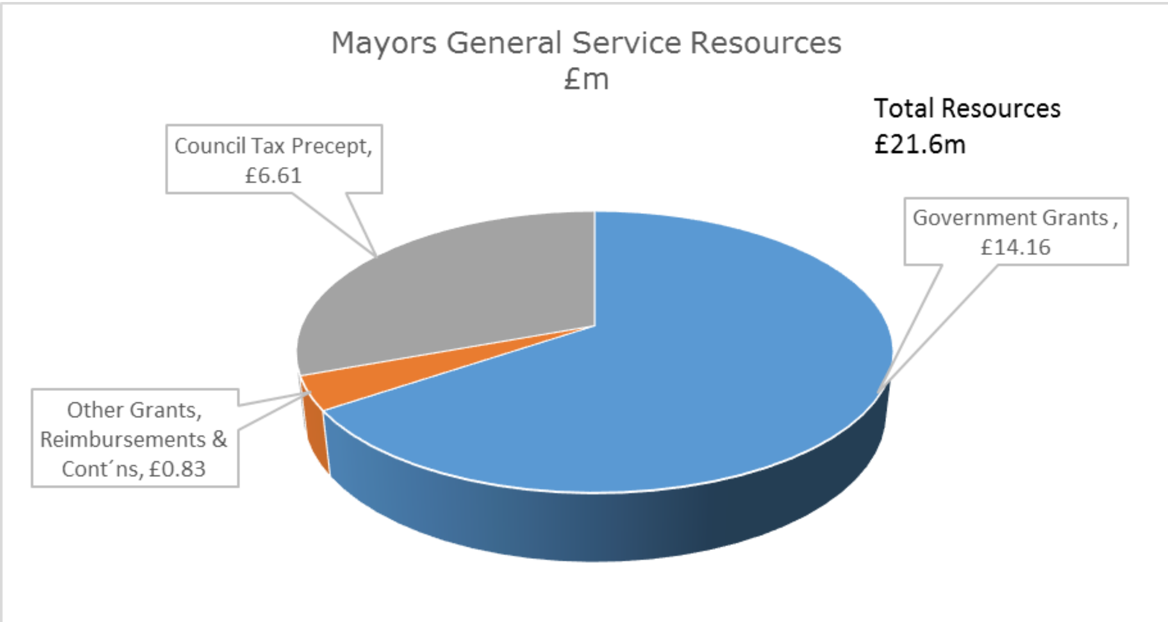


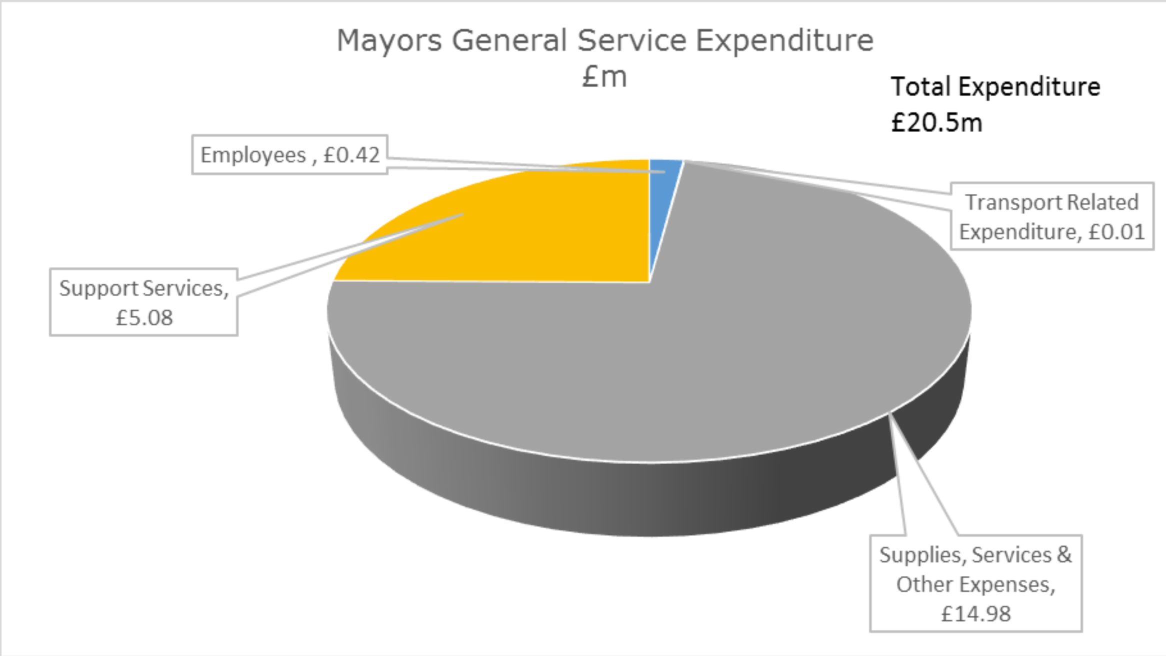


Mayoral General Fund

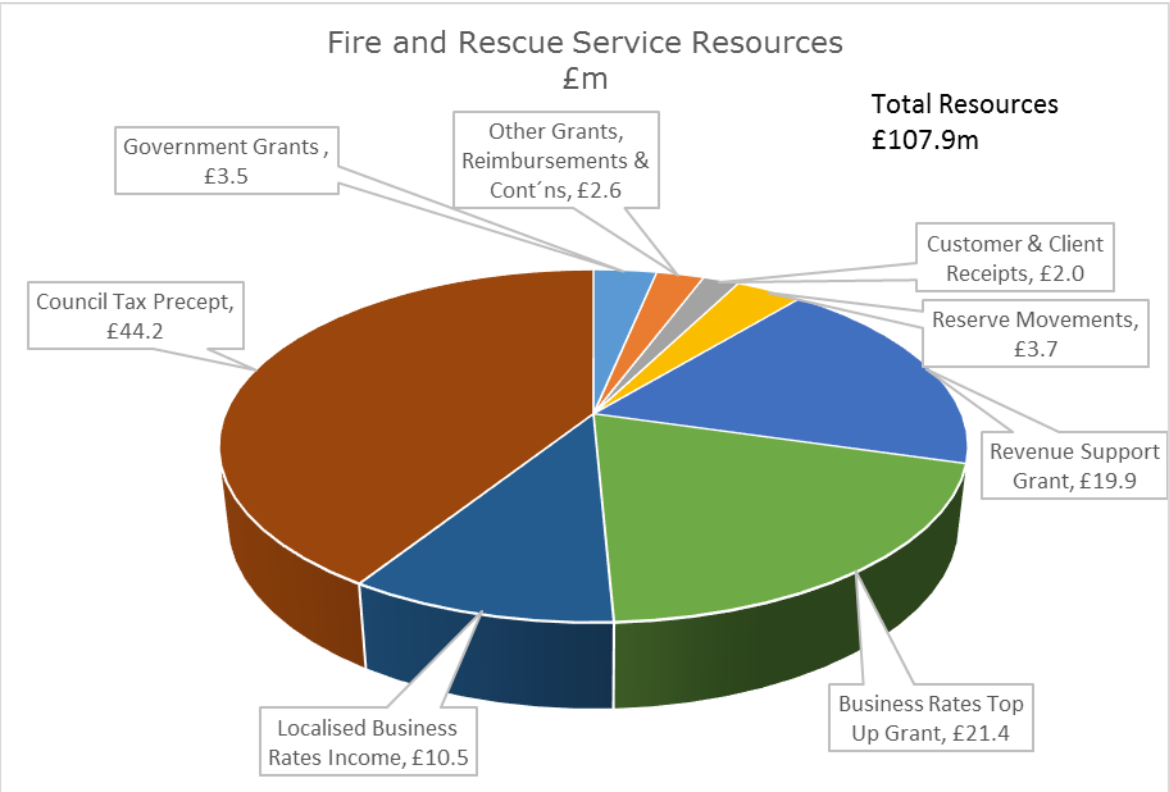
The charts below detail the Mayoral General Fund resources and expenditure for the year. The Mayoral General Fund is split into two components for reporting purposes:

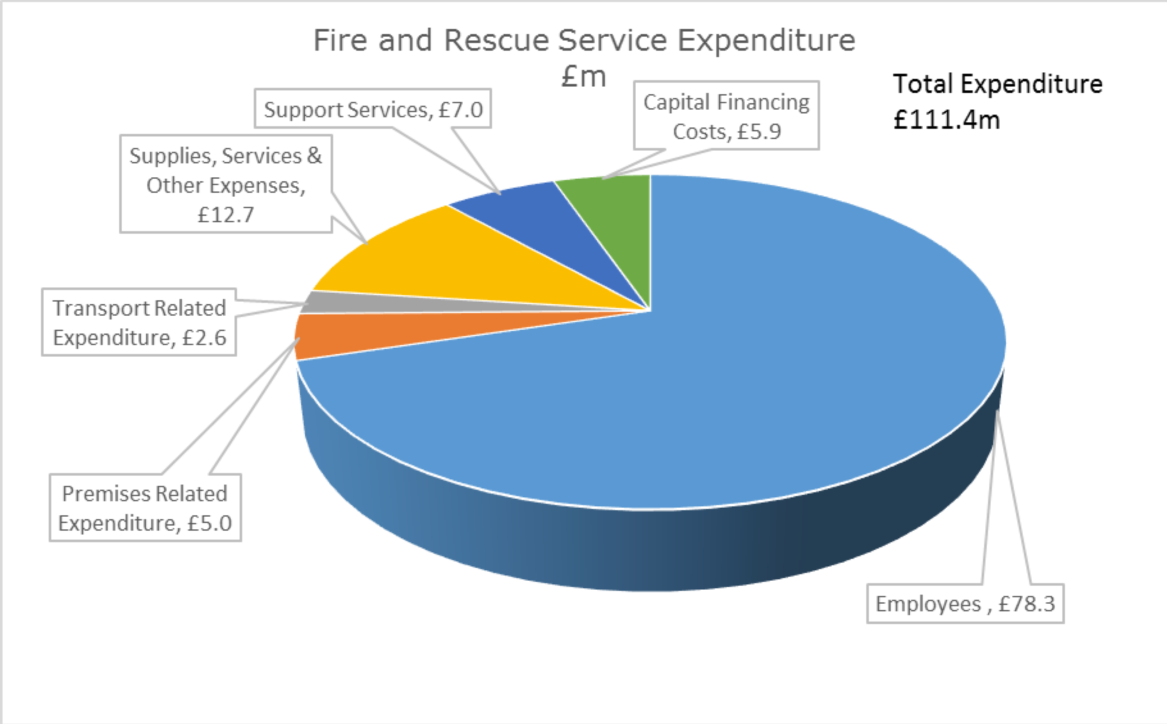
Mayors General Service





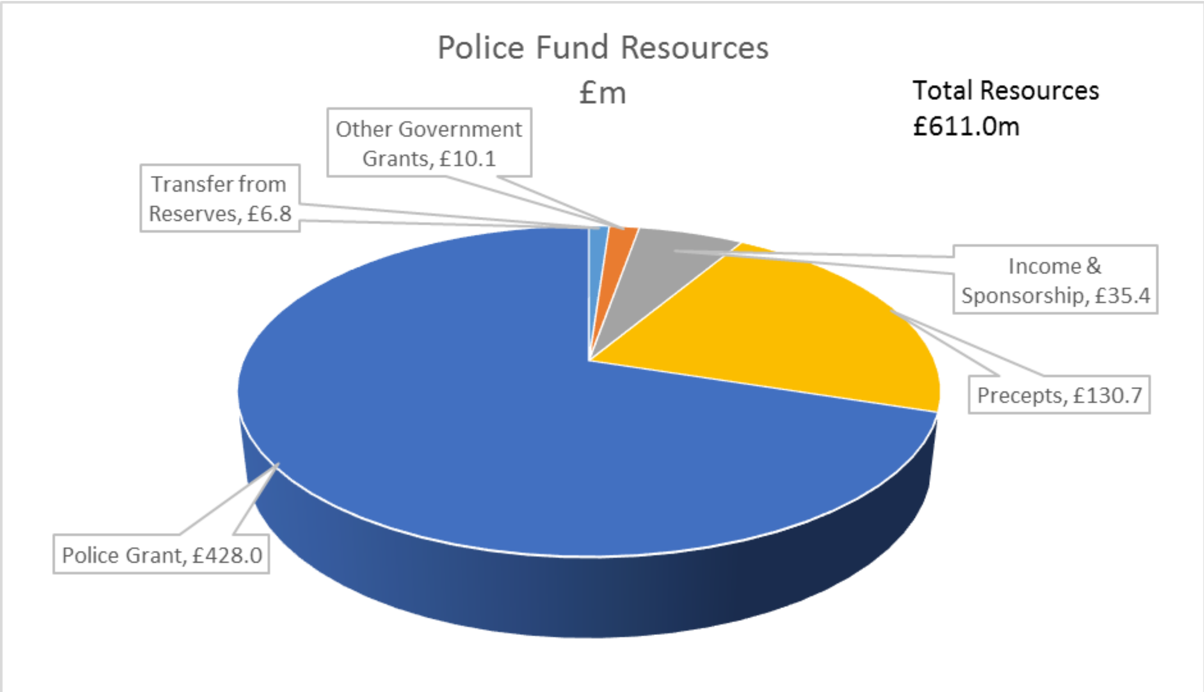
Fire and Rescue Services

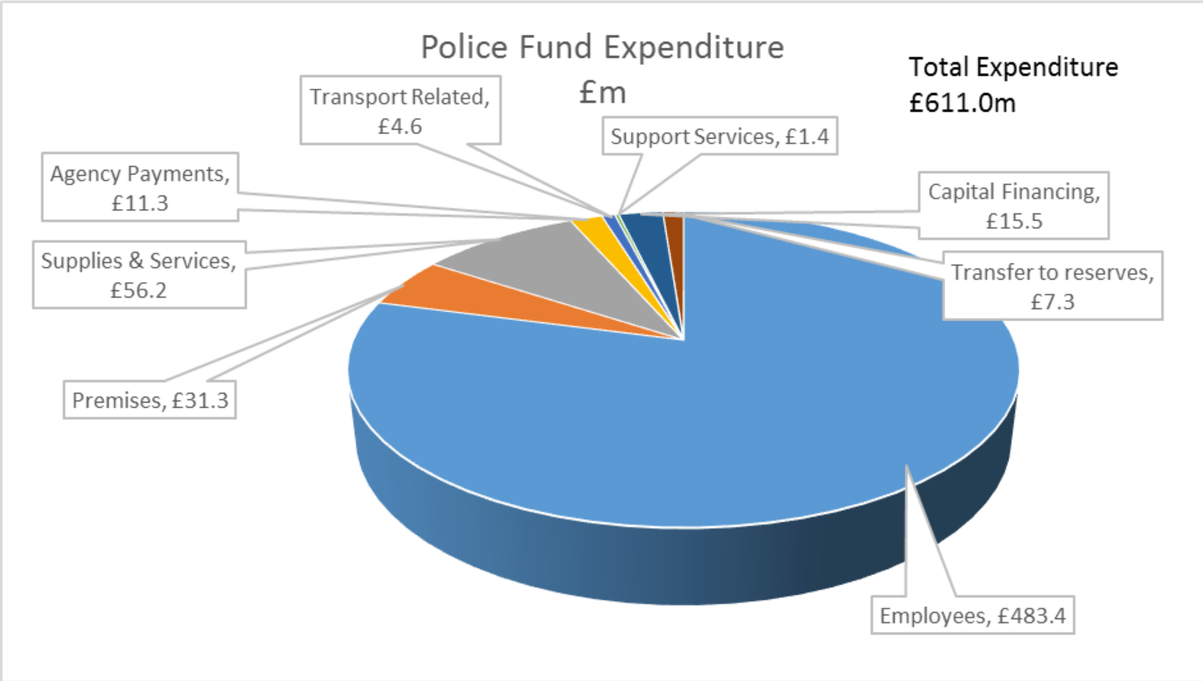




Police Fund

The charts below detail the Police Fund resources and expenditure for the year:





Capital Programme and Financing 2018/19

The capital programme for the Authority is reported and managed in 5 sections, Highways and Transport, Economic Development and Regeneration, Waste Disposal, Police Fund and Mayoral General Fund including Fire and Rescue Services.

The Highways and Transport programme includes traffic signal projects and the provision of capital grants and loans provided within the definitions of capital expenditure contained in the Local Authorities (Capital Finance and Accounting) Regulations 2003 for highways and transport purposes.

The Economic Development and Regeneration programme includes the provision of capital grants and loans provided within the definitions of capital expenditure contained in the Local Authorities (Capital Finance and Accounting) Regulations 2003 for economic development and regeneration purposes.

The Police Fund capital programme covers police related schemes such as vehicles, police stations and investment in new information and communications technology.

The Mayoral General Fund capital programme wholly related to investment in fire and rescue projects such as vehicles, fire stations and new information technology.

Capital expenditure is financed directly from one of the three following sources:

- Grants or contributions from external sources;
- Proceeds from the sale of capital assets or the repayment of capital loan advances;
- Direct funding from the revenue.

Capital expenditure not directly financed from the three sources above increases the Capital Financing Requirement and is charged in future years through the revenue budget over the life of the assets in line with the Minimum Revenue Provision policy.

The Authority's capital programme outturn and how it was financed is summarised below:

Summary of GMCA Schemes Capital Spend	2018/19 £000
Highways and Transport Schemes:	
Greater Manchester Transport Fund	10,843
Stockport Council Schemes	38,732
Other Metrolink Schemes	78,994
Growth Deal	42,467
Minor Works	61
Traffic Signals	2,369
Highways Maintenance & Pot Hole Fund	32,739
Other Capital Schemes	31,685
Total Transport Schemes	**237,890**
Economic Development and Regeneration Schemes:	
Business Loans and Investments	10,136
Growth Deal	6,829
Affordable Homes	915
Total Economic Development and Regeneration Schemes	**17,880**
Waste Disposal Schemes:	
Surface Water Drainage - works carried out by the Howarth Estate	97
Fire Hydrant Extension - Salford Road	4
Leachate Works - Bradbury	29
Slope Stabilisation - Waithlands	64
Mechanical and Biological Treatment Facility Modifications	979
Bolton Thermal Recovery Facility Works	2,084
Plant and Vehicles Replacement	5,612
Total Waste Disposal Schemes	**8,869**
Fire Service Schemes	
GMFRS Estates	362
GMFRS IT	170
GMRFS Vehicles and Equipment	4,434
Total Fire Service Schemes	**4,966**
Total GMCA Capital Schemes	**269,605**

The funding of the Authority's capital programme was as follows:

Funded by:	2018/19 £000
Borrowing	(92,865)
Capital Grants	(147,894)
Useable Capital Receipts	(4,120)
Revenue Contribution to Capital Outlay	(22,357)
External Contributions	(2,369)
Total Funding:	**(269,605)**

The capital programme for the Police Fund is recorded separately in accordance with legislation and is therefore excluded from the above figures. The capital programme funded by the Police Fund is as follows:

Police Fund Capital Schemes	2018/19 £000
Information System Transformation Programme	9,755
Estates	1,315
Information Systems	1,785
Vehicles	4,308
Other Capital Schemes	1,814
Total Mayoral Police Fund Schemes	**18,977**

The funding of the Police Fund capital programme was as follows:

Funded by:	2018/19 £000
Borrowing	(6,818)
Capital Grants	(3,432)
Useable Capital Receipts	(378)
Use of Reserves	(2,219)
Revenue Contribution to Capital Outlay	(6,130)
Total Funding:	**(18,977)**

Treasury Management Performance in 2018/19

Borrowing and Borrowing Limits

In 2018/19 the Authority had an authorised limit for external debt of £2,697.6m which compares to the actual level of debt outstanding at 31 March 2019 of £1,568.3m. Actual debt outstanding is made up of the following figures:

2017/18		2018/19
£m		**£m**
1,144.7	Long-term Borrowing – PWLB/Market	1,270.2
0	Long-term Borrowing – MHCLG Housing Investment Fund	118
185.1	Short-term Borrowing – PWLB/Market	109.4
0	Short-term Borrowing – MHCLG Housing Investment Fund	64.9
16.1	Short-term Borrowing - Interbank	5.8
1,329.7	**TOTAL**	**1,568.3**

Total borrowings show an increase during the year of £238.6m. £168.0m is attributable to the transfer in of the GMWDA Public Works Loan Board (PWLB) portfolio at 1st April 2018 and £182.9m is attributable to the novation of the Housing Investment Fund. These increases being offset by a reduction in the level of year end short term borrowing and a reduction in the value of the TfGM Interbank.

Short Term Investments for Treasury Management Purposes

Whilst the Authority held short term borrowing at the end of the financial year a level of short term cash is always held to cover unexpected cash flow requirements. Short term deposits as at 31 March 2019 were £175.7m. This is made up of the following figures:

2017/18		2018/19
£m		**£m**
12.9	Bank Deposits	15
0.0	UK Government Backed Deposits	42.5
327.3	Greater Manchester Waste Disposal Authority	0
0.0	Manchester City Council (Housing Investment Fund)	118.2
340.2	**TOTAL**	**175.7**

Total investments showed a decrease in the year of £164.5 million. The main reason for this decrease relates to the reincorporation of funds lent to the GMWDA upon their transfer to the Authority on 1 April 2018, offset by an advance to Manchester City Council representing prior drawdown values following novation of the Housing Investment Fund.

Outlook for the future – financial landscape.

Mayors General Services

The latest Local Government Settlement represents the last year of the four-year funding agreed with MHCLG; no further details were provided beyond 2019/20 and consultation is due to commence for funding arrangements beyond 2019/20. HMG is carrying out the Fair Funding Review consultation on local authorities' relative needs and resources, seeking to address concerns that the current formula is unfair, out of date and overly complex. Fire is one of seven service-specific funding formulas subject to review.

For 2019/20 the Mayor proposed a precept of £76.95 (Band D) which included the previous level of precept, £59.95, to provide a continuing level of budget support to the Fire and Rescue Service. The remaining precept of £17.00 was agreed for the Mayors other General Services. In addition the Mayor receives income from Business Rates, both a share of the income collected by District Councils and a 'top up' grant, is received. As the Authority is part of the 100% Business Rates Pilot, the previous receipt of Revenue Support Grant is being been replaced by equivalent baseline funding through an increased Business Rates top up.

GMCA Services

Highways and Transport, Economic Development and Regeneration and Waste Disposal Services are all funded through a mixture of Levies and Contributions from the GM Districts alongside specific grant funding from Government Departments. The ten District Councils of Greater Manchester continue to face uncertain financial prospects due to the Fair Funding Review and this will continue to impact on and influence the levels of the Contributions and Waste and Transport Levies which are funded from the Districts General Fund Budgets.

The Authority also receives a 50% share of additional Business Rates growth achieved by the GM Districts through the 100% Business Rates Pilot. The prospects for this income stream in future years will depend on how the Business Rates Retention Scheme develops.

Mayors Police and Crime Services

In recent years the settlement for the police grant has been made on an annual basis, which makes planning in the medium term challenging. There have been numerous attempts to review the police funding formula however this is now not expected until at least 2020/21. The main reason why a review is significant to Greater Manchester is the gearing ratio which is the proportion of total funding received via grant funding. For Greater Manchester the police grant makes up 76% of the total funding available for policing, this compares to a national average of 62%, with individual forces ranging from 40% to 78%. In practical terms this means that reductions in central funding have hit Greater Manchester Police harder than the majority of other police forces. Conversely if a future funding formula recognises the complexity of policing in Greater Manchester, funding could increase.

What's in the Statements of Accounts?

The Accounts are prepared using International Financial Reporting Standards (IFRS).These are the same standards that a large company would use in preparing its financial statements. The following paragraphs give a brief explanation of the purpose and relationship between each of the main statements which make up the Authority's Annual Statement of Accounts.

Statement of Responsibilities for the Statement of Accounts

The statement confirms the responsibilities of the Authority and the Treasurer for the production and content of the Annual Statement of Accounts

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves. It shows how the deficit for the year in the Comprehensive Income and Expenditure statement is adjusted by the costs that are not a charge to local taxpayers.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards (IFRS), rather than the amount to be funded by local taxpayers.

Balance Sheet (BS)

The balance sheet shows the value as at the balance sheet date of the Authority's recognised assets and liabilities.

Cash Flow Statement

This statement shows the changes in cash and cash equivalents held by the Authority during the reporting period.

Expenditure and Funding Analysis

This analysis shows how annual expenditure is used and funded from resources (government grants, precept and levy) by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices.

Accounting Policies and Concepts

These are the specific principles, bases, conventions, rules and practices applied by the Authority in preparing and presenting the financial statements.

Notes to the Financial Statements

These include information required by the Code and additional material items of interest to assist the readers understanding of the reported figures.

Events after the reporting period and authorised for issue date

This summarises any major events that happened between the year end and the authorised for issue date. Events coming to light after the authorised for issue date will not be included in the financial statements.

Supplementary Statements:

Police Pension Fund Account

The Police Pensions scheme is unfunded and holds no assets. The purpose of this account is to demonstrate the cash-based transactions taking place over the year and to identify the arrangements needed to balance the account.

Firefighters Pension Fund Account

The Firefighters Pension scheme is unfunded and holds no assets. The purpose of this account is to demonstrate the cash-based transactions taking place over the year and to identify the arrangements needed to balance the account.

The Police Fund Statement

With the Parliamentary Order which transferred the Police and Crime Commissioner's powers to the Mayor, the Mayor is required under S21 of the Police Reform and Social Responsibility Act 2011 to keep a fund known as the Police Fund. The Authority is the legal entity which is responsible for administering the Police Fund and executing the Mayor's decisions in his role as Police and Crime Commissioner. To fulfil these statutory requirements the Chief Constable's accounts are consolidated into the Group Accounts of the Authority and a supplementary statement is included for the Police Fund.

Under the Order, all functions and decisions relating to such properties, rights and liabilities are to be exercised and made by the Mayor. Any payments and receipts arising from such properties, rights and liabilities are to be paid from and into the Police Fund.

The Mayoral General Fund Statement

The functions of the GMFRA that are exercisable in relation to the area of the Authority were transferred by Parliamentary Order to the Authority with effect from 8 May 2017. The Authority is the Fire and Rescue Authority for the area and the fire and rescue functions of the Authority are exercisable by the elected Mayor with all staff, properties, rights and liabilities transferring to the Authority.

Under the Order, all functions and decisions relating to such properties, rights and liabilities are to be exercised and made by the Mayor. Any payments and receipts arising from such properties, rights and liabilities are to be paid from and into the Mayoral General Fund.

Other Mayoral functions include transport strategy and spatial development strategy.

Group Accounts

These include the accounts of the entities listed earlier in this narrative:

Transport for Greater Manchester, Chief Constable of Greater Manchester Police, NW Evergreen Holdings Limited Partnership.

Glossary of financial terms

The nature of this document means that technical words are unavoidable. The glossary found at the end of the document is intended to simplify and explain such words.

Richard Paver

Greater Manchester Combined Authority Treasurer

07/06/2019

Statement of Responsibilities for the Statement of Accounts

This statement confirms the responsibilities of the Greater Manchester Combined Authority (the Authority) and the Treasurer for the production and content of the Annual Statement of Accounts.

Further Information

Further information about the Authority's Annual Statement of Accounts is available upon request from the following address:

Greater Manchester Combined Authority,
The Finance Department
1st Floor, Churchgate House
56 Oxford Street
Manchester
M1 6EU

This and previous year's Annual Statement of Accounts can be viewed on the Greater Manchester Combined Authority's website, www.greatermanchester-ca.gov.uk

Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that these unaudited Statement of Accounts give a true and fair view of the financial position of the Authority as at 31 March 2019 and of its income and expenditure for the year ended 31 March 2019.

Richard Paver
Greater Manchester Combined Authority Treasurer

Approval of the draft Statement of Accounts

Greater Manchester Combined Authority

Single Entity Accounts

Core Financial Statements

Comprehensive Income and Expenditure Statement

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

Notes to the Core Statements including Accounting Concepts and Policies

Comprehensive Income and Expenditure Statement

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 taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Gross Expenditure 2017/18 £000s	Gross Income 2017/18 £000s	Net Expenditure 2017/18 £000s	Comprehensive Income and Expenditure Statement	Note	Gross Expenditure 2018/19 £000s	Gross Income 2018/19 £000s	Net Expenditure 2018/19 £000s
			GMCA Continuing Operations				
			Transport, Economic Development and Regeneration				
396,550	(72,900)	**323,650**	Highways and Transport Services		375,583	(39,072)	336,511
76,297	(65,086)	**11,211**	Economic Development and Regeneration		88,682	(40,189)	48,494
472,847	**(137,986)**	**334,861**	**Total**		**464,266**	**(79,261)**	**385,005**
			Mayoral General Fund Services				
73,610	(5,229)	68,381	Fire and Rescue Services		85,917	(6,539)	79,378
105	(101)	3	Mayors Office		18,257	(14,429)	3,829
73,715	**(5,330)**	**68,384**	**Total**		**104,174**	**(20,968)**	**83,207**
			Mayoral Police Fund Services				
33,654	(99,108)	(65,454)	Mayoral Policing Services		19,750	(94,271)	(74,521)
536,444	0	536,444	Funding provided by the Mayor to the Chief Constable to fund Police and Crime Services		616,902	0	616,902
570,098	**(99,108)**	**470,990**	**Total**		**636,652**	**(94,271)**	**542,381**
1,116,660	**(242,424)**	**874,235**	**Total Continuing Operations**		**1,205,092**	**(194,500)**	**1,010,592**
			Transferred Services to GMCA				
			Waste Disposal		**150,025**	**(12,427)**	**137,598**
1,116,660	**(242,424)**	**874,235**	**Total Cost of GMCA Operations**	12	**1,355,117**	**(206,926)**	**1,148,191**
226	(36)	190	Loss on Disposal of Non Current Assets		426	0	426
99,922	(6,782)	93,140	Financing and Investment Income and Expenditure	14	111,376	(6,951)	104,425
0	(935,240)	(935,240)	Taxation and Non Specific Grant Income	15	0	(1,244,496)	(1,244,496)
101,959	(101,959)	0	Home Office grant payable towards the cost of Police retirement benefits		117,148	(117,148)	0
1,318,766	**(1,286,441)**	**32,325**	**(Surplus) / Deficit on Provision of Services**	10	**1,584,068**	**(1,575,521)**	**8,546**
			Items that will not be subsequently classified in deficit on provision of services				
		(13,157)	Re-measurement of the net defined benefit liability				48,305
		(6,672)	(Surplus) / Deficit on revaluation of non current assets				(29,397)
		(19,829)	**Other Comprehensive (Income) & Expenditure**				**18,908**
		12,496	**Total Comprehensive (Income) and Expenditure**				**27,454**

Richard Paver
Greater Manchester Combined Authority Treasurer

Date 07/06/2019

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Balances £000s	Capital Grants Unapplied Reserve £000s	Capital Receipts Reserve £000s	**Total Usable Reserves £000s**	**Total Unusable Reserves £000s**	**Total Authority Reserves £000s**
Balance as at 31 March 2016	**(152,160)**	**(22,553)**	**(12,693)**	**(187,406)**	**1,090,463**	**903,057**
Movement in Reserves during 2016/17						
(Surplus) or deficit on the provision of services	**(504)**	0	0	**(504)**	0	**(504)**
Total Comprehensive Income and Expenditure	**0**	0	0	**0**	75	**75**
Total Adjustments between accounting basis & funding basis under regulations	**(1,712)**	10,751	(11,328)	**(2,289)**	2,289	**0**
Transfers to or from Earmarked Reserves	**0**	0	0	**0**	0	**0**
Increase / (decrease) in year	**(2,216)**	10,751	(11,328)	**(2,793)**	**2,364**	**(429)**
Continuing Operations Balance as at 31 March 2017	**(154,376)**	**(11,802)**	**(24,021)**	**(190,199)**	**1,092,828**	**902,628**
Transferred Services Balances as at 8 May 2017						
Mayoral General Fund balance transferred from GMFRA	**(41,012)**	(1,087)	0	**(42,099)**	1,641,821	**1,599,722**
Mayoral Police Fund balance transferred from PCC	**(79,756)**	0	0	**(79,756)**	(69,936)	**(149,692)**
Balance as at 31 March 2017	**(275,144)**	**(12,889)**	**(24,021)**	**(312,054)**	**2,664,713**	**2,352,658**
Movement in Reserves during 2017/18						
Surplus or (deficit) on the provision of services	**32,325**	0	0	**32,325**	0	**32,325**
Total Comprehensive Income and Expenditure	**0**	0	0	**0**	(19,829)	**(19,829)**
Total Adjustments between accounting basis & funding basis under regulations	**(29,240)**	11,449	(1,487)	**(19,278)**	19,278	**0**
Transfers to or from Earmarked Reserves	**(231)**	231	0	**0**	0	**0**
Increase / (decrease) in year	**2,854**	**11,680**	**(1,487)**	**13,047**	**(551)**	**12,496**
Continuing Operations Balance as at 31 March 2018	**(272,290)**	**(1,209)**	**(25,507)**	**(299,006)**	**2,664,160**	**2,365,154**
Transferred Services Balances as at 1 April 2018						
General Fund Balances transferred from GM Waste Disposal Authority	**(149,610)**	0	0	**(149,610)**	516,867	**367,257**
Restated Balance as at 31 March 2018	**(421,900)**	**(1,209)**	**(25,507)**	**(448,616)**	**3,181,027**	**2,732,411**
Movement in Reserves during 2018/19						
Surplus or (deficit) on the provision of services	**8,546**	0	0	**8,546**	0	**8,546**
Total Comprehensive Income and Expenditure	**0**	0	0	**0**	18,908	**18,908**
Total Adjustments between accounting basis & funding basis under regulations	**(45,719)**	1,209	(15,661)	**(60,172)**	60,172	**0**
Transfers to or from Earmarked Reserves	**0**	0	0	**0**	0	**0**
Increase / (decrease) in year	**(37,174)**	**1,209**	**(15,661)**	**(51,626)**	**79,080**	**27,454**
Continuing Operations Balance as at 31 March 2019	**(459,073)**	**(0)**	**(41,169)**	**(500,242)**	**3,260,107**	**2,759,865**

Balance Sheet

The Balance Sheet shows the value of assets and liabilities recognised by the Authority. The net assets/liabilities are matched by the usable and unusable reserves held. Usable reserves can be utilised to fund services whereas unusable reserves are accounting reserves held to reconcile the position between the accounting cost of services and the cost set out in legislation that is chargeable to precepts and taxation. Further details of balance sheet items can be found in the relevant associated notes.

2017/18 £000s	**Balance Sheet**	**Note**	**2018/19 £000s**
	Non Current Assets		
441,560	Property, Plant and Equipment	20	624,306
83	Heritage Assets		83
53	Investment Property		53
786	Intangible Assets		712
23,219	Long Term Debtors and Payments in Advance	21	41,732
745	Long Term Investments		1,054
466,446	**Total Non Current Assets**		**667,939**
	Current Assets		
2,012	Inventories and Stocks		2,336
191,731	Short Term Debtors and Payments in Advance	21	149,245
9,188	Amount due from the Pension Fund		7,030
356,726	Cash and Cash Equivalents	22	180,188
600	Short Term Assets Held for Sale		323
560,257	**Total Current Assets**		339,121
	Current Liabilities		
(181,227)	Short Term Borrowing	28	(180,036)
(185,714)	Short Term Creditors and Receipts in Advance	23	(256,881)
(38,164)	Capital Grants Receipts in Advance	13	(30,341)
(19,995)	Revenue Grants Receipts in Advance	13	(17,630)
(6,763)	Short Term Provisions	24	(8,579)
(1,500)	Short Term Lease Liability	25	(2,673)
(4,824)	Short Term Deferred Liability	26	(6,522)
(438,186)	**Total Current Liabilities**		**(502,661)**
	Long Term Liabilities		
(1,148,517)	Long Term Borrowing	28	(1,388,297)
(12,461)	Long Term Provisions	24	(13,699)
(50,331)	Long Term Lease Liability	25	(47,658)
(16,053)	Long Term Deferred Liability	26	(14,169)
0	Long Term Grant Receipts in Advance		
(1,726,309)	Pensions Liability	32	(1,800,441)
(2,953,671)	**Total Long Term Liabilities**		**(3,264,264)**
(2,365,155)	**Net Assets (Liabilities)**		**(2,759,865)**
	Financed by:		
(299,008)	Usable Reserves	9	(500,242)
2,664,163	Unusable Reserves	27	3,260,108
2,365,155	**Total Reserves**		**2,759,865**

Richard Paver
Treasurer of the Greater Manchester Combined Authority
Date 07/06/2019

Cash Flow Statement

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

2017/18 £000s	**Cash Flow Statement**	**2018/19 £000s**
32,325	**Net (surplus) / deficit on the provision of continuing operations**	**8,546**
(22,088)	Adjustments to net surplus on the provision of services for non cash movements	(119,460)
(6,451)	Adjust for items included in the net surplus on the provision of services that are investing and financing activities	440
3,786	**Net Cash Flows from Operating Activities**	**(110,474)**
31,100	Investing Activities	17,565
(250,227)	Financing Activities	276,331
(215,342)	**(Increase) / Decrease in Cash and Cash Equivalents**	**183,422**
119,234	Cash and cash equivalents on 1 April 2018 for continuing operations	356,726
22,150	Cash and cash equivalents on 1 April 2018 for transferred operations	6,884
141,384	**Restated cash and cash equivalents brought forward for all operations**	**363,610**
356,726	Cash and cash equivalents at the end of the reporting period	180,188

Greater Manchester Combined Authority

Single Entity Accounts

Notes to the Core Financial Statements

Notes to the Core Financial Statements

1 Accounting Concepts and Policies

General Principles

The Statement of Accounts summarises the Authority's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. These regulations require the Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and the Service Reporting Code of Practice 2018/19 (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003.

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

Accounting Concepts

Going concern

The accounts are prepared on a going concern basis. This assumes that the Authority will continue in operation for the foreseeable future.

Qualitative characteristics

The usefulness of financial statements is enhanced if they are comparable. The Code promotes comparability by designating the form and content of the financial statements, which include a comparison with the previous financial period. The 2018/19 statements include the transfer in by Absorption Accounting of the functions previously provided by the GMWDA.

These Accounts, therefore, do not comply with the requirements of the Code in relation to the provision of comparative information. However, the Code of Practice acknowledges the primacy of legislative requirements, which is that where an accounting treatment is required by law, it must be applied, even if it contradicts any accounting concept or qualitative characteristic.

Accounting Policies

Accruals of Income and Expenditure

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

- Revenue from sale of goods is recognised when the significant risks and rewards of ownership are transferred to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;

- Revenue from the provision of services is recognised when we can reliably measure the completion of the transaction and where it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;
- 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 relating 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 on the basis of 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.

Provision is made for debts that are not considered to be collectable – referred to as impairment of financial assets. This provision is calculated based on a risk assessment of each debt. The balance of debtors on the Balance Sheet is reduced by the amount of provision made.

Cash and Cash Equivalents
Cash is represented by cash in hand and deposits with financial institutions and Local Authorities, repayable without penalty on notice of no more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
Prior period adjustments may arise as a result of a change in accounting policies, or to correct a material error. Changes in accounting estimates are accounted for prospectively, in other words, in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. If material errors are discovered in a prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Charges to Revenue for Non-Current Assets

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year:

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

The Authority is not required to raise precepts, levies or district contributions to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to a minimum revenue provision (MRP) amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Termination Benefits

Termination benefits are amounts payable, as a result of a decision by the Authority, to terminate an Officer's employment 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 in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund 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 made to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits – Pensions

Employees of the Authority are divided between two separate pension schemes: The Fire Service Pension Scheme for its uniformed firefighters and the Local Government Pension Scheme for all other staff.

The Police Pension Fund Account was established under the Police Pension Fund Regulations 2007 and is administered and managed by the Chief Constable on behalf of the Authority.

In accordance with proper practices the Authority has fully complied with the International Financial Reporting Standard IAS19 (Employee Benefits). All Pension schemes are classified as 'defined benefit' schemes under IAS19 and the accounting principles and their effect on the financial statements are explained below.

The Fire Service Pension Scheme

This is an unfunded scheme, which is administered by the Authority in accordance with Government Regulations. For such schemes as there are no investment assets, the IAS19 requires recognition of the liability and pension reserve in the Balance Sheet and transactions in the Comprehensive Income and Expenditure Account for movements in the liability and reserve. The primary objective is to allow the separation of the cost of providing pensions from the cost of running a fire and rescue service.

Under Government Regulations, if the amounts receivable by the pension fund for the year is less than amounts payable, the Authority must annually transfer an amount required to the deficit to the pension fund. Subject to Parliamentary scrutiny and approval, up to 100% of this cost is met by central government top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Authority, who then must repay the amount to central government.

Local Government Pension Scheme

The Authority pays an employer's contribution into the Greater Manchester Pension Fund, which is a fully funded defined benefits scheme administered by Tameside Metropolitan Borough Council from whom an Annual Report is available.

The liabilities of the Greater Manchester Pension Fund attributable to the Authority 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 and projections of projected earnings for current employees.

The Police Pension Scheme
The Police Pension scheme for police officers is an unfunded defined benefit scheme administered by the Chief Constable. There are no investment assets built up to meet the pension liabilities and cash has to be generated from employee and employer contributions to meet actual pension payments as they eventually fall due.

Under the Police Pensions Fund Regulations 2007, if the amounts receivable by the pensions fund for the year is less than amounts payable, the Authority must annually transfer an amount required to the deficit to the pension fund. Subject to Parliamentary scrutiny and approval, up to 100% of this cost is met by central government top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Authority, who then must repay the amount to central government.

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

Recognition
Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Exceptions to this are the Traffic Signals and Vehicles which are fully capitalised with no minimum level.

Repairs expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement
Assets are initially measured at cost, comprising:

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

Any revaluation of assets either upward or downward would be reflected in the Authority's asset base.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains after any reversals of previous losses have been credited to the Surplus or Deficit on the Provision of Services.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- Where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the comprehensive income and expenditure statement.

Assets are then carried in the balance sheet using the following measurement bases:

- Assets under construction –historical cost;
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account. Where non-property assets that have short useful lives or low values (or both), for example vehicles, depreciated historical cost basis is used as a proxy for fair value.

Capitalisation of Interest/Borrowing costs
Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are interest and other costs that the Authority incurs in connection with the borrowing of funds.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (in other words, it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

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

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

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

Depreciation of Property, Plant and Equipment
Depreciation has been calculated using a straight-line method (i.e. apportioned equally over each year of the life of the asset) for all assets. Depreciation is charged to the service with a corresponding reduction in the value of the asset. The depreciation charge is reversed in the Movement in Reserves Statement and a transfer made to the Capital Adjustment Account. Residual values, useful lives and depreciation methods are reviewed at each financial year-end.

- Infrastructure assets - The estimated useful life of each asset has been determined by reference to the records kept by TfGM;
- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer;
- Vehicles, plant and equipment – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer;
- Freehold land and community assets are not depreciated.

Where an asset has major components with different estimated useful lives, these are depreciated separately.

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

Derecognition of Property, Plant and Equipment
An item of Property, Plant and Equipment is derecognised by disposal or when no future economic benefit or service potential is expected from its use. The carrying amount of a replaced or restored part of an asset is derecognised with the carrying amount of the new component being recognised. The written off value of disposals is reversed through the Movement in Reserves Statement to the Capital Adjustment Account.

Disposals
When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal of £10,000 or more are categorised as capital receipts, are credited to the Capital Receipts Reserve (CRR), and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the relevant Mayoral or GMCA CRR from the relevant Mayoral or GMCA Balances in the movement in reserves statement.

The written-off value of disposals is not a charge against statutory funding, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the relevant General Fund balance in the movement in reserves statement.

Revaluations
A rolling programme of revaluation of land and buildings is contained within the Authority's Asset Management Plan. This rolling programme caters for the revaluation of all fixed assets and is carried out over 5 years.

Fair Value
The Authority measures some of its non-financial assets, such as Investment properties, and some of its financial instruments at fair value at each reporting date, if material. 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.

The Authority measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interest).

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

Financial liabilities and financial assets are carried in the balance sheet at amortised cost, they are shown below. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans from the PWLB, new borrowing rates from the PWLB have been applied to provide the fair value;
- For non PWLB loans payable, prevailing market rates have been applied to provide the fair value;
- No early repayment or impairment is recognised;
- The fair value of trade and other receivables and creditors is taken to be the invoiced or billed amount;
- The fair value of the available for sale assets is the carrying amount.

The Authority uses appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

- Level 1 – quoted prices in active markets for identical assets 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 where market data is not available.

Componentisation Policy

The Code of Practice on Local Authority Accounting requires each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset to be depreciated separately. Where there is more than one significant part of the same asset that has the same useful life and depreciation method, such parts may be grouped in determining the depreciation charge. In practice, this can be achieved by only separately accounting for significant components that have different useful lives and/or depreciation methods. The requirement for componentisation for depreciation purposes is applicable to enhancement and acquisition expenditure incurred and revaluations carried out from 1 April 2010.

Revenue Expenditure Funded by Capital Under Statute

Revenue Expenditure Funded by Capital under Statute (REFCUS) is expenditure of a capital nature that does not result in the creation of a non-current asset on the Balance Sheet. Expenditure is charged to the Deficit / (Surplus) on the Provision of Services as the expenditure is incurred. This is reversed out through the Movement in Reserves Statement and a transfer made to the Capital Adjustment Account.

Minimum Revenue Provision

The Authority is required to make a provision for the repayment of an element of the accumulated capital expenditure each year, financed by borrowing, through a revenue charge, in accordance with the Minimum Revenue Provision (MRP) requirements. Regulations have replaced the detailed formula for calculating MRP with a requirement to be prudent. The MRP policy is agreed by the Authority and details the basis of the provision. The MRP policy is detailed within the Treasury Management Strategy.

For all capital expenditure incurred before 1 April 2008 the Authority's policy is to adopt the regulatory method (4% of capital financing requirements).
For capital expenditure incurred on Metrolink, Greater Manchester Transport Fund Schemes and Waste services after 1 April 2008, MRP is deferred until the year after the asset has been commissioned into use and will be on an annuity basis over the estimate useful life. For capital expenditure incurred on assets relating to Policing Services after 1 April 2008, MRP is charged on a straight-line basis over the expected useful life of the asset. For capital expenditure incurred on Fire and Rescue Services between 1 April 2008 and 31 March 2012 using supported capital expenditure approvals, MRP is charged using the regulatory method, and after 1 April 2012 using unsupported borrowing, MRP is charged on a straight line basis over the expected useful life of the asset starting in the year after the expenditure is incurred.

Capital and Revenue Grants and Contributions

Revenue Grants and Contributions

All revenue grants and contributions to the Authority relate to a specific service. Where conditions have been met revenue grants and contributions are credited to the relevant Running Costs line within Cost of Services. When the expenditure relating to specific grants has not been incurred, the Authority has elected to make a contribution equivalent to the unspent amount of grant to an earmarked reserve. This reserve will be released in future financial years when the expenditure to which the grant relates is incurred.

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

Capital Grants and Contributions

Where conditions have been met, capital grants and contributions are credited to Taxation and Non Specific Grant Income in the Comprehensive Income and Expenditure Statement. The balance of the grant or contribution that has not been used to finance expenditure is transferred to the Capital Grants Unapplied Account via the Movement in Reserves Statement. The amount of grant or contribution that has been used to finance expenditure is transferred to the Capital Adjustment Account via the Movement in Reserves Statement. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account when they have been applied to fund capital expenditure.

Grants and Contributions relating to Revenue Expenditure funded by Capital under Statute (REFCUS)

Where conditions have been met, these grants and contributions that are attributable to assets not owned by the Authority (Revenue Expenditure Funded by Capital Under Statute) are credited to the Capital Grants Receivable line within the Cost of Services. They are then transferred to the Capital Adjustment Account when the related expenditure has been incurred via the Movement in Reserves Statement. If the grant is not spent it goes to the Capital Grants Unapplied reserve via the Movement in Reserves Statement. When spent, it is transferred from the Capital Grants Unapplied reserve to the Capital Adjustment Account.

Any capital grants and contributions that have been received from the Department for Transport which relate to non-Authority projects are credited to the Creditors Account. When a grant and contribution is paid to the relevant district Authority the Creditors Account is reduced accordingly.

Local Taxation

Council Tax

Following the abolishment of GM Fire and Rescue Authority and GM Office for the Police and Crime Commissioner, the Mayor now collects funds via the Mayoral General Fund and the Mayoral Police Fund respectively.

In their capacity as billing authorities the District Councils of Greater Manchester act as agents: they collect and distribute council tax income on behalf of the major preceptors and themselves. The cash collected by the billing authorities from council tax debtors belongs proportionately to the billing authorities and the major preceptors. There will therefore be a debtor/creditor position between the billing authorities and GMCA to be recognised since the net cash paid to GMCA in the year will not be its share of cash collected from council tax payers.

NNDR

From 1 April 2013 the District Councils as billing authorities of Greater Manchester have acted as agents; they have collected National Non Domestic Rates (NNDR) income on behalf of Central Government, the GMCA and themselves.

The NNDR income distributed to each of the parties is the amount after deducting an allowance for the District Councils cost of collection. The NNDR cash collected by the billing authorities through the national scheme belongs proportionately to Central Government, the District Council and GMCA; there will therefore be a debtor/creditor position between these parties to be recognised since the net cash paid in the year to each party will not be their share of the cash collected from business ratepayers.

For 2018/19 Greater Manchester is a pilot area for the 100% Business Rates Retention Scheme and the relevant shares of NNDR income for 2018/19 are Central Government (0%), GM District Councils (99%) and GMCA (1%).

For both council tax and NNDR, the income reflected in the CIES in 2018/19 is GMCA's share of the income relating to that year. However, the amount of council tax / NNDR income that can be credited to the General Fund for the year is determined by statute and may be different from the accrued income position shown in the CIES. An adjustment is made via the Movement in Reserves Statement for the difference between the income due under proper accounting practice and the income per statute.

Financial Assets

Financial assets are classified into two types:

- Loans and receivables - assets that have fixed or determinable payments but are not quoted in an active market;
- Available for sale assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables (e.g. investments and debtors) are initially measured at fair value and carried at their amortised cost (when the interest received is spread evenly over the life of the loan). Credits to the Financing and Investment Income line within the Comprehensive Income and Expenditure Statement for interest received are based on the balance sheet amount of the asset multiplied by the effective interest rate for the financial instrument.

For the loans that the Authority has made this means the amount shown in the balance sheet is the outstanding principal receivable plus accrued interest. The amount of interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year per the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the Contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Financial Liabilities

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

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus accrued interest. The interest charged to the Comprehensive Income and Expenditure Statement 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. This is an average and differs from the amounts actually paid in the year. The difference between the calculated interest charge and interest paid has been adjusted in the carrying amount of the loan and the amount charged in the Comprehensive Income and Expenditure Statement is the effective interest rate for the life of the loan rather than the amount payable per the loan agreement. A statutory over-ride allows the reversal of this difference through the Movement in Reserves Statement in order to charge the actual interest payable to the General Fund.

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

Where impairment losses are identified, they are accounted for by:

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

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

Unquoted Equity Investments at Cost less Impairment
Unquoted Equity Investments at Cost less Impairment are recognised on the trade date, i.e. the date the Authority becomes committed to the purchase and would not be able to avoid acquiring it without breaking the contract, rather than the date the settlement takes place (if this is a later date).

If there is no quoted market price for the asset, then a reliable valuation technique should be applied. This could be a discounted cash flow analysis of dividends received or a valuation of the Authority's share of the company. The inputs to the measurement techniques are categorised into three levels:

- Level 1 inputs – quoted price in an active market for identical assets that the Authority can access at the balance sheet date;
- Level 2 inputs – inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset. If the application of all relevant valuation techniques produces a significant range of reasonable fair value estimates such that no valuation would be reliable, the instrument is exempted from fair value measurement and is carried at cost less impairment.

Value Added Tax (VAT)
VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Reserves and Balances
The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance 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 and Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and they do not represent usable resources for the Authority.

In 2017/18 the Authority introduced memorandum accounts to hold the ring fenced reserves and balances relating to the Mayoral General Fund and the Mayoral Police Fund.

Revenue
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 sale of goods is recognised when the significant risks and rewards of ownership are transferred to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;

Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

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.

Rentals receivable under operating leases and secondary rentals received and retained by the group under finance leases are credited to income as they arise. Any premia or incentives within the lease are recognised within income on an equal basis over the term of the lease.

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

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

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

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

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

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

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

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

Events after the balance sheet date

Events after the balance sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

Where these provide evidence of conditions in existence at the balance sheet date, the amounts recognised in the accounts are adjusted.

Where these are indicative of conditions that arose after the balance sheet date the amounts in the accounts are not adjusted. This is known as a non-adjusting event and is disclosed as a note to the accounts.

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

Interests in Companies and Other Entities - Group Accounts

The Authority is required to produce group accounts where it has interests in subsidiaries, associates and/or joint ventures unless interest is considered not material. The group boundary is dependent upon the extent of the Authority's control or significant influence over the entity, which is based on the requirements of IFRS10, IFRS11 and IAS 28.

Inclusion in the Authority group is dependent upon the extent of the Authority's interest and power to influence an entity. The Authority is considered to control an entity if it has power over the entity, exposure or rights to variable returns from its interest with the entity and the ability to use its power to affect the level of returns. The determining factor for assessing the extent of interest and power to influence is either through ownership of an entity, or representation on an entity's board of directors/trustees.

An assessment of all the Authority's interests has been carried out during the year, in accordance with the Code of Practice, to determine the relationships that exist and whether they should be included within the Authority's group accounts. As such, Group accounts have been prepared for the Authority to include Transport for Greater Manchester, Greater Manchester Police and North West Evergreen Holdings LP. The prior year figures for the group have been restated to remove those organisations that are classed as immaterial. These are: Greater Manchester Accessible Transport Ltd; Commission for New Economy; and Manchester Investment and Development Agency Service.

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

Benefits Payable During Employment
Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense for services in the year in which employees render service to the Authority.

In 2017/18, an accrual was made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees could carry forward into the next financial year. The accrual was made at the wage and salary rates applicable in the following accounting year, being the period in which the employee took the benefit. The accrual was charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits were charged to the General Fund in the financial year in which the holiday absence occurred. From 2018/19 onwards, the Authority will not be accruing for employee benefits as the adjustment is considered to be immaterial.

Private Finance Initiative (PFI)
PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under his PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on his Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. When establishing the recognition point of an asset, the Authority considers when probable and future benefits of the asset will flow to it and the extent to which the cost of the asset can be reliably measured.

PFI and similar contracts recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

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

- **Fair value of the services received during the year** – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- **Finance costs** – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **Contingent Rents** – Increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **Payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease);
- **Lifecycle replacement costs** – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

The Authority is deemed to control the services provided under its PFI arrangement for the Stretford Fire Station site. The Authority also has a PFI contract for the construction and maintenance of 17 police stations across Greater Manchester whereby the contractor will operate and service the stations for 25 years after which ownership will revert to the Mayor of Greater Manchester for nil consideration. The accounting policy for PFI's and similar arrangements has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Balance Sheet.

2 Critical Accounting Judgements

In applying the accounting policies set out in the notes to the accounts, the Authority has had to make certain judgements about complex in year transactions or those involving uncertainty about future events. The following are significant management judgements made in applying the accounting policies of the Authority that have the most significant effect on the Statement of Accounts. Material estimation uncertainties are described in the notes to the accounts.

Government Funding

There is a degree of uncertainty about future levels of some of the major funding streams for parts of the Authority and Local Government as a whole. The Authority has had to consider a range of options on how to continue to provide some elements of its services with a reduced level of funding.

As part of these deliberations a possible reduction in its asset base across the Police and Crime and Fire and Rescue functions has been considered. However there is not currently a sufficient indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

Private Finance Initiative (PFI)
The Authority is deemed to control the services provided under its PFI arrangements for the Stretford Fire Station and various Police Station sites. This assessment was based on advice received from expert external advisors. The accounting policy for PFI's has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Balance Sheet.

Treatment of Former Landfill Sites
The former GMWDA sold 18 sites to the private sector (Landcare (Manchester) Limited) in December 2012 in return for agreeing a fixed ten year contribution less potential income from part of any enhanced value (overage) from future development of the sites. For these former landfill sites, in financial terms, the maximum liability can be determined. As such, a specific provision was created in 2013/14 to reflect this maximum liability and is being released on an annual basis. For the remaining four sites linked to the GMCA, management has considered IAS37 *Provisions, Contingent Liabilities and Contingent Assets* and has concluded that no provision within the 2018/19 accounts is required as the amount of expenditure cannot be estimated reliably.

Former GMWDA Landfill Tax Claim
The GMCA has instructed Price Waterhouse Coopers Legal LLP (PWC) to act on its behalf in a claim in relation to landfill tax paid over to HM Revenue and Customs. That claim has been lodged with the Courts, and if successful would see significant recovery of landfill tax being returned to the GMCA. The claim is one of a series of cases, which are taking place in relation to this area of interpretation of the law, and the GMCA action remains 'stayed', whilst a test case progresses through the Courts system.
Given that clarification of this complex area of law is awaited by way of a legally binding decision, which may be some distance in the future, it is considered that at this stage in the legal proceedings and given the uncertainty of the outcome of the claim, it is not considered prudent to anticipate the financial implications of a successful action.

Greater Manchester Devolution

Greater Manchester Waste Disposal Authority (GMWDA)
The functions of the GMWDA, were transferred to the Authority with effect from 1 April 2018. The GMWDA function ceased to exist with all staff, properties, rights and liabilities transferring to the Authority.

The closing balance sheet of the GMWDA will be brought into the Authority's 2018/19 balance sheet as an in year transfer using the absorption accounting methodology. The Authority's prior year comparative values will not be restated to include the GMWDA 2017/18 values.

This was the treatment applied to the transfer of GM Fire and Rescue service and Police and Crime Commissioner in 2017.

Group Accounts Considerations
A review of the entities related to the Authority in 2018/19 has taken place and the conclusions are provided below:

Chief Constable of Greater Manchester Police (GMP)
GMP is to be included in the Authority's group accounts from 8 May 2017. The Mayor is responsible for the formal oversight of GMP, including provision of all funding, budget-setting, performance scrutiny and strategic policy development, and for ensuring GMP is run efficiently and effectively. Operational decision-making on day-to-day policing including the employment of police staff remains the responsibility of the Chief Constable.

Under the legislative framework and local arrangements, the Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constables officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the GMCA Police Fund. The Police Fund is disclosed in the supplementary notes to the main GMCA accounting statements.

Transport for Greater Manchester (TfGM)
TfGM is to continue to be included in the Authority's group accounts. The Authority and/or the Mayor sets local public transport policy and is responsible for deciding how funds are spent on supporting and improving Greater Manchester's public transport network. The decisions of the Authority and/or the Mayor are implemented by TfGM and TfGM is responsible for implementing the policies of the Authority. TfGM's net expenditure after taking into account all sources of income and expenditure is financed by way of a Revenue Grant from the Authority. TfGM's corporate objectives are derived from the Authority's policy priorities, stakeholder consultation and its principal statutory obligations. Strategic objectives and targets are set out in the Authority/TfGM Business and Performance Plan.

For information details of transactions with the TfGM will be included within the related parties note.

Greater Manchester Fund of Funds Limited Partnership (FoFLP)
In November 2016 the authority established FoFLP to act as a holding fund for ERDF funding. In May 2017, the fund received £15 million funding from ERDF and £0.5 million from the Authority. FoFLP will invest in sub funds that seek to support the shift towards a low carbon economy and for research and innovation. The fund has secured an additional £45 million ERDF funding which has not yet been drawn down. On the grounds of immateriality it has been decided that **FoFLP is not to be included** in the group accounts.

NW Evergreen Holdings Limited Partnership (NWEH)
NWEH is to continue to be included in the Authority's group accounts. In September 2016 the Authority established NWEH to act as a holding fund for earlier tranches of ERDF funding. The Fund has received over £60 million of funding from ERDF and will invest in sub funds that provide opportunities to identify, research and negotiate investment opportunities in properties in the North West of England.

NW Fire Control Company
The NW Fire Control Limited Company (NWFCC) operates a regional control centre based in Warrington. The company has four equal partners namely: Greater Manchester Combined Authority, Cheshire, Cumbria County Council and Lancashire Fire and Rescue Authorities.

NWFCC became operational during 2014/15 and it meets with the definition of a joint operation for group accounts purposes. However, on the grounds of immateriality it has been decided that **NWFCC is not to be included** in the group accounts. For information details of the relationship with the company and its financial performance will be included in the related parties note.

Commission for New Economy Limited (CNE)
CNE is a private company limited by guarantee without share capital. The Authority is the person with significant control and has previously included CNE in its group accounts. The company is no longer trading following a decision to wind the company up in December 2018. On the grounds of immateriality it has been decided that **CNE is not to be included** in the group accounts.

Greater Manchester Accessible Transport Limited (GMATL)

GMATL is a private company limited by guarantee without share capital. The Authority is the person with significant control and has previously included GMATL in its group accounts. The balance sheet value is approximately £2 million. On the grounds of immateriality it has been decided that **GMATL is not to be included** in the group accounts.

Manchester Investment and Development Agency Service (MIDAS)
MIDAS is a private company limited by guarantee without share capital. The Authority is the person with significant control and has previously included MIDAS in its group accounts. The balance sheet value is approximately £0.4 million. On the grounds of immateriality, it has been decided that **MIDAS is not to be included** in the group accounts.

HIVE Homes

HIVE Homes is a joint venture with 10 Registered Housing providers and has been incorporated to acquire sites in Greater Manchester and then develop them for sale as residential use. From March 2019 the Authority will has a 20% share within the company, however to date £125,000 has been invested. On the grounds of immateriality, it has been decided that **HIVE Homes will not be included** in the group accounts.

Greater Manchester Combined Waste & Recycling Limited (GMCWR)

Greater Manchester Combined Waste & Recycling Limited was a subsidiary of the former GMWDA and was placed into a solvent liquidation on 22 March 2018. On the grounds of no parental control and immateriality, it has been decided that **GMCWR will not be included** in the group accounts.

3 Key Sources of Estimation and Uncertainty

In preparing the annual Accounts there are areas where estimates are made. These include:

- useful lives and valuations of properties which are estimated by qualified valuers;
- valuations of investments;
- provisions for known compensation claims which are estimated based on experience of similar claims;
- the amount of arrears that will not be collected which are estimated based on expectation of collection of different types of debt; and
  the liability for future pension payments which is estimated by qualified actuaries.

4 Impact of Accounting Standards issued but not yet Adopted

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2018/19 Code. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years. Accounting changes that are introduced by the 2019/20 code are:

- Amendments to IAS 40 Investment Property: Transfers of Investment Property;
- Annual Improvements to IFRS Standards 2014-2016 Cycle;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- IFRIC 23 Uncertainty over Income Tax Treatments; and
- Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation.

These changes are not expected to have a material impact on the Authority's single entity statements or group statements.

5 Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Treasurer on 7th June 2019. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. The financial statements and notes have not been adjusted for the following events which took place after 31 March as they provide information that is relevant to an understanding of the Authority's financial position but do not relate to conditions at that date.

6 Authorisation for the Issue of the Statement of Accounts

The 2018/19 Statement of Accounts was authorised for issue by the Treasurer on 7th June 2019.

7a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Authority in comparison to those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how the expenditure is allocated between Services. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2017/18				2018/19		
Net expenditure chargeable to the General Fund Balance £000s	**Adjustments between Funding and Accounting Basis £000s**	**Net expenditure in the Comprehensive Income and Expenditure Statement £000s**		**Net expenditure chargeable to the General Fund Balance £000s**	**Adjustments between Funding and Accounting Basis £000s**	**Net expenditure in the Comprehensive Income and Expenditure Statement £000s**
			Continuing Services			
160,274	163,376	323,650	Highways and Transport Services	122,917	58,036	180,953
(1,941)	13,152	11,211	Economic Development and Regeneration	43,361	5,133	48,494
78,993	(10,609)	68,384	Mayoral General Fund Services	108,447	(25,241)	83,206
492,409	(21,419)	470,990	Mayoral Police Fund Services	551,610	(9,230)	542,381
			Transferred Services			
			Waste Disposal Services	163,160	(23,682)	139,478
729,734	**144,501**	**874,235**	**Cost of Services**	**989,495**	**5,017**	**994,512**
(726,649)	(115,261)	(841,910)	Other Income and Expenditure	(1,026,669)	40,702	(985,967)
3,085	**29,240**	**32,325**	**(Surplus)/Deficit**	**(37,174)**	**45,720**	**8,546**
275,144			**Opening General Fund Balance and Earmarked Reserves Continuing Services**	**272,290**		
			Opening General Fund Balance and Earmarked Reserves transferred from GMWDA	149,610		
			Restated Opening General Fund Balance GMCA Services	**421,900**		
(3,085)			**Surplus / (Deficit) on General Fund Balance in year**	**37,174**		
231			**Transfers between reserves**	**0**		
272,290			**Closing General Fund Balance at 31 March 2019**	**459,073**		

7b Note to the Expenditure and Funding Analysis

2017/18					2018/19			
Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s		Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s
				Continuing Services				
163,376	0	0	163,376	Highways and Transport Services	58,036	0	0	58,036
17,408	(4,256)	0	13,152	Economic Development and Regeneration	4,691	442	0	5,133
(142)	(10,466)	0	(10,609)	Mayoral General Fund Services	152	(25,393)	0	(25,241)
(20,690)	(729)	0	(21,419)	Mayoral Police Fund Services	(9,262)	32	0	(9,230)
				Transferred Services				
				Waste Disposal Services	(23,735)	53	0	(23,682)
159,952	**(15,451)**	**0**	**144,501**	**Net Cost of Services**	**29,883**	**(24,866)**	**0**	**5,017**
(155,401)	44,764	(4,623)	**(115,261)**	**Other Income and Expenditure**	(2,369)	43,908	(837)	40,702
4,550	**29,313**	**(4,623)**	**29,240**	**Difference between General Fund Surplus and CIES Deficit on the Provision of Services**	**27,515**	**19,042**	**(837)**	**45,720**

a) Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

b) Net Change for the Pensions Adjustments - 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.

c) Other Differences - Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

d) Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

- For financing and investment income and expenditure the other non-statutory adjustments column recognises adjustments to service segments eg for interest income and expenditure and changes in the fair values of investment properties.

- For taxation and non-specific grant income and expenditure the other non-statutory adjustments column recognises adjustments to service segments e.g. for un-ringfenced government grants.

8 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an Authority are required to paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

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

2017-18					2018-19			
General Fund Balance	**Capital Receipts Reserve**	**Capital Grants Unapplied**	**Movement in Unusable Reserves**		**General Fund Balance**	**Capital Receipts Reserve**	**Capital Grants Unapplied**	**Movement in Unusable Reserves**
£000	**£000**	**£000**	**£000**		**£000**	**£000**	**£000**	**£000**
				Adjustments to the Revenue Resources **Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:**				
(29,313)	0	0	29,313	Pension cost (transferred to (or from) the Pensions Reserve)	(19,042)	0	0	19,042
(118)	0	0	118	Financial Instruments (transferred to the Financial Instruments Adjustments Account)	40	0	0	(40)
85	0	0	(85)	Council tax and NDR (transfers to or from the Collection Fund)	10	0	0	(10)
(48)	0	0	48	Holiday pay (transferred to the Accumulated Absences reserve)	149	0	0	(149)
(64,647)	0	219	64,428	Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(131,406)	0	0	131,406
(94,041)	**0**	**219**	**93,822**	**Total Adjustments to Revenue Resources**	**(150,249)**	**0**	**0**	**150,249**
				Adjustments between Revenue and Capital Resources				
775	(7,158)	0	6,383	Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	(19,781)	0	19,781
39,604	0	0	(39,604)	Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	73,824	0	0	(73,824)
23,783	0	0	(23,783)	Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	30,706	0	0	(30,706)
64,162	**(7,158)**	**0**	**(63,387)**	**Total Adjustments between Revenue and Capital Resources**	**104,530**	**(19,781)**	**0**	**(84,749)**
				Adjustments to Capital Resources				
0	5,671	0	(5,671)	Use of the Capital Receipts Reserve to finance capital expenditure	0	4,120	0	(4,120)
0	0	11,461	(11,461)	Application of capital grants to finance capital expenditure	0	0	1,210	(1,210)
0	**5,671**	**11,461**	**(10,749)**	**Total Adjustments to Capital Resources**	**0**	**4,120**	**1,210**	**(5,329)**
408	0	0	(408)	Other adjustments	0	0	0	0
(29,471)	**(1,487)**	**11,680**	**19,278**	**Total Adjustments**	**(45,719)**	**(15,661)**	**1,210**	**60,171**

9a Transfers to/from Reserves

This note sets out the amounts set aside from the General Fund in reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

Restated Opening Balances £000s	Transfers in/out £000s	31 March 2018 £000s	Earmarked Reserves and Balances	Continuing Operations 1 April 2018 £000s	Transferred Services 1 April 2018 £000s	Restated Opening Balances £000s	Transfers in/out £000s	31 March 2019 £000s
			Transport, Economic Development and Regeneration & Waste					
(2,348)	(5,879)	(8,227)	Earn-back Revenue	(8,227)	-	(8,227)	(1,953)	(10,180)
-	(4,789)	(4,789)	Life Chances	(4,789)	-	(4,789)	(211)	(5,000)
-	(1,003)	(1,003)	Clean Air Plan	(1,003)	-	(1,003)	(3,224)	(4,227)
-	(3,182)	(3,182)	Reform and Investment Fund	(3,182)	-	(3,182)	396	(2,786)
(2,683)	245	(2,438)	Youth Contract	(2,438)	-	(2,438)	27	(2,411)
(3,341)	1,158	(2,183)	City Deal	(2,183)	-	(2,183)	297	(1,886)
-	(1,734)	(1,734)	GM Trailblazer	(1,734)	-	(1,734)	0	(1,734)
(1,554)	-	(1,554)	Growing Places Fund	(1,554)	-	(1,554)	0	(1,554)
-	-	-	Housing First	-	-	-	(1,105)	(1,105)
(575)	(458)	(1,033)	One Public Estate	(1,033)	-	(1,033)	379	(655)
-	-	-	Creative Scale Up Project	-	-	-	(650)	(650)
-	(775)	(775)	Manchester Western Loop	(775)	-	(775)	176	(599)
(613)	139	(474)	LEP Strategic Plans Funding (LEP)	(474)	-	(474)	(108)	(581)
-	-	-	Planning & Delivery Fund	-	-	-	(544)	(544)
-	(34,305)	(34,305)	Business Rates Top Up	(34,305)	-	(34,305)	(20,085)	(54,390)
(6,188)	(1,253)	(7,441)	RGF/GPF Interest and Arrangement Fees	(7,441)	-	(7,441)	(1,475)	(8,916)
-	(1,850)	(1,850)	GM Connect	(1,850)	-	(1,850)	727	(1,123)
-	-	-	Churchgate House Accommodation	-	-	-	(700)	(700)
(12,500)	-	(12,500)	Integrated Ticketing Reserve	(12,500)	-	(12,500)	0	(12,500)
(105,838)	91,614	(14,224)	Capital Programme Reserve	(14,224)	-	(14,224)	(85,772)	(99,996)
(6,841)	(39,232)	(46,073)	Business Rates Growth Pilot & Levy	(46,073)	-	(46,073)	(6,105)	(52,178)
(4,864)	964	(3,900)	Other Transport and ED&R Reserves	(3,900)	-	(3,900)	1,213	(2,687)
(7,033)	(178)	(7,211)	Transport and ED&R General Fund Balances	(7,211)	-	(7,211)	(634)	(7,845)
-	-	-	Waste Engagement Activities Reserve	-	(466)	(466)	364	(102)
-	-	-	Waste Disposal Insurance Reserve	-	(8,604)	(8,604)	(4,090)	(12,694)
-	-	-	Waste Interest Rate Reserve	-	(2,000)	(2,000)	-	(2,000)
-	-	-	Waste pesnion Deficit Funding Reserve	-	(812)	(812)	-	(812)
-	-	-	Waste MTFP Funding Reserve	-	(116,184)	(116,184)	79,824	(36,360)
-	-	-	Waste Optimisation and Efficiency	-	(5,000)	(5,000)	-	(5,000)
-	-	-	Waste Composition Analysis	-	(500)	(500)	314	(186)
-	-	-	Waste Lifecycle Reserve	-	(3,911)	(3,911)	-	(3,911)
-	-	-	Waste General Fund Balance	-	(12,132)	(12,132)	-	(12,132)
(154,378)	**(518)**	**(154,896)**	**Total General Fund Reserves**	**(154,896)**	**(149,609)**	**(304,505)**	**(42,936)**	**(347,441)**
(24,021)	(1,487)	(25,508)	Usable Capital Receipts Reserve	(25,508)	-	(25,508)	(15,661)	(41,169)
(11,802)	11,461	(341)	Capital Grants Unapplied Reserve	(341)	-	(341)	341	-
(190,201)	**9,456**	**(180,745)**	**Total Transport, ED&R and Waste**	**(180,745)**	**(149,609)**	**(330,354)**	**(58,256)**	**(388,610)**

Restated Opening Balances £000s	Transfers in/out £000s	31 March 2018 £000s	Earmarked Reserves and Balances	Continuing Operations 1 April 2018 £000s	Transferred Services 1 April 2018 £000s	Restated Opening Balances £000s	Transfers in/out £000s	31 March 2019 £000s
			Mayoral General Fund					
(11,473)	914	(10,559)	Capital Reserve	(10,559)	-	(10,559)	1,608	(8,951)
(5,312)	812	(4,500)	Earmarked Budgets Reserve	(4,500)	-	(4,500)	2,542	(1,958)
(4,779)	(571)	(5,350)	Revenue Grants Unapplied	(5,350)	-	(5,350)	2,605	(2,745)
(2,488)	(361)	(2,849)	Insurance Reserve	(2,849)	-	(2,849)	-	(2,849)
(1,710)	(413)	(2,123)	Business Rates Reserve	(2,123)	-	(2,123)	-	(2,123)
(418)	-	(418)	Restructuring Reserve	(418)	-	(418)	-	(418)
(127)	-	(127)	Innovation and Partnership CYP	(127)	-	(127)	-	(127)
(244)	-	(244)	Projects Reserve	(244)	-	(244)	244	-
-	(500)	(500)	Transformation Fund	(500)	-	(500)	(3,104)	(3,604)
(14,461)	(713)	(15,174)	Mayoral General Fund Balances	(15,174)	-	(15,174)	2,399	(12,775)
(41,012)	**(832)**	**(41,844)**	**Total General Fund Reserves**	**(41,844)**	**-**	**(41,844)**	**6,294**	**(35,550)**
(1,087)	219	(868)	Capital Grants Unapplied Reserve	(868)	-	(868)	868	-
(42,099)	**(613)**	**(42,712)**	**Total Mayoral General Fund**	**(42,712)**	**-**	**(42,712)**	**7,162**	**(35,550)**
			Mayoral Police Fund					
(12,668)	5,406	(7,262)	Revenue Expenditure Reserve	(7,262)	-	(7,262)	(571)	(7,833)
-	(15,173)	(15,173)	Insurance Reserve	(15,173)	-	(15,173)	1,004	(14,169)
(38,210)	13,495	(24,715)	PCC Earmarked Reserves	(24,715)	-	(24,715)	(4,479)	(29,194)
(2,603)	384	(2,219)	Capital Expenditure	(2,219)	-	(2,219)	2,219	-
(13,054)	752	(12,302)	PFI Reserve	(12,302)	-	(12,302)	476	(11,826)
(13,221)	(659)	(13,880)	Mayoral Police Fund Balances	(13,880)	-	(13,880)	819	(13,061)
(79,756)	**4,205**	**(75,551)**	**Total Mayoral Police Fund**	**(75,551)**	**-**	**(75,551)**	**(532)**	**(76,082)**
			Combined					
(275,146)	2,855	(272,291)	General Fund Balances	(272,291)	(149,609)	(421,900)	(37,173)	(459,074)
(24,021)	(1,487)	(25,508)	Usable Capital Receipts Reserve	(25,508)	-	(25,508)	(15,661)	(41,169)
(12,889)	11,680	(1,209)	Capital Grants Unapplied Reserve	(1,209)	-	(1,209)	1,209	-
(312,056)	**13,048**	**(299,008)**	**Total Usable Reserves**	**(299,008)**	**(149,609)**	**(448,617)**	**(51,626)**	**(500,243)**

9b Purpose of Earmarked Reserves

The purpose and operation of the reserves are as follows.

Revenue Grant Reserves and General Earmarked Reserves - Over £500,000

Transport, Economic Development & Regeneration	
Earnback Revenue Reserve	Funding from the devolution deal to be used for infrastructure investment. 5-year deal up to 2019, but may be extended after 2019 review.
Life Chances Reserve	Funding to help people in society who face the most significant barriers to leading happy and productive lives. It will provide top-up contributions to outcomes-based contracts involving social investment e.g. SIB's.
GM Clean Air Plan Reserve	Funding to support the work to improve air quality across GM and to develop a local plan to ensure the UK achieves compliance with legal limits for nitrogen dioxide in the shortest possible time.
Reform and Investment Fund Reserve	Funding to help thousands of families across England to get the help they need to address multiple, complex problems.
Youth Contract Reserve	Funding to be used on initiatives to tackle youth unemployment for 18-24 year olds.
City Deal Reserve	Funding to support high-quality careers, education, information, advice and guidance to stimulate demand for apprenticeships and pre-apprenticeship programmes.
GM Trailblazer Reserve	3-year project funding for homelessness prevention schemes, working closely with the MHCLG to improve homelessness data and evidence base.
Growing Places Fund Reserve	Funding to establish revolving investment funds, promoting a long term locally led solution to local infrastructure constraints.
Housing First Pilot Reserve	Funding to deliver a Housing First service, supporting single homeless people with complex needs, including rough sleepers and those with a history of rough sleeping.
One Public Estate Reserve	Funding to facilitate and enable local authority partnerships to work successfully with central government and local agencies on public property and land issues through sharing and collaboration.
Creative Scale Up Project Reserve	Funding to support local creative industries by working with potential investors to increase investor interest and capacity.
Manchester Western Loop T2 Reserve	Funding to link the Metrolink tramline between Manchester Airport and Wythenshawe Hospital.
Strategic Plans Funding Reserve	Funding to Local Enterprise Partnerships to support delivery of the Strategic Economic Plan for 2014-2020.
Planning Delivery Fund Reserve	Funding to establish a GM-wide whole-place approach to the development of new homes in key locations.
Business Rates Top-Up Reserve	Funding Received as part of the single pot allocations to support delivery.
GPF-RGF Interest and Arrangement Fees Reserve	Interest earned on income received in advance will be re-invested within the fund as per grant conditions and arrangement fees may be off-set against specific costs associated with the making of the loans.
GM Connect Reserve	Earmarked funding to support the GM Connect Digital Strategy.
Churchgate Accommodation Reserve	Earmarked funding for accommodation fit-out costs at Churchgate House and Lee House.
Integrated Ticketing Reserve	Funding to support the integrated ticketing scheme.
Capital Programme Reserve	Surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.
Business rates Growth Pilot & Levy	Funding to support Greater Manchester Strategic Priorities
Waste Engagement Activity Reserve	Reserve funding to allow the completion of the Communications Action Plan that runs over a 2-year period.

Insurance Reserve	This reserve has been established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases. The Reserve is now also enhanced as a buffer to satisfy any future insurance claims to satisfy any future insurance claims that may arise from an unforeseen event due to failure to secure selected insurance from the market.
Waste Interest Rate Reserve	To enable the Waste & Resources service to meet the additional cost of funding future increases in the margin chargeable on borrowings, arising from the current policy of not taking longer term debt
Waste Pension Deficit Funding Reserve	To meet the cost of funding potential future deficit arising on transfer of former Greater Manchester Waste Limited employees into the Authority's pension fund on commencement of the Contract, and to take account of possible further efficiencies arising from austerity challenges.
Waste Medium Term Financial Plan Funding Reserve	Reserve to support the delivery of objectives in the Waste & Resources service Medium Term Financial Plan.
Waste Optimisation Reserve	This reserve has been set up to allow a further capital contribution to be made (if required), so that the Authority can realise longer term financial and operational benefits from the approach to minimising the amount of waste sent to landfill.
Waste Compositional Reserve	This reserve provides the cost of conducting a review of waste arisings to be spread over a number of years. The review enables us to gauge whether our residents are recycling, and in so doing, better target limited behavioural change resources.
Waste Lifecycle Reserve	Reserve created to allow funding of lifecycle / maintenance needs at the operational sites now under Authority control
Usable Capital	Includes the principal repayments of RGF/GPF loans
Mayoral General Fund	
Capital Reserve	Surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.
Earmarked Budgets Reserve	Funding to be utilised to meet the costs of future projects as part of the budget strategy.
Revenue Grants Unapplied Reserves	Accumulated unspent grant funding which is required to meet costs in future years.
Insurance Reserve	Reserve established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases.
Business Rates Reserve	Funding to mitigate the impact of potential significant deficits on the 10 Greater Manchester Council respective Collection Funds, of which the Authority is liable for 1%.
Restructuring Reserve	Reserve created to provide funds towards the costs of service transition.
Innovation and Partnership CYP Reserve	Funding for future partnership and innovation schemes and to support Children's and Young People's initiatives.
Projects Reserve	Funding to support project work within the Authority
Transformation Reserve	New reserve set up as part of the Budget Strategy to be used by the Mayor to promote collaboration and transformation in blue light services.
Mayoral Police Fund	
Revenue Expenditure Reserve	Funding to be utilised to meet costs of existing projects which span years.
Insurance Reserve	Insurance Reserve - this reserve has been established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases.
PCC Earmarked Reserves	Funding to be utilised to meet costs of future projects which support the delivery of the Police and Crime Plan.

Capital Expenditure Reserve	Capital Programme Reserve - surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.
PFI Reserve	This reserve holds that balance of the PFI grant paid by the Home Office. It is used to support the future costs arising from the PFI Scheme.

10 Expenditure and Income Analysed by Nature

This table shows the underlying nature of the income and expenditure of the Authority:

2017/18 £000s	Nature of Expenditure and Income	2018/19 £000s
	Expenditure	
70,240	Employee Costs	74,521
101,959	Cost of Police Officer retirement benefits	117,148
707,433	Grants Expenditure*	785,729
85,936	Other Service Expenditure	209,538
26,800	Capital Charges including Depreciation and Impairment	43,392
99,922	Financing and Investment Expenditure	111,376
226,251	Revenue Expenditure Funded from Capital Under Statute	241,938
226	Loss on Disposal of Non-current Assets	426
1,318,766	**Total Expenditure**	**1,584,068**
	Income	
(6,782)	Financing and Investment Income	(6,951)
(78,978)	Fees, charges and other service income	(103,467)
(101,959)	Home Office grant payable towards the cost of retirement benefits	(117,148)
(220,625)	Income from Council Tax and NNDR	(251,348)
(36)	Gain on Disposal of Non-current assets	0
(103,871)	Transport and Waste Levy Income	(370,467)
(774,191)	Government Grants and Contributions	(726,141)
(1,286,441)	**Total Income**	**(1,575,522)**
32,326	**Deficit / (Surplus) on the Provision of Services**	**8,546**

* Please note Grants expenditure includes funding set aside for the Chief Constable

11 Revenue Expenditure Funded from Capital under Statute

Capital grants payable to TfGM/Districts and other bodies delivering economic development and regeneration projects are charged to the Comprehensive Income and Expenditure Statement as expenditure incurred and they are then reversed out in the Movement in Reserves Statement.

2017/18 £000s	REFCUS	2018/19 £000s
218,085	Highways and Transport Services	234,144
7,765	Economic Development and Regeneration Services	7,744
401	Fire Services	0
226,251	**REFCUS Total**	**241,887**

12 Income including Grants and Contributions

The Authority credited the following grants and contributions to the cost of services in the Comprehensive Income and Expenditure Statement:

2017/18 £000s	Income including Grants and Contributions Credited to the Cost of Services	2018/19 £000s
	Highways and Transport Services	
(1,391)	Sustainable Transport Transition Year Grant - DfT	-
(101)	Local Sustainable Transport Grant - DfT	-
(86)	CCAG Evaluation Study - DfT	-
(1,300)	GM Clean Air Plan (Feasibility Study) - DEFRA	(6,450)
(1,500)	Cycling & Walking to Work Award - DfT	(640)
(2,100)	Manchester Western Loop - T2/Airport City - DfT	-
(22,932)	Transport for the North - DfT	(182)
(6,731)	Bus Service Operators Grant - DfT	-
-	NWQ Multi Modal Study - DfT	(364)
(435)	District & External Contributions to Traffic Signals Repairs / S278	(241)
(36,325)	Revenue Expenditure Funded by Capital under Statute - DfT	(31,195)
(72,900)		(39,072)
	Economic Development and Regeneration Services	
(176)	Regional Growth Fund / Growing Places Fund Arrangement fees	(176)
(513)	Business Support Grants & Contributions	(1,671)
(468)	Elena Grant - EIB	(25)
(3,151)	Works & Skills Grants & Contributions	(7,315)
(82)	Environment & Low Carbon Grants & Contributions	(1,082)
(458)	One Public Estate - Cabinet Office	(251)
(20)	GM Technical Assistance - ERDF/ESF	102
(5,671)	Contribution to fund ED&R Advances	-
(5,000)	Life Chances Grant - DCMS	-
(2,122)	Homelessness Grants - CLG	(6,145)
(4,767)	Troubled Families - CLG	(7,764)
(94)	100 Resilient Cities	(134)
(114)	Ageing Better	(60)
-	Planning Delivery Fund - CLG	(950)
-	Digital Funding - DCLG	(93)
-	Innovation & Reform Grant - DfE	(673)
-	Other Grants	(792)
(8,284)	District Contributions to ED&R Functions	(4,291)
(22,620)	Contributions to ED&R Programmes - Manchester City Council	-
(4,041)	External Contributions and Income Towards ED&R	(3,835)
(7,506)	Revenue Expenditure Funded by Capital under Statute - DCLG / HCA	(5,035)
(65,086)		(40,189)
	Waste and Resources	
-	Erasmus Grant - EU	(12)
-	PFI Credit	(10,019)
-	Contributions & Income	(2,396)
-		(12,427)
	Mayoral General Fund Services	
(101)	Mayor's Office	(14,429)
(1,197)	Business Rates Top-Up Grant	(1,456)
(1,677)	Fire Service Specific Grants	(2,941)
(2,356)	Fees, charges and other service income	(2,142)
(5,330)		(20,968)
	Mayoral Police Fund Services	
(29,316)	Police other Contributions	(26,023)
(29,837)	CTU grant	(34,433)
(22,526)	Other revenue grants	(14,688)
(6,350)	Airport policing	(7,266)
(6,207)	Collaborations	(6,546)
(4,872)	PFI grant	(5,315)
(99,108)		(94,271)
(242,425)	**Total Income including Grants and Contributions Credited to the Cost of Services**	(206,926)

13 Grants and Contributions Received in Advance

The Authority received the following grants and contributions in advance. These were not credited to the Comprehensive Income and Expenditure Statement as they have conditions that have not yet been met.

2017/18 £000s	Grants Received in Advance	2018/19 £000s
	Capital Grants Receipts in Advance	
(1,547)	Clean Bus Technology Grant	(6,020)
(7,019)	Cross City Bus Package	(5,041)
(16,444)	Cycle City Ambition Grant 2	(8,705)
(7)	Stockport Town Centre Access	-
(6,185)	Integrated Transport & Highway Maintenance	(6,327)
(58)	Local Sustainable Transport Fund	(58)
(3,851)	Transport for the North	-
(3,000)	Early Measure (GM Clean Air Plan)	(2,649)
-	Cycle Safety Grant	(1,542)
(53)	Police Capital Grants	(10)
(38,164)	**Total Capital Grants RIA**	(30,351)
(38,164)	Due to be recognised within 1 year	(30,341)
-	Due to be recognised over 1 year	(10)
	Revenue Grants Receipts in Advance	
-	Made Smarter	(3,472)
-	Trailblazer	(375)
-	Homeless Veterans Fund	(91)
-	EU Step-In	(61)
-	Rogue Landlord Enforcement	(54)
-	Early Help Innovation Fund	(48)
-	Skills Analysis Panel	(45)
-	Warm Homes Fund	(24)
-	Grow Green	(17)
-	Careers and Enterprise - Manchester City Council	(13)
-	Careers and Enterprise - Bolton College	(9)
(1,984)	AGE Grant	-
(5,794)	Transport for the North	-
(31)	100 Resilient Cities	(28)
(174)	Social Impact Bond	-
(850)	Controlling Migration Fund	-
(100)	Troubled Families - Cost Benefit Analysis	-
(52)	Adult Education Budget	-
(50)	Improvement & Development (IDEA)	-
(7,430)	Innovation & Reform Funding	(6,757)
(9)	Bus Service Operators Grant (BSOG)	-
(1,350)	Planning Delivery Fund	(1,000)
(120)	HSCP Apprenticeship Strategy Grant	(92)
(959)	Work and Health Programme	(1,505)
(49)	Heat Network Delivery Project	(49)
(87)	New Dimensions	-
(230)	Firelink Grant	(237)
(40)	Victims Services Grant	-
-	Mayoral Police Fund National Training	(1,505)
-	Mayoral Police Fund Asset Incentivisation	(1,186)
(688)	Mayoral Police Fund Other	(1,064)
(19,995)		(17,631)
(19,995)	Due to be recognised within 1 year	(17,631)
-	Due to be recognised over 1 year	-

14 Financing and Investment Expenditure and Income Analysis

2017/18 £000s	Financing and Investment Expenditure	2018/19 £000s
18,406	PWLB	31,242
19,792	European Investment Bank	11,591
8,671	Other	12,838
1,203	Former Greater Manchester Council Debt	1,408
7,085	Interest Element of PFI Unitary Charge	6,081
44,764	Net interest on the net defined liability (asset)	165,364
99,922	**Total Financing and Investment Expenditure**	**228,525**

2017/18 £000s	Financing and Investment Income	2018/19 £000s
(1,672)	Interest receivable on deposits	(80)
(2,463)	Interest receivable on loans	(2,563)
(2,647)	Expected return on pension assets	(121,456)
(6,782)	**Total Financing and Investment Income**	**(124,099)**

15 Taxation and Non Specific Grant Income

2017/18 £000s		2018/19 £000s
	Income from Levies	
(103,871)	Transport Levy from the Greater Manchester Districts	(280,453)
-	Waste levy from the Greater Manchester Districts	(90,014)
	Income from Council Tax and Business Rates	
(109,725)	Council Tax Police Precept Income	(130,496)
(39,943)	Council Tax Mayoral Precept Income (inc Fire)	(50,815)
(70,957)	Non Domestic Rates Income	(70,037)
	Income from Revenue Grants	
(43,377)	Business Rates Top up Grant	(43,377)
(20,042)	Revenue Support Grant	(19,938)
(383,123)	Police Grant	(428,019)
(405)	PFI Grant	-
(500)	Growth Deal Grant (LEP)	(500)
(30,000)	Earnback Grant	(12,000)
	Income from Capital Grants	
(1,978)	Capital Contributions Receivable for Traffic Signal Schemes	(2,369)
(131,320)	Capital Grants and Contributions	(116,478)
(935,240)	**Total Taxation and Non Specific Grant Income**	**(1,244,496)**

16 Agency Activities

The Authority acts as an agent for the government and receives funding which is passed to the 10 District Councils of Greater Manchester.

2017/18 £000s	Agency Income and Expenditure	2018/19 £000s
15,400	Greater Manchester Transport Fund - non GMCA Road Schemes Paid to Districts	-
15,400	**Net Agency**	**-**

17 External Audit Fees

The Authority has incurred the following External Audit costs in relation to the audit of the Statement of Accounts and certification of grant claims.

2017/18 £000s	External Audit Fees	2018/19 £000s
(17)	Fees receivable from Public Sector Audit Appointments with regard to external audit services carried out by the appointed auditor for the year	-
85	Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the previous year in relation to the GM Waste Disposal Authority	35
-	Fees payable to Mazars with regard to external audit services carried out by the appointed auditor for the year	74
-	Fees payable to Mazars for the certification of grant claims and returns for the year	3
4	Fees payable to Grant Thornton for the certification of grant claims and returns for the year	-
72	**Total External Audit Fees**	112

18 Officer Remuneration

Officers with Remuneration above £50,000
The number of employees (including senior employees) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were as follows**:**

Staff who have not received severance 2017/18	Staff who have received severance 2017/18	Total 2017/18	Salary Range	Staff who have not received severance 2018/19	Staff who have received severance 2018/19	Total 2018/19
39	-	39	£50,000 to £54,999	-	-	-
17	-	17	£55,000 to £59,999	59	1	60
14	-	14	£60,000 to £64,999	54	-	54
6	-	6	£65,000 to £69,999	16	-	16
4	-	4	£70,000 to £74,999	5	-	5
4	-	4	£75,000 to £79,999	5	1	6
2	-	2	£80,000 to £84,999	8	-	8
-	-	-	£85,000 to £89,999	3	-	3
-	-	-	£90,000 to £94,999	4	-	4
2	-	2	£95,000 to £99,999	1	-	1
3	-	3	£100,000 to £104,999	-	-	-
-	-	-	£105,000 to £109,999	1	-	1
1	-	1	£110,000 to £114,999	-	-	-
-	-	-	£115,000 to £119,999	2	-	2
1	-	1	£120,000 to £124,999	-	-	-
-	-	-	£125,000 to £129,999	4	-	4
1	1	2	£130,000 to £134,999	-	-	-
1	-	1	£135,000 to £139,999	1	-	1
-	-	-	£140,000 to £144,999	-	-	-
-	-	-	£145,000 to £149,999	1	-	1
-	-	-	£150,000 to £154,999	-	-	-
1	-	1	£155,000 to £159,999	-	-	-
-	-	-	£160,000 to £164,999	-	-	-
-	-	-	£165,000 to £169,999	1	-	1
-	-	-	£170,000 to £174,999	-	-	-
-	-	-	£175,000 to £179,999	-	-	-
1	-	1	£180,000 to £184,999	-	-	-
97	1	98		165	2	167

In 2018/19 the Fire and Rescue Service has used overtime to support establishment numbers, whilst recruitment activity was underway. This has meant that the actual pay of staff at Watch Manager and Crew Manager was higher than normal, meaning they are captured within the bands. This arrangement is currently in place until the end of May 2019, and therefore 2018/19 represents an exceptional year in this respect.

Senior Employees Remuneration

Employees are classed as senior employees when they received a salary in excess of £150,000 (disclosed by name) or received a salary in excess of £50,000 and reported to the Head of Paid Service for the Authority. In addition the salaries for the Mayor, Deputy Mayor for Police and Crime and the Director of the Mayor's Office are disclosed.

Note	Post Title	2017/18 Salary (including fees and allowances	2017/18 Expenses	2017/18 Employer's Pensions Contribution	2017/18 Total Remuneration	2018/19 Salary (including fees and allowances	2018/19 Expenses	2018/19 Employer's Pensions Contribution	2018/19 Total Remuneration
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
A	Mayor of Greater Manchester (Andy Burnham)	99	-	-	**99**	110	-	-	**110**
B	Deputy Mayor for Police and Crime (Baroness Beverley Hughes)	62	-	-	**62**	77	-	-	**77**
C	Director - Mayor's Office	67	-	14	**81**	77	-	16	**93**
D	Chief Executive (Eamonn Boylan)	180	-	-	**180**	184	-	-	**184**
E	County Fire Officer (Peter O'Reilly)	133	2	26	**161**	-	-	-	-
F	Interim Chief Fire Officer (Dawn Docx)	29	-	6	**35**	64	-	14	**78**
G	Chief Fire Officer (James Wallace)	-	-	-	-	90	1	16	**107**
	Treasurer (Richard Paver)	159	-	-	**159**	161	1	-	**162**
H	Chief Investment Officer (William Enevoldson)	101	-	-	**101**	77	-	-	**77**
	Deputy Chief Executive	131	-	28	**159**	134	-	28	**162**
I	Solicitor and Monitoring Officer	5	-	1	**6**	107	-	23	**130**
J	Multi Agency Strategic Lead	35	-	7	**42**	-	-	-	-
K	Executive Director - Waste and Resources	-	-	-	**-**	102	-	22	**124**

A Post Start Date 8 May 2017
B Post Start Date 5 June 2017
C Post Start Date 8 May 2017
D The Authority received a contribution of £30,600 for the Chief Executive also performing the duties of Chief Executive at Transport for Greater Manchester during 2018/19
E Post holder retirement date 5 February 2018. Post changed to Chief Fire Officer
F Interim Post Holder from 23 January 2018 until 31 August 2018
G Post Holder commenced 1 September 2018
H Post in 2017/18 is 0.7 FTE, Annual salary for 1.0 FTE would be £151,500
Post in 2018/19 is 0.5 FTE, Annual salary for 1.0 FTE would be £154,530
I Post in 2017/18 is 0.8 FTE, Annual salary for 1.0 FTE would be £121,723
Post in 2018/19 is 0.8 FTE, Annual salary for 1.0 FTE would be £134,357
J Post in 2017/18 is 0.6 FTE, Annual salary for 1.0 FTE would be £90,000
Post in 2018/19 not classified as a senior employee
K Post transferred from former Greater Manchester Waste Disposal Authority

Exit Costs

Exit payments are made as a result of the departure of staff from the Authority. The total cost per band and the total cost of compulsory and other redundancies are set out in the table below:

Exit package cost band	Number of compulsory departures		Number of other departures		Total number of exit package by cost band		Total cost of exits	
	2017/18	**2018/19**	2017/18	**2018/19**	2017/18	**2018/19**	2017/18	**2018/19**
£0 - £20,000	-	**-**	3	**4**	3	**4**	25	**40**
£20,001 - £40,000	-	**-**	1	**-**	1	**-**	25	**-**
£40,001 -£60,000	-	**-**	-	**-**	-	**-**	-	**-**
£60,001 - £80,000	-	**-**	-	**-**	-	**-**	-	**-**
£80,001 - £100,000	-	**-**	1	**-**	1	**-**	81	**-**
Total	-	**-**	5	**4**	5	**4**	131	**40**

19 Capital Expenditure and Capital Financing

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed below.

2017/18 £000s	Capital Financing Requirement	2018/19 £000s
1,180,251	Opening Capital Financing Requirement - General Fund	**1,184,331**
31,904	Opening CFR Mayoral General Fund	**30,029**
237,432	Opening CFR Mayoral Police Fund	**234,241**
-	Opening CFR transferred into General Fund from GMWDA	**267,515**
1,449,587	**Opening CFR**	**1,716,116**
	Capital Investment In Year	
226,251	Revenue Expenditure Funded from Capital Under Statute	241,887
37,270	Property, Plant and Equipment Assets	36,368
612	Intangible Assets	-
8,061	Long/Short Term Debtors for ED&R	10,136
	Sources of Finance	
(200,822)	Government Grants & Other Contributions	(150,924)
(2,389)	Short / Long Term Debtor financed from Capital Grants	(341)
(5,671)	Short / Long Term Debtor financed from Capital Receipts	(4,120)
(23,783)	Revenue Contributions	(28,558)
(911)	Useable Capital Receipts	(168)
(34,958)	Minimum Revenue Provision	(68,760)
(4,646)	Repayment of Inherited Debt	(6,221)
1,448,601	**Closing Capital Financing Requirement**	**1,745,415**
	Explanation of movements in year	
(986)	Increase / (decrease) in underlying need to borrow	29,299
(986)	**Increase in Capital Financing Requirement**	**29,299**

£000s	Increase/decrease in CFR	£000s
4,080	Authority Operations	29,205
(1,875)	Mayoral General Fund	(5,283)
(3,191)	Mayoral Police Fund	5,377
(986)	**Total**	**29,299**

Many capital schemes take two or more years to complete. At the Balance Sheet date the main estimated contractual commitments relating to ongoing schemes were as follows:

2017/18 £000s	Capital Commitments	2018/19 £000s
609	Traffic Signals	1,244
4,122	Fire Programme related	2,999
4,466	Police Programme related	8,132
9,197	**Total Capital Commitments**	**12,375**

20 Property, Plant and Equipment Including Disposals

Assets are initially measured at cost, comprising:

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

Any revaluation of assets either upward or downward would be reflected in the Authority's asset base.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains after any reversals of previous losses have been credited to the Surplus or Deficit on the Provision of Services.

Assets are carried in the balance sheet using the following measurement bases:

- Assets under construction – historical cost
- All property assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value)
- Surplus assets – fair value
- Infrastructure assets, vehicles, plant and equipment are measured at depreciated historical cost

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Full details of how assets are capitalised, valued, depreciated, impaired and disposed of are provided in the accounting policies section.

The valuation of the Waste assets was carried out by Avison Young, an independent valuer, for all land, buildings and infrastructure revaluations, in accordance with the provisions of the professional standards of the Royal Institute of Chartered Surveyors. Hilco Appraisals Limited carry out the plant and machinery valuations

The valuation of the Authority's remaining assets was carried out by S Gwatkin M.R.I.C.S of Urban Vision Limited.

	Infrastructure assets	Land and Buildings	Vehicles ,Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment	PFI in PPE
Cost or Valuation							
Asset values brought forward at 1/4/18	73,895	340,427	181,101	1,526	59,017	655,966	78,295
Value of Waste assets transferred in at 1/4/18	-	170,366	40,674	-	-	211,040	-
Additions	3,726	897	15,935	-	15,808	36,366	564
Accumulated depreciation and impairment written off to cost or valuation	0	(8,506)	(303)	(11)	0	(8,820)	(2,055)
Revaluation increases/decreases recognised in the Revaluation Reserve	-	26,691	659	28	-	27,378	4,792
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	-	5,816	-	(169)	-	5,647	24
Derecognition - disposals	(437)	-	(6,218)	-	-	(6,655)	0
Derecognition - other	-	(1,850)	-	-	-	(1,850)	(564)
Assets reclassified to/from held for sale	-	-	-	(73)	-	(73)	-
Assets reclassified to/from assets under construction	7	-	9,654	-	(9,661)	-	-
Other movements in cost or valuation	-	(810)	-	810	-	-	-
Cost or Valuation at 31/3/19	77,191	**533,031**	**241,502**	**2,111**	**65,164**	**918,999**	**81,056**
Accumulated Depreciation & Impairment							
Accumulated depreciation values brought forward at 1/4/18	(54,355)	(21,302)	(138,739)	(10)	-	(214,406)	(9,304)
Waste accumulated depreciation values transferred in at 1/4/18	-	(38,806)	(17,443)	-	-	(56,249)	-
Accumulated depreciation and impairment written off to cost or valuation	-	8,506	303	11	-	8,820	2,055
Depreciation Charge	(5,237)	(13,966)	(13,721)	(14)	-	(32,938)	(2,033)
Depreciation written out on Revaluation Reserve	-	2,393	(150)	-	-	2,243	862
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	536	-	-	-	536	19
Derecognition - disposals	236	-	5,785	-	-	6,021	-
Derecognition - other	-	(50)	(8,670)	-	-	(8,720)	-
Assets reclassified to/from held for sale	-	-	-	-	-	0	-
GF Closing value - depreciation	(59,356)	(62,689)	(172,635)	(13)	-	(294,693)	(8,401)
Net Book Value at 31/3/18	**19,540**	**319,125**	**42,362**	**1,516**	**59,017**	**441,560**	**68,991**
Net Book Value at 31/3/19	**17,835**	**470,342**	**68,867**	**2,098**	**65,164**	**624,306**	**72,655**
Net Book Value at 31/3/19							
Assets deployed for GMCA activity	17,835	-	-	-	50	17,885	-
Assets deployed for Mayoral General activity	-	88,231	13,818	-	-	102,049	3,263
Assets deployed for Mayoral Police activity	-	245,411	35,823	2,098	61,857	345,189	69,392
Assets deployed for Waste activity	-	136,700	19,226	-	3,257	159,183	-
	17,835	**470,342**	**68,867**	**2,098**	**65,164**	**624,306**	**72,655**

Property, Plant and Equipment	Infrastructure assets	Land and Buildings	Vehicles Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment	PFI in PPE Restated
Cost or Valuation							
Asset values brought forward at 1/4/17	71,891	0	0	0	0	71,891	0
Asset values transferred in:							
At 8/5/17 - asset values transferred in from GMFRA	0	85,918	33,725	275	4,424	124,342	3,057
At 8/5/17 - asset values transferred in from PCC	0	243,539	141,131	1,526	38,267	424,463	75,238
Balance b/f	**71,891**	**329,457**	**174,856**	**1,801**	**42,691**	**620,696**	**78,295**
Additions	2,570	932	6,793	0	26,680	36,975	0
Accumulated depreciation and impairment written off to cost or valuation	0	(1,503)	(743)	0	0	(2,246)	0
Revaluation increases/decreases recognised in the Revaluation Reserve	0	3,378	1,038	195	0	4,611	0
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	0	3,244	0	13	0	3,257	0
Derecognition - disposals	(566)	0	(5,985)	0	0	(6,551)	0
Derecognition - other	0	(43)	0	0	0	(43)	0
Assets reclassified to/from held for sale	0	(250)	0	(483)	0	(733)	0
Assets reclassified to/from assets under construction	0	0	5,142	0	(5,142)	0	0
Other movements in cost or valuation	0	5,212	0	0	(5,212)	0	0
Cost or Valuation at 31/3/18	**73,895**	**340,427**	**181,101**	**1,526**	**59,017**	**655,966**	**78,295**
Accumulated Depreciation & Impairment							
Depreciationsset values brought forward at 1/4/17	(48,405)	0	0	0	0	(48,405)	0
Accumulated depreciation values transferred in:							
At 8/5/17 - depreciation values transferred in from GMFRA	0	(8,921)	(22,140)	(181)	0	(31,242)	(775)
At 8/5/17 - depreciation values transferred in from PCC	0	(7,485)	(111,051)	(7)	0	(118,543)	(6,552)
Balance b/f	**(48,405)**	**(16,406)**	**(133,191)**	**(188)**	**0**	**(198,190)**	**(7,327)**
Depreciation Charge	(6,302)	(8,962)	(11,533)	(3)	0	(26,800)	(1,977)
Depreciation written out on Revaluation Reserve	0	1,924	0	48	0	1,972	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	596	0	0	0	596	0
Derecognition - disposals	352	0	5,242	0	0	5,594	0
Derecognition - other	0	1,546	743	0	0	2,289	0
Assets reclassified to/from held for sale	0	0	0	133	0	133	0
GF Closing value - depreciation	**(54,355)**	**(21,302)**	**(138,739)**	**(10)**	**0**	**(214,406)**	**(9,304)**
Net Book Value summary:							
At 1/4/17	**23,486**	**0**	**0**	**0**	**0**	**23,486**	**0**
At 8/5/17	**0**	**313,051**	**41,665**	**1,613**	**42,691**	**399,020**	**70,968**
At 31/3/18	**19,540**	**319,125**	**42,362**	**1,516**	**59,017**	**441,560**	**68,991**
Net Book Value at 31/3/18							
Assets deployed for GMCA activity	19,540	0	0	0	0	**19,540**	0
Assets deployed for Mayoral General activity	0	83,567	11,464	0	320	95,351	3,263
Assets deployed for Mayoral Police activity	0	235,558	30,898	1,516	58,697	326,669	69,392
At 31/3/18	**19,540**	**319,125**	**42,362**	**1,516**	**59,017**	**441,560**	**72,655**

21 Short and Long Term Debtors

Short Term Debtors

These are amounts which are owed to the Authority which will be repaid within a year.

2017/18 £000s	Short Term Debtors	2018/19 £000s
53,885	**Central Government Bodies**	53,080
127,048	**Other Local Authorities and Police and Crime Commissioners**	95,690
1,386	**NHS Bodies**	1,364
1,940	**Public Corporations**	3,859
7,250	**Payments in Advance**	9,012
27,803	**Other entities and individuals**	20,743
(27,581)	**Bad Debt Provision**	(34,503)
191,731	**Total Short Term Debtors**	**149,245**

Long Term Debtors

These are amounts which are owed to the Authority which are being repaid over various periods longer than one year.

2017/18 £000s	Long Term Debtors	2018/19 £000s
	Other entities and individuals	
30,188	Gross Book Value	46,939
(6,969)	Bad Debt Provision	(5,207)
23,219	**Total Long Term Debtors**	41,732

22 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

Cash is represented by cash in hand, petty cash balances and operating bank accounts.

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

2017/18 £000s	Cash and Cash Equivalents	2018/19 £000s
(340)	Bank current accounts	(1,879)
12,948	Bank call accounts	15,009
567	Cash held by the Authority	568
343,551	Short term deposits with central government and other institutions	166,490
356,726	**Total Cash and Cash Equivalents**	**180,188**

23 Short and Long Term Creditors

Short Term Creditors

The table below shows the amounts owed by the Authority but not yet paid:

2017/18 £000s	Creditors	2018/19 £000s
(23,494)	**Central Government Bodies**	(25,012)
(73,780)	**Other Local Authorities and Police and Crime Commissioners**	(92,057)
(447)	**NHS Bodies**	(1,049)
(32,693)	**Public Corporations**	(46,115)
(41,684)	**Other entities and individuals**	(79,100)
(8,240)	**Prepaid Income / Receipt in Advance**	(7,013)
(5,375)	**Siezed Cash**	(6,533)
(185,713)	**Total Creditors**	**(256,881)**

As at 31 March 2019, the Authority had no long term creditors.

24 Short and Long Term Provisions

Provisions are amounts set aside by the Authority to meet the cost of a future liability, for which, the timing of payment is uncertain. In line with the Code of Practice, the provision is charged to the service revenue account in the year it is established, when liability falls due it is charged directly to the provision.

Provisons	Insurance £000s	NNDR Appeals £000s	Police Pension Lump Sums £000s	Landcare £000s	Other £000s	Total £000s
Balances b/f						
Continuing Operations						
GMCA	0	0	0	0	2,366	2,366
Mayoral General Fund	977	1,909	0	0	73	2,959
Mayoral Police Fund	13,656	0	224	0	19	13,900
Transferred Services						
Provisions transferred in to GMCA from GMWDA	0	0	0	2,265	0	2,265
Provisions b/f - all operations	**14,633**	**1,909**	**224**	**2,265**	**2,458**	**21,490**
Use of Provision						
GMCA	0	0	0	(523)	(63)	(586)
Mayoral General Fund	(776)	0	0	0	(73)	(849)
Mayoral Police Fund	(7,804)	0	0	0	(12)	(7,816)
Unused amounts moved to an earmarked reserve						
GMCA	0	0	0	0	0	0
Mayoral General Fund	0	0	0	0	0	0
Mayoral Police Fund	0	0	0	0	0	0
Top Up of Provision						
GMCA	0	0	0	0	4,240	4,240
Mayoral General Fund	808	59	0	0	1,341	2,208
Mayoral Police Fund	3,590	0	0	0	0	3,590
Balance c/f						
GMCA	0	0	0	1,743	6,543	8,286
Mayoral General Fund	1,008	1,968	0	0	1,341	4,318
Mayoral Police Fund	9,442	0	224	0	7	9,674
Total Provisions c/f	**10,450**	**1,968**	**224**	**1,743**	**7,891**	**22,277**
Short Term	1,148	1,968	224	498	4,741	8,579
Long Term	9,302	0	0	1,245	3,150	13,698
Total Provisions c/f	**10,450**	**1,968**	**224**	**1,743**	**7,891**	**22,277**

25 Short and Long Term Leases including PFI

Fire Station

2018/19 was the twentieth year of a 25 year PFI contract (ending October 2024) for the construction, maintenance and provision of a Fire Station at Stretford, along with associated equipment.

The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The building and equipment will be transferred to the Authority at the end of the 25 year contract at nil value.

Over the remaining term of the contract, the Authority is committed to making gross payments of £4.020m (average payment per year is £0.716m). However, the net cost to the Authority after income from specific government grant is estimated at £1.420m (average payment per year is £0.264m).

Police Stations
2018/19 was the sixteenth year of a Private Finance Initiative (PFI) contract (ending in 2028) for the construction and maintenance of seventeen Police stations across the Greater Manchester area. The contractor will operate and service the stations for twenty-five years after which ownership will revert to the Authority, to be held on behalf of the Mayor, for nil consideration.

Over the remaining term of the contract, the Authority is committed to making gross payments of £206.852m (average payment per year is £18.805m). However, the net cost to the Authority after income from specific government grant is estimated at £148.387m (average payment per year is £13.490m).

Property Plant and Equipment
The Stations and Equipment provided under the contracts are recognised on the Authority's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property Plant and Equipment balance in the notes to the Balance Sheet.

Outstanding Liability
The PFI liability represents the outstanding long term liability to the contractor for capital expenditure. A fair value disclosure has not been provided for the PFI liability as the actual borrowing lies with the PFI provider and not the Authority. The fair value 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. There is no basis on which the Authority can exchange a financial liability held by a third party, as they are not directly a market participant.

The value of the liability held under each PFI arrangement is as follows:

2018/19

	PFI Arrangement Fire £000	PFI Arrangement Police £000
Balance outstanding at start of year	1,774	50,057
Payments during the year	(194)	(1,306)
Balance outstanding at year-end	**1,580**	**48,751**

2017/18

	PFI Arrangement Fire £000	PFI Arrangement Police £000
Balance outstanding at start of year	1,933	52,238
Payments during the year	(159)	(2,181)
Balance outstanding at year-end	**1,774**	**50,057**

Central Government Grant Subsidy
The grant received in the form of Central Government Subsidy to partly offset the cost of each PFI is credited to revenue accounts in the year of receipt.

Payments due under the PFI Contracts
The Authority makes monthly payments which comprise of a service charge, a repayment of liability and interest charge, a payment in respect of business rates and a payment to provide for lifecycle replacement costs (known as the 'Sinking Fund'). The payments into the sinking fund are treated initially as a prepayment by the Authority. The Service Provider throughout the contractual term will utilise the sinking fund for the repair and replacement of the premises, and fixture and fittings with the consent of the Authority. All payments made, other than the liability and interest charge, are subject to annual inflation increases and can be reduced if the contractor fails to meet availability and performance standards in any year. The Authority on behalf of the Mayor has the right to terminate the contact only if the contractor is compensated in full for costs incurred and lost future profits.

Future payments remaining to be made under the contracts (including an estimate of future inflation) are as follows:

Reimbursement of Capital Expenditure

	PFI Arrangement Fire £000	PFI Arrangement Police £000
Payable within one year	216	2,457
Payable within two to five years	1,150	13,510
Payable within six to ten years	214	26,199
Payable within eleven to fifteen years	0	6,585
Total	**1,580**	**48,751**

Interest

	PFI Arrangement Fire £000	PFI Arrangement Police £000
Payable within one year	165	8,809
Payable within two to five years	376	35,330
Payable within six to ten years	8	41,800
Payable within eleven to fifteen years	0	7,245
Total	**549**	**93,184**

Payment for Services

	PFI Arrangement Fire £000	PFI Arrangement Police £000
Payable within one year	322	5,304
Payable within two to five years	1,353	21,688
Payable within six to ten years	216	30,544
Payable within eleven to fifteen years	0	7,381
Total	**1,891**	**64,917**

26 Short and Long Term Deferred Liabilities

This debt was created on 1 April 1986 when Greater Manchester Council was abolished and its debt was shared between the ten GM district councils, the Police Authority, the Fire Authority, GMWDA and Greater Manchester Transport.

The debt is being repaid annually on an annuity basis over the 36 years to 31 March 2022. During 2018/19 the GMWDA share of this debt was transferred into the Authority.

2017/18 £000s	Deferred Liabilities	2018/19 £000s
	Former Greater Manchester Council Debt	
(25,521)	Balance brought forward - continuing operations	(20,877)
0	Balance transferred in year from GMWDA	(6,023)
(25,521)	**Balance b/f all operations**	**(26,900)**
4,644	Repayment in the year	6,221
(20,877)	**Balance carried forward**	**(20,679)**
(4,824)	Due within 1 year	6,521
(16,053)	Due over 1 year	14,159

27 Unusable Reserves

2017/18 £000s	Unusable Reserves	2018/19 £000s
1,010,508	Capital Adjustment Account	1,618,708
245	Financial Instruments Adjustment Account	205
1,726,309	Pensions Reserve	1,800,441
(65,192)	Revaluation Reserve	(151,349)
(7,418)	Collection Fund Adjustment Account	(7,428)
149	Accumulated Absences Reserve	-
(438)	Deferred Capital Receipts Reserve	(470)
2,664,163	**Total Unusable Reserves**	**3,260,108**

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

The CAA is debited with the cost of the capital grants payable to TfGM, District Councils and other external organisations, the annual depreciation charge and any loss on disposal of assets. The CAA is credited with both the capital grants and contributions receivable and the amounts set aside by the Authority to directly finance capital costs of acquisition, construction and enhancement of assets.

2017/18 £000		**2018/19 £000**
1,092,427	**Balance 1 April**	1,010,509
(40,324)	Balance transferred in from GMFRA	-
(28,752)	Balance transferred in from OPCC	-
-	Balance transferred in from GMWDA	569,843
1,023,351	**Revised Opening Balance**	**1,580,352**
26,800	Charges for depreciation and impairment of non-current assets	40,162
(3,098)	Revaluation losses on non-current assets	(5,672)
191	Amortisation of intangible assets	-
226,251	Revenue expenditure funded from capital under statute	241,887
(4,585)	Capital bad debt provision movement	2,464
10,445	Revaluation and impairment of capital financial assets	2,611
89	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,586
256,093	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	284,038
(2,911)	Adjusting Amounts written out of the Revaluation Reserve	(1,704)
253,182	**Net written out amount of the cost of non-current assets consumed in the year**	**282,334**
(6,582)	Use of Capital Receipts Reserve to finance new capital expenditure	(4,288)
(203,212)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(154,626)
(39,604)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(76,287)
(23,785)	Capital expenditure charged against the General Fund and HRA balances	(28,558)
(273,183)	**Capital financing applied in year:**	**(263,759)**
7,158	Capital Receipts debited to the Capital Adjustment Account on Repayment of loans	19,781
-	Other movements	-
1,010,508	**Balance 31 March**	**1,618,708**

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

2017/18 £000s	Financial Instruments Adjustment Account	2018/19 £000s
(128)	Balance b/f for continuing operations	245
	Balance transferred in from GMWDA	0
(128)	**Balance b/f for all operations**	**245**
(675)	Interest incurred in the year and charged to the Comprehensive Income and Expenditure Statement	(675)
792	Proportion of interest incurred to be charged against the General Fund Balance in accordance with statutory requirements	635
117	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	**(40)**
245	**Balance carried forward**	**205**

The Pension Reserve relates to the net pension asset as at 31 March 2019 in accordance with the actuary's report.

2017/18 £000s	Pension Reserve	2018/19 £000s
1,710,153	Balance b/f for continuing operations	1,726,309
	Balance transferred in from GMWDA	6,785
1,710,153	**Balance b/f for all operations**	**1,733,094**
(13,157)	Remeasurements of the net defined benefit liability / (asset)	48,305
(50,303)	Employer's pension contributions and direct payments to pensioners payable in the	(57,881)
6,950	Balances transferred in with staff TUPE'd over to GMCA	-
72,666	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure	76,923
1,726,309	**Balance carried forward**	**1,800,441**

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of Property, Plant and Equipment. The balance reduces when assets with accumulated gains are reduced through revaluation, impairment and depreciation or are disposed of.

2017/18 £000s	Revaluation Reserve	2018/19 £000s
(61,121)	Balance b/f for continuing operations	(65,192)
	Balance transferred in from GMWDA	(59,762)
(61,121)	**Balance b/f for all operations**	**(124,953)**
(6,591)	Upward revaluation of assets	0
29	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(31,047)
(6,562)	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services**	**(31,047)**
2,660	Difference between fair value depreciation and historical cost depreciation	4,650
251	Accumulated gains on assets sold or scrapped	186
2,911	**Amount written off to the Capital Adjustment Account**	**4,835**
(420)	Upward revaluation of investments charged to the Surplus/Deficit on the Provision of Services	(183)
(65,192)	**Balance carried forward**	**(151,348)**

The Collection Fund Adjustment Account manages the differences arising from the recognition of the Authority's portion of council tax income and national non domestic rates income in the CIES as it falls due from payers compared with statutory arrangements for paying across amounts due to the Authority from billing authorities.

2017/18 £000s	Collection Fund Adjustment Account	2018/19 £000s
(7,333)	**Balance brought forward**	**(7,418)**
(85)	Amount by which precept income and non-domestic rates income credited to the CIES is different from council tax income and non-domestic rates income calculated for the year in accordance with statutory requirements	(10)
(7,418)	**Balance carried forward**	**(7,428)**

The Accumulated Absence Reserve absorbs the differences that would otherwise arise from accruing for compensated absences earned but not taken in the year.

2017/18 £000s	Accumulated Absence Account	2018/19 £000s
101	**Balance brought forward**	**149**
(101)	Settlement or cancellation of accrual made at the end of the preceding year	(149)
149	Amounts accrued at the end of the current year	0
48	**Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements**	**(149)**
149	**Balance carried forward**	**0**

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which the cash settlement has yet to take place.

2017/18 £000s	Deferred Capital Receipts Reserve	2018/19 £000s
(565)	**Balance brought forward**	**(438)**
127	Transfer to the Capital Receipts Reserve upon receipt of cash	(32)
(438)	**Balance carried forward**	**(470)**

28 Financial Instruments

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

	Non-Current Financial Assets				
	Investments		Debtors		Total
	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-19
	£000	£000	£000	£000	£000
Pre IFRS 9 Categories					
Loans and receivables	-	-	23,219	-	**-**
Unquoted equity investment at cost	745	-	-	-	**-**
IFRS 9 Categories					
Amortised cost	-	-	-	41,745	**41,745**
Fair value through other comprehensive income - designated equity instruments	-	1,054	-	-	**1,054**
Total financial assets	**745**	**1,054**	**23,219**	**41,745**	**42,798**
Non-financial assets	-	-	-	-	**-**
Total	**745**	**1,054**	**23,219**	**41,745**	**42,798**

	Current Financial Assets						
	Investments		Debtors		Cash		Total
	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-19 £000
Pre IFRS 9 Categories							
Loans and receivables	343,551	-	157,178		13,175		**-**
IFRS 9 Categories							
Amortised cost	-	166,490	-	176,128	-	15,577	**358,195**
Total financial assets	**343,551**	**166,490**	**157,178**	**176,128**	**13,175**	**15,577**	**358,195**
Non-financial assets	-	-	-	-	-	-	**-**
Total	**343,551**	**166,490**	**157,178**	**176,128**	**13,175**	**15,577**	**358,195**

	Non-Current Financial Liabilities						
	Borrowings		Creditors		Other long-term liabilities		Total
	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-19 £000
Amortised cost	(1,148,517)	(1,388,297)	-	-	-	-	**(1,388,297)**
Other	-	-	-	-	(50,331)	(47,658)	**(47,658)**
Total financial liabilities	**(1,148,517)**	**(1,388,297)**	**-**	**-**	**(50,331)**	**(47,658)**	**(1,435,955)**
Non-financial liabilities	-	-	-	-	-	-	**-**
Total	**(1,148,517)**	**(1,388,297)**	**-**	**-**	**(50,331)**	**(47,658)**	**(1,435,955)**

	Current Financial Liabilities				
	Borrowings		Creditors		Total
	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-19 £000
Amortised cost	(24,380)	(180,036)	(126,020)	(241,822)	(421,859)
Other	-	-	(1,499)	(2,673)	(2,673)
Total financial liabilities	**(24,380)**	**(180,036)**	**(127,519)**	**(244,496)**	**(424,532)**
Non-financial liabilities	-	-	-	-	-
Total	**(24,380)**	**(180,036)**	**(127,519)**	**(244,496)**	**(424,532)**

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

Income, Expense, Gains and Losses

	31-Mar-18		31-Mar-19	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net gains/losses on:				
financial assets measured at amortised cost	(4,585)	-	2,197	-
Total net gains/losses	**(4,585)**	**-**	**2,196.97**	**-**
Interest revenue:				
financial assets measured at amortised cost	-	(4,135)	-	(2,643)
Total interest revenue	**-**	**(4,135)**	**-**	**(2,643)**
Interest expense	**-**	**53,954.00**	**-**	**63,160.28**

Financial liabilities and financial assets are carried in the balance sheet at amortised cost, the carrying value is disclosed below. Their fair values disclosed in the table below have been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans from the PWLB, premature repayment rates from the PWLB have been applied to provide the fair value; by applying new loan rates their fair value would be £808.227 million.
- For non PWLB loans payable, premature repayment rates have been applied to provide the fair value; by applying new loan rates their fair value would be £1,146.483 million.
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables, cash and creditors is taken to be carrying amount due to the short term nature of the instruments.

- The fair value of long term debtors have been evaluated at their carrying value.
- The fair value of equity investment assets have been evaluated at their carrying value.
- The fair value of the PFI contracts have been evaluated using new loan rates.
- 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. The Authority has therefore included accrued interest in the fair value calculation.
- The discount rates used for the evaluation were obtained by the Authority 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.

Set out below is a comparison by class of the carrying amounts and fair value of the Authority's financial assets and financial liabilities:

2017/18			2018/19	
Carrying Amount £000s	**Fair Value £000s**		**Carrying Amount £000s**	**Fair Value £000s**
		Financial Assets		
13,175	13,175	Cash	13,698	13,698
523,948	523,966	Loans and Receivables	384,322	384,362
745	745	Equity investments	1,054	1,054
537,868	537,886	**Total Financial Assets**	399,074	399,114
		Financial Liabilities		
(459,211)	(716,738)	PWLB Debt using premature repayment rates	(617,268)	(905,575)
(870,535)	(1,215,644)	Non- PWLB debt	(945,518)	(1,315,596)
(51,830)	(86,208)	PFI Liability	(50,331)	(85,523)
(225,468)	(225,468)	Creditors and Grants Received in Advance	(241,822)	(241,822)
(1,607,044)	**(2,369,462)**	**Total Financial Liabilities**	**(1,854,939)**	**(2,548,517)**

Loans and Borrowings are set out by type of loan and by maturity in the table below:

Borrowings	Range of interest rates payable in 18/19 from %	to %	Average Interest 2017/18 %	Average Interest 2018/19 %	Total Outstanding 2017/18 £000s	Total Outstanding 2018/19 £000s
a) Analysis of loans by type:						
Public Works Loans Board	1.44%	9.75%	5.05%	4.45%	(454,282)	(611,970)
Other Loans	0.65%	4.58%	3.20%	3.65%	(842,857)	(933,781)
TfGM - Interbank					(16,138)	(5,792)
Accrued Interest Payable:						
PWLB					(4,929)	(5,298)
Others					(11,540)	(11,492)
Total as at 31 March					**(1,329,746)**	**(1,568,333)**
b) Analysis of loans by maturity						
Maturing:						
Due within 1 year: accrued interest payable						
PWLB					(4,929)	(5,488)
Others					(11,540)	(11,498)
Due within 1 year: principal						
PWLB					(10,000)	(28,176)
Others					(142,483)	(63,985)
Due within 1 year: TfGM - Interbank					(16,138)	(5,792)
Due within 1 year					(185,090)	(114,939)
In 1 to 2 years					(23,283)	(32,026)
In 2 to 5 years					(50,077)	(102,258)
In 5 to 10 years					(175,180)	(419,830)
In over 10 years					(896,116)	(899,279)
Due over 1 year					(1,144,656)	(1,453,394)
Total as at 31 March					**(1,329,746)**	**(1,568,333)**

29 Nature and Extent of Risks Arising from Financial Instruments

The Authority’s activities expose it to a variety of financial risks, the key risks are:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority 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 the Authority as a result of changes in such measures as interest rates movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

The procedures for risk management are set out through a legal framework, set out in the Local Government Act 2003 and the associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:
  - The Authority's overall borrowing;
  - Its maximum exposures to fixed and variable rates;
  - Its maximum exposures in the maturity structure of its fixed rate debts;
  - Its maximum exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year, setting out its criteria for both investing and selecting Investment counter parties in compliance with the Government Guidance.

These are required to be reported and approved annually before the start of the year to which they relate. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported at least annually to the Members.

The Authority maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Specified Investments

Specified Investments are investments in sterling denomination, with maturities up to a maximum of 1 year. All specified investments meet the minimum 'high' ratings criteria where applicable.

- Term deposits – Other Local Authorities: Credit Criteria high security;
- Term deposits – Banks and building societies; Credit Criteria Varied;
- Debt Management Agency Deposit Facility & UK Nationalised Banks – UK Government Backed;
- Certificates of deposits issued by banks and building societies covered by UK Government guarantees – UK Government explicit guarantee;
- Money Market Funds, credit criteria AAA;
- Non-UK Banks / Building Societies – Domiciled in a country which has a minimum sovereign Long Term rating of AAA;
- Treasury Bills – UK Government backed;
- Covered Bonds – Credit Criteria AAA.

Non-Specified Investments

Non-specified investments are any other type of investment not defined as specified above. Any proposals to use any non-specified investments will be reported to members for approval.

Investment Limits

The financial investment limits of banks and building societies are linked to their Fitch long-term ratings (or equivalent), as follows:

Banks and Building Societies	
Fitch AA+ and above	£25 million
Fitch AA+/AA-	£15 million
Fitch A+/A	£15 million
Fitch A-	£10 million
Fitch BBB+	£10 million
Debt Management Office	£200 million
Manchester City Council	£50 million
Other Local Authorities	£20 million

In order to reduce the risk of over exposure by joint lending activities with the same counterparty, it has been agreed with TfGM that they will not invest with any of the counterparties used by the Authority. Accordingly TfGM will only invest their surplus funds with the Debt Management Office.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's debtors and creditors.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. All investments held as at 31 March 2019 were with the HM Treasury Debt Management Office, other local authorities or UK banks and building societies.

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

The Authority has not used any non-credit rated institutions (for instance smaller building societies or bank subsidiaries where the parent has a satisfactory rating). In these circumstances these investments would have been classified as other counterparties.

The Authority's debtors relate primarily to claims on Central and Local Government departments. Excluding HMRC and RGF/GPF Loans, £1.376 million of the balance of debtors of £175.8 million is past its due date for payment, therefore the estimated exposure to default is £0.2 million for trade debtors. RGF/GPF loans have had individual risk profiles assessed, resulting in a loss allowance of debt of £15.176 million being included within the accounts, as per the table below;

	12 month expected credit loss	**Lifetime expected credit losses – credit impaired**	**Purchased or originated credit impaired financial assets**	**Total**
	£000	**£000**	**£000**	**£000**
Opening Balance as at 1 April 2018	118.81	17,005.59	-	17,124.40
New financial assets originated or purchased	94.57		8.14	102.71
Amounts written off	-	(786.59)	-	(786.59)
Financial assets that have been derecognised	-	(688.42)	-	(688.42)
Changes due to modifications that did not result in de-recognition	-	(362.70)	-	(362.70)
Changes in models/risk parameters	-	-	-	-
Other changes	-	-	-	-
As at 31 March 2019	**213.38**	**15,167.89**	**8.14**	**15,389.40**

The Authority's trade creditors relate primarily to capital and revenue grants payable to Transport for Greater Manchester, and other Greater Manchester Transport Fund schemes.

Credit Ratings Used:

Banks and Building Societies, as a minimum institutions must have the following Fitch (or equivalent) credit ratings (where rated):

- Long Term – Fitch A
- Short Term – Fitch F1
- Support – Fitch 3

Monitoring of credit ratings:

This Authority will not use the approach of using the lowest rating from all three rating agencies to determine creditworthy counterparties. The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored daily and re-assessed weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately;
- in addition to the use of Credit Ratings, the Authority will be advised of information in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in the downgrade of an institution or removal from the Authority's lending list;
- Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on government support for banks and the credit ratings of that government support.

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available as needed.

If unexpected movements happen, the Authority has ready access to borrowings from the money market and the Public Works Loans Board. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

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

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

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs, and the spread of

longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The Authority has £50 million lender option borrower option (LOBO) Loans. These have fixed rates of interest but the lender may seek to increase interest rates at which point the Authority has the option to repay the loan. As there is no certainty as to whether these loans will be repaid early, the Authority has treated them as fixed loans which will run to maturity. In forming this judgement the Authority has taken account of its ability to refinance through PWLB.

Refinancing and maturity risk
The Authority maintained a significant debt and investment portfolio. Whilst the cash flow procedures were considered against the refinancing risk procedures, longer term risk to the Authority related to managing the exposure to replacing financial instruments as they mature.

- The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved treasury and investment strategies address the main risks, these include;
- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of existing debt;
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs.

All trade creditors are due to be paid in less than one year.

Liquidity Risk	**31-Mar-18** **£000**	**31-Mar-19** **£000**
Less than one year	412,057	425,503
Between one and two years	23,283	145,175
Between two and five years	63,732	133,489
More Than 5 Years	198,992	265,791
More Than 10 years	908,980	908,813
	£1,607,044	£1,878,771

Market Risk
Interest Rate Risk

The Authority is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – The interest expense charged to the Deficit / (Surplus) on the Provision of Services will rise;
- Borrowings at fixed rates - The fair value of the borrowing liability will fall;

- Investments at variable rates - The interest income credited to the Deficit / (Surplus) on the Provision of Services will rise; and
- Investments at fixed rates - The fair value of the assets will fall.

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. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Deficit on the Provision of Services and effect the General Fund Reserve.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Authority's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy, a prudential indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market interest rates and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns.

The Authority tries to maximise its income on temporary investment and minimise its interest costs on temporary and long-term borrowing.

The maximum interest rate increase that could be expected in the current climate is assessed at 0.5%. This would only apply to our net short term investments. The Authority also has a number of LOBO loans that can be called at periods. There is the risk that these may have to be refinanced at a higher rate. The financial effect of these variable rate changes would be:

Market Risk - Interest Rate Risk - 0.5% movement	**31-Mar-19 £000**
Increase in interest payable on variable rate borrowings	1,317
Increase in interest receivable on variable rate investments	(317)
Increase in LOBO risk (loans potentially subject to call £50,000,000)	250
Impact on Surplus or Deficit on the Provision of Services	**1,251**

30 Related Party Transactions

The Authority is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority. In this context the organisations in which members (The Mayor and leaders of the GM District Councils) and chief officers of the Authority have an influence or interest include;

- Central Government
- Greater Manchester Authorities
- Transport for Greater Manchester

Central Government

2017/18 £000s	Central Government	2018/19 £000s
(862,320)	Income	(755,181)
53,885	Debtors	22,487

Greater Manchester Authorities

2017/18 £000s	Greater Manchester Authorities	2018/19 £000s	Manchester City Council £000s	Bolton Council £000s	Bury Council £000s	Oldham Council £000s	Rochdale Council £000s	Salford City Council £000s	Stockport Council £000s	Tameside Council £000s	Trafford Council £000s	Wigan Council £000s
(345,878)	Income	(562,801)	(102,550)	(60,382)	(40,427)	(48,170)	(44,555)	(54,619)	(64,746)	(39,887)	(52,288)	(55,176)
136,009	Expenditure	90,767	14,471	2,744	1,471	4,239	790	6,671	43,280	3,513	12,171	1,418
104,061	Debtors	70,511	21,395	2,880	5,057	3,835	4,503	8,662	4,343	6,874	7,082	5,881
(72,110)	Creditors	(97,725)	(25,647)	(6,682)	(3,035)	(6,964)	(6,648)	(9,969)	(13,135)	(5,592)	(6,509)	(13,544)
57,620	Short Term Borrowings	20,506	0	0	5,001	2,500	10,002	0	0	2	3,000	0

Transport for Greater Manchester

The decisions of the Authority are implemented by TfGM. The net expenditure of TfGM after taking into account all sources of income and expenditure is financed by way of a revenue grant from the Authority. The corporate objectives of TfGM are derived from the Authority's policy priorities, stakeholder consultation and its principal statutory obligations.

TfGM also manage the maintenance, repair and schemes of the Authority traffic signals asset base on behalf of the Authority. These transactions appear as related party expenditure and income, along with the end of year balances, which are reported as follows:

The yearly transactions, and year end balances were as follows:

2017/18 £000s	Transport for Greater Manchester	2018/19 £000s
272,395	Expenditure	277,996
(231)	Income	(347)
2,912	Debtors	1,925
(36,223)	Creditors	(52,719)
16,138	Borrowings	5,792

Members and Chief Officers

Members of the Authority (the Mayor and leaders of the GM District Councils) have direct control over the Authority's financial and operating policies.
No members allowances are payable, the remuneration of the Mayor and Deputy Mayor for Police and Crime are disclosed in note 18.
Details of member's interest, both pecuniary and non-financial are recorded in the register of member's interest (available for public inspection).
During the year there were no reported material transactions with related parties advised by members or officers**.**

Chief Constable for Greater Manchester

Under the legislative framework and local arrangements, the Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constables officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund.

31a Cash Flow Statement - Adjustments to Net Cash Flows from Operating Activities

2017/18 £000s		2018/19 £000s
(118)	Finance Costs calculated in accordance with the code	(40)
(10,025)	Impairment of equity investments and loans	(2,611)
36,654	Increase / (Decrease) in Debtors	(9,394)
(23,796)	Decrease / (Increase) in Creditors	(68,803)
11,678	Decrease / (Increase) in Provisions	(3,053)
3,098	Revaluation adjustment	15,003
47	Increase / (Decrease) in Stock	324
4,585	(Increase) / Decrease in impairment of debt	(2,197)
(89)	Loss on sale of non current assets	(426)
(26,991)	Annual depreciation charge including amortisation	(32,398)
(29,313)	Pensions Liability	(19,042)
(1,103)	(Increase) / Decrease in Interest Debtors	1,225
9,532	Increase / (Decrease) in Interest Creditors	313
3,753	Other non-cash movements	1,639
(22,088)	**Adjustments to net surplus / deficit on the provision of services for non cash movements**	(119,460)
45,626	Finance Costs Paid	62,847
(55,158)	Financing Expenditure	(63,160)
6,782	Financing Income	2,643
(5,679)	Interest Income Received	(3,868)
1,978	Capital grants and contributions receivable	1,978
(6,451)	**Adjust for items included in the net deficit on the provision of services that are investing and financing activities**	440

31b Cash Flow Statement - Investing Activities

2017/18 £000s	Investing Activities	2018/19 £000s
33,872	Purchase of Property, Plant and Equipment	36,366
8,060	Long and Short Term Loans paid out	4,460
(8,518)	Long Term Loans repaid / impaired	(19,781)
(911)	Proceeds from the sale of property plant and equipment	(1,111)
(1,403)	Capital grants and contributions received	(2,369)
31,100	**Net Cash Inflow / (Outflow) from Investing Activities**	17,565

31c Cash Flow Statement - Financing Activities

2017/18 £000s	Financing Activities	2018/19 £000s
4,645	Repayment of former GMC Debt	6,221
2,339	Reduction of the outstanding liability relating to a finance lease and on-balance sheet PFI contracts	1,686
85	Capital Grants Receipts in Advance relating to Agency Activities	0
(257,297)	Net Movement on Borrowing	268,424
(250,227)	**Net Cash Inflow / (Outflow) from Financing Activities**	276,331

32 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

Employees of the Authority are divided between two separate defined benefit pension schemes:

The Fire Service Pension Scheme for its uniformed firefighters - this is an unfunded scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Local Government Pension Scheme for its other employees - this is a funded scheme, meaning that the Authority and employees pay its contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against grant and precept income is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Income and Expenditure Account in the Statement of Movement on General Fund Balances.

The Authority also has responsibility for the Police Pension Scheme for police officers although this scheme is administered by the Chief Constable (Greater Manchester Police) on behalf of the Authority.

In accordance with proper practices the Authority has fully complied with the International Financial Reporting Standard IAS19 (Employee Benefits). Both Pension schemes are classified as 'defined benefit' schemes under IAS19 and the accounting principles and their effect on the Financial Statements are explained below.

Employer contribution rates for the current and next year for both schemes are provided below:

	2018/19	2019/20
Firefighters pension scheme		
1992 scheme	21.70%	21.70%
2006 scheme	11.90%	11.90%
2015 scheme	14.30%	14.30%
Modified scheme	21.70%	21.70%
Local Government Pension Scheme	21.20%	21.20%

The Local Government Pension Scheme

The Authority pays an employer's contribution into the Greater Manchester Pension Fund, which is a fully funded defined benefits scheme administered by Tameside Metropolitan Borough Council from whom an Annual Report is available.

The liabilities of the Greater Manchester Pension Fund attributable to the Authority 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 and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, (based on the indicative rate of return on high quality corporate bonds).

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

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value.

The change in the net pension's liability is analysed into seven components:

1. **Current service cost** – the increase in liabilities as a result of years of service earned this year. This is allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
2. **Past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. This is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
3. **Interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. This is debited to Financing

and Investment Income and Expenditure Line in the Comprehensive Income and Expenditure Statement.

4. **Gains/losses on settlements and curtailments** – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees. This is debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
5. **Expected return on assets** – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return. This is credited to Financing and Investment Line in the Comprehensive Income and Expenditure Statement.
6. **Actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve.
7. **Contributions paid to the pension fund** – cash paid as employer's contributions to the fund.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority 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 negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Under IAS19 any obligation arising from other long-term employee benefits that depend on length of service need to be recognised when service is rendered, which for the Authority now includes Injury Awards.

Comprehensive Income and Expenditure Statement

	2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 TOTAL £000s
Cost of Services:			
Current service cost	7,275	25,360	32,635
Past service cost (including curtailments)	110	0	110
Total Service Cost	7,385	25,360	32,745
Financing and Investment Income & Expenditure:			
Interest income on plan assets	(4,308)	0	(4,308)
Interest cost on defined benefit obligation	5,576	42,640	48,216
Total Net Interest	1,268	42,640	43,908
Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services	8,653	68,000	76,653
Remeasurements of the Net Defined Liability Comprising:			
Return on assets excluding amounts included in net interest	(8,022)	0	(8,022)
Actuarial gains/losses arising from changes in demographic assumptions	0	0	0
Actuarial gains/losses arising from changes in financial assumptions	10,567	46,940	57,507
Other	0	(1,180)	(1,180)
Total Remeasurements Recognised in Other in the CIES	2,545	45,760	48,305
Total Post Employment Benefit Charged to the CIES	**11,198**	**113,760**	**124,958**

Movement in Reserves Statement

	2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 TOTAL £000s
Reversal of net charges made to the (surplus)/deficit on the provision of service	(8,653)	(68,000)	**(76,653)**
Employers' contributions payable to the scheme	4,261	0	**4,261**
Retirement benefits payable to pensioners	0	53,620	**53,620**
Actual amount charged against the General Fund Balance for Pensions in the year	**(4,392)**	**(14,380)**	**(18,772)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 TOTAL £000s
Present value of the defined benefit obligation	(232,330)	(1,746,230)	**(1,978,560)**
Fair value of employer assets	179,387	0	**179,387**
Net interest	(1,268)	0	**(1,268)**
Net liability arising from the Defined Benefit Obligation	**(54,211)**	**(1,746,230)**	**(1,800,441)**

Reconciliation of the present value of the scheme liabilities (Defined Benefit Obligations)

	2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 TOTAL £000s
Opening fair value of continuing scheme liabilities	(162,780)	(1,685,820)	(1,848,600)
Opening fair value of liabilities transferred in	(50,577)		(50,577)
Current Service Cost	(7,275)	(25,360)	(32,635)
Interest Cost	(5,576)	(42,640)	(48,216)
Contributions from scheme participants	(1,375)	0	(1,375)
Remeasurement gain			
Actuarial gains/losses arising from change in demographic assumptions	0	0	0
Actuarial gains/losses arising from change in financial assumptions	(10,567)	(46,940)	(57,507)
Other		1,180	1,180
Past Service Costs	(110)	0	(110)
Benefits Paid	5,930	53,350	59,280
Closing fair value of scheme liabilities	(232,330)	(1,746,230)	(1,978,560)

Reconciliation of movements in the fair value of the scheme assets

	2018/19 LGPS £000s
Opening fair value of continuing scheme assets	**122,291**
Opening fair value of assets transferred in	**43,792**
Interest Income	4,308
Remeasurement gain	
Return on assets excluding amounts included in net interest	8,022
Contributions from employer	4,261
Contributions from employees into the scheme	1,375
Benefits Paid	(5,930)
Closing fair value of scheme assets	**178,119**

Local Government Pension Scheme assets comprised:

	2018/19			
	Quoted prices in active markets £000	**Quoted prices not in active markets** £000	**Total** £000	**Percentage of total assets** %
Equity securities:				
Consumer	9,838.2		9,838.2	6%
Manufacturing	10,293.3		10,293.3	6%
Energy and utilities	10,009.6		10,009.6	6%
Financial institutions	14,096.4		14,096.4	8%
Health and care	5,259.7		5,259.7	3%
Information technology	3,180.0		3,180.0	2%
Other	1,951.6		1,951.6	1%
Debt securities:				
Corporate bonds (investment grade)	6,662.4		6,662.4	4%
UK Government bonds	1,172.9		1,172.9	1%
Other	4,517.7		4,517.7	3%
Private equity:				
All		8,341.8	8,341.8	5%
Real Estate:				
UK property		8,460.1	8,460.1	5%
Investment Funds and Unit Trusts				
Equities	40,265.4		40,265.4	23%
Bonds	22,156.4		22,156.4	12%
Infrastructure		8,539.4	8,539.4	5%
Other	3,471.0	15,363.8	18,834.8	11%
Derivatives:				
Other	90.3		90.3	0%
Cash and cash equivalents:				
All	4,449.0		4,449.0	2%
Totals	**137,414**	**40,705**	**178,119**	**100%**

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

The Local Government Pension Scheme has been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the administering authority being based on the latest full valuation of the scheme. The Firefighters Pension Scheme has been assessed by the Government Actuary Department (GAD).

The significant assumptions used by the actuary have been:

Mortality Assumptions

	2018/19 LGPS	2018/19 Fire
Longevity at 65 for current pensioners		
Male	21.5 years	22.0 years
Female	24.1 years	22.0 years
Longevity at 65 for future pensioners		
Male	23.7 years	23.9 years
Female	26.2 years	23.9 years
Rate of inflation (price increases):		
Rate of increase in salaries	3.3%	4.35%
Rate of increase in pensions	2.5%	2.35%
Rate of discounting scheme liabilities	2.4%	2.45%
Take up on option to convert annual pension into retirement grant – Pre April 2008	55.0%	
Take up on option to convert annual pension into retirement grant – Post April 2008	80.0%	

*Life Expectancy is based on the Fund's VitaCurves.

An allowance is included for future retirements to elect to take 55% of the maximum additional tax free cash up to the HRMC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

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 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.

Sensitivity Analysis

Local Government Pension scheme	Approximate % increase to employer liability	Approximate monetary amount
Change in assumptions at 31 March 2019		**£000**
0.5% decrease in real discount rate	8%	18,827
0.5% increase in salary increase rate	0%	713
0.5% increase in pension increase rate	8%	17,945

Firefighters Pension scheme	Approximate % increase to employer liability	Approximate monetary amount
Change in assumptions at 31 March 2019		**£000**
0.5% decrease in real discount rate	(9.5%)	(169,000)
1 year increase in member life expectancy	2.5%	21
0.5% increase in salary increase rate	1%	132
0.5% increase in pension increase rate	7.5%	46

The weighted average duration of the defined benefit obligation for the Local Government Pension scheme members is approximately 16.7 years.

The weighted average duration of the defined benefit obligation for the Firefighter scheme members is approximately 21 years.

Impact on Authority’s cash flow – Local Government Pension Scheme

The objectives of the scheme are to keep employers contributions at as constant a rate as possible and agree a funding strategy to ensure future employers contributions meet the Administering Authority’s funding objectives. Following the latest triennial valuation the LGPS has been assessed as being 90.5% funded. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed 31 March 2019.

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 Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework. A new career average revalued earnings schemes to pay pensions and other benefits has been established.

33 Contingent Liabilities

Claims have been made in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Firefighters Pension Regulations 2015 and in December 2018, the Court of Appeal (McCloud / Sargeant) ruled that the ‘transitional protection’ offered to some members as part of the reform to public sector pensions amounts to unlawful discrimination. The Government is seeking permission to appeal this decision. It is envisaged that if this is unsuccessful, the Court will require steps to be taken to compensate employees who were transferred to the new schemes potentially including Firefighters Pension Scheme members.

This would to lead to an increase in Firefighters Pension Scheme liabilities. The Government Actuary Department (having been commissioned on behalf of several fire and rescue authorities) using specific assumptions have estimated the potential increase in scheme liabilities as a result of the judgment to be between approximately 4.1% and 5% of national pension scheme liabilities as at March 2019. This estimate is based on one potential remedy and depending on the outcome of the appeal, the remedy calculation and its applicability to the Firefighters Pension Scheme will need to be revisited in the light of further direction from the courts.

	Scenario 1	Scenario 2	Scenario 3
Eamings assumption	CPI +2.0%	CPI +1.0%	CPI +0.0%
Assumption at 31st March 2018	4.3% p.a.	3.3% p.a.	2.3% p.a.
Impact on scheme liabilities (expressed as % of total liabilities)	**5.0%**	**4.6%**	**4.1%**

All of the above results include a 25% margin for uncertainty.

This estimates have been produced on a 'better of' basis when comparing a members benefits in the 2015 Scheme and their relevant pre-2015 Scheme benefits over the four years to 31st March 2019.

The impact of an increase in scheme liabilities arising from the McCloud / Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Firefighters Pension valuation is due to take place in 2020 with implementation of the results planned for 2023/24 and authorities will need to plan for the impact of this on employer contribution rates, alongside other changes identified through the valuation process.

The impact of an increase in annual pension payments arising from the McCloud / Sargeant judgement is determined through The Firefighters Pension Scheme (England) Order 2006. These require a fire authority to maintain a pension fund into which employee and employer contributions are paid, and out of which pension payments to retirees are made. If the pension fund does not have enough funds to meet the cost of pensions in year, the amount required to meet the deficit is then paid by the Secretary of State to the fire authority in the form of a central government top-up grant.

Greater Manchester Combined Authority

Supplementary Financial Statements

Police Pension Fund
Fire Pension Fund
Mayoral Police Fund
Mayoral General Fund

Pension Funds

There is a requirement in the Code of Practice to produce a Pension Fund Account and Net Assets Statement in respect of the Police and Firefighter's Pension Schemes. The purpose of the Funds is to provide a basis for demonstrating the balance of cash based transactions taking place over the year and for identifying the arrangements needed to close the balance for the year. The primary objective is to separate the cost of providing pensions from the cost of running services.

Police Pension Fund

The Police Pension Scheme is unfunded. Both employer and employee pension contributions are based on a percentage of pay, which is paid into the Pension Fund. The amounts that must be paid into and out of the Pension Fund are specified by the Police Pension Fund Regulations 2007 and do not include injury awards.

2017/18 £000		2018/19 £000
0	Opening balance at 1 April	0
	Contributions receivable:	
(42,271)	Contributions at 21.3% of pensionable pay from employer	(47,700)
(3,084)	Early Retirements	(3,417)
(6)	Other (contributions from the Territorial Army)	0
(27,054)	Officers' contributions	(30,246)
	Transfers in:	
(844)	Transfers in from other schemes	(1,094)
	Benefits payable:	
139,803	Pensions	163,764
40,522	Commutations and lump sum retirement benefits	41,567
	Payments to and on account of leavers:	
360	Individual transfers out to other schemes	442
39	- Refunds of contributions	123
249	- Other (tax and interest)	204
107,714	**Net amount payable for the year**	126,643
(5,755)	Additional 2.9% funding payable by the Local Policing Body to meet the deficit for the year	(6,495)
(101,959)	Additional contribution from the Local Policing Body	(117,148)
0	**Closing balance at 31 March**	**0**

Net asset statement

2017/18 £000		2018/19 £000
0	Unpaid pensions due	0
0	Amount owing to General Fund Balance	0
0	**Net Assets**	**0**

Contribution rates

2017/18 £000		2018/19 £000
24.20%	Employer	24.20%
	Employee:	
14.25% to 15.05%	- Old Scheme	14.25% to 15.05%
11.00% to 12.75%	- 2006 Scheme	11.00% to 12.75%
12.44% to 13.78%	- 2015 Scheme	12.44% to 13.78%

Notes to the Police Pension Fund Account and Net Assets Statement

The Fund was established under the Police Pension Fund Regulations 2007 (SI 2007 no. 1932) and is administered and managed by the Chief Constable.

The Police Pension Scheme is an unfunded, defined benefit scheme. There are no investment assets. The fund is balanced to nil each year by a transfer from Greater Manchester Combined Authority, which is reclaimed from Central Government.

Employer and employee contributions are paid into the Fund based on a percentage of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. (See the contribution rates table above). At the last revaluation the employer's contribution was reduced by 2.9% from 24.2% to 21.3%. However, the effective rate remains at 24.2% as the saving has been recovered by central government.

Benefits payable to scheme members are made from the Fund with the exception of injury awards, which are payable from revenue funds, as are administrative costs. Inward transfer values are paid into the Fund and outward transfer values are paid from the Fund.

The fund is balanced to zero each year. If income to the fund exceeds expenditure then the excess is paid to Greater Manchester Combined Authority. If expenditure exceeds income then Greater Manchester Combined Authority must fund the deficit. Greater Manchester Combined Authority pays any excess income to the Home Office and receives Police Pension Fund top up grant from the Home Office to fund any deficit.

The contributions receivable from the employer shown in the account are debited to the Chief Constables Comprehensive Income and Expenditure Statement. The additional contribution from Greater Manchester Combined Authority is debited in its accounts together with a matching grant from the Home Office.

The amount of Home Office grant outstanding at 31st March 2019 has been accrued and is shown in Greater Manchester Combined Authority's Consolidated Balance Sheet.

The Fund's financial statements do not take into account liabilities to pay pensions after 31 March 2019. Liabilities to pay future payments are included in the IAS19 charges and notes to the Financial Statements.

The Fund's Accounting Policies are set out in the notes to the Core Financial Statements.

Fire Pension Fund

This is an unfunded scheme, which is administered in accordance with Home Office regulations. For such schemes as there are no investment assets, the IAS19 requires recognition of the liability and pension reserve in the Balance Sheet and transactions in the Income and Expenditure Account for movements in the liability and reserve

2017/18 £000		2019/18 £000
0	Opening balance at 1 April	0
	Contributions receivable:	
(5,834)	From employer	(6,477)
(4,700)	From employees	(5,406)
(443)	Ill health retirements	(431)
	Transfers in:	
(39)	Individual transfers in from other schemes	(281)
	Benefits payable:	
37,869	Pensions	43,536
8,051	Commutations and lump sum retirement benefits	8,037
	Payments to and on account of leavers:	
127	Individual transfers out to other schemes	110
35,031	Net amount payable for the year	39,089
(35,031)	Top up grant receivable from the Government	(39,089)
0	**Closing balance at 31 March**	**0**

Net asset statement

2017/18 £000		2018/19 £000
9,284	Pension top up grant receivable from the Home Office	7,030
0	Payments in advance	0
(97)	Creditor	0
0	Debtor	0
(9,188)	Amount due from the Mayoral General Fund	(7,030)
0	**Net Assets**	**0**

Notes to the Firefighters Pension Fund Account and Net Assets Statement

The funding arrangements for the Firefighters pension scheme in England changed on 1 April 2006. Before 1 April 2006 these schemes did not have a percentage of pensionable pay type of employer's contribution - rather each Authority was responsible for paying the pensions of its own former employees on a pay as you go basis. Under the new arrangements the schemes remain unfunded but Authorities will pay an employer's pension contribution based on a percentage of pay into the Pension Fund. Each Authority in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the Fund are specified by regulation under the Firefighters' Pension Scheme (Amendment) (England) Order 2006.

Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by the Government Actuary Department (GAD) and are subject to triennial revaluation.

There are no investment assets and the fund is balanced to nil each year by receipt of pension top-up grant from the Home Office or by paying over any surplus to the Home Office. The fund's financial statements do not take into account liabilities to pay pensions and other benefits after the period end.

The accounting policies adopted for the production of the pension fund account are in line with recommended practice and follow those that apply to the Authority's primary statements.

The Fund's financial statements do not take into account liabilities to pay pensions after 31 March 2019. Liabilities to pay future payments are included in the IAS19 charges and notes to the Financial Statements.

Mayoral Police Fund

Mayoral Police Fund

The functions of the Greater Manchester Police and Crime Commissioner (PCC), in Greater Manchester, were transferred by Parliamentary Order, to the elected Mayor of Greater Manchester with effect from 8^{th} May 2017.

Under Section 3 of the Order "the Mayor is to be treated, in relation to the Mayor's PCC functions, as a Police and Crime Commissioner for the purposes of all Police and Crime Commissioner enactments, wherever passed or made, subject to schedule 1 of the Order".

The transfer of the PCC functions to the Elected Mayor means that the legal entity known as the Greater Manchester Police and Crime Commissioner ceased to exist as of 8 May 2017. All properties, rights and liabilities (including contracts of employment) transferred to the Greater Manchester Combined Authority (GMCA) on 8 May 2017.

Under the Order, all functions and decisions relating to such properties, rights and liabilities are to be exercised and made by the Mayor. Any receipts arising from such properties, rights and liabilities are to be paid into the Police Fund kept by the mayor by virtue of section 21 of the Police Reform and Social Responsibility Act 2011.

The Chief Constable of Greater Manchester Police (GMP) Statement of Accounts is to be consolidated into GMCA's group accounts from 8 May 2017. The Mayor is responsible for the formal oversight of GMP, including provision of all funding, budget-setting, performance scrutiny and strategic policy development, and for ensuring GMP is run efficiently and effectively. Operational decision-making on day-to-day policing including the employment of police staff remains the responsibility of the Chief Constable.

Under the legislative framework and local arrangements, GMCA, under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The GMCA has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constables officers and staff operate. The GMCA receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund. The movement on the Police Fund is disclosed in these supplementary notes to the main Authority accounting statements.

In compliance with legislation the Police Fund is accounted for in the group accounts of the GMCA. In the interests of transparency the statements below set out how the Police Fund was spent and funded, movements in the Mayoral Police Fund reserves and also assets deployed for policing in 2018/19:

Police Fund Comprehensive Income and Expenditure Statement:

Police Fund Comprehensive Income and Expenditure Statement 2018/19	**Gross Expenditure £000s**	**Gross Income £000s**	**Net Expenditure £000s**
Policing Services	594,184	(94,271)	499,913
Net Cost of Services	**594,184**	**(94,271)**	**499,913**
(Gains)/losses on the disposal of non current assets	423	(210)	213
Home Office grant payable towards the cost of retirement benefits	117,148	(117,148)	0
Other operating expenditure	**117,571**	**(117,358)**	**213**
Interest payable	3,000	0	3,000
Interest element of PFI unitary payments	5,893	0	5,893
Pensions Interest cost	217,733	0	217,733
Expected return on pensions assets	0	(21,227)	(21,227)
Interest income	0	(0)	(0)
Financing and investment income and expenditure	**226,626**	**(21,227)**	**205,399**
Precepts	0	(130,496)	(130,496)
Police grant	0	(428,019)	(428,019)
Capital grants and contributions	0	(3,432)	(3,432)
Taxation and non specific grant income	**0**	**(561,947)**	**(561,947)**
Surplus/deficit on provision of services	**938,382**	**(794,804)**	**143,578**
Items that will not be reclassified to the surplus/deficit on provision of services			
Revaluation gains	0	(11,205)	(11,205)
Revaluation and impairment losses (not charged to prov. of services)	0	0	0
Remeasurement of (gains)/losses on pension assets/liabilities	274,157	0	274,157
	274,157	**(11,205)**	**262,952**
Total comprehensive income and expenditure	**1,212,539**	**(806,009)**	**406,530**

Movement in Mayoral Police Fund Reserves:

This note sets out the amounts set aside from the General Fund in reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

Earmarked Reserves and Balances	**Opening Balances £000s**	**Transfers in/out £000s**	**31 March 2019 £000s**
Mayoral Police Fund			
Revenue Expenditure Reserve	(7,262)	(571)	(7,833)
Insurance Reserve	(15,173)	1,004	(14,169)
PCC Earmarked Reserves	(24,715)	(4,479)	(29,194)
Capital Expenditure	(2,219)	2,219	0
PFI Reserve	(12,302)	476	(11,826)
Mayoral Police Fund Balances	(13,880)	819	(13,061)
Total Mayoral Police Fund	**(75,551)**	**(532)**	**(76,082)**

Assets deployed in the provision of Policing Services:

	Land and Buildings	Vehicles Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment	PFI in PPE
Cost or Valuation						
Asset values brought forward at 1/4/18	**247,093**	**145,429**	**1,526**	**58,697**	**452,745**	**75,238**
Additions	535	6,015	0	12,234	18,784	0
Accumulated depreciation and impairment written off to cost or valuation	(8,506)	(303)	(11)	0	(8,820)	0
Revaluation increases/decreases recognised in the Revaluation Reserve	12,480	347	28	0	12,855	0
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	5,841	0	(169)	0	5,672	0
Derecognition - disposals	0	(3,375)	0	0	(3,375)	0
Derecognition - other	(1,850)	0	0	0	(1,850)	0
Assets reclassified to/from held for sale	0	0	(73)	0	(73)	0
Assets reclassified to/from assets under construction	1,315	7,760	0	(9,075)	0	0
Other movements in cost or valuation	(810)	0	810	0	0	0
Cost or Valuation at 31/3/19	**256,098**	**155,873**	**2,111**	**61,856**	**475,938**	**75,238**
Accumulated Depreciation & Impairment						
Accumulated depreciation values brought forward at 1/4/18	**(11,535)**	**(114,531)**	**(10)**	**0**	**(126,076)**	**(8,382)**
Accumulated depreciation and impairment written off to cost or valuation	8,506	303	11	0	8,820	2,055
Depreciation Charge	(6,344)	(10,090)	(13)	0	(16,447)	(1,864)
Derecognition - disposals	0	2,953	0	0	2,953	0
Accumulated depreciation at 31/3/19	**(9,373)**	**(121,365)**	**(12)**	**0**	**(130,750)**	**(8,191)**
Net Book Value at 31/3/18	**235,558**	**30,898**	**1,516**	**58,697**	**326,669**	**66,856**
Net Book Value at 31/3/19	**246,725**	**34,508**	**2,099**	**61,856**	**345,188**	**67,047**

Mayoral General Fund

The functions of the GMFRA that are exercisable in relation to the area of the Authority were transferred by Parliamentary Order to the Greater Manchester Combined Authority (GMCA) with effect from 8 May 2017. The GMCA is the Fire and Rescue Authority for the area and the Fire and Rescue functions of the GMCA are exercisable by the elected Mayor with all staff, properties, rights and liabilities transferring to the Authority.

Under the Order, all functions and decisions relating to such properties, rights and liabilities are to be exercised and made by the Mayor. Any payments and receipts arising from such properties, rights and liabilities are to be paid from and into the Mayoral General Fund.

The statements below set out the movements in the Mayoral General Fund and assets deployed for fire and rescue services for 2017/18:

Mayoral General Fund Comprehensive Income and Expenditure Statement:

Mayoral General Fund Comprehensive Income and Expenditure Statement 2018/19	**Gross Expenditure £000s**	**Gross Income £000s**	**Net Expenditure £000s**
Fire and Rescue Services	85,917	(6,539)	79,378
Mayor's Office	18,257	(14,429)	3,829
Net Cost of Services	**104,174**	**(20,968)**	**83,207**
(Gains) / losses on the disposal of non current assets	12	0	12
Other operating expenditure	**12**	**0**	**12**
Interest payable	150	0	150
Interest element of PFI unitary payments	188	0	188
Pensions Interest cost	47,275	0	47,275
Expected return on pensions assets	0	(3,582)	(3,582)
Financing and investment income and expenditure	**47,613**	**(3,582)**	**44,031**
Precepts	0	(50,814)	(50,814)
Non Domestic Rates Income	0	(31,824)	(31,824)
Revenue Support Grant	0	(19,938)	(19,938)
Taxation and non specific grant income	**0**	**(102,576)**	**(102,576)**
(Surplus) / deficit on provision of services	**151,799**	**(127,126)**	**24,674**
Items that will not be reclassified to the surplus/deficit on provision of services			
Revaluation gains and losses			(1,116)
Remeasurement of (gains)/losses on pension assets/liabilities			47,875
Other Comprehensive Income and Expenditure			**46,759**
Total comprehensive income and Expenditure			**71,433**

Movement in Mayoral General Fund Reserves:

This note sets out the amounts set aside from the General Fund in reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

Earmarked Reserves and Balances	Opening Balances £000s	Transfers in/out £000s	31 March 2019 £000s
Mayoral General Fund			
Capital Reserve	**(10,559)**	1,608	**(8,951)**
Earmarked Budgets Reserve	**(4,500)**	2,542	**(1,958)**
Revenue Grants Unapplied	**(5,350)**	2,605	**(2,745)**
Insurance Reserve	**(2,849)**	0	**(2,849)**
Business Rates Reserve	**(2,123)**	0	**(2,123)**
Restructuring Reserve	**(418)**	0	**(418)**
Innovation and Partnership CYP	**(127)**	0	**(127)**
Projects Reserve	**(244)**	244	**0**
Transformation Fund	**(500)**	(3,104)	**(3,604)**
Mayoral General Fund Balances	**(15,174)**	2,399	**(12,775)**
Total General Fund Reserves	**(41,844)**	6,294	**(35,550)**
Capital Grants Unapplied Reserve	**(868)**	868	**0**
Total Mayoral General Fund	**(42,712)**	7,162	**(35,550)**

Assets deployed in provision of Mayoral Fire and Rescue Services:

	Land and Buildings	Vehicles Plant, Furniture and Equipment	Assets under Construction	Total Property Plant and Equipment	PFI in PPE
Cost or Valuation					
Asset values brought forward at 1/4/18	**93,334**	**35,672**	**320**	**129,326**	**3,057**
Additions	361	4,309	21	4,691	0
Accumulated depreciation and impairment written off to cost or valuation	0	0	0	0	0
Revaluation increases/decreases recognised in the Revaluation Reserve	3,960	0	0	3,960	392
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	(26)	0	0	(26)	24
Derecognition - disposals	0	(2,844)	0	(2,844)	0
Derecognition - other	0	0	0	0	0
Assets reclassified to/from held for sale	0	0	0	0	0
Assets reclassified to/from assets under construction	0	579	(579)	0	0
Other movements in cost or valuation	0	0	288	288	0
Cost or Valuation at 31/3/19	**97,629**	**37,716**	**50**	**135,395**	**3,473**
Accumulated Depreciation & Impairment					
Accumulated depreciation values brought forward at 1/4/18	**(9,766)**	**(24,208)**	**0**	**(33,974)**	**(922)**
Accumulated depreciation and impairment written off to cost or valuation	8,506	303	0	8,809	19
Depreciation Charge	(6,344)	(10,090)	0	(16,434)	(169)
Accumulated depreciation and impairment written off to the Revaluation Reserve	0	2,953	0	2,953	862
Accumulated depreciation at 31/3/19	(7,604)	(31,042)	0	(38,646)	(210)
Net Book Value at 31/3/18	**83,568**	**11,464**	**320**	**95,352**	**2,135**
Net Book Value at 31/3/19	**90,025**	**6,674**	**50**	**96,749**	**3,263**

Greater Manchester Combined Authority

Group Accounts

Introduction

Group Accounts

Introduction

Background
The Accounting Code of Practice requires that where an Authority has material financial interests and a significant level of control over one or more entities, it should prepare Group Accounts. The aim of these statements is to give an overall picture of the Authority's financial activities and the resources employed in carrying out those activities.

The Group Accounts comprise the following key financial statements (with appropriate disclosures):

- Group Comprehensive Income and Expenditure Statement;
- Group Movement in Reserves Statement;
- Group Balance Sheet;
- Group Cash Flow Statement.

The Greater Manchester Combined Authority Group:

A review of the entities related to the Authority has taken place and the conclusions are provided below:

Bodies Consolidated:

Chief Constable of Greater Manchester Police (GMP)
GMP is to continue to be included in the Authority's group accounts. The Mayor is responsible for the formal oversight of GMP, including provision of all funding, budget-setting, performance scrutiny and strategic policy development, and for ensuring GMP is run efficiently and effectively. Operational decision-making on day-to-day policing including the employment of police staff remains the responsibility of the Chief Constable.

Under the legislative framework and local arrangements, the Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constables officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund. The Police Fund is disclosed in the supplementary notes to the main Authority accounting statements.

Transport for Greater Manchester (TfGM)
TfGM is to continue to be included in the Authority's group accounts. The Authority and/or the Mayor sets local public transport policy and is responsible for deciding how funds are spent on supporting and improving Greater Manchester's public transport network. The decisions of the Authority and/or the Mayor are implemented by TfGM and TfGM is responsible for implementing the policies of the Authority. TfGM's net expenditure after taking into account all sources of income and expenditure is financed by way of a Revenue Grant from the Authority. TfGM's corporate objectives are derived from the Authority's policy priorities, stakeholder consultation and its

principal statutory obligations. Strategic objectives and targets are set out in the Authority/TfGM Business and Performance Plan.

For information details of transactions with the TfGM are included in the related parties note.

The Accounts of TfGM are prepared in accordance with the Accounts and Audit (England) Regulations 2015. These require the Accounts to be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ('The Code').

NW Evergreen Holdings Limited Partnership (NWEH)
NWEH is to continue to be included in the Authority's group accounts. In September 2016 the Authority established NWEH to act as a holding fund for earlier tranches of ERDF funding. The Fund has received significant funding from ERDF and will invest in sub funds that provide opportunities to identify, research and negotiate investment opportunities in properties in the North West of England.

All intra-group trading, balances and unrealised gains and losses as at the end of the period are eliminated in full (in the case of subsidiaries) or in part (in the case of the joint venture).

Bodies Not Consolidated:

Greater Manchester Fund of Funds Limited Partnership (FoFLP)
In November 2016 the Authority established FoFLP to act as a holding fund for ERDF funding. In May 2017, the fund received £15m funding from ERDF and £0.5m from the Authority. FoFLP will invest in sub funds that seek to support the shift towards a low carbon economy and for research and innovation. The fund has secured an additional £45m ERDF funding which has not yet been drawn down. On the grounds of immateriality it has been decided that FoFLP is not to be included in the group accounts.

NW Fire Control Company
The NW Fire Control Limited Company (NWFCC) operates a regional control centre based in Warrington. The company has four equal partners namely: Greater Manchester Combined Authority, Cheshire, Cumbria and Lancashire Fire and Rescue Authorities.

NWFCC became operational during 2014/15 and it meets with the definition of a joint operation for group accounts purposes. However, on the grounds of immateriality it has been decided that NWFCC is not to be included in the group accounts.

Commission for New Economy Limited (CNE)
CNE is a private company limited by guarantee without share capital. The Authority is the person with significant control and had previously included CNE in its group accounts. On the grounds of immateriality it has been decided that CNE is not to be included in the group accounts.

Greater Manchester Accessible Transport Limited (GMATL)
GMATL is a private company limited by guarantee without share capital. The Authority is the person with significant control and had previously included GMATL in its group accounts. On the grounds of immateriality it has been decided that GMATL is not to be included in the group accounts.

Manchester Investment and Development Agency Service (MIDAS)
MIDAS is a private company limited by guarantee without share capital. The Authority is the person with significant control and had previously included MIDAS in its group accounts. On the grounds of immateriality it has been decided that MIDAS is not to be included in the group accounts.

HIVE Homes

HIVE Homes is a joint venture with 10 Registered Housing providers and has been incorporated to acquire sites in Greater Manchester and then develop them for sale as residential use. From March 2019 the Authority will has a 20% share within the company, however to date £125,000 has been invested. On the grounds of immateriality, it has been decided that HIVE Homes will not be included in the group accounts.

Greater Manchester Combined Waste and Recycling Limited (GMCWR)
Greater Manchester Combined Waste & Recycling Limited was a subsidiary of the former GMWDA and was placed into a solvent liquidation on 22 March 2018. On the grounds of no parental control and immateriality, it has been decided that GMCWR will not be included in the group accounts.

Basis of Preparation of the Group Accounts

The group accounts have been prepared on a historical cost basis, except for certain property assets that are measured at fair value, in accordance with the Code. The group accounts have been prepared on a going concern basis.

Statement of Compliance with IFRS
In accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, 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.

Greater Manchester Combined Authority

Group Accounts

Group Core Financial Statements

Comprehensive Income and Expenditure Statement

Reconciliation of the Single Entity Comprehensive (Income) & Expenditure to the Group Entity Comprehensive (Income) & Expenditure

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

Group Comprehensive Income and Expenditure Statement

This statement shows the Group accounting cost of providing services, rather than the amount set out in legislation that is chargeable to precepts, levies, taxation and grant income. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis.

Gross Expenditure 2017/18 £000s	Gross Income 2017/18 £000s	Net Expenditure 2017/18 £000s	Comprehensive Income and Expenditure Statement	Note	Gross Expenditure 2018/19 £000s	Gross Income 2018/19 £000s	Net Expenditure 2018/19 £000s
			GMCA Continuing Operations				
463,119	(160,225)	302,894	**Highways and Transport Services**		**420,529**	**(142,681)**	**277,848**
76,297	(65,086)	11,211	**Economic Development and Regeneration Services**		**88,682**	**(40,189)**	**48,494**
			Mayoral General Fund Services				
73,610	(5,229)	68,381	Fire and Rescue Services		85,917	**(6,539)**	79,378
105	(101)	3	Other Functions		18,257	**(14,429)**	3,829
73,715	(5,330)	68,384	**Total Mayoral General Fund Services**		**104,174**	**0**	**83,207**
			Mayoral Police Fund Services				
539,244	(99,108)	440,136	Policing Services		**594,184**	**(94,271)**	**499,913**
1,152,375	**(329,749)**	**822,625**	**Total GMCA Continuing Operations**		**1,207,570**	**(298,109)**	**909,461**
			Transferred Services to GMCA				
0	0	0	Waste Disposal		**150,025**	**(12,427)**	**137,598**
1,152,375	**(329,749)**	**822,625**	**Total Cost of GMCA Operations**	38	**1,357,595**	**(310,535)**	**1,047,060**
226	(36)	190	Loss on Disposal of Non Current Assets		426	**0**	426
0	(2,674)	(2,674)	Other Operating Income and Expenditure		442	**0**	442
310,550	(26,314)	284,236	Financing and Investment Income and Expenditure	38	334,551	**(29,973)**	304,578
0	(949,627)	(949,627)	Taxation and Non Specific Grant Income	39	0	**(1,249,183)**	(1,249,183)
101,959	(101,959)	0	Home Office grant payable towards the cost of retirement benefits		117,148	**(117,148)**	0
1,565,109	**(1,410,359)**	**154,750**	**(Surplus) / Deficit on Provision of Services**	37	**1,810,163**	**(1,706,839)**	**103,323**
			Items that will not be subsequently classified in deficit on provision of services				
		(23,780)	Re-measurement of the net defined benefit liability				318,631
		0	(Surplus) / Deficit on revaluation of available for sale non current assets				0
		(6,672)	(Surplus) / Deficit on revaluation of non current assets				(29,397)
		(30,452)	**Other Comprehensive (Income) & Expenditure**				**289,234**
		124,298	**Total Comprehensive (Income) and Expenditure**				**392,557**

Group Movement in Reserves Statement

This statement shows the movement in year on the different reserves held by the Authority Group. This is analysed into usable and unusable reserves. Usable reserves can be utilised to fund services whereas unusable reserves are accounting reserves held to reconcile the position between the accounting cost of services and the cost set out in legislation that is chargeable to precepts and taxation**.**

Further details of usable reserves can be found in the relevant associated notes.

Movement in Reserves	**Authority General Fund Balances**	Authority Capital Grants Unapplied Reserve	Authority Capital Receipts Reserve	**Total Authority Usable Reserves**	**Authority Share of Group Usable Reserves**	**Total Usable Group Reserves**	**Authority Unusable Reserves**	**Authority Share of Group Unusable Reserves**	**Total Unusable Group Reserves**	**Total Group Reserves**
	£000s	£000s	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance as at 31 March 2017	**(154,376)**	(11,802)	(24,021)	**(190,199)**	**(101,764)**	**(291,964)**	**1,092,828**	**(1,773,446)**	**(680,617)**	**(972,581)**
Transferred Services Balances as at 8 May 2017										
Mayoral General Fund balances from GMFRA	**(41,012)**	(1,087)	-	**(42,099)**	**-**	**(42,099)**	**1,641,821**	**-**	**1,641,821**	**1,599,722**
Mayoral Police Fund balances from PCC	**(79,756)**	-	-	**(79,756)**	**-**	**(79,756)**	**(69,936)**	**-**	**(69,936)**	**(149,692)**
Chief Constable GMP	**0**	-	-	**0**	**-**	**-**	**-**	**7,565,529**	**7,565,529**	**7,565,529**
Restated Balances b/f for GMCA Services	**(275,144)**	**(12,889)**	**(24,021)**	**(312,054)**	**(101,764)**	**(413,819)**	**2,664,713**	**5,792,083**	**8,456,797**	**8,042,978**
(Surplus) or Deficit on the provision of services	**32,325**	-	-	**32,325**	**122,425**	**154,750**	**0**	**0**	**0**	**154,750**
Total Comprehensive Income and Expenditure	**0**	0	0	**0**	**0**	**0**	**(19,829)**	**(10,623)**	**(30,452)**	**(30,452)**
Total Adjustments between accounting basis & funding basis under regulations	**(29,240)**	11,449	(1,487)	**(19,278)**	**(125,335)**	**(144,613)**	**19,278**	**125,335**	**144,613**	**0**
Transfers to or from Earmarked Reserves	**(231)**	231	0	**0**	**830**	**830**	**0**	**(830)**	**(830)**	**0**
(Increase) / Decrease in year	**2,854**	11,680	(1,487)	**13,047**	**(2,080)**	**10,967**	**(551)**	**113,882**	**113,331**	**124,298**
Continuing Operations Balance as at 31 March 2018	**(272,290)**	**(1,209)**	**(25,508)**	**(299,008)**	**(103,844)**	**(402,852)**	**2,664,163**	**5,905,965**	**8,570,127**	**8,167,275**
Transferred Services Balances as at 1 April 2018										
General Fund Balances transferred from GM Waste Disposal Authority	**(149,610)**	0	0	**(149,610)**	**0**	**(149,610)**	**516,867**	**0**	**516,867**	**367,254**
Total Balances b/f for GMCA Services	**(421,900)**	(1,209)	(25,508)	**(448,617)**	**(103,844)**	**(552,461)**	**3,181,030**	**5,905,965**	**9,086,994**	**8,534,529**
(Surplus) or Deficit on the provision of services	**8,546**	0	0	**8,546**	**94,777**	**103,323**	**0**	**0**	**0**	**103,323**
Total Comprehensive Income and Expenditure	**0**	0	0	**0**	**0**	**0**	**18,908**	**270,326**	**289,234**	**289,234**
Total Adjustments between accounting basis & funding basis under regulations	**(45,719)**	1,209	(15,661)	**(60,172)**	**(97,452)**	**(157,624)**	**60,172**	**97,452**	**157,624**	**0**
Transfers to or from Earmarked Reserves	**0**			**0**	**1,311**	**1,311**	**0**	**(1,311)**	**(1,311)**	**0**
(Increase) / Decrease in year	**(37,174)**	1,209	(15,661)	**(51,626)**	**(1,364)**	**(52,990)**	**79,080**	**366,467**	**445,547**	**392,557**
Balance as at 31 March 2019	**(459,073)**	(0)	(41,169)	**(500,243)**	**(105,208)**	**(605,452)**	**3,260,108**	**6,272,432**	**9,532,541**	**8,927,087**

Group Balance Sheet

The Balance Sheet shows the value of assets and liabilities recognised by the Authority Group. The net assets/liabilities are matched by the usable and unusable reserves held. Usable reserves can be utilised to fund services whereas unusable reserves are accounting reserves held to reconcile the position between the accounting cost of services and the cost set out in legislation that is chargeable to precepts and taxation. Further details of balance sheet items can be found in the relevant associated notes.

2017/18 £000s	Balance Sheet	Note	2018/19 £000s
	Non Current Assets		
2,392,080	Property, Plant & Equipment	43	2,632,813
83	Heritage Assets		83
943	Investment Property		1,523
9,068	Intangible Assets		11,648
82,688	Long Term Debtors and Payments in Advance	44	101,201
2,745	Long Term Investments		3,054
2,487,607	**Total Non Current Assets**		**2,750,321**
	Current Assets		
2,194	Inventories and Stock		2,557
233,899	Short Term Debtors and Payments in Advance	44	181,790
9,188	Amount due from the Pension Fund		7,030
362,618	Cash and Cash Equivalents	45	187,632
600	Assets Held For Sale		323
608,498	**Total Current Assets**		**379,331**
	Current Liabilities		
(166,329)	Short Term Borrowing	51	(175,483)
(218,649)	Short Term Creditors and Receipts in Advance	46	(273,150)
(38,164)	Capital Grants Receipts in Advance		(30,341)
(19,995)	Revenue Grants Receipts in Advance		(17,630)
(9,620)	Short Term Provisions	47	(8,736)
(1,500)	Short Term Lease Liability		(2,673)
(4,824)	Short Term Deferred Liability		(6,522)
(459,080)	**Total Current Liabilities**		**(514,534)**
	Long Term Liabilities		
(1,214,488)	Long Term Borrowing	51	(1,454,242)
(15,017)	Long Term Provisions	47	(15,193)
(50,331)	Long Term Lease Liability		(47,658)
(16,053)	Long Term Deferred Liability		(14,169)
(9,508,411)	Pensions Liability	54	(10,010,944)
(10,804,300)	**Total Long Term Liabilities**		**(11,542,205)**
(8,167,275)	**Net Assets**		**(8,927,087)**
	Financed By:		
(402,852)	Usable Reserves	36	(605,451)
8,570,127	Unusable Reserves	48	9,532,540
8,167,275	**Total Reserves**		**8,927,087**

Group Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the Authority Group during the reporting period. The statement shows how the Group generates and uses cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from the operating activities is a key indicator of the extent to which the operations of the Group are funded by way of precepts, levies, contributions and grant income. 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 useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

2017/18 £000s	Group Cash Flow	2018/19 £000s
154,750	**Net (Surplus) on the provision of services**	**103,323**
(268,677)	Adjustments to net surplus or deficit on the provision of services for non cash movements	(349,217)
98,052	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	128,978
(15,875)	**Net Cash Flows from Operating Activities**	**(116,916)**
34,970	Investing Activities	32,774
(235,357)	Financing Activities	266,011
(216,262)	**(Increase) / decrease in cash and cash equivalents**	**181,869**
124,205	Cash and cash equivalents on 1 April 2018 for continuing operations	362,617
22,150	Cash and cash equivalents on 8 May 2017 for transferred operations	6,884
146,355	**Restated cash and cash equivalents brought forward for all operations**	**369,501**
362,617	Cash and cash equivalents at the end of the reporting period	**187,632**

Greater Manchester Combined Authority

Group Accounts

Notes to the Group Core Financial Statements

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Summary of Significant Accounting Policies

Consolidation Method

The Accounts of all subsidiary group entities are consolidated on a line by line basis with corresponding consolidation adjustments to remove inter group transactions and balances.

The following is a summary of the significant accounting policies of TfGM which have been applied to the information included in these Group accounts. The policies of the Chief Constable for Greater Manchester are in line with those of the Authority.

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 fair value. The Group'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	40 to 50 years
Short leasehold buildings	over the lease term
Infrastructure assets (see note * below)	20 to 50 years
Plant and equipment (including software)	3 to 10 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	50 years
Stations	30 years
Track and track bed	20 to 30 years
Ticket machines and information points	20 years
Overhead power lines	30 years
Signalling/telecoms	20 years
Metrolink trams	30 years

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, and amortisation of any grant funding its acquisition, 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.

For the ongoing measurement of property, plant and equipment, The Group adopts the Code, which requires the fair value method to be applied to non-infrastructure operational assets and surplus assets. Assets classified as infrastructure include all Metrolink assets, bus stations, interchanges, turning points, 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.

Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Group 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 the Group.

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 the Group 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 the Group’s goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no intangible asset held by the Group 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.

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.

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.

Financial Assets

Financial assets are classified at recognition as loans, deposits or receivables in accordance with IAS 39, and recognised at cost. The Group’s financial assets include the long term investment, 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 investment has been deemed to fall within the available for sale assets.

Available for sale assets are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (eg dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the authority. Assets are maintained in the Balance Sheet at fair value.

Changes in fair value are balanced by an entry in the Available for Sale Reserve and the gain/ loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available for Sale Reserve.

Cash and cash equivalents: funds placed with banks and other financial institutions by the Group with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents are as defined above, net of any outstanding bank overdrafts.

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. 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.

Financial Liabilities

Financial liabilities are classified at recognition as loans and borrowings in accordance with IAS 39, and recognised at cost. The Group has not designated any financial liabilities or assets as at fair value through the Comprehensive Income and Expenditure Statement. The Group's financial liabilities include bank overdraft, trade creditors, loans and other payables.

Subsequent measurement depends on their classification as follows:

Loans and borrowings: non-derivative financial liabilities with fixed or determinable payments not quoted in an active market. Such interest-bearing liabilities 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 liabilities are amortised, de-recognised or impaired.

Trade and other payables: recognised and carried at invoice or contract value. Should an amount become non-payable, it is written back to the income statement in the period in which it is recognised.

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.

Impairment of non-financial assets

The Group 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, The Group 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 The Group'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, The Group 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.

Provisions, Contingent liabilities and Contingent assets

Provisions

Provisions are made where an event has taken place that gives 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.

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 the obligation is settled.

Contingent liabilities

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

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 the Group a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly with the control of the Group.

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.

Passenger Transport Facilities

As part of its statutory duties, the Group 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 the Authority and other parties, which for the year ended 31 March 2019 amounted to £1.896 million (2018: £5.651 million).

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

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

Income

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

Lease Income

Amounts receivable under finance leases are stated net of interest allocated to future periods. Interest is allocated to accounting periods to produce a constant periodic rate of return on the remaining net investment.

Rentals receivable under operating leases, and secondary rentals received and retained by the Group under finance leases, are credited to income as they arise. Any premia or incentives within the lease are recognised as income on an equal basis over the term of the lease.

Lease Expenditure

Assets held under finance leases where the Group 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.

Pensions

Certain employees of the Group 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.

The Scheme is accounted for as a defined benefits scheme:

- The liabilities of the GMPF attributable to the Group 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 2.4% (2018: 2.6%).
- The assets of GMPF attributable to the Group 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 The Group, 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 The Group 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 The Group 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.

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 sales of goods is recognised when the Group transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Group;

Revenue from the provision of services is recognised when the Group can reliably measure the completion of the transaction and where it is probable that economic benefits or service potential associated with the transaction will flow to the Group;

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 relating 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 on the basis of the cash flows fixed or determined by the contract; and

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 the debtors is written down and a charge made to revenue for the amount of income that might not be collected.

Reserves

The Group 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 the Group.

Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of The Group’s financial performance.

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.

Value Added Tax (VAT)

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

Agency Services

Transactions are excluded from the Group’s financial statements for all agency relationships. As stipulated by the Code the Group is acting as an agent in situations when the Group do not have exposure to the significant risks and rewards in providing the goods or services. The Group review all services provided to determine who has exposure to the significant risks and rewards and when this is not deemed to be the Group the transactions have been excluded from the financial statements. There was one significant agency relationship in 2017/18 which was in relation to the services provided by the Group to Transport for the North. This relationship ended on the 31st March 2018.

34a Group Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by local authorities in comparison to those resources consumed or earned by local authorities in accordance with generally accepted accounting practices. It also shows how the expenditure is allocated between Directorates. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2017/18				2018/19		
Net expenditure chargeable to the General Fund Balance £000s	Adjustments between Funding and Accounting Basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s		Net expenditure chargeable to the General Fund Balance £000s	Adjustments between Funding and Accounting Basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s
			Continuing Services			
65,629	237,265	302,894	Highways and Transport Services	148,192	129,656	277,848
(1,941)	13,152	11,211	Economic Development and Regeneration	43,361	5,133	48,494
78,993	(10,609)	68,384	Mayoral General Fund Services	108,447	(25,241)	83,207
492,409	(52,273)	440,136	Mayoral Police Fund Services	551,610	(51,698)	499,913
			Transferred Services			
0	0	0	Waste Disposal Services	161,280	(23,682)	137,598
635,090	**187,536**	**822,625**	**Cost of Services**	**1,012,890**	**34,169**	**1,047,061**
(634,592)	(33,283)	(667,875)	Other Income and Expenditure	(1,052,740)	109,003	(943,736)
497	**154,253**	**154,750**	**(Surplus) / Deficit**	**(39,849)**	**143,173**	**103,324**
376,465			**Opening General Fund Balance and Earmarked Reserves Continuing Services**	**375,368**		
			Opening Waste Disposal Balance and earmarked Reserves transferred from Waste Disposal Authority	149,610		
			Restated Opening General Fund Balance GMCA Services	**524,978**		
(497)			Surplus / (Deficit) on General Fund Balance in year	39,849		
(599)			Transfers between reserves	1,311		
375,368			**Closing General Fund Balance at 31 March**	**566,138**		

34b Note to the Group Expenditure and Funding Analysis

2017/18					2018/19			
Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s		Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s
				Continuing Services				
231,800	5,465	0	237,265	Highways and Transport Services	127,306	2,350	0	129,656
17,408	(4,256)	0	13,152	Economic Development and Regeneration	4,691	442	0	5,133
(142)	(10,466)	0	(10,609)	Mayoral General Fund Services	152	(25,393)	0	(25,241)
(20,690)	(31,583)	0	(52,273)	Mayoral Police Fund Services	(9,262)	(42,548)	112	(51,698)
				Transferred Services				
0	0	0	0	Waste Disposal Services	(23,735)	53	0	(23,682)
228,376	**(40,840)**	**0**	**187,536**	**Net Cost of Services**	**99,153**	**(65,096)**	**112**	**34,169**
(261,647)	232,988	(4,623)	(33,283)	**Other Income and Expenditure**	(132,373)	242,213	(837)	109,003
(33,271)	**192,148**	**(4,623)**	**154,253**	**Difference between General Fund Surplus and CIES Deficit on the Provision of Services**	**(33,219)**	**177,117**	**(725)**	**143,173**

a) Adjustments for capital purposes includes revenue expenditure funded from capital under statute, depreciation and impairment, gain/loss on disposal of non-current assets, capital grants and contributions, minimum revenue provision and revenue contribution to capital outlay.
b) Pension adjustments include employer's contribution to the pension scheme and retirement benefits per IAS 19.
c) Other adjustments include contributions to capital bad debt provision and available for sale financial instruments.

35 Adjustments between Accounting Basis and Funding Basis under Regulations

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

2017/18					2018/19			
General Fund Balance	**Capital Receipts Reserve**	**Capital Grants Unapplied**	**Movement in Unusable Reserves**		**General Fund Balance**	**Capital Receipts Reserve**	**Capital Grants Unapplied**	**Movement in Unusable Reserves**
£000	**£000**	**£000**	**£000**		**£000**	**£000**	**£000**	**£000**
				Adjustments to the Revenue Resources				
				Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
(192,132)	0	0	192,132	Pension cost (transferred to (or from) the Pensions Reserve)	209,539	0	0	(209,539)
(118)	0	0	118	Financial Instruments (transferred to the Financial Instruments Adjustments Account)	40	0	0	(40)
85	0	0	(85)	Council tax and NDR (transfers to or from the Collection Fund)	10	0	0	(10)
(63)	0	0	63	Holiday pay (transferred to the Accumulated Absences reserve)	37	0	0	(37)
(25,287)	0	0	25,287	Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(457,328)	0	0	457,328
(217,515)	0	0	217,515	Total Adjustments to Revenue Resources	(247,702)	0	0	247,702
				Adjustments between Revenue and Capital Resources				
(127)	(7,158)	0	7,285	Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	(19,781)	0	19,781
39,604	0	0	(39,604)	Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	73,824	0	0	(73,824)
23,785	0	0	(23,785)	Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	30,706	0	0	(30,706)
63,262	(7,158)	0	(56,104)	Total Adjustments between Revenue and Capital Resources	104,530	(19,781)	0	(84,749)
				Adjustments to Capital Resources				
0	5,671	0	(5,671)	Use of the Capital Receipts Reserve to finance capital expenditure	0	4,120	0	(4,120)
0	0	11,127	(11,127)	Application of capital grants to finance capital expenditure	0	0	1,210	(1,210)
0	5,671	11,127	(16,798)	Total Adjustments to Capital Resources	0	4,120	1,210	(5,329)
0	0	0	0	**Other adjustments**	0	0	0	0
(154,253)	**(1,487)**	**11,127**	**144,613**	**Total Adjustments**	**(143,172)**	**(15,661)**	**1,210**	**157,624**

36a Transfers (to)/from Reserves

This note sets out the amounts set aside from the General Fund in reserves to provide financing for future expenditure plans and the amounts posted back from reserves to meet General Fund expenditure.

Opening Balances	Transfers (in)/out	31 March 2018	Reserves and Balances	Continuing Operations 1 April 2018	Transferred Services 1 April 2018	Restated Opening Balances	Transfers (in)/out	31 March 2019
£000s	£000s	£000s		£000s	£000s	£000s	£000s	£000s
			Transport, Economic Development and Regeneration & Waste					
(2,348)	(5,879)	(8,227)	Earn-back Revenue	(8,227)	0	(8,227)	(1,953)	(10,180)
0	(4,789)	(4,789)	Life Chances	(4,789)	0	(4,789)	(211)	(5,000)
0	(1,003)	(1,003)	Clean Air Plan	(1,003)	0	(1,003)	(3,224)	(4,227)
0	(3,182)	(3,182)	Reform and Investment Fund	(3,182)	0	(3,182)	396	(2,786)
(2,683)	245	(2,438)	Youth Contract	(2,438)	0	(2,438)	27	(2,411)
(3,341)	1,158	(2,183)	City Deal	(2,183)	0	(2,183)	297	(1,886)
0	(1,734)	(1,734)	GM Trailblazer	(1,734)	0	(1,734)	0	(1,734)
(1,554)	0	(1,554)	Growing Places Fund	(1,554)	0	(1,554)	0	(1,554)
0	0	0	Housing First	0	0	0	(1,105)	(1,105)
(575)	(458)	(1,033)	One Public Estate	(1,033)	0	(1,033)	379	(655)
0	0	0	Creative Scale Up Project	0	0	0	(650)	(650)
0	(775)	(775)	Manchester Western Loop	(775)	0	(775)	176	(599)
(613)	139	(474)	LEP Strategic Plans Funding (LEP)	(474)	0	(474)	(108)	(581)
0	0	0	Planning & Delivery Fund	0	0	0	(544)	(544)
0	(34,305)	(34,305)	Business Rates Top Up	(34,305)	0	(34,305)	(20,085)	(54,390)
(6,188)	(1,253)	(7,441)	RGF/GPF Interest and Arrangement Fees	(7,441)	0	(7,441)	(1,475)	(8,916)
0	(1,850)	(1,850)	GM Connect	(1,850)	0	(1,850)	727	(1,123)
0	0	0	Churchgate House Accommodation	0	0	0	(700)	(700)
(12,500)	0	(12,500)	Integrated Ticketing Reserve	(12,500)	0	(12,500)	0	(12,500)
(105,838)	91,614	(14,224)	Capital Programme Reserve	(14,224)	0	(14,224)	(85,772)	(99,996)
(6,841)	(39,232)	(46,073)	Business Rates Growth Pilot & Levy	(46,073)	0	(46,073)	(6,105)	(52,178)
(4,864)	964	(3,900)	Other Transport and ED&R Reserves	(3,900)	0	(3,900)	1,213	(2,687)
(7,033)	(178)	(7,211)	Transport and ED&R General Fund Balances	(7,211)	0	(7,211)	(634)	(7,845)
0	0	0	Waste Engagement Activities Reserve	0	(466)	(466)	364	(102)
0	0	0	Waste Disposal Insurance Reserve	0	(8,604)	(8,604)	(4,090)	(12,694)
0	0	0	Waste Interest Rate Reserve	0	(2,000)	(2,000)	0	(2,000)
0	0	0	Waste pesnion Deficit Funding Reserve	0	(812)	(812)	0	(812)
0	0	0	Waste MTFP Funding Reserve	0	(116,184)	(116,184)	79,824	(36,360)
0	0	0	Waste Optimisation and Efficiency	0	(5,000)	(5,000)	0	(5,000)
0	0	0	Waste Composition Analysis	0	(500)	(500)	314	(186)
0	0	0	Waste Lifecycle Reserve	0	(3,911)	(3,911)	0	(3,911)
0	0	0	Waste General Fund Balance	0	(12,132)	(12,132)	0	(12,132)
(314)	0	(314)	Revenue Grants Unapplied Reserve - TfGM	(314)	0	(314)	0	(314)
(9,405)	(3,151)	(12,556)	Property Reserve - TfGM	(12,556)	0	(12,556)	399	(12,157)
(2,093)	0	(2,093)	Metrolink Reserve - TfGM	(2,093)	0	(2,093)	0	(2,093)
(5,647)	917	(4,730)	Joint Road Safety Group Reserve - TfGM	(4,730)	0	(4,730)	937	(3,793)
(8,003)	0	(8,003)	Concessionary Fares Reserve - TfGM	(8,003)	0	(8,003)	(1,280)	(9,283)
(11,708)	979	(10,729)	TFGM Balances	(10,729)		(10,729)	(260)	(10,989)
(64,151)	(502)	(64,653)	Evergreen Holdings Ltd	(64,653)		(64,653)	(1,361)	(66,014)
(255,699)	**(2,275)**	**(257,974)**	**Total General Fund Reserves**	**(257,974)**	**(149,609)**	**(407,583)**	**(44,501)**	**(452,084)**
(24,021)	(1,487)	(25,508)	Usable Capital Receipts Reserve	(25,508)	0	(25,508)	(15,661)	(41,169)
(12,245)	11,139	(1,106)	Capital Grants Unapplied Reserve	(1,106)	0	(1,106)	537	(569)
(291,965)	**7,377**	**(284,588)**	**Total Transport, ED&R and Waste**	**(284,588)**	**(149,609)**	**(434,197)**	**(59,625)**	**(493,822)**

36a Transfers (to)/from Reserves (Continued)

Opening Balances	Transfers (in)/out	31 March 2018	Reserves and Balances	Continuing Operations 1 April 2018	Transferred Services 1 April 2018	Restated Opening Balances	Transfers (in)/out	31 March 2019
£000s	£000s	£000s		£000s	£000s	£000s	£000s	£000s
			Mayoral General Fund					
(11,473)	914	(10,559)	Capital Reserve	(10,559)	0	(10,559)	1,608	(8,951)
(5,312)	812	(4,500)	Earmarked Budgets Reserve	(4,500)	0	(4,500)	2,542	(1,958)
(4,779)	(571)	(5,350)	Revenue Grants Unapplied	(5,350)	0	(5,350)	2,605	(2,745)
(2,488)	(361)	(2,849)	Insurance Reserve	(2,849)	0	(2,849)	0	(2,849)
(1,710)	(413)	(2,123)	Business Rates Reserve	(2,123)	0	(2,123)	0	(2,123)
(418)	0	(418)	Restructuring Reserve	(418)	0	(418)	0	(418)
(127)	0	(127)	Innovation and Partnership CYP	(127)	0	(127)	0	(127)
(244)	0	(244)	Projects Reserve	(244)	0	(244)	244	0
0	(500)	(500)	Transformation Fund	(500)	0	(500)	(3,104)	(3,604)
(14,461)	(713)	(15,174)	Mayoral General Fund Balances	(15,174)	0	(15,174)	2,399	(12,775)
(41,012)	**(832)**	**(41,844)**	**Total General Fund Reserves**	**(41,844)**	**0**	**(41,844)**	6,294	**(35,550)**
(1,087)	219	(868)	Capital Grants Unapplied Reserve	(868)	0	(868)	868	0
(42,099)	**(613)**	**(42,712)**	**Total Mayoral General Fund**	**(42,712)**	**0**	**(42,712)**	7,162	**(35,550)**
			Mayoral Police Fund					
(12,668)	5,406	(7,262)	Revenue Expenditure Reserve	(7,262)	0	(7,262)	(571)	(7,833)
0	(15,173)	(15,173)	Insurance Reserve	(15,173)	0	(15,173)	1,004	(14,169)
(38,210)	13,495	(24,715)	PCC Earmarked Reserves	(24,715)	0	(24,715)	(4,479)	(29,194)
(2,603)	384	(2,219)	Capital Expenditure	(2,219)	0	(2,219)	2,219	0
(13,054)	752	(12,302)	PFI Reserve	(12,302)	0	(12,302)	476	(11,826)
(13,221)	(659)	(13,880)	Mayoral Police Fund Balances	(13,880)	0	(13,880)	819	(13,061)
(79,756)	**4,205**	**(75,551)**	**Total Mayoral Police Fund**	**(75,551)**	**0**	**(75,551)**	(532)	**(76,082)**
			Combined					
(376,467)	1,098	(375,369)	General Fund Balances	(375,369)	(149,609)	(524,978)	(38,738)	(563,717)
(24,021)	(1,487)	(25,508)	Usable Capital Receipts Reserve	(25,508)	0	(25,508)	(15,661)	(41,169)
(13,332)	11,358	(1,974)	Capital Grants Unapplied Reserve	(1,974)	0	(1,974)	1,405	(569)
(413,820)	**10,969**	**(402,851)**	**Total Usable Reserves**	**(402,851)**	**(149,608)**	**(552,458)**	**(52,991)**	**(605,451)**

36b Purpose of Earmarked Reserves

The purpose of the Authority’s earmarked reserves is set out in note 9b. The purpose of other group reserves is set out below:

Transport for Greater Manchester Reserves

- Revenue Grants Unapplied Reserve – Manchester Airport Contribution to the Metrolink extension to the airport;
- Property Reserve – surpluses arising from 2 Piccadilly Place to be reinvested in property activity;
- Metrolink Reserve – funding set aside for Metrolink Service Enhancements;
- Joint Road Safety Group Reserve – surpluses arising from JRSG activity;
- Concessionary Fares Reserve – surpluses of reimbursed income set aside for future investment;
- Capital Grants Unapplied Reserve – grants for specific capital schemes to be applied in future years.

NW Evergreen Holdings Reserve

- Donated Asset Reserve – includes grant monies novated to NW Evergreen for investment in city areas.

37a Group Nature of Income and Expenditure

The nature of the Group's income and expenditure is outlined in the table below:

2017/18 £000s	Nature of Expenditure and Income	2018/19 £000s
	Expenditure	
547,869	Employee Costs	590,308
0	Pension Interest Costs	219,488
101,959	Cost of Police Officer retirement benefits	117,148
170,988	Grants Expenditure	168,827
352,449	Other Service Expenditure	223,148
113,483	Capital Charges including Depreciation and Impairment	133,409
310,011	Financing and Investment Expenditure	115,029
226,251	Revenue Expenditure Funded from Capital Under Statute	241,938
226	Loss on Disposal of Non-current Assets	868
1,823,236	Total Expenditure	**1,810,163**
	Income	
(26,314)	Financing and Investment Income	(29,973)
(197,797)	Fees, charges and other service income	(221,108)
(101,959)	Home Office grant payable towards the cost of retirement benefits	(117,148)
(220,625)	Income from Council Tax and NNDR	(251,348)
(36)	Gain on Disposal of Non-current assets	0
(103,871)	Levy Income	(370,467)
(1,017,885)	Government Grants and Contributions	(716,796)
(1,668,487)	Total Income	**(1,706,840)**
154,750	**Deficit / (Surplus) on the Provision of Services**	**103,323**

37b Group Income Including Grants and Contributions

The Group credited the following grants and contributions to the Comprehensive Income and Expenditure Statement:

2017/18 £000s	Income including Grants and Contributions Credited to the Cost of Services	2018/19 £000s
	Highways and Transport Services	
(1,391)	Sustainable Transport Transition Year Grant - DfT	0
(101)	Local Sustainable Transport Grant - DfT	0
(86)	CCAG Evaluation Study - DfT	0
(1,300)	GM Clean Air Plan (Feasibility Study) - DEFRA	(6,450)
(1,500)	Cycling & Walking to Work Award - DfT	(640)
(2,100)	Manchester Western Loop - T2/Airport City - DfT	0
(22,932)	Transport for the North - DfT	(182)
(6,731)	Bus Service Operators Grant - DfT	0
0	NWQ Multi Modal Study - DfT	(364)
(435)	District & External Contributions to Traffic Signals Repairs / S278	(241)
(36,325)	Revenue Expenditure Funded by Capital under Statute - DfT	(31,195)
(9,794)	Supported Bus Services	(9,663)
(64,868)	Metrolink	(72,850)
(5,970)	Management of Traffic Signals	(7,275)
(5,017)	Road Safety Activities	(5,943)
(1,676)	Other Operating Income	(7,878)
(160,225)		(142,681)
	Economic Development and Regeneration Services	
(176)	Regional Growth Fund / Growing Places Fund Arrangement fees	(176)
(513)	Business Support Grants & Contributions	(1,671)
(468)	Elena Grant - EIB	(25)
(3,151)	Works & Skills Grants & Contributions	(7,315)
(82)	Environment & Low Carbon Grants & Contributions	(1,082)
(458)	One Public Estate - Cabinet Office	(251)
(20)	GM Technical Assistance - ERDF/ESF	102
(5,671)	Contribution to fund ED&R Advances	0
(5,000)	Life Chances Grant - DCMS	0
(2,122)	Homelessness Grants - CLG	(6,145)
(4,767)	Troubled Families - CLG	(7,764)
(94)	100 Resilient Cities	(134)
(114)	Ageing Better	(60)
0	Planning Delivery Fund - CLG	(950)
0	Digital Funding - DCLG	(93)
0	Innovation & Reform Grant - DfE	(673)
0	Other Grants	(792)
(8,284)	District Contributions to ED&R Functions	(4,291)
(22,620)	Contributions to ED&R Programmes - Manchester City Council	0
(4,041)	External Contributions and Income Towards ED&R	(3,835)
(7,506)	Revenue Expenditure Funded by Capital under Statute - DCLG / HCA	(5,035)
(65,086)		(40,189)
	Waste and Resources	
0	Erasmus Grant - EU	(12)
0	PFI Credit	(10,019)
0	Contributions & Income	(2,396)
0		(12,427)
	Mayoral General Fund Services	
(101)	Mayor's Office	(14,429)
(1,197)	Business Rates Top-Up Grant	(1,456)
(1,677)	Fire Service Specific Grants	(2,941)
(2,356)	Fees, charges and other service income	(2,142)
(5,330)		(20,968)
	Mayoral Police Fund Services	
(29,316)	Police other Contributions	(26,023)
(29,837)	CTU grant	(34,433)
(22,526)	Other revenue grants	(14,688)
(6,350)	Airport policing	(7,266)
(6,207)	Collaborations	(6,546)
(4,872)	PFI grant	(5,315)
(99,108)		(94,271)
(329,749)	**Total Income including Grants and Contributions Credited to the Cost of Services**	**(310,535)**

38 Group Financing and Investment Expenditure and Income Analysis

2017/18 £000s	Financing and Investment Expenditure	2018/19 £000s
22,084	PWLB	32,203
19,792	European Investment Bank	11,591
9,210	Other	15,565
1,203	Former Greater Manchester Council Debt	1,408
7,085	Interest Element of PFI Unitary Charge	6,081
251,176	Net interest on the net defined liability (asset)	267,703
310,550	**Total Financing and Investment Expenditure**	**334,551**

2017/18 £000s	Financing and Investment Income	2018/19 £000s
(1,976)	Interest receivable on investments and deposits	(525)
(3,504)	Interest receivable on loans	(2,563)
(20,834)	Expected return on pension assets	(26,885)
(26,314)	**Total Financing and Investment Income**	**(29,973)**

39 Group Taxation and Non Specific Grant Income

2017/18 £000s		2018/19 £000s
	Income from Levies	
(103,871)	Transport Levy from the Greater Manchester Districts	(280,453)
0	Waste levy from the Greater Manchester Districts	(90,014)
	Income from Council Tax and Business Rates	
(109,725)	Council Tax Police Precept Income	(130,496)
(39,943)	Council Tax Fire Precept Income	(50,815)
(70,957)	Non Domestic Rates Income	(70,037)
	Income from Revenue Grants	
(43,377)	Business Rates Top up Grant	(43,377)
(20,042)	Revenue Support Grant	(19,938)
(383,123)	Police Grant	(428,019)
(405)	PFI Grant	0
(500)	Growth Deal Grant (LEP)	(500)
(30,000)	Earnback Grant	(12,000)
(14,387)	Transport Grants	(4,687)
	Income from Capital Grants	
(1,978)	Capital Contributions Receivable for Traffic Signal Schemes	(2,369)
(131,320)	Capital Grants and Contributions	(116,478)
(949,627)	**Total Taxation and Non Specific Grant Income**	**(1,249,183)**

40 Group External Audit Fees

The Group has incurred the following External Audit costs in relation to the audit of the Statement of Accounts and certification of grant claims.

2017/18 £000s	External Audit Fees	2018/19 £000s
(17)	Fees receivable from Public Sector Audit Appointments with regard to external audit services carried out by the appointed auditor for the year	0
194	Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the previous year in relation to the GM Waste Disposal Authority	35
0	Fees payable to Mazars with regard to external audit services carried out by the appointed auditor for the year	173
0	Fees payable to Mazars for the certification of grant claims and returns for the year	3
4	Fees payable to Grant Thornton for the certification of grant claims and returns for the year	0
181	**Total External Audit Fees**	**211**

41 Group Officer Remuneration

Officers Remuneration above £50,000
The number of employees (including senior officer) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were as follows**:**

Total **2017/18**	**Salary Range**			Total **2018/19**
801	£50,000	to	£54,999	636
374	£55,000	to	£59,999	370
138	£60,000	to	£64,999	100
56	£65,000	to	£69,999	44
34	£70,000	to	£74,999	24
23	£75,000	to	£79,999	32
25	£80,000	to	£84,999	28
14	£85,000	to	£89,999	23
4	£90,000	to	£94,999	7
7	£95,000	to	£99,999	4
5	£100,000	to	£104,999	3
4	£105,000	to	£109,999	3
5	£110,000	to	£114,999	4
2	£115,000	to	£119,999	1
2	£120,000	to	£124,999	5
1	£125,000	to	£129,999	0
4	£130,000	to	£134,999	1
1	£135,000	to	£139,999	0
0	£140,000	to	£144,999	1
1	£145,000	to	£149,999	0
0	£150,000	to	£154,999	1
1	£155,000	to	£159,999	0
0	£160,000	to	£164,999	1
0	£165,000	to	£169,999	0
2	£170,000	to	£174,999	0
0	£175,000	to	£179,999	2
1	£180,000	to	£184,999	1
0	£185,000	to	£189,999	0
0	£190,000	to	£194,999	0
1	£195,000	to	£199,999	0
0	£200,000	to	£204,999	1
0	£230,000	to	£234,999	1
1	£290,000	to	£294,999	0
1,507				1,293

In 2017/18, the Manchester Arena attack on the 22 May 2017 led to a substantial increase in overtime payments during 2017/18, due to Police officers and staff working additional hours to deal with the incident.

In 2018/19, the GM Fire and Rescue Service has used overtime to support establishment numbers, whilst recruitment activity was underway. This has meant that the actual pay of staff at Watch Manager and Crew Manager was higher than normal, meaning they are captured within the bands. This arrangement is currently in place until the end of May 2019, and therefore 2018/19 represents an exceptional year in this respect.

Senior Officers Remuneration

Employees are classed as senior officer employees when they received a salary in excess of £150,000 (disclosed by name) or received a salary in excess of £50,000 and reported to a Head of Paid Service for any of the group entities. In addition the salaries for the Mayor, Deputy Mayor for Police and Crime and the Director of the Mayor's Office are disclosed.

Note	Post Title	2017/18				2018/19			
		Salary (including fees and allowances) £000s	**Expenses and Other Allowances £000s**	**Employer's Pensions Contribution £000s**	**Total Remuneration £000s**	**Salary (including fees and allowances) £000s**	**Expenses and Other Allowances £000s**	**Employer's Pensions Contribution £000s**	**Total Remuneration £000s**
A	Mayor of Greater Manchester (Andy Burnham)	99	-	-	**99**	110	-	-	**110**
B	Deputy Mayor for Police and Crime (Baroness Beverley Hughes)	62	-	-	**62**	77	-	-	**77**
C	Director - Mayor's Office	67	-	14	**81**	77	-	16	**93**
D	Chief Executive (Eamonn Boylan)	180	-	-	**180**	184	-	-	**184**
E	County Fire Officer (Peter O'Reilly)	133	2	26	**161**	-	-	-	**-**
F	Interim Chief Fire Officer (Dawn Docx)	29	-	6	**35**	64	-	14	**78**
	Chief Fire Officer (James Wallace)	-	-	-	**-**	90	1	16	**107**
G	Treasurer (Richard Paver)	159	-	-	**159**	161	1	-	**162**
	Chief Investment Officer (William Enevoldson)	101	-	-	**101**	77	-	-	**77**
H	Deputy Chief Executive	131	-	28	**159**	134	-	28	**162**
I	Solicitor and Monitoring Officer	5	-	1	**6**	107	-	23	**130**
J	Multi Agency Strategic Lead	35	-	7	**42**	-	-	-	**-**
K	Executive Director - Waste and Resources	-	-	-	**-**	102	-	22	**124**
	Transport for Greater Manchester								
L	Chief Executive (Jon Lamonte)	291	-	-	**291**	232	-	-	**232**
	Chief Operating Officer (Bob Morris)	174	-	33	**207**	177	-	33	**210**
	Finance and Corporate Services Director (Steve Warrener)	172	-	32	**204**	175	-	33	**208**
	Greater Manchester Police								
	Chief Constable (Ian Hopkins)	200	5	46	**251**	203	1	35	**239**
	Deputy Chief Constable (Ian Pilling)	148	9	35	**192**	150	-	36	**186**
M	Assistant Chief Constable	114	2	27	**143**	86	5	15	**106**
N	Assistant Chief Constable	104	5	11	**120**	-	-	-	**-**
O	Assistant Chief Constable	109	7	26	**142**	77	-	18	**95**
P	Assistant Chief Constable	117	8	28	**153**	86	6	21	**113**
	Assistant Chief Constable	112	7	26	**145**	115	5	27	**147**
Q	Assistant Chief Constable	96	1	21	**118**	106	-	25	**131**
R	Assistant Chief Constable	101	9	21	**131**	93	5	21	**119**
S	Assistant Chief Constable	89	4	21	**114**	100	9	21	**130**
T	Assistant Chief Constable	15	1	4	**20**	-	-	-	**-**
U	Assistant Chief Constable	-	-	-	**-**	98	8	23	**129**
V	Assistant Chief Constable	-	-	-	**-**	90	3	22	**115**
W	Assistant Chief Constable	-	-	-	**-**	50	1	12	**63**
X	Chief Superintendents	1,392	40	304	**1,736**	1,296	30	263	**1,589**
	Assistant Chief Officer Resources	110	16	21	**147**	113	14	21	**148**
Y	Assistant Head of Change and Transformation	66	-	12	**78**	-	-	-	**-**
	Head of Information Services	83	2	15	**100**	86	2	16	**104**
Z	Head of Legal Advisory	76	2	14	**92**	64	2	12	**78**
	Head of Legal Services	84	2	16	**102**	86	2	16	**104**
	Head of Business Support Services	79	2	15	**96**	82	2	15	**99**
	Head of External Relations & Performance	99	-	17	**116**	92	-	17	**109**
	Head of Finance	74	1	14	**89**	74	1	14	**89**
	Interim Head of Finance and Strategic Resourcing	72	-	14	**86**	74	-	14	**88**
	Head of Corporate Communications	72	1	14	**87**	74	-	14	**88**
	Interim Head of HR	62	1	11	**74**	68	-	12	**80**
AA	Interim Director / Programme SRO	8	-	-	**8**	-	-	-	**-**

A	Post Start Date 8 May 2017
B	Post Start Date 5 June 2017
C	Post Start Date 8 May 2017
D	The Authority received a contribution of £30,600 for the Chief Executive also performing the duties of Chief Executive at Transport for Greater Manchester during 2018/19
E	Post holder retirement date 5 February 2018. Post changed to Chief Fire Officer
F	Interim Post Holder from 23 January 2018 until 31 August 2018
G	Post Holder commenced 1 September 2018
	Post in 2017/18 is 0.7 FTE, Annual salary for 1.0 FTE would be £151,500
H	Post in 2018/19 is 0.5 FTE, Annual salary for 1.0 FTE would be £154,530
	Post in 2017/18 is 0.8 FTE, Annual salary for 1.0 FTE would be £121,723
I	Post in 2018/19 is 0.8 FTE, Annual salary for 1.0 FTE would be £134,357
	Post in 2017/18 is 0.6 FTE, Annual salary for 1.0 FTE would be £90,000
J	Post in 2018/19 not classified as a senior employee
K	Post transferred from former Greater Manchester Waste Disposal Authority
L	Post holder left 25 November 2018. Post now performed by Chief Executive of the Authority
M	Post holder retired October 2018
N	Post holder retired February 2018
O	Post holder left November 2018
P	In 2017/18 post holder was on secondment for which GMP received £60,000 contribution. Post holder left December 2018
Q	Assistant Chief Constable from July 2017 (Chief Superintendent until July 2017)
R	Assistant Chief Constable from May 2017 (on secondment to anther Force in April 2017). Assistant Chief Constable to July 2018 (Chief Superintendent from August 2018)
S	Assistant Chief Constable from December 2017 (Chief Superintendent until December 2017)
T	Assistant Chief Constable left May 2017
U	Assistant Chief Constable from July 2018 (Chief Superintendent until June 2018)
V	Assistant Chief Constable from January 2019 (Chief Superintendent until December 2018)
W	Assistant Chief Constable appointed in October 2018
X	Chief Superintendent Posts have not been individually included due to numbers. Total costs are included in the table with salaries ranging in 2017/18 from £2,000 to £92,000 for 2 2018/19 from £29,000 to £92,000 for 16 posts
Y	Assistant Head of Change and Transformation left in 2017/18 and was replaced by a Chief Superintendant
Z	Head of Legal Services until November 2017. Post from December 2017 is 0.74 FTE.
AA	Interim Director / Programme SRO (temporary consultant covering long term sickness) left May 2017

Exit Costs

Exit payments are made as a result of the departure of staff from the Authority. The total cost per band and the total cost of compulsory and other redundancies are set out in the table below;

Exit package cost band	Number of compulsory		Number of other departures		Total number of exit package by cost band		Total cost of exits	
	2017/18	**2018/19**	2017/18	**2018/19**	2017/18	**2018/19**	2017/18 £000s	**2018/19 £000s**
£0 - £20,000	3	**4**	8	**6**	11	**10**	126	**112**
£20,001 - £40,000	1	**2**	7	**2**	8	**4**	223	**109**
£40,001 -£60,000	-	**3**	-	**3**	-	**6**	-	**292**
£60,001 - £80,000	1	**1**	2	**1**	3	**2**	203	**127**
£80,001 - £100,000	1	**-**	2	**-**	3	**-**	249	**-**
£100,001 - £150,000	1	**-**	-	**-**	1	**-**	111	**-**
£150,001 - £200,000	-	**1**	-	**-**	-	**1**	-	**194**
Total	7	**11**	19	**12**	26	**23**	912	**834**

42 Group Capital and Lease Commitments

2017/18 £000s	**Capital Commitments**	**2018/19 £000s**
161,911	Capital Commitments	163,961
161,911	**Total Capital Commitments**	**163,961**

2017/18 £000s	**Lease Commitments**	**2018/19 £000s**
	Land and Buildings	
483	Payments due within 1 year	875
1,759	Later than 1 year and not later than 5 years	3,163
6,877	Later than 5 years	14,086
9,119	**Total Capital Commitments**	**18,124**

43 Group Property, Plant and Equipment Including Disposals

Property, plant and equipment is reported as either capitalised assets available for use or as assets under construction. An analysis of the movements are contained in the tables below:

	Infrastructure assets	Land and Buildings	Vehicles ,Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment (PPE)	PFI in PPE
Cost or Valuation							
Asset values brought forward at **1/4/18**	2,246,974	354,126	238,803	2,281	213,240	3,055,424	78,295
- Value of Waste assets transferred in at **1/4/18**	0	170,366	40,674	0	0	211,040	0
Additions	0	897	15,935	0	144,177	161,009	564
Accumulated depreciation and impairment written off to cost or valuation	3,726	(8,506)	(303)	(11)	21	(5,073)	(2,055)
Revaluation increases/decreases recognised in the Revaluation Reserve	0	26,691	659	28	0	27,378	4,792
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	0	5,816	0	(169)	0	5,647	24
Derecognition - disposals	(4,381)	0	(6,218)	0	0	(10,599)	0
Derecognition - other	0	(1,850)	0	0	0	(1,850)	(564)
Assets reclassified to/from held for sale	0	0	0	(73)	0	(73)	0
Assets reclassified to/from assets under construction	20,546	0	10,768	0	(31,314)	0	0
Other movements in cost or valuation	0	(810)	0	810	0	0	0
Cost or Valuation at 31/3/19	2,266,865	**546,730**	**300,318**	**2,866**	**326,124**	**3,442,903**	**81,056**
Accumulated Depreciation & Impairment							
Accumulated depreciation values brought forward at **1/4/18**	(472,899)	(22,129)	(168,305)	(10)	0	(663,343)	(9,304)
- Waste accumulated depreciation values transferred in at **1/4/18**	0	(38,806)	(17,443)	0	0	(56,249)	
Accumulated depreciation and impairment written off to cost or valuation	0	8,506	303	11	0	8,820	2,055
Depreciation Charge	(70,192)	(14,415)	(18,198)	(14)	0	(102,819)	(2,033)
Depreciation written out on Revaluation Reserve	0	2,393	(150)	0	0	2,243	862
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	536	0	0	0	536	19
Derecognition - disposals	3,656	0	5,785	0	0	9,441	0
Derecognition - other	0	(50)	(8,670)	0	0	(8,720)	0
Assets reclassified to/from held for sale	0	0	0	0	0	0	0
GF Closing value - depreciation	(539,435)	(63,965)	(206,678)	(13)	0	(810,091)	(8,401)
Net Book Value at 31/3/18	**1,774,075**	**331,997**	**70,498**	**2,271**	**213,240**	**2,392,081**	**68,991**
Net Book Value at 31/3/19	**1,727,430**	**482,765**	**93,640**	**2,853**	**326,124**	**2,632,812**	**72,655**
Net Book Value at 31/3/19							
Assets deployed for GMCA activity	1,727,430	149,123	43,999	0	3,307	1,923,859	0
Assets deployed for Mayoral General activity	0	88,231	13,818	755	260,960	363,764	3,263
Assets deployed for Mayoral Police activity	0	245,411	35,823	2,098	61,857	345,189	69,392
	1,727,430	**482,765**	**93,640**	**2,853**	**326,124**	**2,632,812**	**72,655**

Property, Plant and Equipment	Infrastructure Assets	Land and Building	Vehicles, Plant Furniture & Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment (PPE)	PFI in PPE
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
Asset values brought forward at **1/4/17**	2,184,052	14,149	56,200	805	112,622	2,367,828	0
Value of assets transferred in:	0	0	0	0	0	0	0
- At **8 May 2017** - asset values transferred from GMFRA	0	85,918	33,725	275	4,424	124,342	3,057
- At **8 May 2017** - asset values transferred from PCC	0	243,539	141,131	1,526	38,267	424,463	75,238
Additions	2,570	932	6,793	0	130,837	141,132	0
Accumulated depreciation and impairment written off to cost or valuation	0	(1,503)	(743)	0	0	(2,246)	0
Revaluation increases/decreases recognised in the Revaluation Reserve	0	3,378	1,038	195	0	4,611	0
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	0	3,244	0	13	0	3,257	0
Derecognition - disposals	(696)	(450)	(5,992)	(50)	0	(7,188)	0
Derecognition - other	0	(43)	0	0	0	(43)	0
Assets reclassified to/from held for sale	0	(250)	0	(483)	0	(733)	0
Assets reclassified to/from assets under construction	61,048	0	6,651	0	(67,699)	0	0
Other movements in cost or valuation	0	5,212	0	0	(5,212)	0	0
Cost or valuation as at 31 March 2018	**2,246,974**	**354,126**	**238,803**	**2,281**	**213,239**	**3,055,423**	**78,295**
Accumulated Deprecation and Impairment							
Accumulated depreciation values brought forward at **1/4/17**	(402,396)	(378)	(25,125)	0	0	(427,899)	0
Accumulated depreciation values transferred in:	0	0	0	0	0	0	0
- At **8 May 2017** - depreciation values transferred from GMFRA	0	(8,921)	(22,140)	(181)	0	(31,242)	(775)
- At **8 May 2017** - depreciation values transferred from PCC	0	(7,485)	(111,051)	(7)	0	(118,543)	(8,583)
Accumulated depreciation and impairment written off to cost or valuation	0	0	0	0	0	0	0
Depreciation Charge	(70,907)	(9,411)	(15,981)	(3)	0	(96,302)	(1,977)
Depreciation written out on Revaluation Reserve	0	1,925	0	48	0	1,973	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	596	0	0	0	596	0
Derecognition - disposals	404	0	5,249	0	0	5,653	0
Derecognition - other	0	1,546	743	0	0	2,289	0
Assets reclassified to/from held for sale	0	0	0	133	0	133	0
GF Closing value - depreciation	**(472,899)**	**(22,128)**	**(168,305)**	**(10)**	**0**	**(663,342)**	**(11,335)**
Net Book Value at 31/3/17	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31/3/18	**1,774,075**	**331,998**	**70,498**	**2,271**	**213,239**	**2,392,081**	**66,960**
Net Book Value at 31/3/18							
Assets deployed for GMCA activity	1,774,075	12,873	28,136	755	154,222	1,970,061	0
Assets deployed for Mayoral General activity	0	83,567	11,464	0	320	95,351	2,135
Assets deployed for Mayoral Police activity	0	235,558	30,898	1,516	58,697	326,669	64,825
	1,774,075	**331,998**	**70,498**	**2,271**	**213,239**	**2,392,081**	**66,960**

Group Property, Plant and Equipment Valuations

Within the Group 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 2017.

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. Due to the value of the properties and the changes in mark conditions these have not been re-valued in 2018/19.

All TFGM valuations were carried out by Leslie Roberts & Co Ltd, 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.

44 Group Short and Long Term Debtors

2017/18 £000s	Short Term Debtors	2018/19 £000s
59,465	**Central Government Bodies**	55,978
125,644	**Other Local Authorities and Police and Crime Commissioners**	94,810
1,390	**NHS Bodies**	1,364
1,940	**Public Corporations**	3,859
9,208	**Payments in Advance**	35,488
65,571	**Other entities and individuals**	24,794
(29,319)	**Bad Debt Provision**	(34,503)
233,899	**Total Short Term Debtors**	**181,790**

2017/18 £000s	Long Term Debtors	2018/19 £000s
	Other entities and individuals	
30,188	Gross Book Value	106,408
(6,969)	Bad Debt Provision	(5,207)
82,688	**Total Long Term Debtors**	**101,201**

45 Group Cash and Cash Equivalents

2017/18 £000s	Cash and Cash Equivalents	2018/19 £000s
5,551	Bank current accounts	5,565
12,948	Bank call accounts	15,009
567	Cash held by the Authority	568
343,551	Short term deposits with central government and other institutions	166,490
362,617	**Total Cash and Cash Equivalents**	**187,632**

46 Group Short and Long Term Creditors

2017/18 £000s	Short Term Creditors	2018/19 £000s
(24,813)	**Central Government Bodies**	(26,245)
(77,086)	**Other Local Authorities and Police and Crime Commissioners**	(46,095)
(457)	**NHS Bodies**	(1,049)
0	**Public Corporations**	(46,115)
(98,813)	**Other entities and individuals**	(135,800)
(12,105)	**Prepaid Income / Receipt in Advance**	(11,311)
(5,375)	**Siezed Cash**	(6,533)
(218,649)	**Total Creditors**	**(273,150)**

47 Group Short and Long Term 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 provided as at 31 March 2019 relate to (a) capital works, and (b) others, including insurance excesses, contractual obligations, contracted maintenance and an onerous lease.

Provisons	Insurance	NNDR Appeals	Police Pension Lump Sums	Landcare	Capital Works	Other	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balances b/f							
Provisions b/f - continuing operations							
- GMCA	501	0	0	0	4,556	2,721	7,778
- Mayoral General Fund	977	1,909	0	0	0	73	2,959
- Mayoral Police Fund	13,656	0	224	0	0	19	13,900
Provisions transferred in to GMCA from GMDWA	0	0	0	2,265	0	0	2,265
Provisions b/f - all operations	**15,134**	**1,909**	**224**	**2,265**	**4,556**	**2,813**	**26,902**
Use of Provision							
GMCA	(55)	0	0	(523)	(330)	(64)	(972)
Mayoral General Fund	(776)	0	0	0	0	(73)	(849)
Mayoral Police Fund	(7,804)	0	0	0	0	(12)	(7,816)
Unused amounts reversed							
GMCA	0	0	0	0	0	(2,301)	(2,301)
Mayoral General Fund	0	0	0	0	0	0	0
Mayoral Police Fund	0	0	0	0	0	0	0
Top up of Provision							
GMCA	0	0	0	0	3,166	0	3,166
Mayoral General Fund	808	59	0	0	0	1,341	2,208
Mayoral Police Fund	3,590	0	0	0	0	0	3,590
Balance c/f							
GMCA	446	0	0	1,743	7,392	356	9,937
Mayoral General Fund	1,008	1,968	0	0	0	1,341	4,318
Mayoral Police Fund	9,442	0	224	0	0	7	9,674
Total Provisions c/f	10,896	1,968	224	1,743	7,392	1,704	23,928
Short Term	1,148	1,968	224	498	3,388	1,510	8,736
Long Term	9,748	0	0	1,245	4,004	196	15,193
Total Provisions c/f	**10,896**	**1,968**	**224**	**1,743**	**7,392**	**1,705**	**23,928**

48 Group Unusable Reserves

2017/18 £000s	Unusable Reserves	2018/19 £000s
(909,815)	Capital Adjustment Account	(362,349)
245	Financial Instruments Adjustment Account	205
9,508,411	Pensions Reserve	10,010,944
(68,728)	Revaluation Reserve	(154,803)
(7,418)	Collection Fund Adjustment Account	(7,428)
4,887	Accumulated Absences Reserve	4,850
(438)	Deferred Capital Receipts Reserve	(470)
(2,461)	Capital Reserve	(2,461)
45,444	Deregulation Reserve	44,051
8,570,127	**Total Unusable Reserves**	**9,532,540**

Capital Adjustment Account

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

2017/18 £000		2018/19 £000
(790,382)	**Balance 1 April**	**(909,815)**
(40,324)	Balance transferred in from GMFRA	0
(28,752)	Balance transferred in from OPCC	0
0	Balance transferred in from GMWDA	569,843
(859,458)	**Revised Opening Balance**	**(339,972)**
26,800	Charges for depreciation and impairment of non-current assets	40,162
(3,098)	Revaluation losses on non-current assets	(5,672)
191	Amortisation of intangible assets	0
119,950	Revenue expenditure funded from capital under statute	137,730
(4,545)	Capital bad debt provision movement	2,464
10,445	Revaluation and impairment of capital financial assets	2,611
89	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,586
149,832	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	179,881
(2,911)	Adjusting Amounts written out of the Revaluation Reserve	(1,704)
146,921	**Net written out amount of the cost of non-current assets consumed in the year**	**178,177**
0		
(6,582)	Use of Capital Receipts Reserve to finance new capital expenditure	(4,288)
(193,832)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(111,204)
(9,072)	Capital grants and contributions not credited to the CI&ES that have been applied to capital financing	0
(34,958)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(76,287)
(28,429)	Capital expenditure charged against the General Fund and HRA balances	(28,558)
(272,873)	**Capital financing applied in year:**	**(220,337)**
0		
0	Capital Receipts debited to the Capital Adjustment Account on Repayment of loans	19,781
75,595	Other movements	0
(909,815)	**Balance 31 March**	**(362,351)**

Pensions Reserve

This relates to the net pension asset as at 31 March 2019 in accordance with the actuary's report. Further details are shown in Note 54.

2017/18 £000s	Pension Reserve	2018/19 £000s
(9,340,053)	Balance b/f for continuing operations	9,508,411
0	Balance transferred in from GMWDA	6,785
(9,340,053)	**Balance b/f for all operations**	**9,515,196**
23,780	Remeasurements of the net defined benefit liability / (asset)	318,631
261,702	Employer's pension contributions and direct payments to pensioners payable in the year	(296,922)
(6,950)	Balances transferred in with staff TUPE'd over to GMCA	0
(446,890)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	474,039
(9,508,411)	**Balance carried forward**	**10,010,944**

Revaluation Reserve

2017/18 £000s	Revaluation Reserve	2018/19 £000s
(65,219)	Balance b/f for continuing operations	(68,728)
0	Balance transferred in from GMWDA	(59,762)
(65,219)	**Balance b/f for all operations**	**(128,489)**
(6,591)	Upward revaluation of assets	0
29	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(31,048)
(6,562)	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services**	**(31,048)**
2,660	Difference between fair value depreciation and historical cost depreciation	4,650
251	Accumulated gains on assets sold or scrapped	186
2,911	**Amount written off to the Capital Adjustment Account**	**4,835**
(420)	Upward revaluation of investments charged to the Surplus/Deficit on the Provision of Services	(183)
562		82
(68,728)	**Balance carried forward**	**(154,803)**

Accumulated Absences Reserve

2017/18 £000s	Accumulated Absence Account	2018/19 £000s
4,822	**Balance brought forward**	**4,886**
(4,823)	Settlement or cancellation of accrual made at the end of the preceding year	(4,886)
4,887	Amounts accrued at the end of the current year	4,850
64	**Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements**	**(36)**
4,886	**Balance carried forward**	**4,850**

Deregulation Reserve

The Deregulation Reserve represents payments and losses incurred by TfGM with respect to deregulation on 25 October 1986, which were not charged to profit and loss.

2017/18 £000s	Deregulation Reserve	2018/19 £000s
46,836	Balance b/f	45,444
(1,392)	Amortisation during the year	(1,393)
45,444	**Total Deregulation Reserve**	**44,051**

49 Group Collaborations

The Chief Constable (GMP) within the Authority Group works in collaboration with other police forces in order to increase business resilience, efficiency and flexibility to make budget savings. Collaboration between forces is not new and has generally been defined as "all activity where two or more parties work together to achieve a common goal, which includes inter-force activity and collaboration with the public and private sectors, including outsourcing and business partnering."

The following table shows the collaborations that the Chief Constable is part of that are classified as Joint Operations under the CIPFA Code of Practice.

Joint Operation	Lead force	Contribution 2018/19 £000s
TITAN - Partners are Greater Manchester, Cheshire, Merseyside, Lancashire, Cumbria and North Wales. Staff are drawn from these forces with net costs apportioned between partners based on government grant allocations.	Merseyside	6,775
UNDERWATER SEARCH - Partners are Greater Manchester, Cheshire, Merseyside, Lancashire, Cumbria and North Wales. Net costs are apportioned between partners based on government grant allocations.	Cheshire	342
NORTH WEST MOTORWAY POLICE GROUP - Partners are Greater Manchester, Cheshire, Merseyside and Lancashire. Costs are apportioned based on a Service Level Agreement.	Cheshire	304

50 Group Contingent Liabilities

The Chief Constable (GMP) within the Group along with other Chief Constables and the Home Office, currently has 1,329 claims lodged against them with the Central London Employment Tribunal. The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015.

Claims of unlawful discrimination have also been made in relation to the changes to the Judiciary and Firefighters Pension regulations and in December 2018 the Court of Appeal (McCloud/Sargeant) ruled that the 'transactional protection' offered to some members as part of the reform to public sector pensions amounts to unlawful discrimination. The Government is seeking permission to appeal this decision. It is envisaged that if this is unsuccessful, the Court will require steps to be taken to compensate employees who were transferred to the new schemes potentially including Police Pension Scheme members. This would lead to an increase in Police Pension Scheme liabilities and GMP actuaries (the Government Actuary Department) using specific assumptions have estimated the potential increase in scheme liabilities as a result of the judgement to be approximately 5.4% of national pension scheme liabilities as at March 2018. This estimate is based on one potential remedy and depending on the outcome of the appeal, the remedy calculation and its applicability to the Police Pension Scheme will need to be revisited in the light of further direction from the Courts.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to take place in 2020 with implementation of the results planned for 2023/24 and forces will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a police pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have enough funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

CHIS Handlers

Following successful claims in Allard v Devon and Cornwall Police for unpaid overtime following recalls to duty, in excess of 1500 claims have been made nationally. An accrual for £1.26m has been made in 2018/19 Accounts to cover the anticipated claims for GMP. The UCO claims are still being investigated however it is estimated that the payments for this will be in the region of £1.9m.

51 Group Financial Instruments

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

	Non-Current Financial Assets				
	Investments		Debtors		Total
	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-19
	£000	£000	£000	£000	£000
Pre IFRS 9 Categories					
Loans and receivables	-	-	82,688	-	**-**
Available-for-sale financial assets	-	-	-	-	**-**
Unquoted equity investment at cost	2,745	-	-	-	**-**
Financial assets carried at contract amounts	-	-	-	-	**-**
IFRS 9 Categories					
Fair value through profit and loss	-	-	-	-	**-**
Amortised cost	-	-	-	101,201	**101,201**
Fair value through other comprehensive income - designated equity instruments	-	3,054	-	-	**3,054**
Fair value through other comprehensive income - other	-	-	-	-	**-**
Total financial assets	**2,745**	**3,054**	**82,688**	**101,201**	**104,254**

	Current Financial Assets						
	Investments		Debtors		Cash		Total
	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-19 £000
Pre IFRS 9 Categories							
Loans and receivables	343,551	-	199,346		19,066		-
IFRS 9 Categories							
Amortised cost	-	166,450	-	181,790	-	21,142	**369,381**
Total financial assets	**343,551**	**166,450**	**199,346**	**181,790**	**19,066**	**21,142**	**369,381**
Non-financial assets	-	-	-	-	-	-	-
Total	**343,551**	**166,450**	**199,346**	**181,790**	**19,066**	**21,142**	**369,381**

	Non-Current Financial Liabilities						
	Borrowings		Creditors		Other long-term liabilities		Total
	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-19 £000
Amortised cost	(1,210,627)	(1,454,242)	-	-	-	-	**(1,454,242)**
Other	-	-	-	-	(50,331)	(47,658)	**(47,658)**
Total financial liabilities	**(1,210,627)**	**(1,454,242)**	**-**	**-**	**(50,331)**	**(47,658)**	**(1,501,900)**
Non-financial liabilities	-	-	-	-	-	-	-
Total	**(1,210,627)**	**(1,454,242)**	**-**	**-**	**(50,331)**	**(47,658)**	**(1,501,900)**

	Current Financial Liabilities				
	Borrowings		Creditors		Total
	31-Mar-18 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-19 £000	31-Mar-19 £000
Amortised cost	(170,192)	(175,483)	(258,314)	(273,150)	(448,633)
Other	-	-	(1,499)	(2,673)	(2,673)
Total financial liabilities	**(170,192)**	**(175,483)**	**(259,813)**	**(275,823)**	**(451,306)**
Non-financial liabilities	-	-	-	-	-
Total	**(170,192)**	**(175,483)**	**(259,813)**	**(275,823)**	**(451,306)**

The gains and losses recognised in the Group Comprehensive income and Expenditure Statement in relation to financial instruments are made up as follows:

	31-Mar-18		31-Mar-19	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net gains/losses on:				
financial assets measured at amortised cost	(4,585)	-	2,475	-
Total net gains/losses	**(4,585)**	**-**	**2,475**	**-**
Interest revenue:				
financial assets measured at amortised cost	-	(5,480)	-	(2,643)
Total interest revenue	**-**	**(5,480)**	**-**	**(2,643)**
Interest expense	**-**	**58,171**	**-**	**66,814**

Financial liabilities and financial assets are carried in the balance sheet at amortised cost, the carrying value is disclosed below. Their fair values disclosed in the table below have been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions;

- For loans from the PWLB, premature repayment rates from the PWLB have been applied to provide the fair value; by applying new loan rates their fair value would be £828.653 million;
- For non PWLB loans payable, premature repayment rates have been applied to provide the fair value; by applying new loan rates their fair value would be £1,207.878 million;
- No early repayment or impairment is recognised;
- The fair value of trade and other receivables, cash and creditors is taken to be carrying amount due to the short term nature of the instruments;
- The fair value of long term debtors have been evaluated at their carrying value;
- The fair value of equity investment assets have been evaluated at their carrying value.
- The fair value of the PFI contracts have been evaluated at new loan rates.
- 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. The group has therefore included accrued interest in the fair value calculation.
- The discount rates used for the evaluation were obtained by the Authority 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.

Set out below is a comparison by class of the carrying amounts and fair value of the group's financial assets and financial liabilities:

2017/18			**2018/19**	
Carrying Amount £000s	**Fair Value £000s**		**Carrying Amount £000s**	**Fair Value £000s**
		Financial Assets		
19,066	19,066	Cash	21,142	21,142
625,585	625,585	Loans and Receivables	449,440	449,480
2,745	2,745	Equity investments	3,054	3,054
647,396	647,396	**Total Financial Assets**	473,635	473,675
		Financial Liabilities		
(476,895)	(738,423)	PWLB Debt using premature repayment rates	(599,946)	(884,302)
(903,924)	(1,265,824)	Non- PWLB debt	(896,895)	(1,249,339)
(51,830)	(86,208)	PFI Liability	(50,331)	(85,523)
(258,314)	(258,314)	Creditors and Grants Received in Advance	(273,150)	(273,150)
(1,607,044)	**(2,369,462)**	**Total Financial Liabilities**	**(1,820,322)**	**(2,492,314)**

Borrowings	Range of interest rates payable in 18/19 from %	to %	Average Interest 2017/18 %	Average Interest 2018/19 %	Total Outstanding 2017/18 £000s	Total Outstanding 2018/19 £000s
a) Analysis of loans by type:						
Public Works Loans Board	3.34%	9.75%	5.05%	4.45%	(471,604)	(629,292)
Other Loans	0.65%	4.58%	3.20%	3.65%	(891,506)	(982,404)
Accrued Interest Payable:						
PWLB					(5,291)	(5,298)
Others					(12,418)	(12,731)
Total as at 31 March					**(1,380,819)**	**(1,629,725)**
b) Analysis of loans by maturity						
Maturing:						
Due within 1 year: accrued interest payable						
PWLB					(5,291)	(5,298)
Others					(12,418)	(12,731)
Due within 1 year: principal						
PWLB					(10,000)	(28,611)
Others					(142,483)	(63,746)
Due within 1 year					(170,192)	(110,386)
In 1 to 2 years					(23,283)	(32,026)
In 2 to 5 years					(69,577)	(128,755)
In 5 to 10 years					(192,502)	(430,155)
In over 10 years					(925,265)	(928,402)
Due over 1 year					(1,210,627)	(1,519,339)
Total as at 31 March					**(1,380,819)**	**(1,629,725)**

51b Nature and Extent of Risks arising from Financial Instruments

The Authority's risks are explained in note 30, this narrative covers the risk associated with TfGM's financial instruments.

Risk Factors

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.

TfGM bears almost no interest rate risk in relation to loans and borrowings, as all existing loans are at a fixed rate. Short term funding for working capital is provided by GMCA at zero interest.

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.

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.

There is an element of inherent credit risk in respect of short-term deposits placed by TfGM on behalf of GMCA. This risk is managed in accordance with the policies and procedures set out in the accounts of GMCA.

Hedging Instruments

TfGM holds no financial instruments that could be classified as hedging instruments.

52 Group Related Party Transactions

The Group is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by the Group.

Transactions and balances between the Authority and its related parties are disclosed in Note 30.

All intercompany balances have been removed for TfGM, which leaves none for disclosure in this note. All GMP related party balances have been removed on consolidation, the only remaining related party balance is with the Home Office, as disclosed on the CIES.

53a Group Cash Flow Statement - Adjustments to Net Cash Flows from Operating Activities

The cash flows for operating activities include the following items:

2017/18 £000s		2018/19 £000s
(118)	Finance Costs calculated in accordance with the SORP	(40)
(10,025)	Impairment of investments	(2,611)
24,738	Increase / (Decrease) in Debtors	(10,948)
33	Increase / (Decrease) in Inventories	363
(29,323)	Decrease / (Increase) in Creditors	(68,709)
11,678	Decrease / (Increase) in Provisions	(3,053)
3,098	Revaluation adjustment	15,003
4,585	Increase in bad debt provision	(2,197)
2,585	Loss on sale of non current assets	(868)
0	Gain / (Loss) on disposal of short term & long term investments	0
(97,757)	Annual depreciation charge	(103,917)
(190,353)	IAS19 adjustments	(175,417)
(1,103)	(Increase) / Decrease in Interest Debtors	1,225
9,532	Increase / (Decrease) in Interest Creditors	313
0	Gain on acquisition of donated asset	0
3,753	Other non-cash movements	1,639
(268,677)	**Adjustments to net deficit on the provision of services for non cash movements**	**(349,217)**
49,301	Finance Costs Paid	66,502
(58,836)	Financing Expenditure	(66,814)
6,782	Financing Income	2,643
(5,679)	Interest Income Received	(3,868)
(1,795)	IAS 19 pension finance interest	(1,812)
108,279	Capital grants and contributions receivable	132,327
0	Revaluation loss on non current assets	0
0	Revaluation release on transfer of investment property	0
98,052	**Adjust for items included in the net deficit on the provision of services that are investing and financing activities**	**128,978**

53b Group Cash Flow Statement - Investing Activities

2017/18 £000s	Investing Activities	2017/18 £000s
142,821	Purchase of property, plant and equipment	166,181
8,060	Long Term Loans paid out	4,460
(8,518)	Long Term Loans repaid	(19,781)
(105,230)	Capital grants and contributions received	(116,895)
(2,163)	Proceeds from sale of property, land and equipment	(1,191)
0	Proceeds from short term and long term investments	0
34,970	**Net Cash Inflow / (Outflow) from Investing Activities**	**32,774**

53c Group Cash Flow Statement - Financing Activities

2017/18 £000s	Financing Activities	2017/18 £000s
4,645	Repayment of former GMC Debt	6,247
2,339	Reduction of the outstanding liability relating to a finance lease and on-balance sheet PFI contracts	1,686
85	Capital Grants Receipts in Advance relating to non GMCA road schemes	0
(242,426)	Net Movement on Borrowing	258,078
(235,357)	**Net Cash Inflow / (Outflow) from Financing Activities**	**266,011**

54 Group Defined Benefit Pension Schemes

Comprehensive Income and Expenditure Statement

2017/18 LGPS £000s	2017/18 FIRE £000s	2017/18 POLICE £000s	2017/18 TOTAL £000s		2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 POLICE £000s	2018/19 TOTAL £000s
				Cost of Services:				
51,986	23,480	134,440	209,906	Current service cost	18,645	25,360	189,816	233,821
667	1,200	4,770	6,637	Past service cost (including curtailments and settlements)	(2,612)	0	347	(2,265)
52,653	24,680	139,210	216,543	**Total Service Cost**	16,033	25,360	190,163	231,556
				Financing and Investment Income & Expenditure:				
(20,834)	0	0	(20,834)	Interest income on plan assets	(13,248)	0	(21,183)	(34,431)
29,205	41,120	180,850	251,175	Interest cost on defined benefit obligation	16,328	42,640	217,676	276,644
8,371	41,120	180,850	230,341	**Total Net Interest**	3,080	42,640	196,493	242,213
			0					0
61,024	65,800	320,060	446,884	**Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services**	19,113	68,000	386,656	473,769
			0					0
			0	**Remeasurements of the Net Defined Liability Comprising:**				0
6,706	0	0	6,706	Return on assets excluding amounts included in net interest	(31,720)	0	(37,152)	(68,872)
0	(44,440)	251,410	206,970	Actuarial gains/losses arising from changes in demographic assumptions	0	0	0	0
(4,610)	43,630	(241,230)	(202,210)	Actuarial gains/losses arising from changes in financial assumptions	30,313	46,940	330,784	408,037
(52)	(6,400)	(14,680)	(21,132)	Other	147	(1,180)	(19,501)	(20,534)
2,044	(7,210)	(4,500)	(9,666)	**Total Remeasurements Recognised in Other in the CIES**	(1,260)	45,760	274,131	318,631
			0					0
63,068	**58,590**	**315,560**	**437,218**	**Total Post Employment Benefit Charged to the CIES**	**17,853**	**113,760**	**660,787**	**792,400**

Movement in Reserves Statement

2017/18 LGPS £000s	2017/18 FIRE £000s	2017/18 POLICE £000s	2017/18 TOTAL £000s		2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 POLICE £000s	2018/19 TOTAL £000s
(47,457)	(65,800)	(320,060)	**(433,317)**	Reversal of net charges made to the (surplus)/deficit on the provision of service	(19,113)	(68,000)	(386,656)	**(473,769)**
14,736	0	47,998	**62,734**	Employers' contributions payable to the scheme	10,054	0	232,323	**242,377**
22,134	0	0	**22,134**	Employers contribution - unfunded deficit				
0	46,978	0	**46,978**	Retirement benefits payable to pensioners	505	53,620	420	**54,545**
(10,587)	**(18,822)**	**(272,062)**	**(301,471)**	**Actual amount charged against the General Fund Balance for Pensions in the year**	**(8,554)**	**(14,380)**	**(153,913)**	**(176,847)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

2017/18 LGPS £000s	2017/18 FIRE £000s	2017/18 POLICE £000s	2017/18 TOTAL £000s		2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 POLICE £000s	2018/19 TOTAL £000s
(1,593,309)	(1,685,820)	(7,476,360)	**(10,755,489)**	Present value of the defined benefit obligation	(671,580)	(1,746,230)	(8,988,845)	**(11,406,655)**
1,247,078	0	0	**1,247,078**	Fair value of employer assets	547,785	0	847,926	**1,395,711**
0	0	0	**0**	Net interest	0	0	0	**0**
(346,231)	**(1,685,820)**	**(7,476,360)**	**(9,508,411)**	**Net liability arising from the Defined Benefit Obligation**	**(123,795)**	**(1,746,230)**	**(8,140,919)**	**(10,010,944)**

Reconciliation of the present value of the scheme liabilities (Defined Benefit Obligations)

2017/18 LGPS £000s	2017/18 FIRE £000s	2017/18 POLICE £000s	2017/18 TOTAL £000s		2018/19 LGPS £000s	2018/19 FIRE £000s	2018/19 POLICE £000s	2018/19 TOTAL £000s
425,704	0	0	425,704	**Opening fair value of continuing scheme liabilities**	(584,192)	(1,685,820)	(8,493,549)	(10,763,561)
1,117,502	1,674,208	7,339,430	10,131,140	**Opening fair value of liabilities transferred in**	(50,577)	0	0	(50,577)
51,986	23,480	107,410	182,876	Current Service Cost	(18,645)	(25,360)	(159,546)	(203,551)
37,940	41,120	180,850	259,910	Interest Cost	(16,328)	(42,640)	(217,676)	(276,644)
9,330	0	27,030	36,360	Contributions from scheme participants	(3,686)	0	(37,028)	(40,714)
				Remeasurement gain				
(10,830)	(44,440)	(251,410)	(306,680)	Actuarial gains/losses arising from change in demographic assumptions	0	0	0	0
621	43,630	241,230	285,481	Actuarial gains/losses arising from change in financial assumptions	(30,313)	(46,940)	(330,784)	(408,037)
142	(6,400)	19,450	13,192	Other	(147)	1,180	19,501	20,534
(39,086)	1,200	(380)	(38,266)	Past Service Costs (including curtailment and settlement)	5,925	0	(347)	5,578
	(46,978)	(187,250)	(234,228)	Benefits Paid	26,383	53,350	230,584	310,317
1,593,309	1,685,820	7,476,360	10,755,489	**Closing fair value of scheme liabilities**	(671,580)	(1,746,230)	(8,988,845)	(11,406,655)

Reconciliation of movements in the fair value of the scheme assets

2017/18 TOTAL £000s	2017/18	2018/19 LGPS £000s
356,456	**Opening fair value of continuing scheme assets**	**1,255,150**
853,384	**Opening fair value of assets transferred in**	**43,792**
0		
29,569	Interest Income	34,431
0	Effect of settlements	(3,313)
0		
10,336	**Remeasurement gain**	
3,830	Return on assets excluding amounts included in net interest	68,872
24,332	Contributions from employer	29,252
4,966	Contributions from employees into the scheme	10,444
(35,795)	Benefits Paid	(42,917)
1,247,078	**Closing fair value of scheme assets**	**1,395,711**

Local Government Pension Scheme Assets Comprised:

2017/18					2018/19			
Quoted prices in active markets	**Quoted prices not in active markets**	**Total**	**Percentage of total assets**		**Quoted prices in active markets**	**Quoted prices not in active markets**	**Total**	**Percentage of total assets**
£000	**£000**	**£000**	**%**		**£000**	**£000**	**£000**	**%**
				Equity securities:				
62,984		62,984	5%	Consumer	63,585		63,585	5%
75,558		75,558	5%	Manufacturing	66,526		66,526	5%
59,830		59,830	4%	Energy and utilities	64,692		64,692	5%
90,910		90,910	7%	Financial institutions	91,106		91,106	7%
28,212		28,212	2%	Health and care	33,994		33,994	2%
17,692		17,692	1%	Information technology	20,552		20,552	1%
10,796		10,796	1%	Other	12,613		12,613	1%
				Debt securities:				
40,915		40,915	3%	Corporate bonds (investment grade)	260,778		260,778	19%
133,481		133,481	10%	UK Government bonds	7,581		7,581	1%
30,716		30,716	2%	Other	29,198		29,198	2%
				Private equity:				
	36,937	36,937	3%	All		53,914	53,914	4%
				Real Estate:				
	37,791	37,791	3%	UK property		54,678	54,678	4%
				Investment Funds and Unit Trusts				
298,679		298,679	21%	Equities	260,239		260,239	19%
143,119		143,119	10%	Bonds	143,198		143,198	10%
	28,579	28,579	2%	Infrastructure	0	55,191	55,191	4%
20,558	98,776	119,334	9%	Other	52,427	99,298	151,724	11%
				Derivatives:				
			0%	Other	584		584	0%
				Cash and cash equivalents:				
39,616		39,616	3%	All	25,559		25,559	2%
1,053,066	202,083	1,255,149	100%	Total	1,132,631	263,080	1,395,711	100%

Mortality Assumptions

2017/18 LGPS	2017/18 FIRE	2017/18 POLICE		2018/19 LGPS	2018/19 FIRE	2018/19 POLICE
			Longevity at 65 for current pensioners:			
21.5 years	21.9 years	22.6 years	Male	21.5 years	22.0 years	22.7 years
24.1 years	21.9 years	24.2 years	Female	24.1 years	22.0 years	24.3 years
			Longevity at 65 for future pensioners:			
23.7 years	23.9 years	24.5 years	Male	23.7 years	23.9 years	24.6 years
26.2 years	23.9 years	26.1 years	Female	26.2 years	23.9 years	26.2 years
			Rate of Inflation (Price Increases)			
3.2%	4.3%	4.3%	Rate of increase in salaries (Salary Increases)	2.6% to 3.3%	4.4%	4.4%
2.4%	2.3%	2.3%	Rate of increase in pensions (Pension Increases)	2.5%	2.5%	2.4%
2.6%	2.6%	2.6%	Rate of discounting scheme liabilities (Discount Rate)	2.4%	2.5%	2.5%
55%			Take up of option to convert annual pension into retirement grant - pre April 2008	55%		
80%			Take up of option to convert annual pension into retirement grant - post April 2008	80%		

Sensitivity Analysis

Local Government Pension Scheme **Change in Assumption at 31 March 2019**	**Approximate % increase to Employer Liability**	**Approximate monetary amount £000s**
0.5% decrease in Real Discount Rate	8% to 12%	202,312
0.5% increase in the Salary Increase Rate	0% to 2%	36,852
0.5% increase in the Pension Increase Rate	2% to 10%	143,499

Fire Fighters Pension Scheme **Change in Assumption at 31 March 2019**	**Approximate % increase to Employer Liability**	**Approximate monetary amount £000s**
0.5% decrease in Real Discount Rate	(9.5%)	(169,000)
1 year increase in member life expectancy	2.5%	46,000
0.5% increase in the Salary Increase Rate	1%	21,000
0.5% increase in the Pension Increase Rate	7.5%	132,000

Police Pension Scheme **Change in Assumption at 31 March 2019**	**Approximate % increase to Employer Liability**	**Approximate monetary amount £000s**
0.5% decrease in Real Discount Rate	(10.5%)	(819,000)
1 year increase in member life expectancy	2.5%	200,000
0.5% increase in the Salary Increase Rate	1%	96,000
0.5% increase in the Pension Increase Rate	8.5%	672,000

Glossary of Financial Terms

Accounting Policies
Within the range of possible methods of accounting, a policy is a statement of the actual methods chosen locally and used to prepare these accounts.

Accruals
The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses

This Re-measurement of the net defined benefit liability comprises actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling. Actuarial gains and losses are changes in the present value of the defined benefit obligation arising from the effects of differences between the previous actuarial assumptions and what has occurred and the effects of changes in the actuarial assumptions

Agency Services

Services that are performed by or for another authority or public body, where the authority responsible for the service reimburses the authority carrying out the work for the cost of that work.

Amortisation

A charge to the comprehensive income and expenditure statement spread over a number of years.

Assets

Items of worth that are measurable in terms of value. Current assets are ones that may change in value on a day-to-day basis (i.e. inventory). Non-current assets are assets that yield benefit to the Authority and Group for a period of more than one year (i.e. Metrolink trams).

Assets Held for Sale

Assets which are being actively marketed and expected to sell within the next 12 months.

Bad (and doubtful) debts

Debts/income which may be uneconomic to collect or un-enforceable.

Balances

The reserves of the Authority and Group, which include the accumulated surplus of income over expenditure.

Balance sheet

A statement of the recorded assets, liabilities and other balances at the end of an accounting period.

Budget

A statement defining in financial terms the Authority's plans over a specified period. The budget is prepared as part of the process of setting the precept.

Capital Adjustment Account

This provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital control system.

Capital Expenditure

Expenditure on the acquisition or enhancement of property, plant and equipment that have a long-term value to the Authority and Group. This includes grants or advances paid to third parties to assist them in acquiring or enhancing their own property, plant and equipment.

Capital Financing Costs
Each service is charged with an annual capital charge to reflect the cost of fixed assets used in the provision of services.

Capital Financing Requirements
This measures the underlying need to borrow to finance capital expenditure.

Capital Grants

Grants received towards capital expenditure either generally or for a particular project.

Capital Grants Unapplied

Proceeds received from Government Grants, Other Grants and Contributions, which have not yet been used to finance capital expenditure.

Capital Receipts

Money received from the sale of property, plant and equipment or repayment of a capital advance.

Carrying Amount

The balance sheet value recorded of an asset or a liability.

Cash and Cash Equivalents

This comprises cash in hand, cash overdrawn and short-term investments, which are readily convertible into known amounts of cash.

CIPFA (The Chartered Institute of Public Finance and Accountancy)

CIPFA is the leading professional accountancy body for public services.

Consolidated

Added together with adjustments to avoid double counting of income, expenditure or to avoid exaggeration.

Contingent Assets

Sums due from individuals or organisations that may arise in the future but which cannot be determined in advance.

Contingent Liabilities

Sums due to individuals or organisations that may arise in the future but which cannot be determined in advance.

Corporate and Democratic Core

This comprises the activities that all local authorities engage in because they are elected multi-purpose authorities. The cost of these activities is over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services.

Corporate Governance
This is concerned with the Authority's accountability for the stewardship of resources, risk management, and relationship with the community. It also encompasses policies on whistle blowing, fraud and corruption.

Creditors

Amounts owed by the Authority and Group for goods and services provided by the balance sheet date, where payment has not been made at that date.

Current Assets

An asset where the value changes because the volume held varies from day to day, for example, stock. It is reasonable to expect that these assets will either be consumed or realised during the next accounting period.

Current Liabilities

An amount which will become payable or could be called in within the next accounting period.

Current Service Cost

The increase in present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current financial year.

Curtailments

For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces the accrual of defined benefits for a number of employees for some or all of their future service.

Debtors

Sums of money owed to the Authority and Group at the balance sheet date but not received at that date.

Deferred Capital Receipts

Amounts derived from asset sales, which will be received in instalments over a period of years.

Defined Benefit Pension Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Defined Benefit Contribution Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of property, plant and equipment.

Exceptional Items

Material items which derive from effects or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Expected Return on Pension Assets

For a funded defined benefit pension scheme, the average return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Expenditure

Amounts paid by the Authority and Group for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment

- expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

External Audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arms length transaction.

Fees and Charges

Income arising from the provision of services, e.g. the use of premises.

Finance Lease

A finance lease is one that transfers substantially all the risks and rewards of ownership of items of property, plant and equipment to a lessee.

Financial Instruments

This is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another. The term covers both financial assets (eg. loans receivable) and financial liabilities (eg. borrowings).

Historical Cost

The actual cost of assets, goods or services, at the time of their acquisition.

Impairment

A reduction in the value of a property, plant and equipment below its carrying amount in the balance sheet.

Income

Amounts due to the Authority and Group for goods supplied or services rendered of either a capital or revenue nature. This does not necessarily involve cash being received - income is deemed to have been earned once the goods or services have been supplied even if the cash has not been received.

Infrastructure Assets

These are inalienable assets, expenditure on which is recoverable only by continued use of the asset created. Examples of such assets are traffic signals.

Intangible Assets

These are assets that have no physical substance, for example, the purchase of computer software licences.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

International Financial Reporting Standards (IFRS)

These are statements prepared by the International Accounting Standards Board to ensure consistency in accountancy matters. Many of these standards now apply to local authorities and any departure from these must be disclosed in the published accounts.

Inventory

Raw materials and consumable items the Authority's Group has purchased to use on a continuing basis and has not used by the end of the financial year.

Investment Properties

These are property or land that is held solely to earn rentals or for capital appreciation or both.

Investments

Items such as company shares, other securities and money deposited with financial institutions (other than bank current accounts).

Liabilities

Amounts due to individuals or organisations that will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Long-term Contracts

A contract entered into for the design, manufacture or construction of a single substantial asset or service where the time taken to complete the contract is such that the contract activity falls into different accounting periods.

Material

The concept that any omission from or inaccuracy in the statements of account should not be large enough to affect the understanding of those statements by a reader.

Minimum Revenue Provision (MRP)

This is the amount that is charged to an Authority's Movement in Reserves Statement each year and set aside as a provision for credit liabilities.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current cost less the cumulative depreciation.

Net Debt

The Police and Crime Commissioner's borrowing less cash and liquid resources.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-Current Assets

Assets which have value to the Authority for more than one year. These can be tangible (e.g. land, buildings, equipment) or intangible (e.g. Software or licences) assets.

Non-Operational Assets

Non-current assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements pending sale or redevelopment.

Non Domestic Rate (NDR)

These are often referred to as Business Rates, and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines that national rate poundage, Local Authorities collect the sums due, with distribution made in accordance with rules governing the Business Rates retention scheme.

Operating Lease

A lease other than a finance lease.

Past Service Cost

For a defined benefit pension scheme, the increase in present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Past Service Credit

For a defined benefit pension scheme, the decrease in present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or reductions, in retirement benefits.

Payments in Advance

Amounts actually paid in an accounting period prior to the period in which they are due

Pension Account
The Authority is required to set up a separate fund from the rest of its operation for transactions relating to firefighters and police pension arrangements. The funds are balanced to nil each year by the receipt of a pensions top-up grant from the Department for Communities and Local Government.

Precept
An amount of money levied by one Authority (the precepting Authority) which is collected by another Authority (the collecting Authority) as part of the council tax. The Authority is the precepting Authority and the Metropolitan District Authorities of Greater Manchester are the collecting authorities.

Prior Year Adjustments

Material adjustments to the accounts of earlier years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Private Finance Initiative (PFI)
A partnership between the private and public sectors that uses private sector financing to provide public sector assets. The partnership has to meet certain criteria to qualify for Central Government subsidy.

Provisions

These are sums set aside to meet liabilities or losses that have been incurred but where the amount and/or timing of such costs are uncertain.

Public Works Loan Board (PWLB)

A Government agency that lends money to local authorities. Local authorities are able to borrow some or all of their requirements to finance capital expenditure from this source.

Receipts in Advance

Amounts actually received in an accounting period prior to the period in which they are due.

Residual Value

The net realisable value of property, plant or equipment at the end of its useful life.

Reserves

These are sums set aside to meet possible future costs where there is no certainty about whether or not these costs will be incurred.

Revenue Contributions

The method of financing capital expenditure directly from revenue.

Revenue Expenditure

Expenditure incurred on the day-to-day running of the Authority and Group. This mainly includes staff recharge costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

These are items of capital expenditure that do not result in, or remain matched by, the Authority's property, plant and equipment.

Settlement

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligations and the assets used to effect the settlement

Unfunded Pension Scheme

This is one in which liabilities for pension benefits are charged to the employer's revenue account in the year in which they arise and are not financed from investments held. The Authority operates such a scheme for its firefighters.

Voluntary Revenue Provision (VRP)

The VRP is a voluntary revenue contribution for the repayment of debt. It recognises the shorter life span of a number of assets i.e. vehicles, that would become obsolete before the original debt has been repaid.