

Wirral Council Statement of Accounts 2024/25

Contents

Narrative Report.....	4
Statement of Responsibilities for the Statement of Accounts.....	33
Independent Auditor's Report to the Members of Wirral Council	34
Movement in Reserves Statement.....	44
Comprehensive Income and Expenditure Statement	45
Balance Sheet	46
Cash Flow Statement.....	47
Note 1 - Accounting Policies.....	49
Note 2 - Accounting Standards Issued, Not Adopted	69
Note 3 - Critical Judgements in Applying Accounting Policies	70
Note 4 - Assumptions made about future and other major sources of estimation uncertainty.....	72
Note 5 - Material Items of Income and Expense.....	75
Note 6 - Events After the Balance Sheet Date	75
Note 7 - Expenditure and Funding Analysis	77
Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations	81
Note 9 - Transfers to/from Earmarked Reserves	83
Note 10 - Other Operating Expenditure.....	85
Note 11 - Financing and Investment Income and Expenditure	85
Note 12 - Taxation and Non-Specific Grant Income	86
Note 13 - Expenditure and Income Analysed by Nature	86
Note 14 - Property, Plant and Equipment.....	86
Note 15 - Heritage Assets.....	90
Note 16 - Investment Properties.....	93
Note 17 - Intangible Assets	95
Note 18 - Financial Instruments	95
Note 18a - Financial Instruments – Fair Value	102
Note 19 - Debtors	105
Note 20 - Debtors for Local Taxation	106
Note 21 - Cash and Cash Equivalents	106
Note 22 – Creditors	107
Note 23 – Provisions.....	107
Note 24 - Usable Reserves.....	108
Note 25 - Unusable Reserves	110
Note 26 - Cash Flow Statement: Operating Activities.....	115
Note 27 - Cash Flow Statement: Investing Activities	116
Note 28 - Cash Flow Statement: Financing Activities.....	116
Note 29 - Reconciliation of Liabilities Arising from Financing Activities.....	117
Note 30 - Pooled Budgets.....	117
Note 31 - Members' Allowances	119
Note 32 – Officers' Remuneration	119
Note 33 - External Audit Costs	122
Note 34 - Dedicated Schools Grant	122
Note 35 - Grant Income.....	124
Note 36 - Related Parties	126
Note 37 - Capital Expenditure and Capital Financing	131
Note 38 - Leases	132
Note 39 - Service Concession Arrangements	134

Note 40 - Pension Schemes Accounted for as Defined Contribution Schemes	136
Note 41 - Defined Benefit Pension Scheme	137
Note 42 - Contingent Assets and Liabilities.....	144
Note 43 - Nature and Extent of Risks Arising from Financial Instruments	145
Note 44 – 2023/24 Comprehensive Income and Expenditure Statement Realignment	149
Note 45 – Prior Period Adjustments	151
Collection Fund Statement.....	158
Glossary	161
Merseyside Pension Fund.....	166
Independent auditor's report to the members of Wirral Metropolitan Borough Council on the pension fund financial statements of Merseyside Pension Fund	167
Merseyside Pension Fund Accounts.....	172
Notes to the Merseyside Pension Fund's Accounts	174

Narrative Report

The Statement of Accounts sets out the financial performance of the Council for the 2024/25 financial year and shows the year-end financial position at 31st March 2025. The Statement of Accounts is produced annually to give electors, local taxpayers, Members of the Council, employees, and other interested parties clear information about the Council's finances. Whilst plain language has been used wherever possible, technical language is required in some areas. To assist with understanding of the accounts a glossary of terms has been included at the end of the Statement of Accounts.

The narrative report provides a short summary of the Council's overall financial and non-financial achievements for the year and assists in the interpretation of the financial statements.

The narrative report is structured as follows:

1. About Wirral
2. Strategic priorities
3. Main influences on the Council and accounts in 2024/25
4. Key outcomes
5. Summary of financial performance for 2024/25
6. Going Concern
7. About the Statement of Accounts
8. Acknowledgements

1. About Wirral

Wirral is a unique place in the Northwest of England. A compact peninsula of 60 square miles in the Northwest of England, it is bounded to the west by the River Dee, which acts as boundary with Wales, the Irish Sea to the north, and the River Mersey to the East.

With a wealth of parks and countryside and over 20 miles of coastline Wirral is a combination of beautiful, rural countryside alongside cutting edge technology and advanced manufacturing industries and has a long and storied history of entrepreneurialism and culture.

The latest Census held in 2021 shows that the population of Wirral is 320,200, with a higher proportion of older (65+) people compared to England (22.0% compared to 18.4% in England), and a lower proportion of working age (15-64) people (61.1% compared to 64.2% in England). The latest population projections by the Office for National Statistics (ONS) show that the population in Wirral is estimated to increase by 4.1% to 336,300 between 2018 and 2043. Although a small increase, this hides large variations when looking at smaller age groups, with the population of children and young people (0-14) decreasing by 8.2%, while the population of older people (90+) is projected to increase by 96.3%.

This increase in the elderly population has implications for statutory services, given that older people are the largest users of health and social care services.

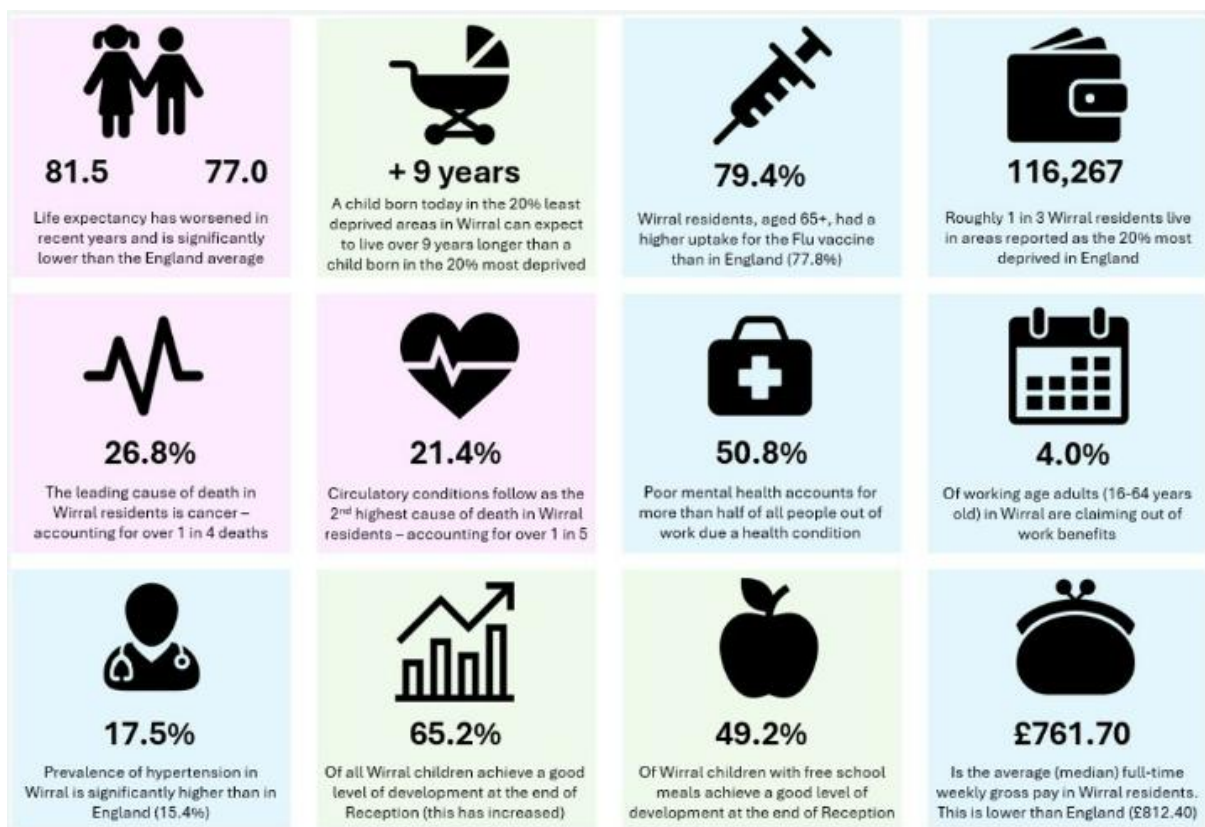


There are wide health inequalities in Wirral which are illustrated by the difference in both life expectancy across the borough and by what proportion of people's lives are spent in good health (known as health life expectancy). More information relating to this can be found in the Wirral Population and Demographics report on the Intelligence Service website.

The inequality in the life expectancy for men in different parts of Wirral is 13.4 years; ranging from 70.0 years in Birkenhead and Tranmere to 83.4 years in West Kirby and Thurstaston in 2020-22.

It is a similar picture for women, with a gap of 10.5 years between Rock Ferry where life expectancy is 76.9, to 87.4 years in Greasby, Frankby and Irby in 2020-22.

Healthy Life Expectancy data shows that people in Wirral spend only around three-quarters of their life in good health (78% for men and 77% for women); meaning that a considerable proportion of life (around a quarter) is spent in poorer health. In real terms, this means that on average, males in Wirral spend around 17 years of their life in poorer health, while for women it is 18.5 years. More information relating to this can be found in the ONS report 2022.



Source: Wirral State of the Borough Report 2024 (Intelligence Service website)

The 2021 Census identified that 95.2% of the Wirral population were White. Of the 4.8% who did not identify as White, the largest groups were Asian or Asian British (2.3%), Mixed or Multiple ethnic groups (1.5%), Other (0.6%) and 0.4% are Black, Black British, Caribbean or African (0.4%).

It is important to note, that one of the largest groups of non-UK born residents were those who identified as 'Other White' (1.8%). This group are counted within the overall 'White' group and so can sometimes be overlooked; the most commonly represented countries within the 'Other White' group were Polish (0.3%) and Romanian (0.2%).

A voluntary section was added to the 2021 Census which asked for sexual orientation of the population over 16 for which 93.5% of Wirral population responded. 90.7% identified as Straight or Heterosexual, 1.6% identified as Gay or Lesbian, 1.0% as Bisexual, 0.2% as Pansexual or Asexual.

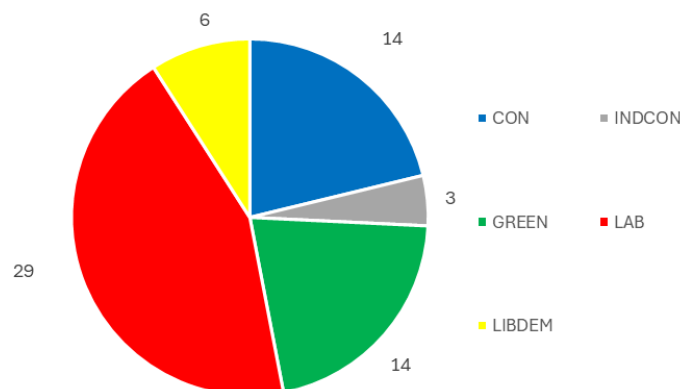
The Council is responsible for providing a range of services to residents, businesses, and visitors to the Borough. These include education, safeguarding vulnerable children and adults, social care, public health, highways, leisure, culture, waste collection, planning, housing benefits, regeneration,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

Wirral Council is made up of 66 locally elected Councillors across 22 electoral wards.

In May 2023 Wirral Council changed to a whole council election system. Elections were held for all 66 seats at the same time. Local elections were held on 4th May 2023. This was the first year that Wirral has undertaken whole council (or 'all-out') elections, meaning that all Councillors were up for election rather than a proportion. The results are that both the Green Party and Labour Party gained 4 seats each whilst the Conservative Party lost 6 seats, and the Independent Group lost it's one remaining Councillor. In January 2024, a Councillor left the Labour Party and Joined the Green Group. In May 2025, 3 Conservative Councillors left the Conservative Party to form the Independent Conservatives Group. The political composition of the Council at the end of 2024/25 was:

- Labour – 29 seats
- Conservative – 14 seats
- The Green Party – 14 seats
- Liberal Democrats – 6 seats
- Independent Conservatives – 3 seats

Committee Political Balance (seats)



Council Structures and Operating Model

The Council employs over 3,000 people in full time and part time posts, led by The Chief Executive and the Senior Leadership Team.

The Chief Executive of Wirral Council was Paul Satoor who was absent from 5th June 2025, and left the authority on 23rd October 2025. Jason Gooding was Acting Chief Executive from 11th July 2025 to 13th October 2025. Matthew Bennett was appointed to the role of Interim Chief Executive on 13th October 2025.

Finance:

The Director of Finance (Section 151 Officer) is Matthew Bennett up to 13th October 2025. Daniel Kirwan was appointed to the role of Interim Director of Finance on 13th October 2025.

The function includes:

- Finance and Investment
- Procurement and Commercial Management
- Audit
- Revenues and Benefits and Council Tax
- Debt recovery and income
- Merseyside Pension Fund
- ICT & Digital
- Business Support

Law and Corporate Services:

The Director of Law and Corporate Services (Monitoring Officer) is Jill Travers.

The function includes:

- Legal Services
- Licensing
- Registrar Service
- Committee Services
- Electoral Services
- Coroners
- Civic Services
- Scrutiny
- Corporate Project Management Office
- Policy, Strategy and Partnerships
- Communications, Marketing and Events
- Customer Feedback and Members Enquiries
- Quality and Organisational Effectiveness
- Human Resources
- Health and Safety
- Organisational Development and Design
- Information Office

Neighbourhood Services:

The Director of Neighbourhood Services is Jason Gooding. From 11th July 2025 to 10th October 2025 Jason was Acting Chief Executive. From 10th September 2025 to 13th October 2025 Mike Cockburn was Acting Director of Neighbourhoods.

The function includes:

- Highways, Traffic and Road Safety
- Street Scene
- Highways Design and Maintenance
- Network Management
- Traffic Management
- Road Safety
- Community Safety
- Emergency Planning
- Assisted Travel
- Major events
- Leisure
- Libraries
- Floral Pavilion
- One stop shops
- Customer Services
- Parks and Countryside
- Cemeteries & cremations
- Trading Standards
- Environmental Health
- Environment & climate
- Flood & costal risk
- Waste and Environment
- Climate change

Regeneration and Place:

The Director of Regeneration and Place was Marcus Shaw up to 18th August 2025. This position has been vacant from 19th August 2025.

The function includes:

- Major Planning and projects including Wirral Growth Company
- Regeneration
- Inward investment
- Strategic Transport
- Assets and Facilities Management
- Housing, Supported housing and homelessness services
- Development Management and Building Control
- Culture strategy and Visitor Economy

Adult Care and Health and Strategic Commissioning:

The Director of Adults' Care and Health is Sayyed Osman.

The function includes:

- CHAMPS
- Public Health

- Wirral Intelligence Service
- Commissioning Older People and Mental Health and Disability Services
- Care standards
- Strategic Commissioning
- Wirral Evolutions
- QA & Safeguarding

Children, Families and Education:

The Director of Children, Families and Education is Elizabeth Hartley.

The function includes:

- Assessment and Intervention
- Permanence, Fostering and Adoption
- Quality & Safeguarding
- Willowtree
- Early Childhood, School & Communities
- Contextual Safeguarding
- Integrated Skills, Learning and Employment
- Virtual School
- School Effectiveness
- SEND
- Schools Improvement
- Performance Improvement
- Modernisation
- Business Support

2. Strategic Priorities

Wirral Working Together: Wirral Plan 2023-27

Wirral Working Together: A Council Plan for 2023 – 2027 is a new organisational Plan which replaces the Wirral Plan and is the next phase of the Council's Improvement Plan and journey.

Following changes to Wirral's elections in May 2023, the Plan is now aligned with the new 4-year election cycle. The Council Plan was developed through extensive engagement with elected members during 2023 and agreed unanimously at full Council in December 2023.

Purpose of the Council Plan

This plan is the council's key plan, and it sets out our main priorities for the council between 2023 to 2027.

It includes some important actions and services that the council, alongside all local authorities must deliver. We want to make sure that these services are the best they can be, reflecting the improvement journey that we have been on over the past few years in response to:

- The External Assurance Review commissioned by the Department for Levelling Up, Housing and Communities (DLUHC), now MHCLG Ministry of Housing, Communities and Local Government in Summer 2021 incorporating:
 - The Ada Burns External Assurance Review
 - Governance (September 2021)

- The CIPFA Local Government Finance Review (November 2021).
- The Local Government Association (LGA)
- Corporate Peer Challenge (March 2022).
- The need for the council to set a clear vision for the organisation we need to become to best serve our local communities.

Since the Plan was agreed in 2023, Wirral Council also had a further Corporate Peer Challenge (CPC) in November 2024, when the CPC Peer Team were in Wirral. The feedback report from that CPC included a specific recommendation for the Council to:

- Refine the new Council Plan and performance management framework to support prioritisation: These documents should be considered to ensure that they are aligned to the Council's Financial Improvement Plan and support the prioritisation of Committee work programmes and officer capacity. Any such prioritisation must reflect the capacity of the organisation.

The Council Plan is the key strategic primary document in the Council's Policy framework and sets out our overarching priorities for the four-year electoral term 2023 to 2027. As such, there is a need for the Council Plan to be reviewed and refreshed to ensure its vision and priorities remain appropriate and fit for purpose for the borough.

It is particularly important that the Council Plan review is set within the context of Wirral's current and future financial challenges. The proposed review is planned for Summer 2025.

The Council Plan is the next phase of Wirral's Improvement Plan, which was developed in 2022 in response to, and incorporated the recommendations of, the External Assurance Review Reports and the LGA Peer Challenge. The plan is supported by and aligns with our Medium-Term Financial Strategy (MTFS).

Council Plan Priorities

- To deliver high quality efficient universal services to all residents
- To prioritise those with the greatest needs
- To deliver council services within the means of the council budget
- To be prepared to innovate and face the future
- To play our part in addressing the climate emergency and protecting our environment
- To work across communities with community, voluntary and faith organisations and partners to improve all residents' life chances
- To deliver our ambitious regeneration programme through increased investment, jobs and new businesses throughout the borough

Vision: Working Together to promote fairness and opportunity for people and communities

Themes:



Enabling theme

1. Working together to create a more efficient, effective and accessible council

This theme builds on the council's Improvement Plan (published June 2022) to ensure there is a continuous programme of improvement and service transformation. Back-office services from across the council will be redesigned into centralised models to ensure these services are as efficient as possible. All Directorates will be reviewed and restructured to support the outcomes of the Council Plan. The council will accelerate its digital transformation to improve automation of processes and improved customer accessibility. The council's properties and assets will be rationalised to reduce unnecessary overheads and support the council's net zero commitments.

Delivery themes

2. Working together to enable early help for children and families

Keeping children safe is one of the most important roles the council fulfils. We are continuously looking to improve our early help, social care, and education services.

Our progress has recently been validated recently through a Joint Targeted Area Inspection and Local Government Association Peer Review. Our Early Help offer includes

projects such as Family Toolbox which gives tips and tools to support families, and Cradle to Career which has recently received national recognition. This theme seeks to continue this work focusing on supporting children and families in need as early as possible to improve outcomes and reduce the likelihood of higher costs intervention further down the line. In summary this theme seeks to improve outcomes for children, reduce educational attainment inequalities and raise the aspirations for all our children and young people. An important part of this is SEND (this stands for Special Educational Needs and Disability).

3. Working Together to promote independence and healthier lives

Wirral is one of nine places in the Cheshire and Merseyside Health and Care Partnership. As a place we work together to make service improvements across our communities. The main priority for our partnership is to keep our residents well and tackle the significant health inequalities that exist across Wirral.

We work across local public and voluntary sector partners together to improve access to health services and treatment for all residents whilst reducing health inequalities. Wirral provides strategic leadership over the borough's Health and Wellbeing Strategy. This strategy sets out the agreed priorities and activities which, through joined up effort, will create the best conditions for health and wellbeing for Wirral residents and communities.

4. Working Together to deliver people focused regeneration

The council is leading Wirral's place shaping agenda – creating a strong economy based on brownfield first regeneration and delivering social, people-focused regeneration that benefits Wirral as a whole.

Generating inward investment, new employment opportunities for our most deprived neighbourhoods and helping to address the economic and health disparities within the borough. Leading and influencing Wirral's place role in the Liverpool City Region and wider region.

5. Working Together to protect our environment

Wirral is a peninsula with miles of beautiful coastline, beaches, parks and open spaces which we are all proud to look after, protect and keep clean. The council has demonstrated commitment to playing our role in tackling the climate emergency.

Working with partners to deliver the Cool2 Strategy we will continue to work with our partners and listen to our communities, providing the support they need to bring about positive changes to our local community on many of the issues that matter to people such as cleaner air, greener spaces, warmer homes, healthier travel and a thriving local economy.

We will continue to extend tree cover and protect habitats and soils. The old, the young and those with existing health problems are most vulnerable to more hostile environmental conditions. Acting to stop the situation deteriorating really matters to our families and our communities now.

6. Working Together for safe, resilient and engaged communities

Wirral is undergoing significant change, with large-scale regeneration programmes planned across the borough. Aligned to this, Wirral Council and partners have been developing infrastructure projects to ensure Wirral continues to be safe. We will continue

to work with colleagues from the National Probation Service and Merseyside Police to support their Integrated Offender Management refresh strategy.

Linked with change is ambition to provide opportunities that help our residents to live happy, healthy, independent, and active lifestyles. We will continue to work with a wide range of providers, including commercial, voluntary and community groups as well as other public sector organisations to collectively re-imagine how we can make active and healthy opportunities a part of everyone's life choices.

Guiding Principles

Working to local priorities, using local resources to ensure Wirral residents receive the best possible services:

- Independence: Enabling individuals, families and communities to help themselves and each other.
- Joined-up design: Ensuring our services are accessible, person-centric and joined up.
- Relationships: Working with residents, partners, businesses and communities for a better Wirral.
- Prevention: Working to address the causes of inequalities and demand on council services and ensuring we provide the right support at the right time.
- Regeneration: Investing in infrastructure and supporting businesses to provide a thriving economy and opportunities for all.
- No one left behind: Inclusive services which recognise the different needs of residents, families and communities.

Delivering the Council Plan

The whole organisation will be brought together by - and committed to - making sure the actions in this plan are carried out.

The Council Plan is underpinned by clearly defined Strategies; Policy Committee Work Programmes; Directorate Business Plans right through to individual staff appraisals and 'check-ins' to ensure that everyone clearly knows their role in helping to deliver the plan. To help us achieve our vision and aims, there are some important cross-cutting strategies underpin how we deliver the Council Plan – not least the Local Plan 2027 which is the long-term statutory document for Wirral and an important planning document that shows what can be built, where, how and why.

The Council Plan is underpinned by a strong and robust Performance Monitoring Framework and reporting process to ensure we can monitor and communicate how we are doing.

We will publish information to show whether the council is achieving its priorities and delivering the outcomes we expect – how much we are doing; how well we are doing; and what difference we are making. The council recognises the concerns of residents and remains determined to get the basics right.

To achieve our future vision for Wirral it is imperative that political leaders, the senior management team and staff at all levels work together as part of a powerful coalition for change. This will enable Wirral to continue its trajectory of improvement and modernisation, transforming Wirral Council into an organisation that has a clear long-term strategy for moving forward. The delivery of sustainable change and outcomes will be

paramount in creating the Wirral we want to become and will be key drivers in helping us to deliver our vision.

3. Main influences on the Council and accounts in 2024/25

There have been several developments in 2024/25 that have impacted on the Council during the year, some of these have influenced the presentation of the 2024/25 Accounts and the reported financial position of the Council. Below are some of the key events.

- Government funding
- Ofsted inspection
- Spending Freeze
- Risk Management
- Carbon Literacy
- Regeneration
- Better Care Fund
- Changes in pension estimates
- Prior period adjustments

Government funding

On 18th December 2023, the government confirmed details of its Local Government Finance Settlement for 2024/25. This confirmed an increase in Core Spending Power through Council Tax rises of up to 4.99% including a 2% adult social care precept as well as increased Social Care Grant and Market Sustainability and Improvement funding, although the Services Grant was unexpectedly significantly reduced and overall resulted in less funding than previously anticipated for Wirral. Like in previous years, the government only impacted a single-year settlement, and the resources allocated for 2024/25 only provided limited and short-term certainty while creating uncertainty for longer term financial planning.

The economic uncertainty resulting from cost-of-living increases, higher inflation than in previous years, and volatile energy costs, will continue to increase pressure on the sustainability of services. The Council continues to develop proposals that deliver services in line with priorities and key objectives, included in which is supporting the most vulnerable members of our local community, within the constraints of limited financial resources.

In February 2025 the Ministry of Housing, Communities & Local Government (MHCLG) confirmed the Deputy Prime Minister was minded to approve a capitalisation direction of a total not exceeding £27.5m - £20m for 2024/25 and £7.5m for 2025/26, subject to the Council undergoing an external assurance review which will include, but will not be limited to, an assessment of the Council's financial position and governance arrangements. MHCLG will work with the Council (and other councils) on how best they can support local authorities through these reviews, including how they might help local authorities to identify the action needed to recover and reform.

Challenges remain however, and this is acknowledged in the Council's Annual Governance Statement for 2024/25, and although a balanced budget has been set for 2025/26, it is dependent on challenging savings and efficiencies being achieved during 2025/26 and beyond. Robust planning and monitoring of savings, increasing reserves, improving financial governance and oversight, and the management of capital and assets is essential.

Ofsted Inspection

Following the Local Area inspection of services for children and young people with Special Educational Needs and Disabilities (SEND) which took place in January 2025, the number of Priority Actions identified by the inspectorate reduced from 10 to 3. Children's Services, as a leading organisation of the Local Area SEND Partnership, need to address three priority areas identified for improvement. Those are:

- The partnership should ensure that as a matter of urgency, effective action is taken to:
 - Ensure that Education Health Care (EHC) plans consistently identify and meet the needs of children and young people effectively
 - Ensure that the timeliness of initial EHC plans, and subsequent annual reviews, comply with statutory guidance
- The partnership should work together to develop and embed a joint framework on preparation for adulthood, to ensure a fully co-ordinated approach across education, health and care, to support young people as they transition into adulthood.
- The partnership should ensure that waiting times for specialist speech and language and neurodevelopmental assessments are reduced and that children and young people, and their families, consistently receive effective communication and support while waiting.

A Priority Action Plan will be monitored by the Local Area SEND Partnership Board, chaired by the Council Chief Executive chairing and political leadership supporting. A new SEND and Alternative Provision Strategy and Joint Commissioning Plan have been approved by the partnership and support the long-term improvement work.

In January 2024, Ofsted published the findings report for the Inspection of Local Area Children's Services (ILACS) which took place in September 2023. The inspection found children's services as requiring improvement to be good. An action plan has been agreed with Ofsted and will be monitored through Children's Departmental Management Team and the Children, Young People and Education Committee. The areas for improvement are as follows:

- The response to 16- and 17-year-old homeless children, to ensure that they are made aware of their rights and entitlements.
- The awareness-raising and identification of, and response to, children living in private fostering arrangements.
- The quality of decision-making, to ensure that children come into care in a timely way.
- The timely progression of permanence plans for children, to ensure that they are not subject to statutory intervention for too long.
- Escalation by Independent Reviewing Officers (IROs), to robustly challenge plans for children.
- Transition planning for 16- and 17-year-old children in care, to ensure that they feel better prepared for leaving care.
- The offer to care leavers so that it is consistently accessible and understood to ensure that all care leavers receive their full entitlements.

Spending Freeze

As the Council continues to face significant pressure on its budget, mitigations are

continually reviewed including periods of time with recruitment and discretionary spending freezes. A spending freeze was introduced from September 2024 when the Council was forecasting large budget pressures. This was introduced to mitigate the risk of an in-year overspend and to ensure costs for 2024/25 were kept to an absolute minimum.

Risk Management

The Council has well established and comprehensive risk management arrangements in place for strategic/corporate and programme/project risks. Risk registers are subject to regular review by Senior Leadership Team (SLT) and Departmental Management Team (DMTs), and risk workshops have been held with all committees. In March 2024, Audit and Risk Management Committee (ARMC) endorsed a revised Risk Management Policy, Statement and Strategy. An audit of risk management arrangements is due to take place during 2025/26 by Cheshire East Council as the responsibility for risk management currently sits under the Council's Chief Internal Auditor.

Regeneration

Wirral Council has continued to deliver the Birkenhead 2040 Framework, supported by £150m government funding by the Future High Streets Fund, Levelling Up Fund (directly and through the LCRCA), Towns Fund and Active Travel Funding. In addition, has received contributions from the MHCLG (previously the DLUHC), Homes England and the Liverpool City Region Combined Authority (LCRCA).

The key areas for the regeneration and transport projects include Birkenhead, Liscard and Seacombe. These projects include public realm, highway improvement as well as new housing developments to create support for the private sector and creative industries sector to support with challenges in mental health and young adults.

Notable Highlights from the past year include:

1. Local Plan Adoption: Following consultation, it has been adopted in March 2025
2. Hind Street Urban Village In Summer 2024, Homes England and Liverpool City Region Combined Council secured funding to deliver the first 633 new homes on derelict land adjacent to Birkenhead Centre and the plans were approved for a total 1,400 new homes in January 2025..
3. Wirral Waters: Millers Quay development was completed in March 2025.
4. Pathfinder Pilot Project: Combined funding streams to enhance flexibility to support response to changing economic conditions. Various key achievements from Pathfinder Project:
 - Expansion at Start Yard and refurbishment of Egerton House to provide offices, co working spaces to support business and growth within Birkenhead.
 - Future Yard's renovation of existing first floor to include larger workshop spaces and land has been purchased to the rear of the building to commence with phase two.
 - New Ferry continues to regenerate on building new homes to improve public realm.
5. Birkenhead Town Centre: A contractor was appointed in March 2024 to deliver two public realm/active travel projects in the town centre covering works to Conway

Street, Europa Boulevard, Europa Square Car Park, Grange Road, Charing Cross junction, and Grange Road West. The projects aim to improve accessibility for all, and deliver improvements to walking, cycling and the public realm. Initially programmed for completion in June 2025, the latest forecast is showing planned completion in March 2026. Under NEC4 Option D only compensation events and acceleration can alter the completion date. Due to issues relating to an incomplete design and late provision of design information, a significant number of compensation events have been submitted by the Contractor for both increased time and cost.

6. New Ferry Public Realm: Secured funding from the pathfinder to improve housing development.

Pooled Budgets

In line with policy requirements, Cheshire & Merseyside Integrated Care Board – Wirral Place, and Wirral Council have entered into a pooled budget arrangement under section 75 of the NHS Act 2006; The pool incentivises the NHS and local government to work more closely together around vulnerable people, placing their well-being as the focus of care and health services. The pooled budget is hosted by Wirral Council and commenced on 1 April 2015; it includes but is not limited to services funded by the Better Care Fund.

Locally, the primary aims of the pooled fund are:

- Supporting independence in the community by place-based activity,
- Reducing non-elective admissions and reducing residential admissions by providing the right care and support within the community,
- Facilitating earlier hospital discharge.

The pooled revenue budget in 2024/25 was £304.73m, which included £71.1m of Better Care Funding.

Changes in the Pension liability

The Local Government Pension Scheme (LGPS) is a statutory pension scheme funded over the long term to meet the pension promises to scheme members and their beneficiaries. The Council participates in the scheme through the Merseyside Pension Fund.

The Accounts show an annual position of the scheme for the share that relates to the Council. Any change in the assets or liabilities of the scheme due to the size and the Councils share can have a significant impact on the Balance Sheet and its Unusable reserves. The assets of the scheme for the Council are £1.269bn and liabilities of £1.302bn. The net change in the scheme for 2024/25 was a decrease in the liabilities assets of £5.288m. Most of this movement relates to the change in financial assumptions.

The purpose of the actuarial valuation is for the administering authority to determine:

- The expected cost of providing the benefits built up by members at the valuation date (the "liabilities"), and compare this against the funds held by the Fund (the "assets")
- The contributions needed to cover the cost of the benefits that active members will build up in the future and other costs incurred in running the Fund (the "Primary Contribution Rate")

- An appropriate plan for making up the shortfall if the Fund has less assets than liabilities. The plan will cover the amounts which will need to be paid (the Secondary Contribution Rate) and the timeframe over which they will be paid (the Recovery Period)

The actuarial triennial valuation was finalised at 31 March 2022 and the valuation rates effective from 1st April 2023 agreed.

Prior Period Adjustments

Adjustments have been made to the prior year (2023/24) accounts relating to Birkenhead Commercial District and IAS 19 Pension disclosures as a result of the material impact on the accounts.

Following a review of all lease arrangements in preparation for the transition to IFRS 16 from 1st April 2024, it was identified that the assets and leases for the Birkenhead Commercial District had not been correctly accounted for in the 2023/24 accounts, with the assets incorrectly being revalued down offsetting the liability. Due to the complex nature of the asset, external independent valuers were consulted and the lease arrangements thoroughly reviewed.

The 2023/24 accounts have therefore been restated to correctly account for the lease liabilities as long-term finance leases, and also to account for floors 1-3 and part of the ground floor of Mallory building as an operational asset initially at cost but subsequently revalued, with the unoccupied Irvine building and the remaining unoccupied elements of the Mallory building accounted for as Assets Under Construction as they are not available for use in their current form, and would require further capital investment to bring them into use and for them to become PPE Assets. However, these Assets Under Construction have also been adjusted for assumed impairment in line with the valuation of the occupied floors.

Through external audit review of the IAS 19 disclosures and the Actuary report to support the figures in the 2024/25 draft unaudited financial statements, it was also identified that due to a misinterpretation of the impact of the Asset Ceiling in the prior year (2023/24) accounts, the Asset Ceiling calculation as required under IFRIC 14 had not been correctly applied to limit the recognition of the surplus of the Pension Asset in the 2023/24 accounts.

During the external audit of the Council's borrowing, five Lender Option Borrower Option loans (LOBOs) with stepped interest rates were identified at a higher than prevailing market rate at the time the loan was taken, suggesting that they were not made at fair value and that the council received a benefit in exchange for agreeing to pay the elevated interest rates, that benefit presumed to be the early termination of other loans for no penalty.

Due to the age profile of these loans, and the historic transfer of the loans between lending counterparties, evidence to confirm the reason for higher interest rates is not available. Following external advice, the increased interest rates are judged to be a result of rolling in the premium from previous older loans. The Code of Practice and IFRS 9 states the amortised cost of those loans is therefore higher than the principal amounts, and the accounts have therefore been adjusted to reflect the increased loan balances, and corresponding impact on the Unusable reserves.

An additional Loan, which was modified in 2008, was also reviewed by the consultants and due to an update to the treatment of effective interest rates in The Code of Practice in 2018/19, the historic accounting treatment has been corrected for in previous years, resulting in a £1.357m increase in General Fund balances.

The prior year 2023/24 accounts have therefore been restated to correct the accounting for these adjustments, which has in turn impacted the opening balances for the 2024/25 accounts. Full details of these adjustments and the impact are in the Prior Period Adjustments note.

4. Key Outcomes

Wirral's Council Plan sets out our main priorities, as well as important actions and deliverables that we, as a Local Authority, must deliver. The plan has a number of themes which lay out our main priorities, how we will achieve them and how the outcomes of these priorities will be measured.

Below are just a few of those outcomes that were achieved during the 2024/25 financial year.

Working together to enable early help for children and families

Back in May 2024, Wirral came together with eight Local Authorities in Cheshire and Merseyside to launch Foster4, a collaborative fostering recruitment hub. Backed by the Department for Education, Foster4 aims to recruit foster carers from a range of different backgrounds and circumstances in the region and will benefit from a new buddy mentoring scheme, linking prospective foster carers to experienced foster carers in their local area for further guidance and support through their assessment journey.

Seacombe Family Hub had a fantastic garden makeover in June, thanks to a community project involving a group of Wirral based students and Merseyside Fire Service. As part of a personal development course funded by the Prince's Trust, a group of 11 students aged between 16 and 23 transformed the outdoor space for families to enjoy. Seacombe Family Hub is one of several hubs across the borough bringing together a range of services for families and children.



At a meeting of the Local Area SEND partnership Board in July members were advised by the Department for Education (DfE) Adviser for SEND that two of ten areas identified for improvement had made quick, positive progress and could now be considered "business as usual". The report showed there had been an increase in the number of website hits, month on month, alongside a consistent increase in news articles and new content delivering information about the local SEND offer to families. The report also indicated that user satisfaction was positive.

In September we celebrated the first birthday of SENDLO, Wirral's dedicated website which shares information about support for young people with special educational needs and disabilities (SEND). The SENDLO site, which was co-produced with parents, young people and a range of partners, has gone from strength to strength since its launch, with the average number of monthly visitors to the site increasing from around 4,500 to more than 10,000 a month.



A new youth mental wellbeing hub, BRANCH, was launched in November. Funded by Wirral Council and the NHS, Branch brings together Wirral's mental wellbeing services digitally through a new online hub. The hub offers easy access to information and a clear route into the right support for those aged up to 18 (or up to 25 for young people with SEND).

Also in November, an attendance Pilot by Cradle to Career was celebrated in a report from Child of the North and the Centre for Young Lives. The report praised the programme as an inspiration for new approaches to tackling the country-wide attendance crisis. The pilot has successfully implemented changes such as redesigning the referrals process, creating the Inspiring Futures programme, which has improved attendance by an average of 16%, with some students seeing gains of over 45% and introducing Family Connectors bridging the gap between home and school, making it easier for parents and teachers to work together.

New guidance published by the government in March set an expectation for all councils to carry out reforms in how they approach child protection and early family help as part of the Families First for Children Partnership Programme. As one of ten local authorities selected to deliver the programme in April 2024, Wirral Council continues this innovative work, with the benefits of these new approaches already being seen across the borough where specialists and key workers from different services or organisations work together, with more effective collaboration leading to families receiving the right support, more quickly.

[Working Together to promote independence and healthier lives](#)

In July 2024 the focus was one AbleMe, a local service run by Wirral Council offering information, advice and guidance to residents needing help from injuries or health conditions. AbleMe supports with personal care, household tasks, taking medication, avoiding falls and more – the main goal being to enable people maintain a bit of independence through life's ups and downs. In addition to personal care, the service also provides equipment to keep residents safe and independent at home, enabling them to continue living in their own home for longer, with family, friends and the wider community around them.

Budding players, first timers and everyone in between can now work on their backhand following improvements and refurbishment of tennis courts across Wirral in August. Following a successful funding bid £362,000 was invested into 36 tennis courts across the



borough, with some facilities being completely revamped. As part of these transformation works, dozens of courts underwent upgrades to ensure that people can enjoy the facilities for years to come. Providing our communities with state-of-the-art tennis courts is a vital part of encouraging local people to live active and healthy lives – and will hopefully help to produce some homegrown Grand Slam winners in the future.

Also in August, a new mental health support service, Active Minds, was launched by Active Wirral, together with NHS Wirral Talking Therapies. Working across the council's Neighbourhood Services such as Active Wirral leisure, Libraries, Parks and Countryside, Museums and the Floral Pavilion, the scheme aims to help people feel better by encouraging them to move more, explore their communities, connect with people and discover what's already out there – offering free and affordable activities as an incentive.

The borough's largest extra care housing scheme opened in Rock Ferry in November. Spinnaker House offers independent living accommodation with support on hand, for over 55s. With 102 one and two-bedroom apartments and care available 24 hours a day 365 days a year, Spinnaker House is the latest development in the council's plans to help Wirral residents stay in their own homes for longer. There are 19 schemes currently operating across specialist (for people with additional needs ages 18-54) and general (over 55s) extra care, responding to the changing needs of Wirral communities.



A vital community support service was recommissioned back in February. Community Connectors engage with residents who are feeling isolated or not currently accessing health and wellbeing services, working primarily via door-knocking, delving into the heart of communities and supporting those who are isolated on the doorstep. Through outreach and one-to-one support, they focus on what people can do, rather than what they can't and strive to help communities become stronger.

[Working Together to deliver people focused regeneration](#)

In July 2024 Wirral Council celebrated the completion of the first 150 waterside apartments at Peel Water's Miller Quay. It is part of the emerging Northbank Neighbourhood where 100 new homes were built surrounded by sustainable urban living

and dockside walkways. During the construction, learning and employment opportunities were available with the local community and local students at Wirral Met College.

In September, it was announced that more than 60 businesses were created with free business support delivered by Wirral Chamber of Commerce who has given support to over 500 businesses and introduced over 80 jobs into the local community. This included support to each business and guidance on from marketing to finance.



Homes England and Liverpool City Region Combined Authority agreed to invest a combined total of £51m towards the plans for regenerating the former gas works in Birkenhead and create an urban village as well as Hind Street where over 1,400 new homes will be built including leisure facilities and improved transport links.

Late last year, 'soft strip' demolition of the unit at Princes Pavement was completed and paved the way for the markets design finalisation.

Between July 2024 and March 2025, Wirral Council held various job fairs to support over 1,300 people within the local community to meet employers and training providers. Local employers such as Wirral University Hospital Trust, HMRC, United Utilities and The University of Chester.



With effect from the 31st March 2025, Wirral Council adopted an official new policy for the next 15 years on its brownfield-only local plan. The new policy will support with Wirral's ambitious regeneration plans and outline where new homes and employment sites can be delivered and various infrastructure requirements boost economic growth and improve the resident's quality of life.

[Working Together to protect our environment](#)

Back in July, even more Wirral parks gained national recognition as Victoria Park in Tranmere and Warwick Park in Upton joined the growing list of Wirral parks to receive a **Green Flag Award for 2024**. The parks joined 29 other Wirral parks that have retained their accreditation for another year. Birkenhead Park and Wirral Country were also given Green Heritage Site Accreditation for another year in recognition of the management and promotion of historic features in those parks. New Ferry Butterfly Park and Woodchurch Holy Cross - managed by Cheshire Wildlife Trust and Holy Cross PCC, Woodchurch respectively - also achieved Green Flag Community Awards once again, making the total number of awards for Wirral sites 35 this year.

In August it was announced that Wirral was to invest more than £8m on public highways, to keep our roads in good condition. This funding included dedicated money for works on the Key Routes Network and for highway bridges, making the scheme more extensive than usual, with around 450 locations earmarked for improvement.



Council Rangers based at Wirral Country Park were recognised by the people behind the prestigious Green Flag awards in December when they were named 'Team of the Year' in



the annual Best of the Best Awards organised by the national environmental charity, Keep Britain Tidy. The award recognised the volunteers, park staff and groups behind the success of parks that managed to scoop a sought-after Green Flag Award earlier in the year. The Rangers are responsible for managing very different habitats at Wirral Country Park, one of the most important heathlands in the North West.

In an update to residents and members in March it was reported that Wirral Council has been working alongside counterparts from the other Liverpool City Region authorities as preparations for the introduction of household food waste collections get into gear. From April 1st 2026, it will be mandatory for all councils in the country to collect food waste from households separately to other bin collections. As a member of the Liverpool City Region Waste & Resources Partnership, Wirral Council has been working in collaboration with the Merseyside Recycling Waste Authority (MRWA) and other local authorities to prepare for the change.

[Working Together for safe, resilient and engaged communities](#)

Back in June, officers from Wirral Council working with Merseyside Police carried out a crackdown on serious and organised crime as part of **EVOLVE Wirral**. The Trading Standards operation targeting convenience stores selling illegal items resulted in the seizure of around £15,000 of illegal tobacco, vapes and cash. EVOLVE Wirral is one of three Clear, Hold, Build projects in Merseyside working to improve the lives of communities that have been blighted by serious and organised crime.

In September, residents across Wirral were brought an update on the benefit of a one-off injection of funding that allowed the council to undertake a significant environmental project targeting some of the worst affected alleyways in the borough. Nearly £400,000 was invested in the programme to recruit dedicated teams on a temporary basis and purchase specialist machinery to clear alleyways in places where issues were so bad that routine cleansing was not able to be carried out there. The alleyway project was just one part of the £2.2m funding allocated by elected members to a one-off 'Neighbourhood Investment Fund' for 2024-25.



Children from a primary school in Woodchurch were awarded for their fantastic artwork that now appears on a new vehicle that will be deployed in anti-social behaviour hotspots in Wirral to promote community safety. The new Community Reassurance (CCTV) vehicle, which was officially unveiled for the first time in December. Alongside the launch of the van, two new hybrid cars for use by the team were also unveiled. These are to replace their current, less fuel-efficient vehicles. The vehicles will be deployed to assist in tackling crime and anti-social behaviour, for reassurance and to support events and the response to serious or critical incidents.

In March, Wirral Council's Community Safety Team were recognised with a national award for its efforts in co-ordinating a series of Environmental Action Days covering some of the most-deprived areas in the borough. At Keep Britain Tidy's annual Network Awards ceremony the team was chosen to receive the 'Community Engagement Award' in recognition of the work they had carried out in Noctorum, Woodchurch, Beechwood and Ballantyne and north Birkenhead. Supported by volunteers, local schools, third sector organisations and other partner agencies, the Environmental Action Days sought to build a sense of community pride in the areas and foster relationships between residents and authorities to work towards a common goal of improving where they live.



Also in March, lifesaving kits that enable members of the public to provide an emergency response where someone is losing blood from a wound were installed in four parts of Wirral. The Emergency Bleeding Control Kits are held in similar cases to community defibrillators and are designed to provide the same immediate treatment for blood loss as defibrillators provide to someone who is in cardiac arrest. The kits will be maintained initially by Wirral's Community Safety team as part of their regular checks of things like public rescue equipment, CCTV columns and water safety signage.

5. Summary of Financial Performance for 2024/25

Revenue expenditure

Revenue expenditure relates to those items that are used within the year on the provision of services to the people of Wirral. Before the start of the financial year, the Council prepares its annual Budget which is approved by Members, which sets out the income and expenditure required during the year to provide services. In February 2024, the Council agreed a net budget of £399.6m for 2024/25.

The net spend of the Council is met from a combination of government grants, the local taxpayer through Council Tax and other income. In 2024/25, the Council Tax band D charge was £2,263.44, representing a general increase of 2.99% and 2.00% ringfenced increase to Adult Social Care.

Expenditure throughout the year was monitored and reported monthly against the approved budget to uphold robust financial management and ensure the continued delivery of services.

The table below shows the budget and actual spend for each directorate as reported and monitored in year. The Statement of Accounts report the same expenditure and income but in a different format to comply with the statutory external reporting requirements.

This incorporates additional costs such as depreciation or changes to the value of property which, under regulation, is not chargeable to usable reserves in the year. The impact of such costs in the Accounts is set out in the Expenditure and Funding Analysis note to the accompanying statements.

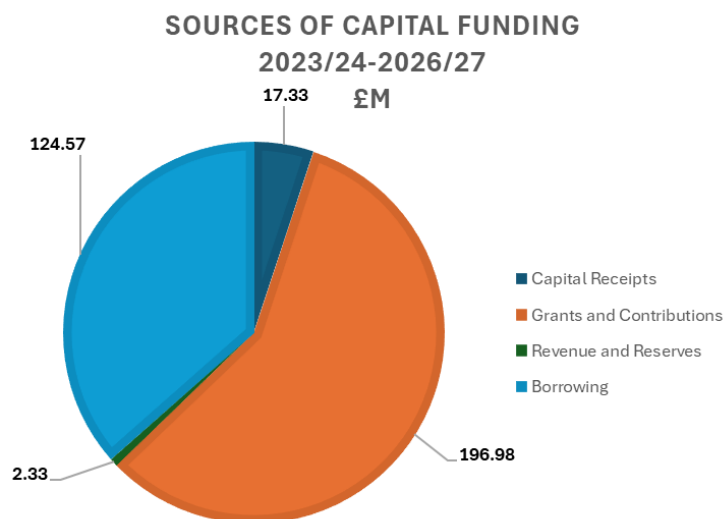
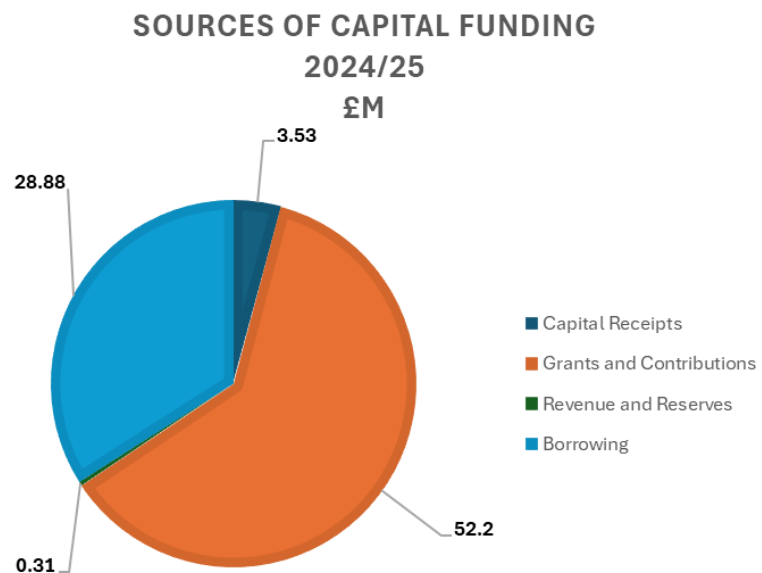
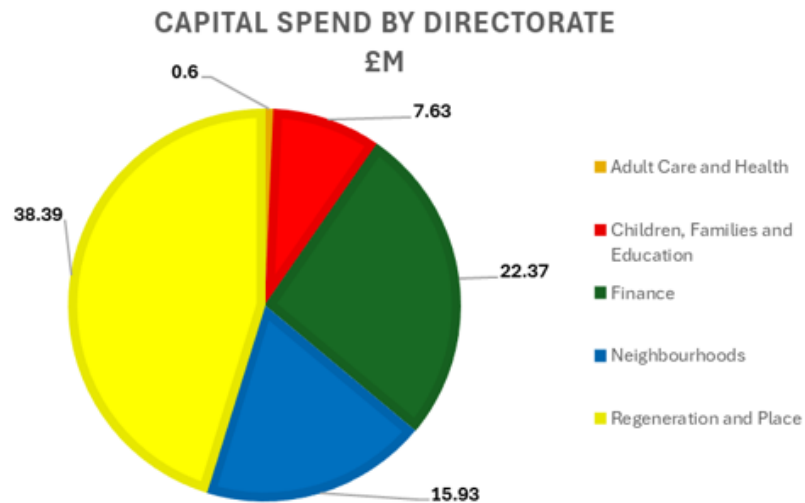
In 2024/25 the Council reported an adverse variance of £18.641m within Directorates which was supported by utilising £18.641m in Exceptional Financial Support.

The General Fund balance has increased from £13.18m to £14.54m due to the accounting treatment of some loans. See Prior Period Adjustment Notes for further detail.

	Budget £000	Outturn £000	Variance Adverse / (favourable) £000 %	
Adults Care and Health	143,040	151,187	8,147	6%
Children, Families & Education	97,297	107,268	9,971	10%
Finance	18,862	21,688	2,826	15%
Law & Corporate Services	17,196	17,155	(41)	0%
Neighbourhoods Services	42,490	44,673	2,183	5%
Regeneration and Place	17,083	16,661	(422)	-2%
Net Directorate Expenditure	335,968	358,632	22,664	7%
Levies	42,025	42,025	0	0%
Strategic Holding Account and Corporate Items	21,662	17,639	(4,023)	-19%
Net Council Expenditure	399,655	418,296	18,641	5%

Capital Expenditure

Capital expenditure is different from revenue expenditure, in that it is investment in services and the area (such as buildings, roads and land) that will provide benefits over more than one year. The capital programme for the period 2023/24 – 2026/27 is £341.2m. The capital spend for 2024/25 was £84.9m (2023/24 £78.3m).



Summary of the Councils Cashflow and Balance Sheet

Note, 2023/24 values in this section are restated from the audited 2023/24 accounts to correctly account for the property valuations for the Birkenhead Commercial District, the Pension Asset Ceiling, and the subsequent impact on liabilities and reserves.

The Council's Balance Sheet shows the financial position at the year-end and reflects everything that the Council owns and has control over. As a result of the Comprehensive Income and Expenditure Statement the final position of the General Fund balance as at 31 March 2025 is £14.533m, which is still in line with the Council's approved policy to provide a prudent financial safety net for unforeseen events.

The Balance Sheet as at 31 March 2025 shows a net asset of (£411.7m) (2023/24 asset £460.4m). The net asset worth of the Council excluding the Pension liability is £444.8m (2023/24 £498.8m). The movement for 2024/25 of £54.0m is explained in the sections below. The Council has reviewed its financial performance for 2024/25 and the budget for 2025/26 and considers that the Council may be viewed as a going concern.

	31/03/2024 (restated)	31 March 2025	Change
	£000	£000	£000
Long term Assets	863,325	935,107	71,782
Current Assets	150,163	172,927	22,764
Current Liabilities	(240,678)	(261,532)	(20,854)
Long-Term Liabilities - Pension	(38,376)	(33,088)	5,288
Long-Term Liabilities - Other	(274,020)	(401,711)	(127,691)
Net Assets	460,414	411,703	(48,711)
Usable reserves - General Fund	(14,535)	(14,533)	2
Usable reserves - Earmarked reserves	(55,507)	(48,577)	6,930
Usable reserves - Capital	(72,595)	(56,455)	16,140
Unusable reserves	(317,777)	(292,138)	25,639
Total Reserves	(460,414)	(411,703)	48,711

Long-Term Assets

	31/03/2024 (restated)	31 March 2025	Change
	£000	£000	£000
Property, Plant and Equipment	799,424	873,191	73,767
Heritage Assets	17,498	19,110	1,612
Investment Property	25,979	26,020	41
Intangible Assets	1,827	1,525	(302)
Long-Term Investments	9,039	9,828	789
Long-Term Debtors	9,558	5,433	(4,125)
Total	863,325	935,107	71,782

The £71.8m increase in Long Term Assets is due to a £73.8m increase in Property, Plant and Equipment. There are changes relating to the adoption of IFRS 16 and capital expenditure. This includes an increase of £20.2m on Property, Plant and Equipment, £15.0m on Assets Under Construction and £34.5m on Right of Use Assets. There is also an overall increase in long term investments of £0.8m, a reduction in long term debtors of £4.1m.

The portfolio of investment properties is valued annually, while the property and land within the Property, Plant and Equipment (PPE) note to the account are valued on a short cycle basis, which is a maximum of every five years.

A breakdown of the assets can be found in the Property, Plant and Equipment, Heritage

Assets, Investment Properties, and Intangible Assets notes to the accounts.

Current Assets / Liabilities

	31/03/2024 (restated) £000	31 March 2025 £000	Change £000
Current Assets			
Short-Term Investments	8,807	2,888	(5,919)
Inventories	414	464	50
Short-Term Debtors	114,655	135,531	20,876
Cash and Cash Equivalents	18,287	21,427	3,140
Assets Held for Sale	8,000	12,617	4,617
Total Current Assets	150,163	172,927	22,764
Current Liabilities			
Cash and Cash Equivalents	(1,346)	(1,110)	236
Short-Term Borrowing	(149,669)	(159,416)	(9,747)
Short-Term Creditors	(73,640)	(88,276)	(14,636)
Provisions	(11,397)	(8,569)	2,828
Grants Receipts in Advance - Revenue	(4,626)	(4,161)	465
Total Current Liabilities	(240,678)	(261,532)	(20,854)
Total	(90,515)	(88,605)	1,910

Total current assets in the Balance Sheet (Investments, debtors including other debtors and cash and cash equivalents) are £172.9m off-set by current liabilities (short term borrowing, creditors and provisions) of £261.5m, giving a net current liability of £88.6m.

Short-term investments have reduced by £5.9m, short term debtors have increased by £20.9m and cash has increased by £3.1m. In addition to this, Short-term borrowing has increased by £9.7m. Further details can be found in the Financial Instruments note to the accounts.

Creditors have increased by £14.6m (which is mainly due to the adoption of IFRS 16) and Provisions have decreased by £2.9m (see Creditors and Provisions notes to the accounts respectively). These movements will be dependent on outstanding payments due to suppliers and accruals at year-end and the increase of provisions during the year.

Long-Term Liabilities

	31/03/2024 (restated) £000	31 March 2025 £000	Change £000
Provisions	(2,644)	(3,570)	(926)
Long-Term Borrowing	(173,018)	(231,789)	(58,771)
Other Long-Term Liabilities	(97,923)	(165,917)	(67,994)
Pension Liability	(38,376)	(33,088)	5,288
Grants Receipts in Advance - Capital	(435)	(435)	0
Total	(312,396)	(434,799)	(122,403)

The most significant change in long-term liabilities is the increase in Long Term Borrowing of £59.0m and an increase in Other Long-Term Liabilities of £68.0m, which is due to the adoption of IFRS 16 this year.

Reserves

The Council holds Usable Reserves of £119.6m (2023/24 £142.6m), consisting of Earmarked Reserves of £48.6m (2023/24 £55.5m), General Fund Balance of £14.5m (2023/24 £14.5m), Capital Receipts of £2.5m (2023/24 £4.1m) and Capital Grants

Unapplied of £54.0m (2023/24 £68.5m). A breakdown of these can be found in the Usable Reserves note to the accounts.

Earmarked reserves are regularly reviewed to assess their adequacy for the purpose intended and whether they are still required. Movements during 2024/25 are summarised in the table below, with more detail provided in the Transfers to/from Earmarked Reserves note to the accounts.

	Balance at 31 Mar 2024 £000	Transfers in 2024/25 £000	Transfers out 2024/25 £000	Balance at 31 Mar 2025 £000
School Reserves	(12,206)	(396)	3,487	(9,115)
Covid-19 Reserves	(20)	0	20	0
Ringfenced Reserves	(23,657)	(296)	3,221	(20,732)
Other Reserves	(19,624)	(5,948)	6,842	(18,730)
Total Earmarked Reserves	(55,507)	(6,640)	13,570	(48,577)

Unusable Reserves are held for managing the statutory accounting adjustments that are not permitted to be reported in Outturn and therefore to support service budgets. The change in Unusable reserves of £25.9m is due primarily to the change in overall non-current asset values and increase in the Dedicated Schools Grant deficit. Further information can be found in the Unusable Reserves note and the Collection Fund statement and notes.

6. Going Concern

On 3rd March 2025 the Council approved a budget for 2025/26 and were provided with an indicative budget for the following four years. At the time the budget was approved the Council was forecasting a deficit of £77.515m over the period 2026-30.

In February 2025 the Ministry of Housing, Communities & Local Government (MHCLG) confirmed the Deputy Prime Minister was minded to approve a capitalisation direction of a total not exceeding £27.5m - £20m for 2024/25 and £7.5m for 2025/26, subject to the Council undergoing an external assurance review which will include, but will not be limited to, an assessment of the Council's financial position and governance arrangements. To enable an outturn that balances to the budget, a total of £18.641m of Exceptional Financial Support has been applied in 2024/25, with £8.736m of earmarked reserves also being utilised to balance the outturn of position.

At 31 March 2025 the council's balanced budget showed general fund reserves of £13.2m which is in below the sector standard of 5% of Net Expenditure, but the approved 2025/26 budget included a £3.562m contribution to general reserves. Earmarked reserves at the end of this year are £48.577m. It is projected that £9.743m of Earmarked reserves will be used during 2025/26.

The Council is closely monitoring the budget position and where necessary taking corrective action to ensure a balanced position is maintained for 2025/26 and 2026/27. Work has been on-going as part of the budget process to identify income and savings and reduce cost pressures, which will continue to be reviewed. Although a balanced budget has been set for 2025/26, it is dependent on challenging savings and efficiencies being achieved during 2025/26 and beyond, and the £7.5m capitalisation direction will support the cost of some of these savings. Robust planning and monitoring of savings, increasing reserves, improving financial governance and oversight, and the management of capital and assets is essential.

As part of the 2023/24 Value For Money review, the Council's external auditors Grant Thornton issued a Statutory Recommendation in relation to the financial sustainability of the Council, which was considered by Full Council in January 2025. A budget recovery action plan (BRAP) has since been approved by Policy & Resources Committee in March 2025 setting out the principles and governance arrangements for the Council for 2025/26 in light of the recently agreed request from Government for Exceptional Financial Support and the Statutory Recommendation. It supports the Medium-Term Financial Strategy in setting out the strategic approach to ensure the Council's continued financial stability through two key mechanisms: firstly, through rigorous management and adherence to the approved 2025/26 budget and secondly, through an enhanced and refined methodology for future budget setting processes. The BRAP establishes a framework for both immediate financial responsibility and longer-term financial sustainability through improved budgetary practises. It is recognised that the Council must change the way it works and reduce its overall expenditure to operate within the overall resources it has available and in doing so prioritise the Council's financial stability above all other considerations.

The Council is constantly monitoring and reviewing how it delivers its services, along with service reviews planned. Any changes to service delivery from an operational approach will ensure it focuses on the prioritising services in line with the Council Plan for 2023 to 2027, and these will be reflected in the Medium Term Financial Plan (MTFP) to achieve financial sustainability through the use of benchmarking and other monitoring activity, in a manner that continues to give consideration to the Council's strategic objectives. Over the five years to 2029/30 the Council reported a forecast that shows a structural deficit. Work continues to ensure this deficit is mitigated and a balanced five-year plan can be achieved.

Cash flows are monitored, and requirements forecast on a daily basis in line with good treasury practices and to maximise interest received on investment balances. The forecast to March 2026 carries a degree of estimation, however there are not believed to be any cash flow issues. The Council has a good history of managing its cash flow and does not anticipate any issues with borrowing either on a short or long-term basis as indicated by our brokers. The facilities to borrow and how we borrow are continuously monitored, and the Council considers its ability to borrow on both a short and long-term basis moderate to strong. The Council continues to utilise short-term borrowing due to competitive interest rates, and as long-term borrowing becomes more competitive the Council will give consideration to this facility to minimise interest charged on investment balances, and long-term cash flow demands. Short-term borrowing at 31 March 2025 was £159m, of which £84m was peer to peer borrowing.

The entities which Wirral Council has an investment in have been adequately provided for in the Council's single entity accounts as at 31 March 2025, and regular board meetings are held where the viability of these entities is discussed and any risk associated would then be assessed and appropriate decisions made. An review of governance arrangements with these entities is in progress, but the Council believes it is adequately protected for the known risks associated with these entities.

Conclusion

In conclusion, due to the statutory environment in which the council operates and the fact that local authorities cannot be dissolved without Government prescription there is no option for the council to prepare its accounts other than on a going concern basis irrespective of perceived threats and on-going challenges to financial sustainability posed

by adverse economic conditions and spending pressures arising from demand-led services.

However, whilst relying on exceptional financial support or improvement in the level of funding from central government in order to balance future budgets moving forward, the ongoing work to ensure a balanced position for 2025/26 and 2026/27 and based on the medium-term financial strategy and the results of cash flow monitoring and forecasting, the Council is therefore satisfied that there is no material uncertainty regarding the Council's ability to continue as a going concern.

7. About the Statement of Accounts

The Statement of Accounts brings together the financial performance for the Council for the year and its financial standing as at the 31 March 2025. They contain both revenue and capital transactions across all services.

The Council is required to produce an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices, comprising of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS).

The costs of the capitalisation directions from previous financial years mean the Council will charge a Minimum Revenue Provision (MRP) over a period of no more than 20 years. Where capital financing is increased as a result of the capitalisation direction, further borrowing will be obtained from the PWLB (Public Works Loan Board).

The Council reviews annually any interests in companies and other entities for any financial arrangements that may require the production of Group Accounts. In 2024/25 there were no material transactions that require this.

The following provides brief descriptions of the purpose of the various statements:

- **Narrative Report** provides an overview of the Council's financial and non-financial position for 2024/25.
- **Statement of Responsibilities for the Statement of Accounts** details the responsibilities of the Council and of the Director of Finance (S151).
- **Independent Auditor's Report** is the Council external Auditor's report to Members of Wirral Council including the conclusion of arrangements for securing Value for Money. This will be added to the Statement of Accounts following completion of the audit by our external auditors Grant Thornton.

The Core Financial Statements comprise four key statements:

1. **Comprehensive Income and Expenditure Statement**, which shows all income and expenditure for the Council during 2024/25.
2. **Movement in Reserves Statement**, which shows the movement during the year on the different reserves that the Council holds.
3. **Balance Sheet**, which shows the financial standing of the Council at 31 March 2025, summarising all assets and liabilities.
4. **Cash Flow Statement**, which shows the inflows and outflows of cash arising from transactions with other parties.

The **Notes to the Core Financial Statements** provide further detail and explanation of the items contained within the four Core Financial Statements.

There are **Additional Financial Statements** for:

- The **Collection Fund** (and notes), which covers Council Tax and Non-Domestic Rates collected and the amounts paid to precepting authorities.
- The **Merseyside Pension Fund Accounts** covering the financial position of the Merseyside Pension Fund, which is administered by Wirral Council.

The **Annual Governance Statement**, which does not form part of the formal Statement of Accounts is a separate publication which sets out to:

- Give public assurance that the Council has proper arrangements in place to manage its affairs. The Statement summarises the Council's responsibilities and shows the effectiveness of the arrangements in place to manage its affairs. Show the actions agreed by the Leader and Chief Executive to address those matters identified as requiring action to further enhance the governance arrangements.

8. Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.

Daniel Kirwan
Chief Finance Officer
Interim Director of Finance
S151 Officer

Statement of Responsibilities for the Statement of Accounts

The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. The responsible officer is designated as the Chief Financial Officer, or equivalent. In this Council, that officer is the Director of Finance (S151).
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practice as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts the Chief Financial Officer has:

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

The Chief Financial Officer has also:

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

Certification of the Accounts

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

Signed by Daniel Kirwan
Interim Director of Finance (S151 Officer)
19 February 2026

Independent Auditor's Report to the Members of Wirral Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Wirral Council (the 'Authority') for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, Collection Fund Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Interim Director of Finance (S151 Officer)'s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Interim Director of Finance (S151 Officer)'s conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and

regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Interim Director of Finance (S151 Officer)'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Interim Director of Finance (S151 Officer) with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor's report thereon and our auditor's report on the pension fund financial statements. The Interim Director of Finance (S151 Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of the above matters except on 6 January 2025 we made one written recommendation to the Authority under Section 24 of the Local Audit and Accountability Act 2014 in relation to managing cost and demand in adult social care, level of Authority reserves and identified savings. We recommended that the Authority should take immediate and effective action to manage the financial sustainability risks it is facing. This has been restated and remains a written recommendation for the Authority.

Furthermore, on 19 February 2026 we made an additional three written recommendations to the Authority under Section 24 of the Local Audit and Accountability Act 2014. These were in relation to:

- identifying future savings and the Authority's change Programme;
- managing the financial risks and liabilities across the Authority's regeneration programme; and
- the erosion of trust in member/officer relationships.

We recommended that the Authority should:

- urgently mobilise its change programme to develop robust savings plans that will help deliver the significant savings required to balance the budget gaps identified in the MTFS;
- take immediate action to assess the financial risks and liabilities across its whole regeneration programme and ensure that they are properly taken into account in revenue, treasury management and capital plans; and
- take immediate steps to re-build trust between officers and members and reinforce the effective operation of its Protocol for Member/Officer Relations.

Responsibilities of the Authority and the Interim Director of Finance (S151 Officer)

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Interim Director of Finance (S151 Officer). The Interim Director of Finance (S151 Officer) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Interim Director of Finance (S151 Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Interim Director of Finance (S151 Officer) is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, Local Government Act 1972, and the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Act 2012).
- We enquired of management and the Audit and Risk Management committee, concerning the Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management, internal audit and the Audit and Risk Management committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to management override of controls, in particular journals, management estimates and transactions outside the course of business.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on the material year end transactions and manual journals posted during the year with high risk characteristics;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, investment property and defined benefit pension asset and liability valuations; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including land and buildings, investment property and defined benefit pensions assets and liability valuations. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government sector
 - understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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

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

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

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

We have nothing to report in respect of the above matter, except on 6 January 2025, we made one written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in respect of financial sustainability which is described in the 'Other matters under which we are required to report by exception' section of this report. We also identified two further significant weaknesses in the Authority's arrangements.

Financial sustainability:

- The level of the Authority's Dedicated Schools Grant (DSG) deficit, and rate of increase, creates significant financial risk to the Authority. We recommended that the Authority needs to place a significant and urgent focus on developing and implementing interventions which will support the management and mitigation of the DSG deficit. The significant weakness remains in place with a revised recommendation that the Authority places a significant organisational focus on continuing interventions that will support the management and mitigation of the DSG deficit.

Improving economy, efficiency and effectiveness:

- During 2023/24 the Authority, and its partners, failed to demonstrate sufficient progress in improving special educational needs and disabilities (SEND) services. We recommended that the Authority needs to satisfy itself that it has the necessary organisational transformational capacity, skills and resources to ensure the Local Area SEND Improvement Plan can be delivered in accordance with DfE requirements and is sufficient to drive sustainable improvement in SEND service provision and to mitigate associated SEND delivery risks. We followed up on the Authority's progress implementing this recommendation for year ended 31 March 2025 and limited progress has been made. The significant weakness remains in

place with a revised recommendation that the Authority and its partners, through the activities of the Local Areas SEND Partnership Board, take the following actions: Build on recent SEND improvement activity and push forward remaining priority actions to secure meaningful and sustainable SEND service improvement; and ensure compliance with DfE improvement notice requirements within set timescales.

On 19 February 2026, we made three additional written recommendations to the Authority under 24 of the Local Audit and Accountability Act 2014, two in respect of financial sustainability and one in respect of governance arrangements which are described in the 'Other matters under which we are required to report by exception' section of the report. We also identified eight further significant weaknesses in the Authority's arrangements.

Financial sustainability:

- We identified a weakness in respect of the review of the Council Plan. We recommended that the Authority completes its review of the Council Plan 2023-2027, and the refreshed strategic ambitions are embedded across the Authority. This will support the whole organisation to mobilise and respond to the acute financial challenges the Authority faces.

Governance:

We identified three significant weaknesses, these were in relation to:

- the development and approval of regeneration scheme business cases. We recommended that the Authority should adopt a robust approach to the development and approval of business cases for regeneration projects.
- the senior leadership of regeneration. We recommended that the Authority should ensure that it has sufficient professional capacity, capability and senior leadership available to match its regeneration objectives.
- the operation of arrangements for the appointment of senior staff. We recommended that the Authority should ensure that its arrangements for the recruitment of senior staff including its statutory officers are lawful, compliant with the constitution and reflect sector guidance. The Authority should set out the standards and practices which should apply to future senior officer requirement processes.

Improving economy, efficiency and effectiveness:

We identified four significant weaknesses, these were in respect of:

- considerable failings in the Authority's approach to regeneration. We recommended that the Authority should now reflect on the key findings of the 'Review of Regeneration Report', which identified "considerable failings" and set out 25 recommendations, and implement the recommendations at pace.
- regeneration programme and project management. We recommended that the Authority should operate a single Programme Management Office and ensure that a consistent approach is applied to the management of all projects, including regeneration projects.

- regeneration procurement and contract management. We recommended that the Authority must ensure that procurement activity to deliver regeneration projects is carried out in accordance with its procurement rules and the risk of escalation of contract costs is minimised by fully completing design and specification work before letting contracts. Contract management arrangements should include prompt reporting to Members of cost and budget variations over specified thresholds.
- developing a Procurement Strategy, supporting frameworks and the Authority's contract management arrangements. We recommended the Authority further strengthens its procurement and contract management arrangements by adopting a Procurement Strategy and Contract management Framework, developing and embedded contract management procedures, and. cascading a comprehensive and mandatory training programme to all officers charged with procurement and contract management responsibilities.

Responsibilities of the Authority

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

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

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

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

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

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

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

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

Use of our report

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

Sarah L Ironmonger

Sarah Ironmonger, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London
23 February 2026



Core Financial Statements

Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to, or from, Earmarked Reserves undertaken by the Council.

Further details of these reserves and the in-year movements can be found in the Transfers to/from Earmarked Reserves note, and the Usable Reserves and Unusable Reserves notes. The 2023/24 Movement in Reserves Statement has been restated to correctly account for the property valuations for the Birkenhead Commercial District, the Pension Asset Ceiling, and the subsequent impact on reserves. Further details can be found in the Prior Period Adjustments note.

	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	(14,535)	(55,506)	(70,041)	(4,103)	(68,492)	(142,636)	(317,777)	(460,413)
IFRS16 PFI remeasurement	0	0	0	0	0	0	20,460	20,460
Revised balance at 1 April 2024	(14,535)	(55,506)	(70,041)	(4,103)	(68,492)	(142,636)	(297,317)	(439,953)
Movement in reserves during 2024/25								
Surplus or deficit on the provision of services	71,157	0	71,157	0	0	71,157	0	71,157
Other Comprehensive Income / Expenditure	0	0	0	0	0	0	(42,908)	(42,908)
Total Comprehensive Income and Expenditure	71,157	0	71,157	0	0	71,157	(42,908)	28,249
Adjustments between accounting basis and funding basis under regulations	(64,226)	0	(64,226)	1,607	14,533	(48,086)	48,086	0
Net Increase or Decrease before Transfers to Earmarked Reserves	6,931	0	6,931	1,607	14,533	23,071	5,178	28,249
Transfers to / from Earmarked Reserves	(6,929)	6,929	0	0	0	0	0	0
Increase or Decrease in 2024/25	2	6,929	6,931	1,607	14,533	23,071	5,178	28,249
Balance at 31 March 2025	(14,533)	(48,577)	(63,110)	(2,496)	(53,959)	(119,565)	(292,139)	(411,704)

	General Fund Balance (Restated)	Earmarked General Fund Reserves	Total General Fund Balance (Restated)	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves (Restated)	Unusable Reserves (Restated)	Total Reserves (Restated)
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023	(13,176)	(72,256)	(85,432)	(2,979)	(51,474)	(139,885)	(397,374)	(537,259)
LOBOs adjustment	(1,361)	0	(1,361)	0	0	(1,361)	19,043	17,682
Revised balance at 1 April 2023	(14,537)	(72,256)	(86,793)	(2,979)	(51,474)	(141,246)	(378,331)	(519,577)
Movement in reserves during 2023/24								
Surplus or deficit on the provision of services	107,770	0	107,770	0	0	107,770	0	107,770
Other Comprehensive Income / Expenditure	0	0	0	0	0	0	(48,606)	(48,606)
Total Comprehensive Income and Expenditure	107,770	0	107,770	0	0	107,770	(48,606)	59,164
Adjustments between accounting basis and funding basis under regulations	(91,018)	0	(91,018)	(1,124)	(17,018)	(109,160)	109,160	0
Net Increase or Decrease before Transfers to Earmarked Reserves	16,752	0	16,752	(1,124)	(17,018)	(1,390)	60,554	59,164
Transfers to / from Earmarked Reserves	(16,750)	16,750	0	0	0	0	0	0
Increase or Decrease in 2023/24	2	16,750	16,752	(1,124)	(17,018)	(1,390)	60,554	59,164
Balance at 31 March 2024	(14,535)	(55,506)	(70,041)	(4,103)	(68,492)	(142,636)	(317,777)	(460,413)

Comprehensive Income and Expenditure Statement

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Directorate reporting structure has been amended in 2024/25, see the Realignment of 2023/24 note for full comparative details.

The 2023/24 Comprehensive Income and Expenditure Statement has also been restated to correctly account for the property valuations for the Birkenhead Commercial District, the Pension Asset Ceiling and Long-Term Borrowing adjustments, and the subsequent impact on reserves. Further details can be found in the Prior Period Adjustments note.

2023/24 (restated)			2024/25		
Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
229,518	(99,370)	130,148	254,573	(108,228)	146,345
381,479	(267,333)	114,146	424,410	(291,359)	133,051
159,585	(98,483)	61,103	124,892	(99,859)	25,033
18,617	(2,126)	16,491	20,245	(3,519)	16,726
90,010	(26,762)	63,248	94,896	(25,801)	69,095
47,377	(19,517)	27,860	60,687	(18,297)	42,390
38,273	(4,378)	33,895	4,871	(4,566)	305
964,858	(517,968)	446,890	984,574	(551,629)	432,945
45,908	0	45,908	47,870	0	47,870
62,939	(9,814)	53,125	38,919	(10,185)	28,734
0	(438,153)	(438,153)	0	(438,392)	(438,392)
1,073,705	(965,935)	107,770	1,071,363	(1,000,206)	71,157
		(62,432)			(37,326)
		(41)			(4)
		(856)			(859)
		14,723			(4,719)
		(48,606)			(42,908)
		59,164			28,249

Balance Sheet

This shows the value of the assets and liabilities recognised by the Council at the Balance Sheet date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories, usable and unusable reserves. Usable reserves are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

The balance sheet has been impacted by the implementation of IFRS 16, as most leased assets are now included at their Right of Use value along with any future liability.

The 2023/24 Balance Sheet has been restated to correctly account for the property valuations for the Birkenhead Commercial District, the Pension Asset Ceiling, Long-term Borrowing adjustments, and the subsequent impact on liabilities and reserves. Further details can be found in the Prior Period Adjustments note.

1 April 2023 (Restated)	31 March 2024 (Restated)			31 March 2025
£000	£000	Notes		£000
764,044	799,424	14	Property, Plant and Equipment	873,191
19,063	17,498	15	Heritage Assets	19,110
19,558	25,979	16	Investment Property	26,020
728	1,827	17	Intangible Assets	1,525
11,848	9,039	18	Long-Term Investments	9,828
14,370	9,558	18 & 19	Long-Term Debtors	5,433
829,611	863,325		Long Term Assets	935,107
6,719	8,807	18	Short-Term Investments	2,888
435	414		Inventories	464
113,835	114,655	19	Short-Term Debtors	135,531
12,126	18,287	21	Cash and Cash Equivalents	21,427
1,800	8,000	14	Assets Held for Sale	12,617
134,915	150,163		Current Assets	172,927
(1,327)	(1,346)	21	Cash and Cash Equivalents	(1,110)
(136,666)	(149,669)	18 & 29	Short-Term Borrowing	(159,416)
(63,094)	(73,640)	22	Short-Term Creditors	(88,276)
(12,979)	(11,397)	23	Provisions	(8,569)
(7,526)	(4,626)	35	Grants Receipts in Advance - Revenue	(4,161)
(221,592)	(240,678)		Current Liabilities	(261,532)
(2,877)	(2,644)	23	Provisions	(3,570)
(161,934)	(173,018)	18 & 29	Long-Term Borrowing	(231,789)
(29,229)	(97,923)	18 & 29	Other Long-Term Liabilities	(165,917)
(28,875)	(38,376)	40	Pension Liability	(33,088)
(442)	(435)	35	Grants Receipts in Advance - Capital	(435)
(223,357)	(312,396)		Long Term Liabilities	(434,799)
519,577	460,414		Net (Liabilities)/Assets	411,703
(141,247)	(142,637)	24	Usable Reserves	(119,565)
(378,330)	(317,777)	25	Unusable Reserves	(292,138)
(519,577)	(460,414)		Total Reserves	(411,703)

Cash Flow Statement

The Cash Flow Statement shows the changes in Cash and Cash Equivalents of the Council during the reporting period.

The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing, and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or by raising income from the recipients of services provided by the Council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the Council.

The 2023/24 Cash Flow Statement has been restated to correctly account for the property valuations and Long-term Borrowing adjustments, and finance lease liabilities for the Birkenhead Commercial District. Further details can be found in the Prior Period Adjustments note.

2023/24 (Restated)		2024/25
£000	Notes	£000
107,770	Net (surplus) or deficit on the provision of services	71,157
(143,908)	26 Adjustment to surplus or deficit on the provision of services for non-cash movements	(42,969)
63,000	26 Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	34,078
26,862	Net cash flows from operating activities	62,266
(4,440)	27 Net cash flows from investing activities	11,143
(28,564)	28 Net cash flows from financing activities	(76,785)
(6,142)	Net increase or decrease in cash and cash equivalents	(3,376)
10,799	21 Cash and cash equivalents at the beginning of the reporting period	16,941
16,941	21 Cash and cash equivalents at the end of the reporting period	20,317
(6,142)	21 Cash and cash equivalents movement during reporting period	(3,376)



Notes to the Core Financial Statements

Note 1 - Accounting Policies

Significant Accounting Policies

General Principles

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

The Statement of Accounts has been prepared on a 'going concern' basis. 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.

1.0 Accruals of Income and Expenditure

1.1 Revenue Recognition

Revenue is a sub-set of income and is defined as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net worth. Revenue is defined as income arising from the result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient. Revenue is measured as the amount of the contract/transaction price which is allocated to that performance obligation when met. Where the Council is acting as an agent of another organisation the amounts collected are excluded from revenue.

1.2 Income and Expenditure

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

Activity is accounted for in the year that it takes place rather than when cash payments are made or received:

- Revenue from sales, fees, charges and rents due from customers are accounted for as income at the date the Council has satisfied a performance obligation by transferring promised goods and services to the recipient.
- 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 inventory on the Balance Sheet.
- Interest receivable on investments and payable on borrowings is accounted for per the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where assets are identified as impaired because of the likelihood

arising from a past event that payments due under the contract will not be made, the asset is impaired and written down to the recoverable amount and a charge made to the revenue for income that might not be collected.

- Where payment is made or income received in advance of a service being received or delivered then a prepayment or receipt in advance is recorded in the Balance Sheet.
- Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract; and
- Accruals are recognised where the value is equal to or exceeds £5,000 for any individual debtor or creditor

The amounts included are based on actual invoices raised or received and, where actual amounts are not known, estimates are included based on an assessment of the value of goods and services rendered or received in the financial year. Any estimates are calculated using the best available information.

Income from Council Tax and National Non-Domestic Rates is recognised within the Comprehensive Income and Expenditure Statement (CIES) as the amount due to the Council for the financial year, including its share of the Collection Fund balances for these items at the end of the financial year. This value is subsequently amended through the Movement in Reserves Statement and the Collection Fund Adjustment Account to reflect the amount to be credited to the General Fund for the Council's Council Tax Requirement and income from National Non-Domestic Rates.

2.0 Assets Held for Sale

When it becomes probable an asset will be sold rather than in its continued use as an operational or investment asset, it will be reclassified within current assets as held for sale subject to strict criteria being met. The asset must be available for immediate sale, actively marketed and must have a high probability of being sold within one year of the date of classification. Held for sale assets are carried at the lower of cost or the fair value less costs to sell and not depreciated.

3.0 Capital Receipts

Sales of assets give rise to capital receipts if the receipt is greater than or equal to £10,000. These are recorded on an accrual basis and, if required, are divided into a reserved part (based on applicable statutory requirements) and a useable part (the balance). Receipts under £10,000 in value remain as credits within the General Fund.

The Secretary of State has determined that, under provisions included in the Local Government Act 2003, the Council is required to pay over to the Department of Levelling Up Housing and Communities, a proportion of receipts derived from the disposal of housing land.

The Council has and continues to use the flexibilities over the use of capital receipts to support a range of transformational activities.

4.0 Capitalisation Direction

In December 2024, the Council requested exceptional financial support (capitalisation direction) from the Ministry of Housing, Communities and Local Government (MHCLG) to

enable a balanced budget to be reported for 2024/25 and to assist in transformational activities in 2025/26. On 20 February 2025, the Secretary of State agreed in principle a capitalisation direction of £20m for 2024/25 and a further £7.5m in 2025/26, noting that final approval of the capitalisation direction may be subject to conditions.

The Secretary of State noted that likely conditions will include the following:

- The authority may only capitalise expenditure when it is incurred.
- Where expenditure is capitalised, the authority shall charge annual MRP using the asset life method with a proxy 'asset life' of no more than 20 years.
- The Secretary of State will confirm the final amount of capitalisation support and any conditions that will apply in due course. The approval of any capitalisation directions will also be contingent on the Council reporting to MHCLG the final amounts identified for which it requires capitalisation for each year, with the agreement of the council's external auditors

Any Exceptional Financial Support (EFS) via Capitalisation Direction is credited to the General Fund in the year that the amount is utilised and charged to Unusable Reserves in the Capital Adjustment Account, which will subsequently be credited in future financial years as payments are made.

5.0 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions recoverable on-demand, with a notice period of not more than 24 hours without material penalty. Cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

6.0 Employee Benefits

6.1 Benefits payable during employment

The Council recognises the costs of benefits received by current employees (other than termination benefits). They include benefits such as salaries, wages and paid annual leave and are recognised as an expense for services in the year in which employees render service. An accrual is made for the cost of outstanding annual leave that staff have earned but not taken before the year-end and charged to the CIES to ensure that the cost of annual leave is charged to revenue in the financial year to which it relates. An annual accrual is undertaken to reflect these untaken entitlements at current rates of pay, as any change to current rates of pay for which the entitlement is paid is deemed not material and therefore no uplift has been accrued.

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

6.2 Termination benefits

Termination benefits are dealt with separately from other employee benefits because the event which gives rise to an obligation is termination rather than employee service. Termination benefits are payable from either:

- the Council's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits

Termination benefits are often lump-sum payments. The liability for termination benefits is charged on an accrual basis to the CIES when either the Council can no longer withdraw the offer of those benefits or when the Council recognises restructuring costs which involve the payment of termination benefits, whichever is earlier. However, enhanced retirement benefits, paid via the Pension Fund, are charged to the General Fund in accordance with the pension regulations.

6.3 Post-employment benefits

Most employees of the Council participate in one of three separate pension schemes which provide members with defined benefits (retirement lump sums and pensions) related to pay and service. The schemes are as follows:

- The Teachers' Pension Scheme, which is a defined benefit scheme administered by the Teachers Pensions Agency (TPA), on behalf of the Department for Education (DfE). The scheme is unfunded; the Government operates a notional fund as the basis for calculating employers' contributions. The CIES is charged with the employer's contributions payable to the Teachers' Pensions Scheme in the year. The scheme is accounted for as a defined contribution scheme and no liability for future payments is recognised in the Balance Sheet.
- The National Health Service (NHS) Pension Scheme, which is an unfunded defined benefit scheme that covers NHS employers, general practices and other bodies, covering staff transferred to the employment of the Council following the transfer of public health services on 1 April 2013. It is not possible for the Council to identify its share of the underlying scheme liabilities. The scheme is accounted for as a defined contribution scheme, and therefore no liability for future payments is recognised in the Balance Sheet.
- The Local Government Pension Scheme (LGPS) administered by the Merseyside Pension Fund for all other employees that are eligible to join subject to certain qualifying criteria. This operates as a defined benefit scheme and the liabilities attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method. This method is based on an assessment of the future payments that will be made to members of the scheme in relation to future retirement benefits earned to-date; using assumptions about mortality rates, employee turnover and projected earnings for current members and discounted to their present date equivalent using the indicative rate or return on a high-quality corporate bond. The scheme is governed by the Public Services Pensions Act 2013 and administered with the following secondary legislation on behalf of all participating employees:
 - The LGPS Regulations 2013 (as amended)
 - The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
 - The LGPS (Management and Investment of Funds) Regulations 2016

Post-employment benefits are accounted for in accordance with International Account Standard 19 (IAS 19) on Employee Benefits. Retirement benefits are therefore accounted for at the point that a commitment arises, even if the actual payment will be many years in the future. This reflects the Council's long-term commitment to increase contributions to make up any shortfall in attributable net assets in the LGPS.

The assets of the Merseyside Pension Fund attributable to the Council are included in the Balance Sheet at their fair value, as determined by:

- Quoted securities - market value, based on prices quoted to sellers in the market ("bid price")
- Unquoted securities - based on professional estimate
- Unitised securities - the average of the price quoted to sellers ("bid price") and the price offered to buyers in the market (the "offer price"), *and*
- Property - market value

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

- A) **Service Costs**
 - i. Current service cost – any increase in liabilities as a result of years of service earned in the financial year.
 - ii. Past service cost/gains – changes arising from in-year decisions where the effect relates to years of service earned previously. Curtailments are additional employer liabilities incurred when a member stops contributing to the scheme earlier than expected e.g. following redundancy, but without a reduced pension.
 - iii. Gains/Losses on settlement – the result of actions that change the scope of the Council's future pension liability, for example a group of staff transferring to a different employer.
- B) **Net interest on the net defined benefit liability** – difference between the increase in the present value of liabilities as they move a year closer to payment and the expected return on investments over the same period.
- C) **Remeasurement on the defined benefit liability** – the impact of changes to the assumptions underpinning the actuarial estimates of the value of assets and liabilities are charged to the Pension Reserve as Other Comprehensive Income and Expenditure. These could be due to changes in assumed mortality rates, discount rates, inflation or because the actual level of investment returns is different from the long-term averages assumed under B.
- D) **Contributions paid to the Fund** – employer's contributions paid to the Pension Fund.
- E) **Administration costs**

Statutory provisions require the General Fund balance to be charged with the amount payable to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve, to remove the notional debits and credits for 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 on the Pensions Reserve thereby measures the beneficial

impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits are earned by employees.

The Council has restricted powers to make discretionary awards of retirement benefits in cases of early retirement. Any liabilities estimated to arise from an award to any member of staff (including teachers) are either accrued in-year or reimbursed to the Pension Fund over a five-year period.

7.0 Events after the Balance Sheet date

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

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

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

8.0 Fair Value Measurement

Some non-financial assets such as Investment Properties and surplus assets are measured at fair value and its financial instruments at amortised costs or fair value at each reporting date. A fair value is the price that would be received to sell an asset or paid to transfer a liability. A fair value assessment assumes that the transaction to sell the asset or transfer the liability occurs either:

- in the principal market for the asset or liability, *or*
- in the most advantageous market for the asset or liability (if no principal market exists).

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

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

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs, which considers three levels of categories from inputs to valuations for fair value assets or liabilities:

- Level 1 – Quoted prices;
- Level 2 – Inputs other than quoted prices that are observable, either directly or indirectly;

- Level 3 – Unobservable inputs

9.0 Financial Instruments

9.1 Recognition and Measurement

A financial instrument is any contract that gives rise to a financial asset of an entity and a financial liability or equity instrument in another. The term “financial instrument” includes, amongst others, trade receivables and payables, borrowings, financial guarantees, bank deposits and loans receivable.

9.2 Initial Recognition

Financial instruments are recognised in the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument, i.e. when the purchasers become committed to the purchase or, in the case of the loan, cash changes hands. Sales and disposals of financial assets are recognised in the same way.

Trade receivables and payables are, in contrast, only recognised when the goods and services are delivered or received.

9.3 Initial Measurement

Financial assets and liabilities are measured initially at fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability and carried at amortised cost (carrying value).

9.4 Financial Assets

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

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

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

i. Measured at amortised cost

For most of the financial instruments held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to CIES is the amount receivable for the year in the loan agreement. Any profit or loss on the sale of the financial instrument is debited/credited to the Financing and Investment Income and Expenditure line in the CIES in the year of sale.

ii. Measured at fair value through Other Comprehensive Income (FVOCI)

The Council has made an irrevocable election to designate certain financial assets as FVOCI on the basis they are not held for trading but held for longer-term strategic purposes.

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

iii. **Measured at fair value through Profit and Loss (FVTPL)**

These are measured and carried at fair value (market price). At each balance sheet date, the asset's fair value is re-measured to the current fair value and any change is reported in the SDPS. On disposal any gains and losses are recognised in the Financing and Investment Income line in the CIES. The fair value measurement is based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed determinable payments – discounted cash flow analysis

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

9.5 Impairments to Financial Assets Measured at Amortised Cost

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

9.6 Expected Credit Loss Model

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

9.7 Financial Liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost (carrying value). The amount presented in the Balance Sheet is therefore the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts

estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the CIES in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write down is spread over the life of the loan by an adjustment to the effective interest rate. This is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium payable or discount receivable when it was repaid.

9.8 Disclosure of the nature and risk arising from Financial Instruments

The Council's activities expose it to a variety of financial risks, such as:

- Credit risk – the risk that other parties might fail to pay amounts due;
- Liquidity risk – insufficient funds available to meet commitments;
- Market risk – financial loss from changes in interest rates

To minimise these risks, the Council complies with the CIPFA Prudential Code, the CIPFA Treasury Management in Public Services Code of Practice and Investment Guidance issued to meet the requirements of the Local Government Act 2003.

10.0 Government Grants and Other Contributions

Government grants and other contributions are accounted for on an accrual basis in the CIES, when there is reasonable assurance that the money will be received and all conditions attached to the funding will be met. Where conditions attached to grants and contributions remain outstanding, monies received to date are carried forward in the Balance Sheet as Creditors (Receipts in Advance) until the conditions have been satisfied.

Capital grants are treated as income within the CIES, within the Taxation and Non-specific Grant Income and Expenditure Note, when the conditions regarding their use are met. A corresponding amount is transferred, as shown in the Movement in Reserves Statement, from the General Fund Balance to the Capital Adjustment Account in the Unusable Reserves Note, if the grant has been used to finance capital expenditure in the year, or to the Capital Grants Unapplied Account until it is used. Capital grants with conditions attached are held as receipts in advance in the Capital Grants Unapplied Account until such time as the conditions are met and the grant applied to finance capital expenditure. Where a capital grant has been received but the conditions regarding its use are not met, it is carried forward in the Balance Sheet (Capital Grants Received in Advance) until such time as the grant conditions are met, when it is recognised as a capital grant within the CIES.

Separate accounts are maintained for capital and revenue grants in accordance with the Code.

11.0 Interests in Companies and Other Entities

Group Accounts are referred to in IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, International Accounting Standard (IAS) 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The Council has interests in other entities that fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. Within the single entity Financial Statements and Notes there is the Council's share of Joint Operations and details of any Related Party Transactions and Involvement with Companies.

For 2024/25 an assessment of the criteria for the completion of Group Accounts has been undertaken and the conclusion reached that there was no requirement to produce such accounts. This is because the activity of both a quantitative and qualitative nature isn't expected to be material.

12.0 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken in conjunction with other joint operators involve the use of the assets and resources of those joint operators. The Council as a joint operator recognises on its Balance Sheet its share of the assets and liabilities generated by the operation, and the Cost of Services within the CIES includes its share of the expenditure incurred and of income earned from the activity.

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

13.0 Leases

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

13.1 The authority as Lessee

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounted by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

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

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years. For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

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

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

The authority as lessor

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

Operating Leases

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

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Again, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable is apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve. The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

14.0 Minimum Revenue Provision (MRP)

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement. Regulation 28 of the 2003 Regulations requires a local authority to calculate in each financial year an amount of MRP that it considers to be prudent.

15. Non-Current Assets

15.1 Property, Plant and Equipment

These are tangible assets that have physical substance and are held for use in the provision of services, for rental to others or for administrative purposes, and which are expected to be used for more than one year. Property, Plant and Equipment (PPE) includes expenditure on such things as the acquisition of land and buildings, vehicles, plant and equipment and the construction and enhancement of roads, buildings and other structures. This category does not typically include Assets Held for Sale, as they would normally be expected to be sold within twelve months, properties held solely for the purpose of generating a financial return (see Investment Property note to the accounts) and those held primarily for their contribution to knowledge and culture (see Heritage Assets note to the accounts).

Following a statutory override which has been extended until 2028/29, Local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. Wirral Council has opted to apply this temporary relief, and additional information is therefore provided to explain the rationale for this decision.

15.2 Initial Recognition and Valuation

Expenditure on the acquisition, creation or enhancement of PPE is capitalised on an accrual basis if it yields benefit for more than one year, the cost is equal to or exceeds the minimum threshold for capitalisation of £10,000, and the cost can be measured reliably. Expenditure that maintains but does not enhance the benefit that an asset can provide, such as repairs and maintenance, is charged as an expense to revenue when it is incurred.

The Council does not capitalise borrowing costs against capital projects which are incurred when borrowing takes place to finance capital spending on assets under construction. Such costs are charged as an expense to revenue within the CIES under Financing and Investment Income and Expenditure.

The categories of PPE are as follows:

- Land and buildings;
- Vehicles, plant and equipment;
- Infrastructure assets – from which benefit can be obtained only from continued use, for example, highways and bridges;
- Community assets - from which the Council intends to hold in perpetuity which have no determinable finite useful life and may have restrictions on their disposal, for example, parks;
- Surplus assets – those not essential to the operation of the Council or its services;
- Assets under construction – those assets deemed as currently being built, and not available for use in providing services in the current accounting year or not in a location or condition necessary for it to be capable of operating in the manner intended by management.

15.3 Measurement

PPE is valued on the basis recommended by the Code and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS).

Assets are initially measured at the direct cost of bringing the asset into working condition for its intended use and subsequently using professionally undertaken valuations using bases recommended by RICS:

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

Infrastructure, community assets, assets under construction and vehicles, plant and equipment are then carried in the Balance Sheet at depreciated historic cost (DHC). Other categories of PPE are subsequently remeasured at existing use or fair value, as per the table below:

Asset class	Accounting Basis in CIES
Land and Buildings	Where prices for comparable properties are available in an active market, properties are valued at market value considering the existing use. Where no market exists or the property is specialised, current value is measured at depreciated replacement cost
Surplus Assets	Fair value

The Code definition of current value requires PPE that are operational are recognised in the Accounts at their service potential value and not their fair value, which means that some specialised assets with no available market will be valued at Depreciated Replacement Cost (DRC), which uses a Modern Equivalent Asset methodology to estimate the value of an asset based on the cost of replacing it with a new asset that can deliver the same services.

Assets 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. Assets are revalued in accordance with the methodologies and requirements of the Royal Institute of Professional Valuers.

15.4 Revaluation

All assets held at current value are subject to revaluation (this includes Investment Property). Property assets are revalued when due under the five-year cycle (the short period as defined by the Code) or earlier where there has been a change in circumstances either for the specific asset or the wider asset group, which may have a material impact on value. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains, however if the asset had previously been impaired or suffered a revaluation decrease which was charged to the CIES then the gain is instead credited to the CIES. Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gain).
- 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 CIES.
- where valuation gains or losses are recognised in the CIES, equivalent amounts are transferred into the Capital Adjustment Account

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

15.5 Impairment

Assets are assessed at each year-end for indications of impairment and where conditions exist and possible differences are estimated to be material, the recoverable amount is estimated and, where this is less than the carrying amount, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted

for in the same way as revaluation losses. When an asset is disposed of or decommissioned, the carrying amount in the Balance Sheet (whether PPE or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES against any receipts arising from the disposal as a gain or loss. To avoid impairment becoming a charge against Council Tax the value of such impairments is reversed out within the Movement in Reserves Statement and charged to the Capital Adjustment Account.

15.6 Depreciation

Depreciation is charged to the CIES to reflect the usage of assets over their estimated useful life. It is provided for on all PPE assets with the exception of:

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

Depreciation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by a qualified valuer
- Vehicles, plant, furniture and equipment - straight line allocation over the estimated useful life of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- Infrastructure - straight-line allocation over the estimated useful life of the asset

The Code requires that each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. Where assets are material, with individual component valuations comprising significant proportions of the total cost of the asset (greater than 10% of the asset value) but with markedly different useful lives, the components are depreciated separately. Only material assets with a value equal to or in excess of £2m are componentised. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation 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.

Within the Council's asset portfolio there are asset classes where componentisation will not be considered for the following reasons:

- Equipment – considered immaterial;
- Asset classes which are not depreciated – such as land, investment property, heritage assets, community assets, surplus assets and assets held for sale

The remaining assets, which are contained within the operational portfolio, are often of a specialised nature such as schools and leisure centres. The Council's valuers are asked to provide component information for each asset which is reviewed to assess if inclusion of different components will have a material impact.

Charges commence when the asset becomes available for use and cease on derecognition.

15.7 Derecognition of Assets

Any disposal receipts equal to and above £10,000 are categorised as capital receipts on an accruals basis and are credited to the Capital Receipts Reserve. A proportion of receipts relating to housing disposals are paid over to Central Government as a 'housing pooled capital receipt'. This is charged to Net Operating Cost within the CIES, and the same amount is appropriated from the useable Capital Receipts Reserve and credited to the Movement in Reserves Statement.

The written off value of disposals is not a charge against Council Tax but is subject to separate arrangements for capital financing. Amounts reflected in the CIES are appropriated to the Capital Adjustment Account via the Movement in Reserves Statement.

An asset is derecognised by disposal when no future economic benefit or service potential is expected from its use. When an asset is disposed of or decommissioned, the carrying amount of the asset is de-recognised in the Balance Sheet. This amount, net of any receipts from disposal, are accounted for as a gain or loss on disposal and taken to the Other Operating Expenditure line in the CIES. Any revaluation gains previously accounted for in the Revaluation Reserve are transferred to the Capital Adjustment Account. Receipts from disposals are credited to Other Operating Expenditure within the CIES as part of the gain or loss on disposal (i.e. offset against the carrying value at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

15.8 Charges to Revenue for Non-current Assets

The CIES is charged with the following amounts to record the real cost of non-current assets used in the provision of services during the year:

- Depreciation attributable to the assets used by the relevant service
- Impairment/revaluation losses on assets used by the service
- Amortisation of intangible assets attributable to the service
- Profit and loss on disposal of assets

The financing of capital expenditure from revenue is disclosed separately as an appropriation in the Movement in Reserves Statement.

15.9 Heritage Assets

These assets have historic, artistic, scientific, geophysical or environmental qualities and are held principally for their contribution to art and culture. Their value at the time of recognition is, wherever possible, at either valuation or cost. If this has not been possible, particularly in respect of the art collection assets and civic regalia, where the distinctive and rare nature of these assets can make valuations complicated (and in some cases unobtainable), the assets are not included as a value on the Balance Sheet but are detailed in notes to the Statement of Accounts. Such assets are deemed to have infinite lives and are not subject to depreciation, but the carrying amounts are reviewed where there is evidence of impairment such as physical damage. Any impairment is recognised and measured in accordance with the Council's general accounting policy on impairment.

15.10 Investment Properties

Investment properties are held exclusively for revenue generation or for capital gain and not used directly to deliver services. Such assets are measured initially at cost and subsequently at fair value and are not depreciated but are revalued annually according to market conditions at the reporting date.

Net rental income together with any revaluation gains and losses or impairments are recognised in the Financing and Investment Income and Expenditure line within the CIES. However, regulations do not permit unrealised gains and losses to impact the General Fund balance. Therefore, gains and losses are reversed via the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for sale proceeds equal to and above £10,000) to the Capital Receipts Reserve.

15.11 Intangible Assets

Intangible assets do not have physical substance but are identifiable and are controlled through custody or legal rights. Purchased intangibles, such as software licences, are capitalised at cost, whilst internally developed intangibles are only capitalised where there is a readily ascertainable market value for them.

These assets are capitalised on the Balance Sheet where they are separately identifiable and controlled and are expected to bring benefits for more than one financial year. Intangible assets are only capitalised if their value equals or exceeds the capital threshold of £10,000. Intangible assets are reviewed for impairment at the end of the first full financial year following operation.

16.0 Overheads and Support Service Costs

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

- Corporate and Democratic
- Trading Accounts

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

17.0 Prior Year Adjustments and Changes in Accounting Policies

Prior year adjustments may arise because of changes in accounting policies and are 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. Material adjustments from changes in accounting policies or the correction of fundamental errors are accounted for by restating the comparative figures for the preceding period in the Statement of Accounts and supporting notes.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more clear and reliable information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior year as if the new policy had always been applied.

For 2024/25, the Council has adopted new accounting policies for

- Capitalisation direction (see section 4.0) following a request by the Council to Central Government for exceptional financial support.
- Leases and PFI schemes (see section 13.0 and 18.0) following the implementation of IFRS 16 into local authority accounting requirements.

These changes have not resulted in prior year adjustments as either the policy is in place from 2024/25, or legislation allows for grandfathering approach to be applied to 2024/25.

18.0 Private Finance Initiative (PFI) and Service Concession Arrangements

PFI and similar contracts are agreements to receive services, where the responsibility for making available the PPE needed to provide the services passes to the PFI contractor. As the authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the PPE 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 its Balance Sheet as part of PPE except in relation to schools which have transferred to Academy status.

The original recognition of these assets at fair value (based on the cost to purchase the PPE) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. For Council Schemes the liability is written down by an initial capital contribution. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as PPE 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 – charged to the relevant service in the Comprehensive Income and Expenditure Statement
- Finance Cost – an interest charge on the outstanding Balance Sheet liability, charged to the Financing and Investment Income and Expenditure line in the CIES
- 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 amount payable is posted to the Balance Sheet as a prepayment and then recognised as additions to PPE when the relevant works are eventually carried out

The cost of the PFI is partly funded from Government grant. This grant is treated as non-specific and credited to the Taxation and Non-Specific Grant Income line in the CIES.

19.0 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised where there is a present legal or constructive obligation arising from past event(s) which has placed the Council in a position where it has an obligation

that is likely to lead to it incurring a cost. The precise timing and value of the cost may be unknown but can be reliably estimated. Provisions are charged as an expense to the appropriate service line in the CIES in the year the Council becomes aware of the obligation, based on a best estimate of the likely settlement.

Where some or all of the payment required to settle a provision is expected to be recovered from a third party, this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation. When payments for expenditure are incurred to which the provision relates, they are charged directly to the provision.

Provision estimates are reviewed at the Balance Sheet date and adjusted as necessary to reflect the current best estimate in the CIES. When payments relating to the provision are made, they are charged to the provision created in the Balance Sheet.

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet and are disclosed in the notes to the accounts. The notes set out the scale of the potential costs and the likelihood of them being realised.

20.0 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement.

Where expenditure has been incurred which is to be financed from an earmarked reserve, the expenditure is charged to the relevant service within the SDPS line within the CIES. An amount is then transferred from the earmarked reserve to the General Fund Balance via an entry in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Reserves are categorised as either “useable” or “unusable”. Useable reserves are those which may be used to fund revenue or capital expenditure. Unusable reserves are kept for managing the accounting treatment of non-current assets, financial instruments, retirement and employee benefits, and do not represent useable resources.

21.0 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

REFCUS is expenditure of a capital nature that does not result in the creation of a non-current asset on the Balance Sheet, but which have been charged to the CIES. Legislation requires defined items of revenue expenditure charged to services to be treated as capital expenditure. Such expenditure is transferred from the General Fund balance via the Movement in Reserves Statement to the Capital Adjustment Account. These items are normally written off in the year of payment. If financed from existing capital resources or

borrowing, a transfer to the Capital Adjustment Account from the Movement in Reserves Statement is used to offset the amounts charged to the CIES, so there is no impact on Council Tax.

22.0 Schools

Where the balance of control for maintained schools lies with the Council, i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended, then the income, expenditure, assets, liabilities and cash flows are recognised in the Councils main financial statements, rather than within Group Accounts. Other types of school, such as academies and free schools are outside of the Council's control and therefore not included in the Council's accounts.

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

When a maintained school converts to an Academy, the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Financing and Investment Income and Expenditure within the CIES. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written-off asset is not a charge to the General Fund, as the cost is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

23.0 Value Added Tax (VAT)

Income and Expenditure excludes any amounts relating to VAT and will be included as an expense only if it is irrecoverable from Her Majesty's Revenue and Customs.

Note 2 - Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Council to disclose information setting out the impact of accounting changes by a new accounting standard that has been issued but not yet adopted by the Code. The following standards have been issued but are yet to be adopted:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- Measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS

38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach.

The various changes above are considered relatively minor updates to the accounting standards framework as it applies to the Council, and none are assessed to have a material impact on this Statement of Accounts.

Note 3 - Critical Judgements in Applying Accounting Policies

The following significant accounting judgements have been made in applying the accounting policies. The Council has had to make certain critical judgements about complex transactions or those involving uncertainty about future events.

Funding Levels

There is a high degree of uncertainty about the future levels of funding for local government, the impact on the economy and volatile interest rates and changes to inflation. However, the Council has reviewed material estimates and taken any inflationary factors into account, and these are reflected in the Council's provisions and estimates.

Group Boundary

The Council has interests in a number of external entities either as direct owner or in partnership with other organisations. The nature of these relationships has been assessed under IFRS 11, IAS 27 and IAS 28 (Accounting for Joint Arrangements, Subsidiaries and Associates). The Council is a partner in a Limited Liability Partnership (LLP) with Muse Holdings Ltd known as Wirral Growth Company and also jointly owns a Community Interest Company called Edsential with Cheshire West and Chester Council. There is also a dormant company, Wirral Holdings Limited.

An assessment of the Council's interests has been carried out during the year in accordance with the Code of Practice to determine the Group relationships that exist. Inclusion in the Group is dependent upon the extent the Council has control over the entity as demonstrated through ownership, such as shareholding in the entity or representation on the entity's board of Directors.

For 2024/25 the Council did not have any interests it considers material in the form of both qualitative and quantitative measures and therefore the Council has only produced accounts on a single entity basis rather than group accounts. Non-consolidation of these entities is based on a number of factors including the extent of the Council's interest and power to influence and control, materiality, investment and transparency. A list of Council members with interests in related parties can be found in the Related Parties note.

Lender Option Borrower Option loans

The Council entered five Lender Option Borrower Option (LOBO) loans in 2004 and 2005 with maturity significantly in the future, with interest rates ranging from 7.75% to 8%, significantly higher than other fixed rate LOBOs entered into around the same period. Due to the age profile of these loans, and the historic transfer of the loans between the lending counterparties, evidence to confirm the reason for the higher interest rates is not

available. For accounting purposes the increased interest rates are judged to be a result of rolling in the premium from settling a previous older loan, as is the case with some other similar LOBOs, and per The Code and IFRS 9 the amortised cost of those loans is therefore higher than the principal amounts, and these accounts are therefore prepared on that basis.

Birkenhead Commercial District

In September 2023 the Council entered into a 35 year lease for 2 office buildings in the Birkenhead Commercial District, and partially occupies one of the buildings as operational office space, with the intention of leasing to a third party the second building as well as the remainder of the partially occupied one, and it was expected that tenants would be confirmed and in situ quickly. It was therefore judged that at the time of inception to recognise the fair value as being equal to the capital cost.

However, despite being actively marketed since before building completion in September 2023, securing tenants has been a challenge and the building space remained vacant at 31st March 2024. The externally obtained valuation valued the occupied floors at less than the lease cost over the length of the lease, and this is judged to be an indicator of impairment of the vacant space of Mallory and Irvine, and as such both have been impaired in the 2023/24 accounts proportionate to the occupied floors. Due to the vacant spaces requiring further capital works to bring them to a condition necessary to be capable of operating in the manner intended, they are deemed as Assets Under Construction.

Pooled Budgets

The Section 75 agreement by which Better Care Fund resources have been pooled between the Council and NHS Cheshire and Merseyside ICB and has been assessed against the appropriate Accounting Standards mainly IFRS 10 and IFRS 11. The arrangement has been assessed to be classified as a Joint Operation given the governance and control arrangements of the pool. As such each party accounts separately for its assets, liabilities, revenues and expenses relating to its involvement in the Joint Operation. The details are included in the Pooled Budgets note.

Regeneration Projects

The Council has a number of financial arrangements in place in relation to the regeneration of the borough. Although most of these have now extinguished, more detail can be found in the Financial Arrangements section of the Financial Instruments note.

Treatment of Schools

In line with the Accounting Standards and the Code of Practice on Group Accounts and consolidation all maintained schools in the Borough are considered to be entities of the Council. Rather than produce Group Accounts the income, expenditure, assets, liabilities, reserves, and cash flows of each school are recognised in the Councils single entity accounts.

The transactions relating to the income and expenditure for schools is included in the Comprehensive Income and Expenditure Statement under Children's services.

Balance sheet recognition of schools

The Council recognises the land and buildings used by schools in line with the provisions of the CIPFA Code of Practice. It states that property used by local authority-maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. IAS 16 (Property, Plant and Equipment) determines that an asset shall be recognised on the balance sheet if:

- it is possible that the future economic benefits or service potential associated with the item will flow to the authority, that is the authority does not have to own the item but have gained the rights to generate cash from the item or to use it for the provision of services.
- the cost of the item can be measured reliably, where costs are identifiable and not an integral part of some wider expenses.

In accordance with the Code of Practice the Council has completed a school-by-school assessment across the different types of schools. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets.

Five schools converted to an Academy during 2024/25 and there were three pending conversions at the reporting date.

The Council has included the following schools in its balance sheet:

	Total Schools	Council Controlled Schools (on Balance Sheet)	Outside Council Control (off Balance Sheet)
Community Schools:			
Nursery	3	3	0
Primary	35	35	0
Secondary	1	1	0
Special	11	11	0
Foundation Schools	3	3	0
Voluntary Controlle	4	0	4
Voluntary Aided	21	0	21
Academies	46	0	46
Total	124	53	71

Note 4 - Assumptions made about future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates consider historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could materially differ from the assumptions and estimates. The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows.

Material judgements may be affected by inflation, and this could relate to transactions previously not deemed material. The authority has taken this into account when considering the following:

- **Property Valuations**

Uncertainty

The Council re-values its' Investment Properties, Surplus Assets and Assets Held for Sale, together with any valuations which exceed the materiality threshold, on an annual basis. All remaining property assets are revalued on a five-year rolling cycle, with one fifth of these remaining being reviewed each year.

The Council bases its valuations on assumptions about asset conditions, useful lives, residual values and market conditions. These judgements are underpinned by the best available information and made by qualified valuation officers but are still based on estimates. It is possible that property, plant and equipment values could fluctuate within the five-year timeframe.

Effect if Results Differ from Assumptions

A 1% fluctuation in property values of £618.890m would amount to a +/- £6.2m change to the Non-Current Assets value on the Balance Sheet.

Should remaining asset lives fall by an average of 10%, then there would be a corresponding 10% increase in relevant annual depreciation charges, approx. £1.5m across operational land and building assets.

- **Pension Asset / Liability**

Uncertainty

Estimation of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Council is advised on the assumptions it makes by Mercer, a firm of professional actuaries. Assumptions are disclosed in the Defined Benefit Pension Scheme note and reflects best advice on reasonable judgements at 31 March 2025.

Effect if Results Differ from Assumptions

The Fund has significant unquoted investments within Private Equity, Infrastructure, Property and other Alternative investments. These are valued within the financial statements using valuations from the Managers of the respective assets. There are clear accounting standards for these valuations, and the Fund has procedures in place to ensure valuations applied by Managers comply with these standards and any other relevant best practice. The value of unquoted assets as at 31 March 2025 was £5,653 million (£5,754 million at 31 March 2024).

Private Equity investments are valued at fair value in accordance with International Private Equity and British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation. Infrastructure and other alternative assets are valued in accordance with Accounting Standards; however, the valuation basis includes a degree of estimation. Hedge Funds are valued at the sum of the fair values provided by the Administrators of the underlying Funds plus adjustments that the Hedge Fund Directors or Independent Administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

For 2024/25 there remains additional uncertainty regarding the valuations of illiquid assets, due to the volatility in the financial markets, impacted by world events and the time it will take to fully realise the impact on such assets. There is an increased level of risk that the estimated valuations may be misstated.

Direct property and pooled property funds use valuation techniques to determine the carrying amount. Where possible, these valuations are based on observable data, but where this is not possible, management uses the best available data. With regards to the Fund's level 3 investments, these are well diversified between sectors and also vintage year (year in which first influx of investment capital is delivered to a project or company) meaning that there will be a wide dispersion between the potential valuation effects. Some of the underlying level 3 investment assets could have seen positive uplifts to their valuations, as well as those which will have seen negative.

Public Works Loan Board (PWLB) Loans

Both the carry value and the fair value of PWLB loans are included in disclosures within the Financial Instruments notes. The fair values disclosed have been determined by discounting the contractual cash flows over the life of the loan at the market rate for local authority loans. PWLB loans are carried at amortised cost and their fair value is disclosed for information only.

Should the loan be cancelled or reissued with the PWLB at today's interest rates the value would differ to the carry value disclosed in the accounts. This would depend on prevailing interest rates at this point in time and the formula used by the PWLB to determine the early redemption 'penalty'.

If interest rates changed by +/- 10% the carrying value of PWLB loans would change by +/- £61.5m.

- **Business Rates**

Uncertainty

The Council is part of the Liverpool City Region 100% Business Rates Retention Pilot, for which in 2024/25 the Council retained 99% (£69.031m) of the business rates income it collected.

Effect if actual results differ

If Business Rates income fell by 10%, the impact on the Council would be an income loss of approximately £6.9m. High levels of inflation and increasing energy costs in recent years has increased the cost of living and this could potentially have an impact on collection rates.

- **Debt Impairment**

Uncertainty

If collection rates or recovery of debtors and loans were to deteriorate an increase in the amount of the impairment would be required.

Effect if uncollected debt changes

At 31st March 2025, the Council had debtors and specific loans (short and long term) totalling £185.0m. A review of significant balances suggested that an impairment of

expected credit losses of £44.2m was appropriate. A 10% increase in debtors could result in a £4.6m increase in the impairment of expected credit losses.

- **LOBOs**

Lender Option Borrower Option (LOBOs) are loans whereby the lender can increase the interest rate at predetermined dates within the loan agreement. The borrower can choose to accept the increased rate or repay the loan without penalty. The value of the Council's LOBOs on the balance sheet as at 31st March 2025 is £51m.

If interest rates on all LOBOs was to increase by 1% it would reduce the Fair Value by £3.5m, while a 1% decrease would increase Fair Value by £4.8m.

Note 5 - Material Items of Income and Expense

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

In February 2025 the Ministry of Housing, Communities & Local Government (MHCLG) confirmed the Deputy Prime Minister was minded to approve a capitalisation direction of a total not exceeding £27.5m - £20m for 2024/25 and £7.5m for 2025/26, subject to the Council undergoing an external assurance review which will include, but will not be limited to, an assessment of the Council's financial position and governance arrangements. To enable an outturn that balances to the budget, a total of £18.641m of Exceptional Financial Support has been applied in 2024/25.

5 schools converted to Academy status during 2024/25 with a cumulative value at the point of transfers of £11.7m (see Financing and Investment Income and Expenditure, and Property Plant and Equipment notes).

Note 6 - Events After the Balance Sheet Date

Relevant events after the balance sheet date have been considered up to the date these accounts were authorised by the Director of Finance (S151 Officer).

Events taking place after this date are not reflected in the financial statements or notes. Where events that took place before this date provide information about conditions which existed as at 31st March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

PUT/CALL Options

In accordance with a PUT/CALL option, Peel L and P (Ports No3) Ltd (Peel) exercised a put option on Wirral Borough Council requiring it to acquire the Hythe Office Development. This option was applicable as the value was below the price of £4.985m. This was exercised within the prescribed period of three years post practical completion and the purchase was completed on 30th April 2025 with capital borrowing required of £4.785m to meet the reduced purchase price following renegotiation with the seller.

In accordance with a PUT/CALL option on 25th November 2022 with Wirral Methodist Housing Assoc and ALPHA (R.S.L) Limited, the call and put has been called and the

acquisition of property on Hamilton Street was completed on 27 May 2025 at a cost of £0.8m. This has been funded from a combination of funds drawn from the approved Strategic Acquisition Fund (SAF) and the Government's Levelling Up fund which is being used to deliver the Wirral Waterfront project.

[Birkenhead Town Centre](#)

The Council entered a contract for the Birkenhead Town Centre movement scheme in March 2024. The initial funding for the scheme was £11.9m, excluding external consultant fees, internal professional fees and a contingency for the scheme, with the work initially expected to be completed in December 2025. The funding for the scheme was subsequently increased to £16.6m to address previously excluded costs. However, in May 2025 the project manager consultant's financial report for April 2025 reported a forecast total cost of £24.0m.

An independent Internal Audit review of contract governance issues in respect of the scheme was subsequently undertaken at the request of the Director of Finance, with the broad objective of understanding the key reasons why the project is forecast to significantly overspend, and why the project delivery has been delayed. A full report on the outcome of the investigation was reported to the 2 September 2025 meeting of the Audit & Risk Management Committee, with a comprehensive action plan also reported to the Committee in November 2025.

[Virgin Media Ltd v NTL case:](#)

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited (and others) relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans.

The Local Government Pension Scheme (LGPS) is a contracted-out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department (GAD) as the LGPS actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed. However, at the date of these financial statements, the full assessment is not complete. HM Treasury has also indicated it did not believe the case applied directly to public service pension schemes where changes will have been made to benefits by legislation.

On 5 June 2025, the Government announced that it was aware of the uncertainty this had created and recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. It therefore confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards and that scheme obligations would be otherwise unaffected.

On 1 September 2025, the Pensions Minister published draft amendments to the Pension Schemes Bill that would enable the retrospective validation of historical amendments to contracted-out defined benefit schemes, the proposed legislation delivers an industry-wide remedy. It is anticipated that this will result in there being no impact on the LGPS and the Fund from the appeal court's ruling. As a result, Wirral council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its

financial statements or in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

Academy Schools

Since the reporting date ten schools have converted to academy status at various dates throughout the year, including seven primary schools, one secondary school, and two special schools. While these schools form part of these accounts, they will no longer be included from 2025/25.

There have been no other significant events between the balance sheet date and reporting date.

Note 7 - Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the Council (i.e., council tax, business rates and government grants) for the year has been used in providing services, in comparison with those resources used by the Council in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's Functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

The 2023/24 Expenditure and Funding Analysis tables have been restated to correctly account for the property valuations for the Birkenhead Commercial District, the impact of Long-Term Borrowing adjustments, and to realign to the current Directorate reporting. Further details can be found in the 2023/24 Realignment note and the Prior Period Adjustments note.

2023/24 (restated)			2024/25			
Net Expenditure Chargeable to the General Fund Balance	Statutory Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund Balance	Statutory Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	
£000	£000	£000	£000	£000	£000	
130,075	73	130,148	Adults Care and Health	145,972	373	146,345
95,142	19,004	114,146	Children, Families & Education	110,039	23,012	133,051
26,679	34,424	61,103	Finance	23,508	1,525	25,033
14,990	1,501	16,491	Law & Corporate Services	16,366	360	16,726
45,946	17,302	63,248	Neighbourhood Services	47,342	21,753	69,095
14,970	12,890	27,860	Regeneration & Place	21,079	21,311	42,390
806	33,089	33,895	Strategic Holding Account and Corporate Items	(8,512)	8,817	305
(2,900)	2,900	0	Flexible Use of Capital Receipts	(2,080)	2,080	0
325,708	121,183	446,891	Net Cost of Services	353,714	79,231	432,945
(308,955)	(30,165)	(339,120)	Other Income and Expenditure	(346,784)	(15,004)	(361,788)
16,753	91,018	107,771	Surplus or Deficit on Provision of Services	6,930	64,227	71,157
(85,432)			Opening Combined General Fund Balance	(70,041)		
(1,361)			LOBOs prior year adjustment	0		
(86,793)			Revised Opening Combined General Fund Balance	(70,041)		
2			Plus / less Surplus or Deficit on the General Fund Balance for the Year (Statutory basis)	2		
16,750			Transfers to / from Earmarked Reserves	6,929		
(70,041)			Closing Combined General Fund Balance	(63,110)		

Note 7a - Note to the Expenditure and Funding Analysis

The analysis in the following tables outlines the annual expenditure allocated for decision making purposes between the Council's functions and how this compares with those resources used by the Council in accordance with generally accepted accounting practices.

2024/25										
	Net Expenditure reported for Resource Management	Movements in reserve	Items reported to members that sit below Net Cost of Services	Other adjustments reported to Management	Total Net Expenditure Chargeable to the General Fund	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Statutory Adjustments	Net Expenditure in the Compre- hensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults Care and Health	151,187	389	865	(6,470)	145,971	379	(56)	51	374	146,345
Children, Families & Education	107,268	1,364	1,407	0	110,039	6,288	(107)	16,831	23,012	133,051
Finance	21,688	968	852	0	23,508	1,572	(62)	15	1,525	25,033
Law & Corporate Services	17,155	(289)	(500)	0	16,366	386	(38)	12	360	16,726
Neighbourhood Services	44,673	(513)	3,182	0	47,342	21,808	(63)	8	21,753	69,095
Regeneration & Place	16,661	3,846	572	0	21,079	21,340	(40)	11	21,311	42,390
Strategic Holding Account and Corporate Items	1,078	1,572	(17,632)	6,470	(8,512)	10,979	(2,157)	(5)	8,817	305
Levies	42,025	0	(42,025)	0	0	0	0	0	0	0
Flexible Use of Capital Receipts	(2,080)	0	0	0	(2,080)	2,080	0	0	2,080	0
Net cost of services	399,655	7,337	(53,279)	0	353,713	64,832	(2,523)	16,923	79,232	432,945
Other Income & Expenditure	(399,653)	(408)	53,279	0	(346,782)	(15,434)	(1,244)	(1,353)	(15,006)	(361,788)
Surplus (Transfer to General Fund)	(2)	2	0	0	0	0	0	0	0	0
Total	0	6,931	0	0	6,931	49,398	(3,767)	15,570	64,226	71,157

2023/24 (restated)

	Net Expenditure reported for Resource Management	Movements in reserve	Items reported to members that sit below Net Cost of Services	Other adjustments reported to Management	Total Net Expenditure Chargeable to the General Fund	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Statutory Adjustments	Net Expenditure in the Compre- hensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults Care and Health	132,450	942	3,159	(6,476)	130,075	409	(381)	45	73	130,148
Children, Families & Education	90,281	5,769	(909)	0	95,141	12,776	(2,171)	8,400	19,005	114,146
Finance	19,748	525	1,977	4,430	26,680	34,492	(58)	(11)	34,423	61,103
Law & Corporate Services	14,809	150	31	0	14,990	1,646	(125)	(20)	1,501	16,491
Neighbourhood Services	46,034	166	(254)	0	45,946	18,010	(743)	35	17,302	63,248
Regeneration & Place	14,738	(2,987)	3,219	0	14,970	13,142	(272)	20	12,890	27,860
Strategic Holding Account and Corporate Items	12,279	5,511	(19,030)	2,046	806	36,326	(2,737)	(500)	33,089	33,895
Levies	41,161	0	(41,161)	0	0	0	0	0	0	0
Flexible Use of Capital Receipts	(2,900)	0	0	0	(2,900)	2,900	0	0	2,900	0
Net cost of services	368,600	10,076	(52,968)	(0)	325,708	119,701	(6,487)	7,969	121,183	446,891
Other Income & Expenditure	(368,598)	6,674	52,968	0	(308,956)	(22,656)	1,266	(8,776)	(30,166)	(339,122)
Surplus (Transfer to General Fund)	(2)	2	0	0	0	0	0	0	0	0
Total	0	16,752	0	(0)	16,752	97,045	(5,221)	(807)	91,017	107,769

Adjustments to the General Fund

Net Expenditure reported for Resource Management Adjustments needed to arrive at the net expenditure chargeable to the General Fund:

- Movements in reserve – removal of contributions (to)/ from general fund earmarked revenue reserves.
- Items reported to members that sit below Net Cost of Services – removal of activity reported in the CIES in other income and expenditure including interest payable, investment income and specific non-ring-fenced grants.
- Other adjustments reported to Management – removal of internal re-alignments between Council functions.

Adjustments needed to arrive at the net expenditure reported in the CIES (Statutory Adjustments):

- Net Capital Adjustments – addition of capital related income and expenditure including depreciation, impairment and revaluation gains and losses and capital grant income.
- Net Pensions Adjustments – impact of applying IAS 19 accounting requirements including the replacement of employer pension contributions made by the authority with current service costs/past service costs and the addition of net interest on the defined benefit liability.
- Other Adjustments – impact of all other statutory adjustments including the impact of investment premiums/discounts, movements in the accumulated absences account and the timing differences in relation to recognition of business rates and council tax income.

Net Expenditure in the Comprehensive Income and Expenditure Statement

Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations

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

2023/24 has been restated to correctly account for the impact on statutory adjustments of the property valuations for the Birkenhead Commercial District, and the impact of Long-Term Borrowing adjustments. Further details can be found in the Prior Period Adjustments note.

2024/25	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Pension cost (transferred to (or from) the Pensions Reserve)	569	0	0	(569)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	270	0	0	(270)
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	1,158	0	0	(1,158)
Holiday pay (transferred to the Accumulated Absences reserve)	81	0	0	(81)
In-year Dedicated Schools Grant (DSG) deficit (transferred to DSG Adjustment Account)	(17,003)	0	0	17,003
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)	(80,333)	(70)	0	80,403
Total Adjustments to Revenue Resources	(95,258)	(70)	0	95,328
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,849	(1,849)	0	0
Repayment of MRDF debt	0	(4,469)	0	4,469
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	15,648	0	0	(15,648)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	304	0	0	(304)
Total Adjustments between Revenue and Capital Resources	17,801	(6,318)	0	(11,483)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	3,531	0	(3,531)
Write off MRDF receipt to LT debtors	0	4,469	0	(4,469)
Application of capital grants to finance capital expenditure	13,230	0	14,533	(27,763)
Cash payments in relation to deferred capital receipts	0	(5)	0	5
Total Adjustments to Capital Resources	13,230	7,995	14,533	(35,758)
Total Adjustments	(64,227)	1,607	14,533	48,087

2023/24 (Restated)	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Pension cost (transferred to (or from) the Pensions Reserve)	5,222	0	0	(5,222)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	753	0	0	(753)
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	8,519	0	0	(8,519)
Holiday pay (transferred to the Accumulated Absences reserve)	(240)	0	0	240
In-year Dedicated Schools Grant (DSG) deficit (transferred to DSG Adjustment Account)	(8,226)	0	0	8,226
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)	(152,594)	(110)	0	152,704
Total Adjustments to Revenue Resources	(146,566)	(110)	0	146,676
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	6,409	(6,409)	0	0
Repayment of MRDF debt	0	(4,469)	0	4,469
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	10,187	0	0	(10,187)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(1,243)	0	0	1,243
Total Adjustments between Revenue and Capital Resources	15,353	(10,878)	0	(4,475)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	5,400	0	(5,400)
Write off MRDF receipt to LT debtors	0	4,469	0	(4,469)
Application of capital grants to finance capital expenditure	40,195	0	(17,018)	(23,177)
Cash payments in relation to deferred capital receipts	0	(5)	0	5
Total Adjustments to Capital Resources	40,195	9,864	(17,018)	(33,041)
Total Adjustments	(91,018)	(1,124)	(17,018)	109,160

Note 9 - Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund in Earmarked Reserves to provide financing for future expenditure plans. It covers in year activity for 2023/24 and 2024/25, and includes amounts transferred out from Earmarked Reserves to meet expenditure in the year from previous years and transfers in to meet future costs.

	Balance at 1 April 2023	Transfers in 2023/24	Transfers out 2023/24	Balance at 31 March 2024	Transfers in 2024/25	Transfers out 2024/25	Balance at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000
School Reserves							
School Balances	(13,517)	(352)	3,378	(10,491)	(396)	2,907	(7,980)
School Improvement	(856)	0	61	(795)	0	180	(615)
Schools Capital Schemes	(686)	(170)	230	(626)	0	120	(506)
Schools Causing Concern	(500)	0	206	(294)	0	280	(14)
Total Schools Reserves	(15,559)	(522)	3,875	(12,206)	(396)	3,487	(9,115)
Covid-19 Reserves	(7,098)	0	7,078	(20)	0	20	0
Ringfenced Reserves							
Insurance Fund	(9,002)	0	1,000	(8,002)	0	1,326	(6,676)
Public Health Outcomes	(6,912)	(40)	325	(6,627)	0	231	(6,396)
Resettlement Programme Grant	(1,786)	(3,545)	0	(5,331)	0	320	(5,011)
Selective Licensing	(1,433)	(8)	81	(1,360)	0	75	(1,285)
Domestic Abuse Bill Grant	(602)	(69)	0	(671)	(18)	0	(689)
Other ringfenced reserves	(3,386)	(388)	2,108	(1,666)	(278)	1,269	(675)
Total Ringfenced Reserves	(23,121)	(4,050)	3,514	(23,657)	(296)	3,221	(20,732)
Other Reserves							
Wirral Growth Company surplus	(8,455)	(3,071)	2,373	(9,153)	0	2,709	(6,444)
Termination Payments	(1,560)	(3,051)	941	(3,670)	(1,888)	154	(5,404)
Family First Pathfinder	0	0	0	0	(1,852)	0	(1,852)
Freeport Reserve	(3)	(308)	0	(311)	(500)	142	(669)
Delivering better value in SEND	0	0	0	0	(537)	0	(537)
Market Rental Risk	0	(500)	0	(500)	0	0	(500)
Financial Instrument Equalisation	(484)	0	0	(484)	0	0	(484)
Treasury Management Equalisation	(360)	0	0	(360)	0	0	(360)
Electoral Reserve	(150)	0	100	(50)	(243)	0	(293)
Regeneration & Inward Investment	(1,385)	0	650	(735)	(76)	547	(264)
Asset Consolidation	(338)	0	0	(338)	0	80	(258)
Other reserves	(13,744)	(297)	10,018	(4,023)	(852)	3,210	(1,665)
Total Other Reserves	(26,479)	(7,227)	14,082	(19,624)	(5,948)	6,842	(18,730)
Total Earmarked Reserves	(72,257)	(11,799)	28,549	(55,507)	(6,640)	13,570	(48,577)

School Balances

These are earmarked for use purely by the schools. The balance consists of 60 maintained schools with a combined surplus balance of £13.31m, partially offset by 18 maintained schools with a combined deficit balance of £5.33m.

School Improvement

The local authority is embedding the school improvement strategy to support higher standards of education. This reserve is held to support the school improvement programme to raise aspirations and improve outcomes for all children in Wirral. It is aligned to the Council Plan for 2023 to 2027 and the priority to secure brighter futures for all regardless of their background.

Schools Capital Schemes

These reserves hold small amounts of money that schools have set aside from their revenue balances to fund specific capital schemes, including creating new classrooms.

Insurance Fund

This is required to cover possible liability insurance claims. The overall estimate of the amount required to cover these is based on an actuarial investigation which seeks to estimate the ultimate claims arising in respect of each risk period, adjusted to allow for any subsequent deterioration in the Council's claims experience. The basis for calculation of the provision is claims not yet reported but anticipated. In some circumstances the Council may be notified of a claim many years after an event has occurred, hence the insurance reserve is required to factor in the likelihood and size of such claims.

Public Health Outcomes

This reserve was set up to meet future commitments in relation to Public Health in accordance with the terms of the Public Health Grant provided by the Department of Health.

Resettlement Programme Grant

The Council receives front loaded funding for the resettlement of refugees as part of the local authority pledge for the UKVS Resettlement programme. This grant award is front loaded in earlier years but is for the 5-year period following arrival to provide continued support and the resettlement service. Payments are staggered for each intake arrival and money is passported across to other services over the 5-year period as required including schools funding, school uniforms and pays for the in-house staff costs for the management and support service provided.

Selective Licencing

This reserve holds income ringfenced by statute under the Housing Act 2004 that is raised from the two selective licensing schemes to enable the Council to continue operation of the schemes for a 5-year period to 31 March 2024 and 30 September 2025 respectively.

Domestic Abuse Bill Grant

The Domestic Abuse (DA) ringfenced grant is held in reserve to be allocated to respond to the new DA bill requirements and is to be spent on these projects which have been commissioned or agreed with housing and children's services.

Wirral Growth Company surplus

This reserve holds profits from Wirral Growth Company LLP, which are ringfenced to support regeneration activity and capital expenditure approved by the S151 Officer, including the initial 2-year costs of the Birkenhead Commercial District and future regeneration activities.

Termination Payments

This reserve will be used to fund severance payments to employees who leave in 2025/26 via an Early Voluntary Retirement or Voluntary Severance agreement.

Family First Pathfinder

Wirral is in wave 2 of a pilot scheme funded by Department of Education to test the impact of providing flexible funding for extended family networks through family network support packages. The aim is to keep families together and children out of care where appropriate. This started part way through 2024/25 and will continue into 2025/26.

Freeport Reserve

As part of the Freeport Zone arrangements any business rates growth over the baseline is retained by the billing authority (Wirral) to be reinvested back into the Freeport Zone to further regenerate the area.

Delivering better value in SEND

Delivering Better Value in SEND activities are funded by grant from the Department of Education (DfE). Following a delay in starting the activities, DfE agreed to continue the programme into 2025/26

Market Rental Risk

This reserve be used to mitigate any rental losses from future regeneration initiatives.

Note 10 - Other Operating Expenditure

Other Operating Expenditure disclosed in the Comprehensive Income and Expenditure Statement is detailed below.

2023/24	2024/25
£000	£000
41,222 Levies	42,121
3,914 (Gains)/losses on the Disposal of Non-Current Assets	4,929
772 Other	820
45,908 Total Other Operating Expenditure	47,870

Note 11 - Financing and Investment Income and Expenditure

Financing and Investment Income and Expenditure disclosed in the Comprehensive Income and Expenditure Statement is detailed below. 2023/24 has been restated to include the impact of Long-Term Borrowing adjustments. See Prior Period Adjustment Note for details.

2023/24 (restated)	2024/25
£000	£000
19,218 Interest payable and similar charges	21,492
494 Net interest on the net defined benefit liability (asset)	1,134
(2,172) Interest receivable and similar income	(2,504)
1,979 Changes in fair value and (profit) or loss on the disposal of investment properties	(266)
(602) Income and expenditure in relation to investment properties	(736)
39,917 Loss on disposal of interest in Academy Schools	11,665
(3,071) Surplus on Joint Ventures	0
(2,638) Other investment income and expenditure	(2,051)
53,125 Total	28,734

Note 12 - Taxation and Non-Specific Grant Income

The Council receives funding which does not relate to specific services, and this is recognised in the Comprehensive Income and Expenditure Statement and is summarised in the following table.

2023/24	2024/25
£000	£000
(175,271) Council tax income	(182,460)
(123,237) Non-domestic rates income and expenditure	(128,768)
(83,208) Non-ringfenced government grants	(94,949)
(56,481) Capital grants and contributions	(32,100)
44 Other tax or non-specific grant income / expenditure	(115)
(438,153) Total	(438,392)

Note 13 - Expenditure and Income Analysed by Nature

The 2023/24 Expenditure and Income Analysed by Nature has been restated to correctly account for the property valuations for the Birkenhead Commercial District and the impact of Long-Term Borrowing adjustments. Further details can be found in the Prior Period Adjustments note.

2023/24		2024/25
(Restated)		
£000	19218	£000
(134,396) Fees, charges and other service income		(146,687)
(3,071) Surplus on Joint Ventures		0
(2,172) Interest and investment income		(2,504)
(298,508) Income from local taxation		(311,228)
(526,584) Government grants and contributions		(534,908)
(602) Other income		(736)
312,427 Employee benefits expenses		344,851
586,628 Other service expenses		605,112
66,532 Depreciation, amortisation and impairment		35,362
19,712 Interest payments		22,626
41,222 Precepts and levies		42,121
45,810 Gain or loss on disposal of non-current assets		16,328
772 Other expenditure		820
107,770 (Surplus) or Deficit for Year		71,157

Note 14 - Property, Plant and Equipment

The following table shows a summary of the movement on balances related to Property, Plant and Equipment assets during 2024/25. The equivalent table for 2023/24 has been provided for comparative purposes.

Due to the adoption of accounting standard IFRS 16 on leases (see Leases note for further details) additional categories have been included to separately present valuation and depreciation movement for Right of Use Assets.

2023/24 has been restated to correctly and more accurately account for the property valuations for the Birkenhead Commercial District. Further details can be found in the Prior Period Adjustments note.

Movements to 31 March 2025

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Leased / Right of Use Land & Building	Leased / Right of Use Vehicles, Plant & Equipment	Leased / Right of Use Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2024	562,256	45,264	30,686	7,010	40,854	6,140	0	43,883	736,093
IFRS 16 lease remeasurement	8,853	0	0	0	0	1,098	0	1,349	11,300
IFRS16 lease transition	0	0	0	0	0	49,071	1,058	0	50,129
Revised Cost or Valuation at 1 April 2024	571,109	45,264	30,686	7,010	40,854	56,309	1,058	45,232	797,522
<i>Adjustments to cost/value & depreciation/impairment</i>									
Additions	11,561	3,755	1,084	435	16,645	0	0	0	33,480
Revaluation increases/(decreases) recognised in the Revaluation Reserve	21,154	0	0	87	0	0	0	0	21,241
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(6,673)	0	0	(423)	0	(15,497)	0	0	(22,593)
Derecognition – disposals	(11,826)	0	0	(186)	(1,604)	0	0	0	(13,616)
Reclassifications and transfer	(1,064)	0	5	1,290	(6)	0	0	0	225
Assets reclassified (to)/from Held for Sale	(2,576)	0	0	(2,080)	0	0	0	0	(4,656)
Cost or Valuation at 31 March 2025	581,685	49,019	31,775	6,133	55,889	40,812	1,058	45,232	811,603
Accumulated Depreciation and Impairment at 1 April 2024	(1,666)	(33,767)	0	0	0	0	0	(36,326)	(71,759)
<i>Adjustments to cost/value & depreciation/impairment</i>									
Depreciation charge	(14,934)	(2,913)	0	0	0	(1,338)	(182)	0	(19,367)
Depreciation written out to the Revaluation Reserve	14,439	0	0	0	0	0	0	0	14,439
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,100	0	0	0	0	1,168	0	0	2,268
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0
Derecognition – disposals	160	0	0	0	0	0	0	0	160
Reclassifications and transfer	39	0	0	0	0	0	0	0	39
Accumulated Depreciation & Impairment at 31 March 2025	(862)	(36,680)	0	0	0	(170)	(182)	(36,326)	(74,220)
Net Book Value at 31 March 2025	580,823	12,339	31,775	6,133	55,889	40,642	876	8,906	737,383
at 31 March 2024	560,590	11,497	30,686	7,010	40,854	6,140	0	7,557	664,334
Infrastructure Assets									
Net book value at 1 Apr 2024									135,090
Additions									21,849
Derecognition - other									(5,450)
Depreciation charge									(15,681)
Infrastructure Assets net book value at 31 March 2025									135,808
Property Plant and Equipment net book value at 31 March 2025									873,191

Movements to 31 March 2024

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Land & Building (leased) (restated)	Vehicles, Plant, Furniture & Equipment (leased) (restated)	Assets Under Construction (leased) (restated)	Total Property, Plant and Equipment (restated)
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2023	545,065	40,622	30,009	12,770	32,447	0	0	0	660,913
<i>Adjustments to cost/value & depreciation/impairment</i>									
Additions	28,421	4,642	832	0	14,675	32,788	0	43,883	125,241
Revaluation increases/(decreases) recognised in the Revaluation Reserve	47,996	0	166	1,038	0	0	0	0	49,200
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(12,563)	0	(155)	0	0	(26,648)	0	0	(39,366)
Derecognition – disposals	(42,421)	0	(166)	(908)	0	0	0	0	(43,495)
Reclassifications and transfer	(4,242)	0	0	2,110	(6,268)	0	0	0	(8,400)
Assets reclassified (to)/from Held for Sale	0	0	0	(8,000)	0	0	0	0	(8,000)
Cost or Valuation at 31 March 2024	562,256	45,264	30,686	7,010	40,854	6,140	0	43,883	736,093
Accumulated Depreciation and Impairment at 1 April 2023	(1,732)	(31,180)	0	0	0	0	0	0	(32,912)
<i>Adjustments to cost/value & depreciation/impairment</i>									
Depreciation charge	(14,798)	(2,587)	0	0	0	(10)	0	0	(17,395)
Depreciation written out to the Revaluation Reserve	13,114	0	0	0	0	0	0	0	13,114
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,554	0	0	0	0	10	0	0	1,564
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	(36,326)	(36,326)
Derecognition – disposals	196	0	0	0	0	0	0	0	196
Accumulated Depreciation & Impairment at 31 March 2024	(1,666)	(33,767)	0	0	0	0	0	(36,326)	(71,759)
Net Book Value									
at 31 March 2024	560,590	11,497	30,686	7,010	40,854	6,140	0	7,557	664,334
at 31 March 2023	543,333	9,442	30,009	12,770	32,447	0	0	0	628,001
Infrastructure Assets									
Net book value at 1 Apr 2023									136,043
Additions									14,917
Derecognition - other									(3,358)
Depreciation charge									(12,512)
Infrastructure Assets net book value at 31 March 2024									135,090
Property Plant and Equipment net book value at 31 March 2024									799,424

During 2024/25, five schools have transferred out of Local Authority control to an Academy. Their combined value at the point of transfer was £11.6m.

As at 31st March 2025, capital commitments outstanding for the acquisition of items of Property, Plant and Equipment and Intangibles totalled £14.1m (£2.6m in 2024/25).

Capital expenditure totalling £54.9m was incurred on fixed assets, including intangible assets during the year and was funded as follows:

	Funding Sources				
	Borrowing	Grant /	Capital	Reserves /	
	£000	Contributions	Receipts	Revenue	Total
		£000	£000	£000	£000
Additions					
Land & Buildings	3,533	7,636	392	0	11,561
VPE	2,158	538	1,059	0	3,755
Infrastructure	154	21,602	0	93	21,849
Community	626	458	0	0	1,084
Surplus	152	283	0	0	435
AUC	2,891	13,592	0	162	16,645
Intangibles	12	0	0	0	12
Total	9,526	44,109	1,451	255	55,341

Assets Held for Sale

As at 31st March 2025 the following balances were classified as an asset held for sale and actively marketed.

	2023/24	2024/25
	£000	£000
Balance outstanding at 1 April	1,800	8,000
Assets newly classified as held for sale:		
Property, Plant & Equipment	8,000	4,617
Assets sold	(1,800)	0
Balance outstanding at 31 March	8,000	12,617

Infrastructure Assets

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

This does not impact the financial statements as the Net Book Value of infrastructure assets remains unchanged, and information on gross cost and accumulated depreciation is maintained as memorandum information in the Local Authority's permanent records.

Revaluations

The Code requires the Council to revalue its assets sufficiently regularly to ensure that their carrying value does not differ materially from current value at the year end.

In 2024/25, the Council based its revaluations on 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. However, they must be revalued more regularly where a five-yearly valuation is insufficient to keep pace with material changes in fair value. To achieve

this, several significant high value assets, for example leisure centres and schools, have been revalued irrespective of when the last valuation was undertaken.

The effective date of the valuation exercise for 2024/25 was 31st March 2025.

Material Right of Use assets, including the occupied elements of the Birkenhead Commercial District buildings and Millers Quay, have also been revalued during the year due to the potential material impact on the accounts. The effective date for these valuations was also 31st March 2025.

The useful lives of Right of Use assets has been aligned to the length of the lease liability, with the exception of the Birkenhead Commercial District assets, which have been determined as 50 years from the lease commencement in line with the Minimum Revenue Provision period for those assets.

The following useful lives and depreciation rates have been used in the calculation of depreciation:

Class of Asset	Useful Life (Years)
Land	Indeterminable
Buildings	1-80
Vehicles, plant, furniture and equipment	1-40
Infrastructure	10-120
Surplus assets	3 to 24, or indeterminable

Current Value measured against Historic Cost

All valuations were carried out internally, apart from the new Business Commercial District buildings, Millers Quay and Pyramids & Grange Shopping Centre. An external valuer was engaged for these assets due to the complex nature of the properties.

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.

	Other Land and Buildings	Surplus Assets	Total
	£000	£000	£000
Carried at historical cost	181,946	2,445	184,391
Valued at current value as at:			
31/03/2025	564,190	6,133	570,323
31/03/2024	1,185	0	1,185
31/03/2023	11,221	0	11,221
31/03/2022	1,229	0	1,229
31/03/2021	3,860	0	3,860
Total Cost or Valuation	581,685	6,133	587,818

Note 15 - Heritage Assets

A reconciliation of the carrying value of Heritage Assets held follows below:

2024/25	Decorative Arts	Buildings	Civic Regalia	Transport	Fine Art	Total
	£000	£000	£000	£000	£000	£000
Opening Balance	4,597	260	371	0	12,270	17,498
Disposals	0	0	(34)	0	0	(34)
Revaluations	852	45	562	0	187	1,646
Closing Balance	5,449	305	899	0	12,457	19,110

2023/24	Decorative Arts	Buildings	Civic Regalia	Transport	Fine Art	Total
	£000	£000	£000	£000	£000	£000
Opening Balance	4,538	757	454	1,088	12,226	19,063
Disposals	0	(497)	(98)	(1,088)	0	(1,683)
Revaluations	59	0	15	0	44	118
Closing Balance	4,597	260	371	0	12,270	17,498

Decorative Art

These collections include items such as British ceramics, drawings and photographs. The collections also include coins and medals, textiles, archaeological artifacts, sculptures, glass, metalwork, jewellery, furniture, and maritime models and Oriental collections.

Buildings

There is one historic building held at fair value based on historic cost. This is Bidston Hill Windmill, which was operational until 1875. Valuation was last undertaken between January 2008 and March 2018. Due to the specialist nature of these assets, a valuation has not been undertaken during the year.

Civic Regalia

The collection includes several items connected with civic functions undertaken as part of the mayoral role, such as mayoral badges, chains and maces. The oldest item dates back to 1893. The collection also includes memorabilia commemorating events and associations of local interest. Valuations were undertaken in 2024/25. Valuations are based on contemporary market and documentary research.

Fine Art and Other Collections

These include British watercolours and drawings of the 18th and 19th century, by artists including the Liverpool School artist, Philip Wilson Steer and other leading local artists, within a collection of over 6,000 separate pieces. Values of the highest twenty-five pieces range between £0.060m to £0.720m. Valuations are based on a revaluation carried out in 2024/25 largely and are based on contemporary market and documentary research.

Acquisition policy

Acquisitions will meet the requirements of the Accreditation Standard. It will consider limitations on collections imposed by such factors as staffing, storage and care of collection arrangements. The expansion of collections is achieved by donation, bequest and purchase using grant aid.

Disposal procedure

A decision will be taken after full consideration of the reasons for disposal. This includes curatorial and financial reasons as well as the public benefit, the implication for the Museum's collections and collections held by museums and other organisations collecting the same material. External expert advice will be obtained and the views of stakeholders such as donors, researchers, local and source communities served by the Museum will also be sought.

Conservation and storage

Access to professional conservation advice is by liaison with the National Museums Liverpool and freelance conservators. Environmental monitoring and control are maintained in display and storage areas. Improvements to the heating and humidifier equipment is undertaken as necessary based on curatorial staff and conservation advice. A programme of lighting, monitoring and control consistent with the preservation and maintenance of collections is maintained. Materials used will be consistent with good conservation practice. A record of all conservation work undertaken will be maintained.

Overall approach to valuation and accounting for Heritage Assets

The Code requires the Council to carry heritage assets at valuation rather than current or fair value, reflecting the fact that sales and exchanges of such assets are uncommon. Valuations may be made by any method that is appropriate and relevant. There is no requirement for valuations to be carried out or verified by external valuers, nor is there any prescribed minimum period between valuations. In some cases, it may not be practicable to establish a valuation for a heritage asset, in which case the asset is carried at historical cost if this information is available. Where heritage assets are measured at valuation, the carrying amount shall be reviewed with sufficient frequency to ensure the valuations remain current.

The latest valuation was undertaken during 2024/25, although as noted above, not all assets were valued. The present Collection Management Plan suggests valuations to be reconsidered every ten years, but consideration may be given to individual items in the interim.

Acquisitions are initially recognised at cost (where that cost is greater than £10,000) and donations are recognised at valuation. Heritage assets are not depreciated as the Council considers they have indefinite lives.

Heritage Assets: Valuation Approach

Valuations have been commissioned externally via valuers with the requisite expertise in this particular field. The 2012 valuations had been undertaken by St George Valuations (London) and the 2020/21 valuations by Art & Antiques Appraisals Ltd. The latter were supervised a former Senior Valuer at Bonhams, supported by colleagues from Art & Antiques Appraisals Ltd.

Heritage Assets not reported in the Balance Sheet

Sites of Special Scientific Interest (SSIs) or Biological Importance (SBIs)

There are 12 SSIs based on nature conservation legislation and 27 Council owned SBIs (non-statutory sites). A number of these form part of an overall Community Asset but because of their specific nature any attempt to separately identify specific costs associated with the SSI or SBI would produce unreliable information, therefore they are not separately identified under the category of heritage assets.

War memorials and other monuments

There are 146 such assets that the Council owns ranging from those commemorating historic events to historic personages. Because of the lack of comparable market values, the Council considers that the cost of obtaining external valuations outweighs the benefit to the reader of the accounts in obtaining such information. Consequently, these assets are not included in the Balance Sheet.

Archaeological sites

In the case of the two sites that are considered of archaeological interest the Council does not consider that reliable cost or valuation information can be obtained because of the diverse nature of the assets and the lack of comparable market values. Consequently, any such assets are not included in the Balance Sheet.

Note 16 - Investment Properties

Investment properties are held by the Council for the purposes of income generation or capital gain.

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

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

31st March 2024	31st March 2025
£000 Investment Property Income and Expenditure	£000
(1,202) Rental income from investment property	(4,879)
600 Direct operating expenses from investment property	4,143
(602) Net (gain)/loss	(736)

The table below summarises the movements in the value of investment properties during the year:

31st March 2024	31st March 2025
£000 Investment Properties Movements in Year	£000
19,558 Opening Balance	25,979
(1,979) Net gains/losses from fair value adjustments	266
Transfers:	
8,400 to/from Property Plant and Equipment	(225)
25,979 Balance at the end of the year	26,020

Fair Value Hierarchy for Investment Properties

Details of the Council's Investment Properties and information about the Fair Value hierarchy as at 31st March 2025 are shown in the following table:

	2023/24				2024/25			
Recurring fair value measuring usage	Quoted Prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2023 £000	Quoted Prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2024 £000
General Buildings & Sites	0	19,568	0	19,568	0	18,755	0	18,755
Industrial Sites	0	6,411	0	6,411	0	7,265	0	7,265
Total	0	25,979	0	25,979	0	26,020	0	26,020

The Council measures its investment properties at Fair Value. The Fair Value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability. The Council uses qualified RICS internal property valuers to provide a valuation of its assets in line with the highest and best use definition.

All the Council's investment properties have been assessed as Level 2 in the Fair Value hierarchy. The Fair Value has been determined using a market and income approach, which takes into account direct and indirect observable data from the market where there are no quoted prices. Information is obtained about similar assets, existing lease terms and rentals, research of market evidence including yields and rentals. Market conditions of similar assets actively purchased and sold within the market and from within the portfolio provide a level of observable inputs, leading to the properties being categorised as Level 2.

There have been no transfers between Levels 1, 2 or 3 during the year.

Fair value definitions:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, for example bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, for example interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, for example non-market data such as cash flow forecasts or estimated creditworthiness.

Valuation Basis for Investment Properties

In estimating the fair value of the Council's Investment Properties, the highest and best use of the properties is deemed to be their current use. The Council's Investment Properties have been assessed as Level 2 (based on other significant observable inputs) on the fair value hierarchy for valuation purposes.

Note 17 - Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets relate to purchased licences.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The major item of software relates to the Oracle financial system and has been assigned a 10-year life, which is fully amortised.

The gross carrying amount of intangible assets is amortised on a straight-line basis. The amortisation charged to revenue in 2024/25 was £0.3m (2023/24 £0.3m).

The movement on Intangible Asset balances during the year is shown in the table below:

31 March 2024		31 March 2025	
Other Assets	Total	Other Assets	Total
£000	£000	£000	£000
Balance at start of year:			
5,217	5,217	6,615	6,615
(4,489)	(4,489)	(4,788)	(4,788)
728	728	1,827	1,827
1,398	1,398	12	12
(299)	(299)	(314)	(314)
1,827	1,827	1,525	1,525
Comprising:			
6,615	6,615	6,627	6,627
(4,788)	(4,788)	(5,102)	(5,102)
1,827	1,827	1,525	1,525

There were enhancements of intangible assets of £0.01m in 24/25. Many of the intangible assets acquired in previous years are all fully amortised.

Note 18 - Financial Instruments

Financial Instruments – Classifications

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

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders,
- short-term loans from other local authorities,
- overdraft with Lloyd's bank,
- Private Finance Initiative contracts and
- trade payables for goods and services received.

The 2023/24 current and non-current liabilities tables have been restated to correctly account for the finance lease liabilities for the Birkenhead Commercial District and the impact of Long-Term Borrowing adjustments. Further details can be found in the Prior Period Adjustments note.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following three classifications:

1. Amortised cost (where cash flows are solely payments of principal and interest, and the Council's business model is to collect those cash flow) comprising:
 - cash in hand;
 - bank current and deposit accounts;
 - fixed term deposits;
 - loans to small companies;
 - lease receivables; and
 - trade receivables for goods and services provided.
2. Fair value through other comprehensive income (where cash flows are solely payments of principal and interest, and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) comprising:
 - pooled bond fund managed by Columbia Threadneedle held as strategic investment.
3. Fair value through profit and loss (all other financial assets) comprising:
 - money market funds managed by external fund managers; and
 - pooled bond, equity and property funds managed by Royal London Asset Management, Altana Social Impact Fund (Public Sector Social Investment fund managers) and CCLA.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

Current Financial Assets	Investments		Debtors		Cash		Total	
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2024	2025	2024	2025	2024	2025	2024	2025
	£000	£000	£000	£000	£000	£000	£000	£000
IFRS 9 Categories								
Fair value through profit and loss	7,976	1,875	0	0	18,287	21,417	26,263	23,292
Amortised cost	(99)	79	50,296	64,689	0	10	50,197	64,778
Fair value through other comprehensive income - designated equity instruments	930	934	0	0	0	0	930	934
Total financial assets	8,807	2,888	50,296	64,689	18,287	21,427	77,390	89,004
Total	8,807	2,888	50,296	64,689	18,287	21,427	77,390	89,004

Non-Current Financial Assets	Investments		Debtors		Total	
	31 March	31 March	31 March	31 March	31 March	31 March
	2024	2025	2024	2025	2024	2025
	£000	£000	£000	£000	£000	£000
IFRS 9 Categories						
Amortised cost	861	836	9,558	5,433	10,419	6,269
Fair value through profit and loss	8,178	8,992	0	0	8,178	8,992
Total financial assets	9,039	9,828	9,558	5,433	18,597	15,261

Current Financial Liabilities	Borrowings		Creditors		Lease Liabilities		PFI Liability		Bank Overdraft		Total	
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
	£000	£000	(restated) £000	£000	(restated) £000	£000	£000	£000	£000	£000	£000	£000
Amortised cost	(149,669)	(159,416)	(32,996)	(45,348)	(3,475)	(2,916)	(3,243)	(7,169)	(1,346)	(1,110)	(190,729)	(215,959)
Total financial liabilities	(149,669)	(159,416)	(32,996)	(45,348)	(3,475)	(2,916)	(3,243)	(7,169)	(1,346)	(1,110)	(190,729)	(215,959)

Non-Current Financial Liabilities	Borrowings		Lease liabilities		PFI liabilities		Total	
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2024	2025	2024	2025	2024	2025	2024	2025
	(restated) £000	£000	(restated) £000	£000	(restated) £000	£000	(restated) £000	£000
Amortised cost	(173,018)	(231,789)	(73,196)	(121,314)	(24,727)	(44,603)	(270,941)	(397,706)
Total financial liabilities	(173,018)	(231,789)	(73,196)	(121,314)	(24,727)	(44,603)	(270,941)	(397,706)
Total	(173,018)	(231,789)	(73,196)	(121,314)	(24,727)	(44,603)	(270,941)	(397,706)

The following table shows the debtors, (see Debtors note), that are classified as financial instrument and non-financial instruments.

	31 March 2024 (Restated)	31 March 2025
	£000	£000
Financial instrument	59,854	70,122
Non Financial Instrument	64,359	70,842
Total	124,213	140,964

The following table show the split of Creditors note, by financial and non-financial instruments.

	31 March 2024 (Restated)	31 March 2025
	£000	£000
Financial instrument	(39,714)	(55,433)
Non Financial Instrument	(33,926)	(32,843)
Total	(73,640)	(88,276)

Income, Expense, Gains and Losses	31/03/2024 (restated)		31 March 2025	
	Surplus or Deficit on the provision of services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the provision of services	Other Comprehensive Income and Expenditure
	£000	£000	£000	£000
Net gains/losses on:				
• financial assets measured at fair value through profit or loss	(1,939)	(856)	(2,301)	(859)
• financial assets measured at amortised cost	(181)	0	(150)	0
• investments in equity instruments designated at fair value through other comprehensive income	(38)	(41)	(37)	(4)
• financial liabilities measured at amortised cost	19,218	0	21,492	0
Total net gains/losses	17,060	(897)	19,003	(863)
Interest revenue:				
• financial assets measured at amortised cost	(181)	0	(150)	0
• financial assets measured at fair value through profit or loss	(1,939)	0	(2,301)	0
• other financial assets measured at fair value through other comprehensive income	(38)	0	(37)	0
Total interest revenue	(2,158)	0	(2,488)	0
Other Income	(14)	0	(16)	0

Financial Arrangements

The Council has a number of financial arrangements in place to support the regeneration of the Borough. There are three key developments, Wirral Waters, Birkenhead Commercial District and the Hythe, which have financial arrangements in respect to the leases or acquisition of premises. The details of these arrangements are presented below.

Development	Narrative	Risk / Liability
The Hythe	In accordance with a PUT/CALL option, Peel L and P (Ports No3) Ltd (Peel) exercised a put option on Wirral Borough Council requiring it to acquire the Hythe Office Development. This was exercised within the prescribed period of three years post practical completion. This option was applicable as the value was below the price of £4.985m. If the value had exceeded £4.985m the Council could have required that the property be transferred to it.	The put option when exercised required the Council to purchase the Hythe when it failed to reach its negotiated Option Price value such purchase being at the option price. If the value had exceeded this sum the Put option would have fallen away and the Council could have exercised a call option to acquire the land at the option price. An independent valuation in November 2024 valued the asset at a market value of £3.35m. The Put was called and the purchase was completed on 30th April 2025 with capital borrowing required of £4.785m to meet the reduced purchase price following renegotiation with the seller. There are additional costs associated with this acquisition including management costs, maintenance, service costs, business rates etc which will have ongoing and recurring revenue implications in the Regeneration and Place directorate. The current tenancy arrangements require review to determine when likely voids or rent renewal periods are due. The ground floor is not currently let, and a marketing exercise is ongoing.

Birkenhead Commercial District	The Council will pay the headlease for 35 years post completion.	Two buildings have been constructed of which the Council occupies one. Due to reduced Council need arising from agile working, the Council intends to lease to a third party the fourth floor and some ground floor space of the building it occupies for commercial income, therefore the Council may have a liability for failed lease income. However, budgets from exiting other buildings are expected to fund the lease cost. If the Council did not occupy the building this would incur a cost starting at £1.34m per annum for thirty-five years with an annual lease increase based on Retail Price Index increases under a cap and collar arrangement of between 1% and 4%. The second building will be leased and the highest liability if no occupancy occurred is £873k per annum for thirty-five years with an annual RPI increase of between 1% and 4% under a cap and collar arrangement. At present part of the ground floor and all of the fourth floor of the first building and the entirety of the second building are not occupied and the Council, with its agents, has a marketing and lettings strategy to identify potential end-users. The Council has an option between years 35 and 43 to purchase the sites for £1. The funder also has a 'put' option to transfer the assets between years 35 and 43 to the Council for £1.
--------------------------------	--	--

Millers Quay (Wirral Waters One (Legacy))	Peel Legacy (Wirral Waters) Limited will take on a 250-year lease from Peel Holdings and will build the development. The scheme will be funded by Pension Insurance Corporation (PIC) who will take a 250-year lease from Peel Legacy. The Council will take a 50/55-year underlease of the 500 residential units and to pay PIC a fixed rent (increasing with RPI) and estate service charges to secure repayment of the loan with interest. 350 units will be sub-underleased to Peel for years 1 to 10, and 150 units will be sub-underleased to Peel for years 1 to 15, and Peel will pay the rentals to the Council management company.	The Council has granted a sub-underlease to Peel who will manage the apartments for years 0-10 for 350 units and years 0-15 for 150 units and take on the Council's rental obligations. This company will make rental payments to the Council at a level which will cover the Council's payments to PIC. There is no cost or liability to the Council for the initial 10 years (350 units) or 15 years (150 units), although there is future liability from years 11/16 when the sub-underlease transfers to Wirral Holdings Limited, which is 100% owned by Wirral Council. At this point the Council becomes landlord subject to the condition of the assets at that time. From Years 11-50 (for 350 units) the commercial risks will be transferred to the Council with the Council's management company being responsible for letting out the properties, managing the apartments and for securing the rental payments for the Council. At the end of the 50-year lease period the Council will have the ability to take up an option to acquire a lease for 200 years at a peppercorn rent from PIC of 350 residential units. The Council's commitment is its rental obligations, together with service charge payments made by the Council's management company, from years 11-50/55. In addition, up-front Stamp Duty Land Tax (SDLT) was payable in respect of the grant of the under lease. Peel covered the cost of the SDLT.
--	---	---

Hamilton Street	A PUT/CALL option on 25th November 2022 with Wirral Methodist Housing Assoc and ALPHA (R.S.L) Limited. The Council has granted a Put option to the seller for the Council to purchase or underwrite the sale of a building. The Call and Put has a cost of £800k to the Council.	The Put option was where the Council would have to purchase the premises if it failed to reach its negotiated Option Price. The put option could be exercised in the period expiring on the earlier of 4 years from 22nd November 2022 or once the proposed development of extra care facility with approximately 85 units has reached two brick courses above foundation level. The seller could serve notice on the Council to purchase the property for £800k with vacant possession. If after 12 weeks the Council has not responded the seller can dispose of the property to a third party. Where the sale to a third party is less than £800k the Council will pay the shortfall. Where the Council exercises the option or the developer option the Council will pay the developer, the shortfall by way of a grant for affordable/social housing. This would apply if the value of the market is less than £800k. The grant limit is £800k less the sale/purchase price. The call and put has been called, and the acquisition was completed on 27 May 2025. This has been funded from a combination of funds drawn from the approved Strategic Acquisition Fund (SAF) and the Government's Levelling Up fund which is being used to deliver the Wirral Waterfront project. The risk is the associated costs such as business rates, management of the site etc that needs to be budgeted for that may not have been forecast into Regeneration and Place budgets.
-----------------	--	---

Note 18a - Financial Instruments – Fair Value

For each class of financial assets and financial liability, the Council is required to disclose the fair value of that class of assets and liabilities in such a way that a comparison with the carrying amount is possible. For most assets, including money market funds and other pooled funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.

- Discount rates for “Lender’s Option Borrower’s Option” (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of financial guarantees have been estimated based on the likelihood of the guarantees being called and the likely payments to be made.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities e.g., bond prices.

Level 2 – fair value is calculated from inputs other than quoted prices that are for the asset or liability, e.g., interest rates or yields for similar instruments.

Level 3 – fair value is determined using unobservable inputs. E.g., non-market data such as cash flow forecasts or estimated creditworthiness.

The fair value of financial instruments held at amortised cost is higher than their balance sheet carrying amount because:

- the Authority’s portfolio of loans includes transactions where the interest rate payable is higher than the current rates available for similar loans as at the balance sheet date.
- the interest rate on similar investments is now higher than that obtained when the investment was originally made.

The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated and are measured under IFRS 16 accounting standard. Consequently, fair values for these two instruments are no longer required.

Financial Assets Measured at Fair Value

Recurring Fair Value Measurements	Fair Value Hierarchy Level	31 March 2024	31 March 2025
		£000	£000
FA Measured at Fair Value - Money Market Funds	1	18,287	21,417
FA Measured at Fair Value - Externally Managed Funds	1	17,084	11,801
Balance 31 March		35,371	33,218

Reconciliation of fair value measurements for fixed assets carried at fair value categorised within level 3 investments of the fair value hierarchy for financial assets

	31 March 2024			31 March 2025		
	Unquoted Shares	Other	Total	Unquoted Shares	Other	Total
	£000	£000	£000	£000	£000	£000
Opening Balance	0	8,455	8,455	0	0	0
Total gains or losses for the period:						
Disposals	0	(8,455)	(8,455)	0	0	0
Balance 31 March	0	0	0	0	0	0

The fair value of financial assets and financial liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required)

Financial Liabilities

2023/24 has been restated due to the impact of Long-Term Borrowing adjustments, see Prior Period Adjustments Note for further details.

With the adoption of IFRS 16 for 2024/25, fair value calculations are no longer required for PFI and lease liabilities. Prior year comparators have therefore been removed for consistency.

	31 March 2024 (restated)		31 March 2025	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities held at Amortised Cost	(322,686)	(339,900)	(391,205)	(391,989)
PFI and finance lease liabilities	0	0	0	0
Total	(322,686)	(339,900)	(391,205)	(391,989)

Financial Assets

	31 March 2024		31 March 2025	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Cash & Cash Equivalents at Amortised Cost	0	0	10	10
Loans and Receivables at Amortised Cost	763	763	915	915
Long-Term Debtors	9,558	9,558	5,433	5,433
Total	10,321	10,321	6,358	6,358

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

31 March 2025				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial Liabilities				
Financial Liabilities held at amortised cost:				
Loans/Borrowings	0	(391,989)	0	(391,989)
PFI and finance lease liabilities	0	0	0	0
Total	0	(391,989)	0	(391,989)
Financial Assets				
Amortised Cost:				
Other loans and receivables	0	6,358	0	6,358
Total	0	6,358	0	6,358
31 March 2024				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial Liabilities				
Financial Liabilities held at amortised cost:				
Loans/Borrowings	0	(339,900)	0	(339,900)
PFI and finance lease liabilities	0	0	0	0
Total	0	(339,900)	0	(339,900)
Financial Assets				
Loans and Receivables:				
Other loans and receivables	0	10,321	0	10,321
Total	0	10,321	0	10,321

Financial liabilities

The borrowings held by the authority consist of different types of loan, including the following categories of longer-term borrowing:

Lender Offer Borrower Option (LOBO)

The fair value (£64.7m) is higher than the carrying amount (£53.2m) because the Council's Lender Offer Borrower Option portfolio includes a number of fixed rate loans where the interest payable is higher than the rates available for similar loans at the balance sheet date.

Public Works Loan Board (PWLB)

The fair value (£201.8m) is lower than the carrying amount (£203.7m) because the Council's Public Works Loan Board portfolio includes a number of fixed rate loans where interest payable is higher than the rates available for similar loans at the balance sheet date and a number where interest payable is lower than the rates available for similar loans at the balance sheet date.

Other Market Loans

The fair value (£40.8m) is higher than the carrying amount (£40.6m) because the Council's Market Long Term loans have an interest rate payable that is higher than the rates available for a similar loan at the balance sheet date.

Central Government and Local Government Loans

The fair value (£84.7m) is equal to the carrying amount as these loans consist of short-term cashflow loans with a duration of less than 12 months (therefore Fair Value considerations are immaterial) and interest free loans which have zero interest considerations.

Note 19 - Debtors

Short Term Debtors

2023/24				2024/25		
Gross Debtors £000	Expected Losses £000	Net Debtors £000		Gross Debtors £000	Expected Losses £000	Net Debtors £000
60,876	(17,896)	42,980	Trade Receivables	72,146	(19,048)	53,098
6,642	0	6,642	Prepayments	10,742	0	10,742
47,537	(20,824)	26,713	Local Taxation	56,610	(24,295)	32,315
38,570	(250)	38,320	Other Receivable Amounts	39,626	(250)	39,376
153,625	(38,970)	114,655	Total Debtors	179,124	(43,593)	135,531

Long Term Debtors

2023/24				2024/25		
Gross Debtors £000	Expected Losses £000	Net Debtors £000		Gross Debtors £000	Expected Losses £000	Net Debtors £000
5,275	(431)	4,844	Loans	5,621	(431)	5,190
4,714	0	4,714	Other Debtors	243	0	243
9,989	(431)	9,558	Total Long Term Debtors	5,864	(431)	5,433

Long-term debtors for regeneration loans total £5.190m (£4.844m) and were made for regeneration purposes (equity renewal/empty property loans and renovation loans) and loans to third parties. Other debtors are for rentals due in respect of two caravan park sites £0.243m (£0.249m).

The long-term debtors relating to historical former Merseyside County Council amounts due (£4.469m) no longer have a long-term element as 2025/26 will be the last year of the agreed repayment schedule. This change in 2024/25 largely reflects the change in carrying value of total long-term debtors comparing the two years.

Expected credit losses have been reviewed, and the outcome is no change to the carrying value compared to 2023/24.

Note 20 - Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non-domestic rates) is analysed by age as follows:

2023/24		2024/25
£000		£000
6,784	Less than one year	8,197
4,589	One to two years	5,055
3,312	Two to three years	3,750
2,524	Three to four years	2,966
2,284	Four to five years	2,372
4,380	Five + years	6,254
23,873	Total	28,594

Note 21 - Cash and Cash Equivalents

The net balance of Cash and Cash Equivalents at the Balance Sheet date is shown in the table below:

2023/24		2024/25
£000		£000
14,244	Cash and Bank balances	4,204
(15,590)	Bank Overdraft	(5,314)
(1,346)	Total Cash and Cash Equivalents	(1,110)

2023/24		2024/25
£000		£000
18,287	Short Term Investments	21,427
18,287	Total Cash and Cash Equivalents	21,427

Cash comprises cash on hand and on demand deposits. Cash equivalents are investments that are instantly repayable to the Council 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 credit ratings.

Note 22 – Creditors

The following table shows the short-term creditors position. 2023/24 creditors have been restated to correctly account for the finance lease liabilities for the Birkenhead Commercial District. Further details can be found in the Prior Period Adjustments note.

2023/24 (Restated) £000	Short term creditors	2024/25 £000
(42,839)	Trade payables	(57,361)
(30,801)	Other payables	(30,915)
(73,640)	Total Creditors	(88,276)

Note 23 – Provisions

The provisions figure shown in the Balance Sheet comprises of the following balances.

Total Provisions

2023/24 £000	Total Provision	2024/25 £000
(15,856)	Opening Balance	(14,041)
(5,717)	Increase in provision during year	(2,531)
7,531	Utilised during year	4,427
1	Unused amounts reversed	6
(14,041)	Closing Balance	(12,139)

Current Provisions

2024/25	Opening Balance £000	Increase in provision during year £000	Utilised during year £000	Unused Amounts Reversed £000	Total £000
NNDR Appeals	(8,368)	(1,518)	3,952	0	(5,934)
The Hythe	(1,535)	0	0	0	(1,535)
Insurance Fund	(950)	0	0	0	(950)
Severance Pay	(408)	0	408	0	0
Other	(136)	(87)	67	6	(150)
Closing Balance	(11,397)	(1,605)	4,427	6	(8,569)

2023/24	Opening Balance £000	Increase in provision during year £000	Utilised during year £000	Unused Amounts Reversed £000	Total £000
NNDR Appeals	(10,227)	(3,774)	5,633	0	(8,368)
The Hythe	0	(1,535)	0	0	(1,535)
Insurance Fund	(950)	0	0	0	(950)
Severance Pay	(493)	(408)	492	1	(408)
Education Health & Care Plans	(799)	0	799	0	0
Planning Appeals	(310)	0	310	0	0
Other	(200)	0	64	0	(136)
Closing Balance	(12,979)	(5,717)	7,298	1	(11,397)

Insurance Fund

This is required to cover possible liability insurance claims. The overall estimate of the amount required to cover these is based on an actuarial investigation, which seeks to estimate the ultimate claims arising in respect of each risk period. The basis for calculating the provision is claims reported as outstanding. The timing of future payments depends almost entirely upon when claims are settled but are likely to run over several years.

NNDR Appeals

Following the introduction of the Business Rates Retention Scheme from 1 April 2013, billing authorities are required to make an estimate of the impact of successful appeals covering not only 2024/25 but also any backdated amount relating to earlier years. This will include decisions made in future years regarding appeals which may affect the 2024/25 and earlier financial years' business rates charges. The provision calculation is based upon data supplied by the Valuation Office at 31 March 2025 regarding outstanding and settled appeals.

The Hythe

In accordance with a PUT/CALL option, Peel L and P (Ports No3) Ltd (Peel) exercised a put option on Wirral Borough Council requiring it to acquire the Hythe Office Development. This was exercised within the prescribed period of three years post practical completion and was applicable as the value was below the price of £4.985m. This provision has been created as a partial contribution to the purchase cost, which has since completed on 30th April 2025.

Other Provisions

All other provisions are individually immaterial in being below £0.1m.

Long Term Provisions

2024/25	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
Insurance Fund	(2,644)	(926)	0	0	(3,570)
Total	(2,644)	(926)	0	0	(3,570)

2023/24	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
Insurance Fund	(2,877)	0	233	0	(2,644)
Total	(2,877)	0	233	0	(2,644)

Note 24 - Usable Reserves

The Council holds a number of reserves, both revenue and capital for various reasons. They provide assurance to ensure financial stability, funding for future initiatives or investments, and allow balances to be earmarked to meet expected future cost pressures.

Balances on the General Fund (see Movement in Reserves Statement) and earmarked general fund reserves (see breakdown in the Transfers to/from Earmarked Reserves note) are available for funding both capital and revenue expenditure. The amounts relating to balances held by schools are accounted for as Earmarked Reserves and are not included in the General Fund Balance.

The Capital Receipts Reserve and Capital Grants Unapplied detailed in this note are held for capital purposes only.

2023/24 has been restated to the General Fund impact of Long-Term Borrowing adjustments. See Prior Period Adjustment Note for further details.

Total Usable Reserves

31 March 2024 (restated) £000	31 March 2025 £000
(14,535) General Fund Balance	(14,533)
(55,507) Earmarked General Fund Reserves	(48,577)
(4,103) Capital Receipts Reserve	(2,496)
(68,492) Capital Grants Unapplied	(53,959)
(142,637) Balance 31 March	(119,565)

Capital Receipts Reserve

The Capital Receipts Reserve contains the proceeds of fixed assets sales that are available to meet future capital investment.

31 March 2024 £000	31 March 2025 £000
(2,979) Balance 1 April	(4,103)
(6,409) Capital Receipts in year	(1,907)
(110) Private Sector Housing Renewal Receipts in year	(70)
(5) Deferred Receipts realised	(5)
0 Transfer to revenue reserves to cover disposal costs	58
4,469 Capital Receipts transferred to Capital Adjustment Account to repay debt	4,469
5,400 Capital Receipts used for financing	3,531
(4,469) Other movements	(4,469)
(4,103) Balance 31 March	(2,496)

Capital Grants Unapplied

The Capital Grants Unapplied reserve holds grants and contributions received towards capital projects for which the Council 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.

31 March 2024	31 March 2025
£000	£000
(51,474) Balance 1 April	(68,492)
(41,152) Capital grants recognised in year	(13,248)
23,796 Capital grants and contributions applied	27,781
338 Other movements	0
(68,492) Balance 31 March	(53,959)

Note 25 - Unusable Reserves

The 2023/24 Capital Adjustment Account has been restated to correctly account for the property valuations for the Birkenhead Commercial District, and the subsequent impact on reserves, and the Pensions Reserve has been restated to due a correction in the accounting for the Asset Ceiling. The Financial Instruments Note has been restated for the impact of Long-Term Borrowing adjustments. Further details can be found in the Prior Period Adjustments note.

31 March 2024 (Restated)	31 March 2025
£000	£000
(381,664) Revaluation Reserve	(402,285)
71 Financial Instruments Revaluation Reserve	67
(12,008) Capital Adjustment Account	24,901
20,673 Financial Instruments Adjustment Account	20,403
38,376 Pension Reserve	33,088
(452) Deferred Capital Receipts Reserve	(447)
(377) Collection Fund Adjustment Account	(1,535)
4,761 Accumulated Absences Account	4,680
(146) Pooled Investment Funds Adjustment Account	(1,002)
12,989 Dedicated Schools Grant Adjustment Account	29,992
(317,777) Total	(292,138)

Further information on each of the above reserves is below:

Revaluation Reserve

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

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

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

31 March 2024		31 March 2025
£000		£000
(353,149)	Balance 1 April	(381,664)
(73,460)	Upward revaluation of assets	(44,593)
11,028	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	7,267
(62,432)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(37,326)
7,131	Difference between fair value depreciation and historical cost depreciation	8,399
26,786	Accumulated gains on assets sold or scrapped	8,306
33,917	Amount written off to the Capital Adjustment Account	16,705
(381,664)	Balance 31 March	(402,285)

Financial Instrument Revaluation Reserve

The Financial Instrument Revaluation Reserve contains gains or losses made by the Council arising from movements in the value of its investments measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gain are revalued downwards, impaired, and when an investment is disposed of, and gains realised.

31 March 2024	31 March 2025
£000	£000
111 Balance 1 April	71
(40) Other movements	(4)
71 Balance 31 March	67

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different accounting arrangements for the consumption of non-current assets and for their financing under statutory provisions. The Account is charged with costs of acquisition, construction or enhancement of assets. Depreciation, impairment losses and amortisations of assets are charged to the Comprehensive Income and Expenditure Statement with postings from the Revaluation Reserve to convert fair values to an historical cost basis.

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

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

31 March 2024 (Restated) £000		31 March 2025 £000
(93,273)	Balance 1 April	(12,008)
0	IFRS 16 PFI remeasurement	20,459
(93,273)	Revised balance 1 April	8,451
66,233	Charges for depreciation and impairment of non-current assets	35,048
37,802	Revaluation losses on non-current assets	20,325
299	Amortisation of intangible assets	314
13,331	Revenue expenditure funded from capital under statute	10,940
4,469	Repayment of debt – Merseyside Residual Debt Fund	4,469
0	IFRS 16 Transition PFI remeasurement	1,068
50,240	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	18,879
172,374	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	91,043
(33,917)	Adjusting Amounts written out of the Revaluation Reserve	(16,708)
138,457	Net written out amount of the cost of non-current assets consumed in the year	74,335
(5,400)	Use of Capital Receipts Reserve to finance new capital expenditure	(3,531)
(40,467)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(52,202)
(4,469)	Write-off Merseyside Residual Debt Fund receipt to long term debtors	(4,469)
(10,187)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(15,648)
(60,523)	Capital financing applied in year:	(75,850)
1,979	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(266)
110	Public Sector Housing Loans	70
0	Capitalisation Directive	18,641
(293)	Capital expenditure charged against the General Fund and HRA balances	(304)
0	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	(176)
1,535	Difference between expected asset value and the cost of the asset for Call & Put option	0
(12,008)	Balance 31 March	24,901

Financial Instrument Adjustment Account

The Financial Instrument 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 benefitting from gains per statutory provisions. The balance in the Financial Instrument Adjustment Account at the end of the year represents the amount that should have been charged to the Comprehensive Income and Expenditure Statement in accordance with proper accounting practices under the Code of Practice, but which Statutory Provisions allow or require to be deferred over future years. This IFRS 9 statutory override has been extended until 1 April 2029 for existing pooled fund investments held at 1 April 2024, but any new pooled fund

investment made after 1 April 2024 will not benefit from this override and must therefore be recognised directly in the General Fund.

At 31 March 2025 the account had a balance of £20.403m (2023/24 £20.673m).

31 March 2024 (restated)	31 March 2025
£000	£000
2,383 Balance 1 April	20,673
19,043 Prior period adjustment	0
21,426 Revised balance 1 April	20,673
(753) Downward revaluation of investments	(270)
(753) Total Changes in revaluation and impairment	(270)
20,673 Balance 31 March	20,403

Pensions Reserve

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

31 March 2024 (Restated)	31 March 2025
£000	£000
22,785 Balance 1 April	38,376
14,723 Remeasurements of the net defined benefit (liability)/asset	(4,719)
28,944 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	29,874
(28,076) Employer's pensions contributions and direct payments to pensioners payable in the year	(30,443)
38,376 Balance 31 March	33,088

Deferred Capital Receipts

Deferred capital receipts relate to the principal element of loans provided by the Council, which are repaid over a number of years. The capital receipt is only recognised as and when the principal sum is repaid. At 31 March 2025 the reserve had a balance of £0.447m (2023/24 £0.452m).

31 March 2024	31 March 2025
£000	£000
(459) Balance 1 April	(452)
7 Other movements	5
(452) Balance 31 March	(447)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and National Non-domestic Rates income in the Comprehensive Income and Expenditure Statement as it falls due from taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund. At 31 March 2025, the account had a balance of (£1.535m) (2023/24 £0.377m), representing the Council's share of the overall Collection Fund balance.

31 March 2024	31 March 2025
£000	£000
8,142 Balance 1 April	(377)
(8,519) Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(1,158)
(377) Balance 31 March	(1,535)

Accumulated Absences Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g., annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account. The account had a debit balance of £4.680m at 31 March 2025 (2023/24 debit balance of £4.761m).

31 March 2024	31 March 2025
£000	£000
4,521 Balance 1 April	4,761
(4,521) Settlement or cancellation of accrual made at the end of the preceding year	(4,761)
0 Amounts accrued relating to prior year	0
4,761 Amounts accrued at the end of the current year	4,679
240 Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	(81)
4,761 Balance 31 March	4,680

Pooled Fund Adjustment Account

The Pooled Investment Funds Adjustment Accounts contain gains or losses made by the Council arising from movements in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments.

31 March 2024	31 March 2025
£000	£000
713 Balance 1 April	(143)
(856) Changes in fair value of pooled investments	(859)
(143) Balance 31 March	(1,002)

Dedicated Schools Grant Adjustment Account

The Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020. This has been extended for a further 3-year period up to March 2026 through the Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2022. This was approved by government 16 December 2022, and in June 2025 the Government extended this statutory override until the end of 2027/28.

The instrument amends the 2003 Regulations by establishing new accounting practices for school's budget deficits. The Council must record any such deficit in a separate account relating to school's budgets.

The accounting practice has the effect of separating schools budget deficits from the Councils' general fund for a period of six financial years. This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation covers the financial reporting period from 2020/21 to 2027/28 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit Adjustment Account.

31 March 2024	31 March 2025
£000	£000
4,763 Balance 1 April	12,989
8,226 Movements in Year	17,003
12,989 Balance 31 March	29,992

Note 26 - Cash Flow Statement: Operating Activities

The cash flows for operating activities include the following items:

2023/24 (restated)	2024/25
£000	£000
(2,172) Interest received	(2,504)
19,218 Interest paid	21,492
17,046 Total	18,988

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements, with 2023/24 having been restated to correctly account for the impact on statutory adjustments of the property valuations for the Birkenhead Commercial District and the impact of Long-Term Borrowing adjustments. Further details can be found in the Prior Period Adjustments note.

2023/24 (Restated)		2024/25
£000		£000
(29,907)	Depreciation	(35,048)
(74,128)	Impairment and downward valuations	(20,325)
(299)	Amortisation	(314)
2,012	(Increase)/decrease in impairment for bad debts	(4,623)
4,565	(Increase)/decrease in creditors	7,735
(1,190)	Increase/(decrease) in debtors	25,504
(21)	Increase/(decrease) in inventories	52
5,222	Movement in pension liability	569
(50,240)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(18,940)
78	Other non-cash movements charged to the surplus or deficit on provision of services	2,421
(143,908)	Total	(42,969)

The surplus or deficit on the provision of services has been adjusted for the following items which are investing and financing activities:

2023/24 £000		2024/25 £000
6,519	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,978
56,481	Capital Grants credited to surplus or deficit on the provision of services	32,100
63,000	Total	34,078

Note 27 - Cash Flow Statement: Investing Activities

The cash flows for investing activities include the following:

2023/24 £000		2024/25 £000
64,985	Purchase of property, plant and equipment, investment property and intangible assets	55,341
2,145	Purchase of short-term (not to be considered cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(6,145)
(6,519)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,978)
(3,770)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	146
(56,481)	Capital Grants received	(32,100)
(4,800)	Other receipts from investing activities	(4,121)
(4,440)	Net cash flows from investing activities	11,143

Note 28 - Cash Flow Statement: Financing Activities

The cash flows for financing activities include the following items. 2023/24 has been restated to more accurately reflect receipts and repayments of short- and long-term

borrowing during the year. Further details can be found in the Prior Period Adjustments note.

2023/24 (Restated) £000		2024/25 £000
(303,675)	Cash receipts of short-term and long-term borrowing	(410,551)
3,251	Cash payments for the reduction of outstanding liabilities relating to lease liabilities and on-Balance-Sheet PFI contracts	(7,265)
280,379	Repayments of short-term and long-term borrowing	342,189
(8,519)	Other payments for financing activities	(1,158)
(28,564)	Net cash flows from financing activities	(76,785)

Note 29 - Reconciliation of Liabilities Arising from Financing Activities

Reconciliation of Liabilities Arising from Financing Activities

2023/24 has been restated to correctly account for the property valuations for the Birkenhead Commercial District and Long-Term Borrowing adjustments, and the subsequent impact on liabilities.

	1 April 2024 (restated) £000	Financing cash flows £000	Non-cash changes Other non-cash changes £000	31 March 2025 £000
Long-term borrowings	(173,018)	(76,610)	17,839	(231,789)
Short-term borrowings	(149,669)	8,465	(18,212)	(159,416)
Lease liabilities	(127,762)	3,532	0	(124,230)
On balance sheet PFI liabilities	(27,970)	6,580	(30,382)	(51,772)
Total liabilities from financing activities	(478,419)	(58,033)	(30,755)	(567,207)

	1 April 2023 £000	Prior period adjustment £000	Revised 1 April 2023 (restated) £000	Financing cash flows (restated) £000	Non-cash changes Other non-cash changes (restated) £000	31 March 2024 (restated) £000
Long-term borrowings	(144,252)	(17,682)	(161,934)	(18,409)	7,325	(173,018)
Short-term borrowings	(136,666)	0	(136,666)	(5,297)	(7,706)	(149,669)
Lease liabilities	0	0	0	0	(127,762)	(127,762)
On balance sheet PFI liabilities	(31,221)	0	(31,221)	3,221	30	(27,970)
Total liabilities from financing activities	(312,139)	(17,682)	(329,821)	(20,485)	(128,113)	(478,419)

Analysis of PFI liability is detailed below:

	31 March 2024 £000	31 March 2025 £000
On balance sheet PFI liabilities - Short Term	(3,243)	(7,169)
On balance sheet PFI liabilities - Long Term	(24,727)	(44,603)
Total PFI liabilities from financing activities	(27,970)	(51,772)

Note 30 - Pooled Budgets

The Council has entered into a pooled budget arrangement in partnership with NHS Cheshire & Merseyside ICB, under Section 75 of the Health Act 2006, for the

commissioning and delivery of various integrated Care & Health functions. This pooled budget is hosted by the Council and commenced on 1st April 2015. It includes but is not limited to services funded by the Better Care Fund.

It was proposed and agreed to retain the more focused risk-sharing arrangements into 2024/25. This approach removed the generic approach, by targeting the 50% risk share arrangement onto the Better Care Fund, with host organisations retaining full financial risk / benefit on other areas pooled.

At the end of the year the fund has a deficit position of £18.9m. Due to the significant ongoing financial pressures experienced by the ICB (Integrated Care Board) a decision was taken to exclude the negative impact on their budgets during 2022/23 within the pool. The fund ensures that integration of commissioning is used as an opportunity to transform the provision of services and to make more effective use of the resources available. Greater effective and efficient integrated commissioning will drive the benefits both financially and in terms of increased health, and wellbeing of Wirral residents.

The pool incentivises the NHS and local government to work more closely together around people, placing their well-being as the focus of care and health services. Locally, the primary aims of the pooled fund are:

- Supporting independence in the community by placed-based activity;
- Reducing non-elective admissions and reducing residential admissions by providing the right care and support within the community; and
- Facilitating earlier hospital discharge.

2023/24	Revenue	2024/25
£000		£000
Funding provided to the pooled budget:		
(72,375) Wirral Council		(83,434)
(195,397) NHS Cheshire & Merseyside ICB		(216,752)
(267,772) Total		(300,186)
Expenditure met from the pooled budget:		
89,355 Wirral Council		97,862
197,551 NHS Cheshire & Merseyside ICB		221,252
286,906 Total		319,114
Net (surplus)/deficit arising on the pooled budget during		
19,134 the year		18,928
Authority share of the net (surplus)/deficit arising on the		
3,218 pooled budget during the year		550

2023/24	Capital (Disabled Facilities grant and Social Care)	2024/25
£000		£000
Funding provided to the pooled budget:		
(5,136) Wirral Council		(5,861)
0 NHS Cheshire & Merseyside ICB		0
(5,136) Total		(5,861)
Expenditure met from the pooled budget:		
5,136 Wirral Council		5,861
0 NHS Cheshire & Merseyside ICB		0
5,136 Total		5,861
Net (surplus)/deficit arising on the pooled budget during		
0 the year		0
Authority share of 50% of the net (surplus)/deficit arising		
0 on the pooled budget during the year		0

Note 31 - Members' Allowances

During the year Member's allowances including Employer's costs totalled £875k, (2023/24 £845k) as set out in table:

2023/24	2024/25
£000	£000
844 Allowances	874
1 Expenses	1
845 Total Members' Allowances	875

Note 32 – Officers' Remuneration

Senior Officers' Remuneration

The following table shows the remuneration for senior officers per annum, with 2023/24 restated to correct the part-time gross salary of the Assistant Chief Executive. Gross salary represents the full-time equivalent salary, while the salary values represent actual salary including salary costs, taxable travel costs and where posts are removed any redundancy payments:

2024/25	Employment Period	Notes	Gross salary	Salaries	Expenses Allowances	Compensation for Loss of Office	Pension Contribution	Total
	£	£	£	£	£	£	£	£
Chief Executive (Paul Satoor)	01/04/2024-31/03/2025	a	182,624	201,820	0	0	34,151	235,971
Assistant Chief Executive	01/04/2024-30/04/2024	g	59,041	23,792	0	0	920	24,712
Director of Regeneration and Places	01/04/2024-30/04/2024	b	132,564	11,047	0	0	2,066	13,113
Director of Regeneration and Places	18/08/2024-31/03/2025	c	122,495	74,327	0	0	13,899	88,226
Director of Neighbourhood Services	01/04/2024-31/03/2025	d	129,187	130,039	0	0	23,420	153,459
Director of Children, Families and Education	01/04/2024-31/03/2025	d	122,495	123,347	0	0	0	123,347
Director for Adults' Care and Health and Strategic Commissioning	01/04/2024-31/05/2024	e	132,564	22,504	0	0	4,015	26,519
Director for Adults' Care and Health and Strategic Commissioning	03/06/2024-31/03/2025	f	135,878	113,781	0	0	21,033	134,814
Director of Public Health	01/04/2024-31/03/2025	d	109,996	110,398	0	0	15,817	126,215
Director of Law and Governance & Corporate services (Monitoring Officer)	01/04/2024-31/03/2025	a	135,878	139,561	0	0	25,409	164,970
Director of Finance (S151 Officer)	01/04/2024-31/03/2025	d	135,878	136,730	0	0	25,030	161,760
TOTAL			1,398,600	1,087,346	0	0	165,760	1,253,106

a) The salary includes election costs for statutory duties

b) Employee left 30/04/2024

c) Employee started 18/08/2024

d) The salary includes election costs

e) Employee left 31/05/2024 plus holiday pay & no pay award due to non agreement before leaving date

f) Employee started 03/06/2024 and salary includes election costs

g) Employee left 30/04/2024

2023/24 (restated)	Employment Period	Notes	Gross salary	Salaries	Expenses Allowances	Compensation for Loss of Office	Pension Contribution	Total
	£	£	£	£	£	£	£	£
Chief Executive (Paul Satoor)	01/04/2023-31/03/2024	a	178,170	185,120	0	0	33,318	218,438
Assistant Chief Executive	01/04/2023-31/03/2024	b	59,041	59,041	0	0	11,041	70,082
Director of Regeneration and Places	01/04/2023-31/03/2024		132,564	132,848	0	0	24,789	157,637
Director of Neighbourhood Services	04/09/2023-31/03/2024		132,564	49,057	0	0	9,129	58,187
Director of Neighbourhood Services	01/04/2023-13/08/2023	c	119,507	68,717	0	0	12,399	81,115
Director of Children, Families and Education	01/04/2023-31/03/2024	d	132,564	143,870	0	0	24,789	168,660
Director for Adults' Care and Health and Strategic Commissioning	01/04/2023-31/03/2024		132,564	132,848	0	0	22,232	155,080
Director of Public Health	01/04/2023-31/03/2024		107,313	107,634	0	0	15,478	123,112
Director of Law and Governance & Corporate services (Monitoring Officer)	01/04/2023-31/03/2024	e	132,564	127,969	0	0	23,670	151,640
Director of Resources	01/04/2023-31/12/2023	f	132,564	99,840	0	69,406	18,592	187,837
Director of Finance (S151 Officer)	01/04/2023-31/03/2024		132,564	126,874	0	0	23,670	150,545
TOTAL			1,391,979	1,233,819	0	69,406	219,108	1,522,333

a) The salary includes election costs

b) Post holder is on flexible retirement during 23/24 with a leave date of 30/04/2024

c) Employee left 13/08/2023 and received holiday pay

d) Employee left 31/03/2024

e) The salary includes election costs

f) Employee left 31/12/2023 and post removed in restructure the salary includes election costs

Officers' Remuneration

The table below shows remuneration over £50,000 to employees in bands of £5,000, and excludes senior officers shown in the previous tables. 2023/24 has been restated to exclude senior officers.

Changes within bands are primarily due to the impact of pay awards and staff progression through their pay bands and not solely due to additional staff being employed.

Remuneration includes severance and pension strain costs where the Council has made decisions to release staff from their employment of the Council through redundancy and early retirements. The number of employees by band are therefore inflated by those one-off costs and do not represent on-going staff numbers being paid within the remuneration bands shown.

The costs of the providing additional retirement benefits are calculated by the Pension Fund and are recharged to the Council, who reimburse the Fund in year of departure. There are minimal instances where the agreed arrangement was to reimburse over 5 years, but the last cases of these ended during 2024/25.

Amount	2023/24 (restated)			2024/25		
	Other	Teacher	Total	Other	Teacher	Total
£50,001 - £55,000	90	119	209	137	165	302
£55,001 - £60,000	93	53	146	110	78	188
£60,001 - £65,000	53	43	96	53	45	98
£65,001 - £70,000	24	33	57	29	33	62
£70,001 - £75,000	22	16	38	17	22	39
£75,001 - £80,000	20	17	37	30	16	46
£80,001 - £85,000	5	13	18	8	11	19
£85,001 - £90,000	10	10	20	9	8	17
£90,001 - £95,000	0	6	6	7	10	17
£95,001 - £100,000	5	4	9	1	6	7
£100,001 - £105,000	1	1	2	5	3	8
£105,001 - £110,000	0	2	2	0	2	2
£110,001 - £115,000	0	1	1	0	0	0
£115,001 - £120,000	0	1	1	0	1	1
£120,001 - £125,000	0	0	0	0	2	2
£130,001 - £135,000	2	0	2	0	0	0
£135,001 - £140,000	0	0	0	1	0	1
Total	325	319	644	407	402	809

Exit Packages

The number of exit packages with total cost per band of compulsory and other redundancies are set out in the table below. These packages include pension contributions in respect of added years, ex-gratia payments and other departure costs.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£000	£000
£0 - £20,000	0	0	46	29	46	29	353	192
£20,000 - £40,000	0	0	25	4	25	4	777	105
£40,001 - £60,000	0	0	5	0	5	0	260	0
£60,001 - £80,000	0	0	1	0	1	0	69	0
Total	0	0	77	33	77	33	1,459	297

Note 33 - External Audit Costs

The Councils auditors are Grant Thornton and will incur audit fees of £544k relating to the external audit for 2024/25. The costs reported for 2024/25 include fees of £53k for other services provided. The Council has received £57k of grant from central government to support the rise in fees. The 2023/24 audits fees have been restated to include additional audit costs of £45k.

2023/24 (restated)		2024/25
£000		£000
489	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	491
75	Fees payable in respect of other services provided by external auditors during the year	53
564 Total		544

Note 34 - Dedicated Schools Grant

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

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

DSG Receivable for 2024/25	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG for year before Academies recoupment			366,492
Academy figure recouped for year			(147,516)
Total DSG after academy recoupment			218,976
Plus: Brought forward from previous year			0
Less: Carry forward to following year (agreed in advance)			0
Agreed initial budgeted distribution in year	45,604	173,372	218,976
In year adjustments	0	(603)	(603)
Final budget distribution for year	45,604	172,769	218,373
Less: Actual central expenditure	(62,565)	0	(62,565)
Less: Actual ISB deployed to schools	0	(172,811)	(172,811)
Plus: Local Authority contribution for year	0	0	0
In Year Carry-forward to 2024/25	(16,961)	(42)	(17,003)
Plus/Minus: Carry forward to following year (agreed in advance)			0
Carry-forward to 2024/25			0
DSG unusable reserve at the end of year			(12,989)
Addition to DSG unusable reserve at the end of year			(17,003)
Total of DSG unusable reserve at the end of year			(29,992)
Net DSG position at the end of year			(29,992)

At 31st March 2025 the Dedicated Schools Grant reserve has a debit balance to the value of £29.992m which represents a deficit position to be carried forward into 2025/26. The deficit position is mainly due to additional pressure in the High Needs block. Wirral Council is actively developing a plan to recoup the deficit.

Comparative table for 2023/24

DSG Receivable for 2023/24	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG for year before Academies recoupment			335,672
Academy figure recouped for year			(131,162)
Total DSG after academy recoupment			204,510
Plus: Brought forward from previous year			0
Less: Carry forward to following year (agreed in advance)			0
Agreed initial budgeted distribution in year	44,846	159,664	204,510
In year adjustments	0	(307)	(307)
Final budget distribution for year	44,846	159,357	204,203
Less: Actual central expenditure	(52,756)	0	(52,756)
Less: Actual ISB deployed to schools	0	(159,673)	(159,673)
Plus: Local Authority contribution for year	0	0	0
In Year Carry-forward to 2023/24	(7,910)	(316)	(8,226)
Plus/Minus: Carry forward to following year (agreed in advance)			0
Carry-forward to 2023/24			0
DSG unusable reserve at the end of year			(4,763)
Addition to DSG unusable reserve at the end of year			(8,226)
Total of DSG unusable reserve at the end of year			(12,989)
Net DSG position at the end of year			(12,989)

Note 35 - Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

2023/24 £000	Credited to Taxation and Non-Specific Grant Income Revenue Grants:	2024/25 £000
(32,142)	Social Care Support Grant	(41,899)
(29,146)	Business Rates (reliefs) S31 grants	(32,816)
(6,954)	Market Sustainability & Improvement Fund	(7,877)
(5,472)	Schools Private Finance Initiative	(5,472)
(2,697)	Social Care Discharge Fund	(4,495)
(683)	Business Rates Levy Surplus	(683)
(3,295)	Services Grant	(569)
(258)	Local Reform & Community Voices	(258)
(2,561)	Other Revenue Grants (less than £250K in current year)	(880)
(83,208)	Total Revenue Grants	(94,949)
	Capital Grants:	
(12,559)	Future High Streets Fund Birkenhead	0
(6,975)	Transport Supplementary Grant	(11,460)
(2,502)	Levelling Up Fund	(5,500)
(4,132)	School Condition	(3,830)
0	Food Waste Collection Service (DEFRA funding)	(2,377)
(3,162)	Disabled Facilities Grant	(1,949)
0	Active Travel	(1,559)
(4,093)	High Needs Provision Grant	(1,210)
(765)	Department for Transport funding for highways maintenance	(1,093)
0	Active Travel 4 (Birkenhead)	(624)
	Liverpool City Region Combined Authority contribution	
0	Argyle & Conway Street roundabout	(500)
(721)	LED Grant Funded	(442)
(721)	Transforming Care - Therapeutic Short Breaks	(406)
0	s106 contributions	(372)
(90)	Design Out Crime	(268)
(20,761)	Other Capital Grants (less than £250K in current year)	(511)
(56,481)	Total Capital Grants	(32,100)
(139,689)	Total credited to Taxation and Non-Specific Grant Inc	(127,049)

Grant Income Credited to Services

2023/24	2024/25
£000	£000
(202,574) Dedicated Schools Grant	(216,929)
(85,218) Housing Benefit Subsidy	(83,704)
(32,014) Public Health Grant	(32,947)
(13,574) Pupil Premium	(13,385)
(2,884) Supplementary Substance Misuse Treatment & Recovery (formerly Project ADDR)	(4,376)
(49) Post-16 Teachers Pension Employers Contribution & Supplementary Fund	(3,557)
0 Core Schools Budget Grant	(3,478)
0 Household Support Fund 5 (Apr-24 to Sep-24)	(3,049)
0 Household Support Fund 6 (Oct-24 to Mar-25)	(3,049)
0 Families First for Children Pathfinder Wave 2	(3,040)
(1,675) Teachers Pay Grant	(2,700)
(361) United Kingdom Prosperity Fund	(2,656)
(2,564) Universal Infant Free School Meals	(2,330)
(1,748) Supporting Families	(1,969)
(712) Unaccompanied Asylum Seeking Children	(1,661)
(1,484) Holiday Activities & Food Programme	(1,477)
(1,512) Sixth Form Funding	(1,413)
(1,487) Physical Education & Sports Grant	(1,280)
(2,124) Recovery premium allocations	(1,159)
(1,167) Housing Benefit Subsidy Administration Grant	(1,147)
(1,022) Adult Community Learning	(1,042)
(562) Homelessness Prevention Grant	(912)
(767) Domestic Abuse Bill	(781)
(232) Step Up to Social Work	(749)
0 S31 Grant for implementation of Supported Accommodation Reforms	(726)
(711) Youth Justice Board	(714)
(556) Rough Sleeper Initiative	(639)
(1,803) Wirral Ways to Work	(597)
(562) S31 Grant for Staying Close Children's Social Care	(582)
(552) Discretionary Housing Payments	(552)
(3,662) Homes for Ukraine Tariff	(521)
(374) Homes for Ukraine Sponsor Thank You grant	(405)
0 Local Stop Smoking Services and Support Grant	(361)
(740) Community Safety Partnership	(342)
(315) Business Rates Cost of Collection Allowance	(317)
(540) Devolved Formula Capital (less than £10k incurred on Council owned assets)	(368)
(1,915) Capital Grants Treated as REFCUS	(4,092)
(22,137) Other Grants (less than £250k in current year)	(8,738)
(387,597) Total	(407,744)

The Council has acted as agent, administering grants on behalf of external partner organisations in 2024/25, with income and expenditure being excluded from the Comprehensive Income and Expenditure Statement for the following:

2023/24	2024/25
£000	£000
(490) Inpatient Detoxification	(646)
0 Mockingbird Funding	(121)
0 Adoption Support Fund	(4)
(2) Universal Infant Free School Meals	(2)
(492) Total - Agent	(773)

The Inpatient Detoxification grant is held on behalf of a range of local authority partners in the Cheshire and Merseyside area. The Council has a share of the grant and this is £0.111m for 2024/25 (£0.111m). The £0.111m is included within the 'Other grants (less

than £250k)' line within the 'Credited to Services' table above. The figure above is the share attributable to the partners.

Mockingbird Funding is money distributed by the Department for Education (DfE) via Warrington Council (the regional host) with the aim of improving the retention of foster carers.

The Adoption (Special Guardian) Support Fund (ASGSF) relates to grant from the DfE for therapeutic support. The ASGSF is available for children and young people up to and including the age of 21, or 25 with an Education, Health and Care Plan (EHCP), who meet certain specific eligibility criteria. The Council is deemed to be acting as an agent for this funding, as it has no control over which families meet these criteria.

Universal Infant School Meals are allocated to the Council and academy schools. The proportion above represents the share attributable to academy schools.

Other Grants

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

2023/24	2024/25
£000 Revenue Grants Received in Advance:	£000
(646) Adult Community Learning	(658)
0 Virtual School Headteachers	(639)
0 Wraparound Childcare	(502)
0 Simpler Recycling Food Waste Collection	(460)
(3,980) Other	(1,902)
(4,626) Total	(4,161)

Grants Receipts in Advance (Capital Grants) - Long Term Liabilities

2023/24	2024/25
£000 Capital Grants Received in Advance:	£000
(178) Cluster of Empty Homes	(178)
(67) Mulberry Properties	(67)
(190) s106 various	(190)
(435) Total	(435)

Note 36 - Related Parties

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

- Central Government
- Elected Members of the Council
- Senior Officers
- Other Public Bodies; and
- Entities controlled or significantly influenced by the Council

Central Government

Central Government has significant control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., council tax bills, housing benefits).

Details of grants received from Government departments are set out in the analysis in the Grant Income note.

Other Public Bodies

The Council has a member representation on committees of the following organisations to which the Council pays a levy or precept.

	Number of Representatives	Precept / Levy 2023/24 £000	Apportionment of Previous Years Deficit 2023/24 £000	Precept / Levy 2024/25 £000	Apportionment of Previous Years Surplus 2024/25 £000
Merseyside Police Authority	2	24,084	(170)	25,436	376
Merseyside Fire & Rescue Service	4	9,148	(130)	9,456	93
Merseyside Recycling and Waste Authority	2	17,712	0	18,092	0
Merseyside Port Health	7	105	0	105	0
Manchester Port Health	1	23	0	24	0
North Western Inshore Fisheries and Conservation	1	78	0	95	0
Environment Agency	1	188	0	191	0
Liverpool City Region Combined Authority	10	24,859	(15)	25,372	28

The Council has entered into a pooled budget arrangement in partnership with NHS Cheshire & Merseyside ICB, under Section 75 of the Health Act 2006, for the commissioning and delivery of various integrated Care & Health functions. Further details are contained in the note for Pooled Budgets.

The Council is a host to the collaboration Cheshire and Merseyside Public Health Collaborative Service (Champs) with 8 other Councils across Merseyside and Cheshire with the purpose of improving the health and wellbeing of their population via collective investments.

The other councils are Cheshire East, Cheshire West and Chester, Halton, Knowsley, Liverpool, Sefton, St Helens and Warrington.

In 2024/25, all 9 members contributed £51k each to the collaboration, with a number of health bodies providing contributions, the largest being NHS Cheshire and Merseyside ICB of £785k (£799k in 2023/24) with the majority of this funding being for Population Health initiatives that aim to reduce health inequalities by embedding an approach towards prevention and health equity.

The Council also acts as the administering authority to Merseyside Pension Fund and charged the Fund £4.8m (£4.4m in 2023/24) for administration and investment management costs.

Entities controlled or significantly influenced by the Council

Alongside the individually significant relationships, the Council works with a range of bodies complementary to the Council's objectives. The contributions can be either a direct financial payment or a non-financial contribution to support the running of the body. The Council also commits staff time and support whilst working with its partners and, in

certain cases, is represented at officer or member level in strategic decision making. On review of these payments, the Council does not feel that any undue influence has been exerted to these organisations as a result of the contributions made. The total direct financial contributions to such organisations for services in 2024/25 amounted to £5.4m (2023/24 in £5.4m), these are detailed below, inclusive of VAT were applicable.

Edsential CIC

The Council has significant influence over Edsential Community Interest Company through its ownership of 50% of the shares in the company and having one senior officer on the board. This is a joint venture with Cheshire West and Chester Council to provide services to the Education sector.

The Council purchased services from Edsential to the value of £4.9m in 2024/25 (£5.4m in 2023/24) and £0.3m received from them which includes interest for the loan.

The Council has provided the company with two loans with balances of £0.3m for a working capital loan and £0.8m for a Covid loan as at the 31st March 2025. The Council has provided for an expected credit loss provision of £0.23m.

Wirral Growth Company Limited Liability Partnership

Wirral Growth Company Limited Liability Partnership (WGC) has been set up to deliver the key regeneration agenda as a Limited Liability Partnership with Muse Holdings Ltd.

There has been very little activity between Wirral and WGC, amounting to costs of £0.5m paid to WGC and a receipt of £0.8m where WGC was an agent for a transfer of an asset.

There is also a small balance due for loan interest £0.2m

Pension Guarantees

The Council acts as a guarantor for a number of staff who work in various external bodies that have been admitted to the Merseyside Pension Fund. On cessation of the body's participation in the fund, any shortfalls are initially claimed from the admitted body. If they cannot be recovered from that source, the pension fund would look at the guarantee arrangements and draw down from bonds that are in place and, if still insufficient, from the guarantor. The Council acts as a guarantor for a number of bodies. At the 31 March 2025, all bodies pension estimates were deemed to be in a surplus position, therefore there is no liability for the Council to consider including in the 2024/25 Accounts.

Elected Members of the Council and Officers

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

During 2024/25 works and services to the value of £10.0m (£15.4m in 2023/24) was commissioned from organisations and £0.3m (£1.7m in 2023/24) charged to organisations in which Members had an interest (over and above those reported separately).

The year-end creditors balance owed to these organisations is £0.3m. And the debtors balance owed from the organisations is £9.8m. (largely due to the pooled budget arrangements).

In all instances, the payments were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the payments. Details of all these transactions are recorded in the Register of Members' Interest, open to public inspection at the Town Hall during office hours.

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

The table below identifies where Members and Officers of the Council held interests in other organisations, which had transactions with the Council during 2024/25, separately illustrating where this was in relation to their capacity as a Councillor.

Interest in Companies

Following a review of the Council's relationships with various organisations in whom it is a stakeholder, it has been determined that the activities of these entities are not material to be reported within a Group Statement of Accounts. Those organisations are shown in the following table with Members and Officers of the Council held interests in the following companies during 2024/25.

Organisation	Officer	Members - in their official capacity	Members - other
Birkenhead Sixth Form College		Councillor Gillian Wood	
Birkenhead YMCA			Councillor Andrew Hodson
Charlottes Brightside CIC			Councillor Tony Jones Councillor Sue Powell-Wilde
Cheshire & Wirral Partnership NHS Foundation Trust		Councillor Julie McManus	
Cheshire and Merseyside ICB		Councillor Mary Jordan Councillor Julie McManus	
Disabled Enabled Limited T/A Accessable	Jayne Marshall		
Early Excellence Ltd			Councillor Brian Kenny
Friends Of Birkenhead Kennels			Councillor Lesley Rennie
Gautby Road Play And Community Centre		Councillor Elizabeth Grey Councillor Brian Kenny Councillor Julie McManus	
Leasowe Play Youth & Community Association		Councillor Angela Davies Councillor Paul Jobson Councillor Louise Luxon-Kewley	
Liverpool Airport Plc		Councillor Elizabeth Grey	
Liverpool John Moores University			Councillor Gillian Wood
Magenta Living		Councillor Tony Jones	
Merseyside Society For Deaf People (MSDP)		Councillor Gary Bennett Councillor Julie McManus	
North Birkenhead Development Trust Limited		Councillor Brian Kenny	
North West Employers Organisation		Councillor George Davies	
Overton Community Centre Limited			Councillor Jean Robinson
Plus Dane Housing Association			Councillor George Davies
Royal National Lifeboat Institution (RNLI)			Councillor Tony Jones Councillor Sue Powell-Wilde
St Anselm's College Edmund Rice Academy Trust			Councillor George Davies
Tam O'Shanter Cottage Urban Farm Trust			Councillor Steve Foulkes Councillor Gillian Wood
The Barnstondale Centre	Vicki Shaw		
The Callister Trust			Councillor Allan Brame
The Hive T/A Wirral Youth Zone			Councillor Angela Davies
The Little Centre Beechwood Limited			Councillor Brian Kenny
The University Of Liverpool			Councillor Jennifer Johnson
Unilever Plc			Councillor Steve Foulkes
Wallasey Village Library And Community Centre (CIC)			Councillor Ian Lewis
Wirral Chamber Of Commerce			Councillor Paula Basnett
Wirral Environmental Network			Councillor Naomi Graham
Wirral Multicultural Organisation		Councillor Colin Baldwin Councillor Amanda Onwuemene Councillor Richie Pitt	
Wirral University Teaching Hospital NHS Foundation Trust		Councillor Julie McManus Councillor Gary Bennett	Councillor Ian Lewis Councillor Helen Raymond

Company	Control / Interest	Directors	Company Status	Members and Officers of the Council held interests
Edsential CIC	Joint Venture	Peter Brown Philip Dickson Ian Philip McGrady Samantha-Jane Myers-Whittaker Mark Parkinson Sharon Senn Nicola Wetton Adrian Francis Whiteley <u>Wirral Officer:</u> James Backhouse	Active	Officer James Backhouse
Wirral Growth Company LLP	Limited liability Partnership	Muse Places Ltd Wirral Borough Council	Active	Cllr Jean Robinson Cllr Jeff Green Officer Daniel Kirwan Sayyed Osman
Wirral Evolutions Ltd	Subsidiary	Simon Garner	Active (non-trading)	Officer Simon Garner
Wirral Growth Company Nominee Limited	Subsidiary	Paul Knowles	Dormant	
Wirral Holdings Ltd	Subsidiary	Paul Satoor	Dormant	Officer Paul Satoor

Note 37 - Capital Expenditure and Capital Financing

The Council's Capital Financing requirement has risen in 2024/25 by £89.2m. This is a larger increase compared to recent years and is a consequence of the Council now adopting a new accounting standard, IFRS 16, regarding lease arrangements. The Council must now account for lease arrangements on the balance sheet by recognising both an asset and a liability for the specific assets being leased.

The net in-year impact of adopting this standard was an increase of £48.5m for lease agreements and an additional £23.8m for the net remeasurement of the pre-existing PFI arrangements to be compliant with the new accounting requirements.

With regards to Capital expenditure within 2024/25, the Council spent £84.9m (inclusive of £18.6m relating to the Capitalisation Direction), with funding set aside including adjustments totalling £56.0m.

The overall Capital Financing requirement will be funded from a combination of future revenue contributions, capital receipts and external funding. Revenue expenditure funded from capital under statute (REFCUS) during the year was £29.6m inclusive of £18.6m relating to the Capitalisation Direction.

2023/24 has been restated to incorporate the finance lease of Birkenhead Commercial District. Further details can be found in the Prior Period Adjustments note.

2023/24 (restated) £000		2024/25 £000
376,489	Opening Capital Financing Requirement	471,798
	<u>IFRS 16 Adopted 2024/25</u>	
0	PFI Initial Remeasurement on Adoption of IFRS 16	28,873
0	PFI Remeasurement as at 31 March 25	1,508
77,809	Finance Lease Initial Remeasurement on Adoption of IFRS 16	49,953
77,809	Remeasurements Due To Adoption of IFRS 16	80,334
	Capital Investment:	
63,487	Property Plant and Equipment	54,893
1,398	Intangible Assets	12
100	Assets Held for Sale	436
13,331	Revenue Expenditure Funded from Capital Under Statute	29,581
78,316	Total Capital Spending	84,922
	<u>Sources of Finance:</u>	
(5,400)	Capital receipts - Applied to Capital Expenditure	(3,531)
(4,469)	Capital receipts - Applied to MRDF	(4,469)
(38,354)	Government Grants and other contributions	(52,202)
(2,113)	Adjustment to prior years financing	91
	<u>Sums set aside from revenue:</u>	
(293)	- Direct revenue contributions	(304)
(10,187)	- Minimum revenue provision	(15,648)
(60,816)	Total Sources of Finance	(76,063)
471,798	Closing Capital Financing Requirement	560,991
Explanation of movements in year		
2023/24 (restated) £000		2024/25 £000
17,500	Increase in underlying need to borrow (unsupported by government financial assistance)	16,845
0	PFI contracts under IFRS 16	23,801
77,809	Finance leases under IFRS 16	48,547
95,309	Increase/(decrease) in Capital Financing Requirement	89,193

Note 38 - Leases

IFRS 16 Leases

IAS 17 was replaced by IFRS 16 from the 1st of April 2024. The new standard requires operating leases to be added to the balance sheet in the same manner as Finance leases.

The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

Presentation of the year-end tables reflect the introduction of the new standard which, during this first year, is not directly comparable to prior years. This first year of implementation of the standard provides a baseline moving forwards.

2023/24 has been restated to correctly account for the finance lease for the Birkenhead Commercial District.

Authority as Lessee

The authority's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles. Most are individually immaterial; however, material leases include:

- The lease for Birkenhead Commercial District office buildings Irvine and Mallory commenced in September 2023 with 35-year leases. At the end of the term, the Council has the option to purchase the headlease for a consideration of £1 giving 12 months' notice.
- Millers Quay commenced in August 2024 with a 55-year lease.

A weighted average incremental borrowing rate of 2.21% has been applied to lease liabilities as at 1 April 2024.

As at 31st March 2024 there were £93k outstanding relating to operating leases. As these expired and have been settled during the year, these have not been included and only new leases or those brought on board due to IFRS 16 are included in 2024/25.

Right-of-use assets

Right of use assets are held on the Balance Sheet within the Property, Plant and Equipment section. See the Property Plant and Equipment note for details of the change in value of right of use assets held under leases by the authority.

Transaction under leases

The authority incurred the following expenses and cash flows in relation to leases.

	2023/24	2024/25
	£000	£000
Comprehensive income and expenditure statement	1,847	4,374
Interest expense on lease liabilities	38	837
Expense relating to short-term leases	0	40
Expense relating to exempt leases of low-value items	0	41
Cash flow Statement		
Minimum lease payments	1,940	3,532

There are a small number of short-term or low value leases for which lease payments are recognised as an expense on a straight-line basis over the lease term.

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments).

	31 March 2024	31 March 2025
	£000	£000
Payable within one year	1,940	2,908
Payable within two to five years	11,083	10,584
More than five Years	64,648	110,738
Total undiscounted Liabilities	77,671	124,230

Authority as Lessor

The authority leases out property and equipment under operating leases for the following purposes:

- For the provision of community and tourism services
- For economic purposes to provide suitable affordable accommodation for local businesses.

The authority has leased out land to The Caravan Club and buildings to charity and retail businesses.

Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured as the undiscounted amounts of expected cash receipts).

	Finance leases		Operating leases	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025
	£000	£000	£000	£000
Less than one year	5	6	1,023	2,659
One to two years	6	6	1,023	3,979
Two to three years	6	6	1,012	3,846
Three to four years	6	6	936	3,575
Four to five years	6	6	705	3,331
More than five years	225	219	3,776	22,934
Total	254	249	8,475	40,324

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows.

	31 March 2024	31 March 2025
	£000	£000
Total undiscounted lease receivables	254	249
Unearned finance income	(217)	(203)
Net investment in leases	37	46

Note 39 - Service Concession Arrangements

The Wirral Schools' PFI Scheme Project Agreement was originally signed in March 2001 and involved the rebuilding and/or refurbishment of one primary and eight secondary schools in Wirral. A Deed of Amendment was entered into on 9 September 2004 to extend the contract until July 2031.

The first phase of the Project (Construction Works) was completed on the final schools in August 2006, and the Council now receives support services in accordance with a detailed set of Output Specifications. These include building and services maintenance, grounds maintenance, catering, cleaning, caretaking, security, utilities and telecommunications.

The specifications for Support Services are not prescriptive and it is up to our PFI Partner, Wirral Schools Services Ltd (WSSL) to devise a programme of service delivery which

achieves the Council's Output Specifications. The success of this is measured by way of a payment mechanism and deductions system.

It is only in pre-agreed circumstances that WSSL is excused from performance. These situations are known as Relief Events and they include the declaration of any emergency by the Council, failure by any utility company, loss or damage to a road servicing a school or any strike affecting the relevant industry.

Other than under these clearly defined circumstances, risk on the above services is transferred to WSSL. There are examples of "Shared Risk" such as that on Utility Consumption, "Limited Risk" such as that on the maintenance of loose furniture, fittings and equipment and "No Risk" to WSSL whereby the costs of damage caused by an Act of Vandalism under specific conditions, rest with the Council.

The price for the provision of the services (i.e., the provision of the school accommodation and the Support Services) is essentially a fixed price for the duration of the term.

There are several provisos to this e.g., annual indexation in accordance with the Retail Prices Index and Value for Money Testing. The latter is carried out at five-year intervals and involves a comparison between the current price paid for a particular service (such as cleaning or catering) with equivalent prevailing market costs. If the market average is higher or lower than the current cost by a certain amount, then any excess outside of that range leads to a price adjustment.

The Project Agreement will come to an end on its agreed expiry date of 31 July 2031. Thirty months prior to the Expiry Date, a Handback Survey will be carried out. This will detail each asset and component of each school and will report on the residual life of those assets. On the Expiry Date, the facilities will be handed back to the Council, at nil consideration, in a condition which complies with specific standards / life expectancies for individual components within each school.

The Council only has the right to terminate the contract if it compensates the contractor. Guidelines are clearly set out for rules governing Compensation on Termination, as classified under events of Project Co. Default or Council Default.

South Wirral High has adopted Foundation status. Birkenhead Park School (formerly University Academy Birkenhead), Weatherhead High, Hilbre High, Wirral Grammar School, Bebington High and Prenton High have adopted Academy status. The assets relating to the Academies are no longer reflected in the Balance Sheet.

Kingsway Academy closed in August 2018, and the building legally transferred back to the Council during 2022/23 at nil consideration in a reversal of the transaction occurring when schools convert to academy status. Since July 2022, £2.665m has been spent to adapt the site in preparation for the full transfer of Claremount Specialist Sports College, with the site subsequently being revalued as an operational asset as at 31st March 2024.

Claremount Specialist Sports College took partial occupancy in September 2022 and over the last three years has increased pupil numbers, with the school now occupying the majority of the former Kingsway site, with the exception of a small number of rooms used to support the Wirral Sensory service.

The Net Book Value of the assets held under the schools PFI scheme at 31 March 2025 is £47.266m (31 March 2024 £45.649m), which is included within the Property, Plant & Equipment note.

Payments due under PFI Schemes

The authority makes an agreed payment each year that is increased annually by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed. Payments remaining to be made under the PFI contract at the 31 March 2025 (excluding any estimation of inflation and availability / performance deductions) are as follows:

	Payment for Services	Reimbursements of capital expenditure	Interest	Total
	£000	£000	£000	£000
Payable within one year	6,109	7,169	1,684	14,962
Payable within two to five years	26,179	32,791	4,169	63,139
Payable within six to ten years	9,714	11,812	244	21,770
Total	42,002	51,772	6,097	99,871

Liability

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable while the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows. The adoption of IFRS 16 during this financial year has resulted in a remeasurement that is represented in this table.

2023/24	2024/25
£000	£000
31,221 Balance outstanding at start of year	27,970
(3,251) Payments during the year	(4,473)
0 Other movements	28,275
27,970 Balance outstanding at year-end	51,772

Note 40 - Pension Schemes Accounted for as Defined Contribution Schemes

Teachers

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

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the DfE uses a national fund as the basis for calculating the employer's contribution rate paid by local authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes.

In 2024/25, the Council paid £19.4m (2023/24 £16.0m) to Teachers' Pensions in respect of teachers' retirement benefits. There were no contributions remaining payable at the year-end. The contributions due to be paid in the next financial year are estimated to be £18.2m. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. The Council is not liable to the Scheme for any other entities' obligations under the plan.

Public Health

When Public Health staff transferred from Wirral primary care trust (PCT) in April 2013 on the abolition of the Primary Care Trusts (PCTs) nationally, they retained access to the NHS Pension Scheme. The Scheme provides specified benefits upon retirement towards which the Council makes contributions based on a percentage of members' salaries. The Scheme is administered by the NHS Business Services Authority on behalf of the Department of Health in England and Wales. The Scheme is a multi-employer defined benefit scheme. The Scheme is unfunded, and the Department of Health uses a notional fund as the basis for setting employer contribution rates. Valuations of the fund are undertaken every four years. The Scheme has over 1.3m active members employed in a wide variety of organisations.

A small number of staff (41) transferred from the Wirral PCT and consequently the Council is unable to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. As a proportion of the total contributions into the NHS Pension Scheme during the year ending 31 March 2025, the Council's own contributions are negligible.

In 2024/25 the Council paid £0.5m (2023/24 £0.6m) to the NHS Pension Scheme in respect of the retirement benefits of public health staff. There were no contributions remaining payable at the year-end. Contributions due to be paid in the next financial year are estimated to be £0.2m. The Council is not liable to the Scheme for any other entities' obligations under the plan.

Note 41 - Defined Benefit Pension Scheme

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits within the Local Government Pension Scheme. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the following post-employment schemes:

The Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme, administered locally by Wirral Borough Council, is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement, is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these liabilities, and cash must be generated to meet actual pension payments as they eventually fall due.

The Merseyside Pension Fund is a multi-employer scheme operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Fund Pensions Committee, which comprises Councillors and representatives from other employers. Policy is determined in accordance with the Public Service Pensions Act 2013.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e., large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Unfunded Teachers' Scheme

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme referred to in the Pension Schemes Accounted for as Defined Contribution Schemes note. These costs are accounted for on a defined benefit basis and the Council is not liable to the Scheme for any other entities' obligations under the plan.

Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement on Reserves Statement. The transactions shown in the table below have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year. 2023/24 values have been restated to correct the accounting treatment of the Asset Ceiling. Further details can be found in the Prior Period Adjustments note.

2023/24 (restated)				2024/25			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement							
Cost of Services							
			Service cost comprising:				
27,162	0	0	27,162 Current service cost	27,680	0	0	27,680
20	0	0	20 Past service cost	0	0	0	0
496	0	0	496 (Gain) / loss from curtailments	240	0	0	240
772	0	0	772 Administration expenses	820	0	0	820
(1,408)	1,141	761	494 Net interest expense	(3,828)	1,080	684	(2,064)
0	0	0	0 Interest charged on surplus above asset ceiling	3,198	0	0	3,198
27,042	1,141	761	28,944 Total charged to Surplus and Deficit on Provision of Services	28,110	1,080	684	29,874

2023/24 (restated)					2024/25			
Local Government Pension Scheme £000	Discretionary Benefits £000	Unfunded Teachers' Scheme £000	Total £000		Local Government Pension Scheme £000	Discretionary Benefits £000	Unfunded Teachers' Scheme £000	Total £000
				Re-measurement of the net defined benefit liability comprising:				
(22,387)	0	0	(22,387)	Return on plan assets (excluding the amount included in the net interest expense)	17,558	0	0	17,558
10,984	221	95	11,300	Actuarial gains and losses - experience	(1,603)	(36)	0	(1,639)
(18,518)	(374)	(249)	(19,141)	Actuarial gains and losses arising on changes in demographic assumptions	(4,411)	(84)	(64)	(4,559)
(20,151)	(168)	0	(20,319)	Actuarial gains and losses arising on changes in financial assumptions	(191,652)	(1,471)	(625)	(193,748)
65,270	0	0	65,270	Effect of the asset ceiling	177,669	0	0	177,669
15,198	(321)	(154)	14,723	Total charged to Other Comprehensive Income and Expenditure Statement	(2,439)	(1,591)	(689)	(4,719)
42,240	820	607	43,667	Total charged to the Comprehensive Income and Expenditure Statement	25,671	(511)	(5)	25,155

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as set out in the tables above and below. The total liability at 31 March 2025 is £33.1m (£38.4m liability as at 31 March 2024).

2023/24 (restated)					2024/25			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total		Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
Movement in Reserves Statement								
£000	£000	£000	£000		£000	£000	£000	£000
(27,042)	(1,141)	(761)	(28,944)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(28,110)	(1,080)	(684)	(29,874)
23,338	2,558	2,180	28,076	Employers' contributions payable to scheme	25,671	2,616	2,156	30,443
(3,704)	1,417	1,419	(868)	Net movement in reserves	(2,439)	1,536	1,472	569

2023/24 (restated)				2024/25			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Pensions Assets and Liabilities Total Recognised in the Balance Sheet	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000	£000	£000	£000	£000
(1,421,141)	(23,333)	(15,043)	(1,459,517)	(1,269,396)	(20,206)	(12,882)	(1,302,484)
1,421,141	0	0	1,421,141	1,269,396			1,269,396
0	(23,333)	(15,043)	(38,376)	0	(20,206)	(12,882)	(33,088)
Net (liability) / asset arising from the defined benefit obligation							

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets:

2023/24				2024/25			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Movement in the Value of Scheme Total Assets	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000	£000	£000	£000	£000
1,390,026	0	0	1,390,026	1,486,411	0	0	1,486,411
67,300	0	0	67,300	72,228	0	0	72,228
Re-measurement gain / (loss):							
22,387	0	0	22,387	(17,558)	0	0	(17,558)
23,338	2,558	2,180	28,076	25,671	2,616	2,156	30,443
9,749	0	0	9,749	10,341	0	0	10,341
(53,085)	(2,558)	(2,180)	(57,823)	(60,740)	(2,616)	(2,156)	(65,512)
(772)	0	0	(772)	(820)	0	0	(820)
27,468	0	0	27,468	0	0	0	0
1,486,411	0	0	1,486,411	1,515,533	0	0	1,515,533
Closing value of scheme assets							

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

2023/24				2024/25			
Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Movements in the Fair Value of Total Scheme Liabilities	Local Government Pension Scheme	Discretionary Benefits	Unfunded Teachers' Scheme	Total
£000	£000	£000	£000	£000	£000	£000	£000
(1,377,214)	(25,071)	(16,616)	(1,418,901)	(1,421,141)	(23,333)	(15,043)	(1,459,517)
(27,162)	0	0	(27,162)	(27,680)	0	0	(27,680)
(65,892)	(1,141)	(761)	(67,794)	(68,400)	(1,080)	(684)	(70,164)
(9,749)	0	0	(9,749)	(10,341)	0	0	(10,341)
(10,984)	(221)	(95)	(11,300)				
				1,603	36	0	1,639
18,518	374	249	19,141	4,411	84	64	4,559
20,151	168	0	20,319	191,652	1,471	625	193,748
(20)	0	0	(20)	0	0	0	0
(496)	0	0	(496)	(240)	0	0	(240)
53,085	2,558	2,180	57,823	60,740	2,616	2,156	65,512
(21,378)	0	0	(21,378)	0	0	0	0
(1,421,141)	(23,333)	(15,043)	(1,459,517)	(1,269,396)	(20,206)	(12,882)	(1,302,484)

LGPS Pension Scheme Assets Comprised of:

2023/24			2024/25		
Quoted £000	Unquoted £000	Total £000	Quoted £000	Unquoted £000	Total £000
14,517	0	14,517	20,814	0	20,814
Cash and cash equivalents					
Equities					
188,262	4,730	192,992	194,491	4,156	198,647
365,959	215,854	581,813	386,322	242,698	629,020
554,221	220,584	774,805	580,813	246,854	827,667
Subtotal Equities					
Bonds					
5,834	0	5,834	6,982	0	6,982
538	0	538	71	0	71
7,079	0	7,079	16,070	0	16,070
13,173	0	13,173	8,991	0	8,991
73,748	0	73,748	38,795	0	38,795
9,857	0	9,857	8,708	0	8,708
0	946	946		7,314	7,314
110,229	946	111,175	79,617	7,314	86,931
Subtotal Bonds					
Property					
0	0	0	0	15,433	15,433
0	66,380	66,380	0	65,994	65,994
1,261	60,231	61,492	1,496	38,399	39,895
0	46,041	46,041	0	42,223	42,223
1,261	172,652	173,913	1,496	162,049	163,545
Subtotal Property					
Alternatives					
158	66,696	66,854	0	80,290	80,290
788	76,314	77,102	997	63,667	64,664
0	473	473	0	166	166
0	38,157	38,157	0	40,228	40,228
0	89,716	89,716	0	85,277	85,277
0	49,509	49,509	0	47,542	47,542
473	21,444	21,917	0	21,278	21,278
2,050	52,032	54,082	2,327	60,508	62,835
0	5,992	5,992	0	6,317	6,317
8,199	0	8,199	7,979	0	7,979
11,668	400,333	412,001	11,303	405,273	416,576
Subtotal Alternatives					
691,896	794,515	1,486,411	694,043	821,490	1,515,533
Total Assets					

Significant Assumptions by the Actuary have been:

2023/24	Local Government Pension Scheme	2024/25
Mortality assumptions		
Longevity at retirement for current pensioners		
20.9	Men	20.8
23.4	Women	23.5
Longevity at retirement for future pensioners		
22.2	Men	22.1
25.2	Women	25.2
Other assumptions		
2.7%	Rate of inflation	2.6%
4.2%	Rate of increase in salaries	4.1%
2.8%	Rate of increase in pensions	2.7%
4.9%	Rate for discounting scheme liabilities	5.8%

2023/24	Teachers' Unfunded	2024/25
Mortality assumptions		
Longevity at retirement for current pensioners aged 75		
12.6	Men	12.5
14.5	Women	14.5
Longevity at retirement for current pensioners aged 65		
20.9	Men	20.8
23.4	Women	23.5
Other assumptions		
2.7%	Rate of inflation	2.7%
2.8%	Rate of increase in pensions	2.8%
4.9%	Rate for discounting scheme liabilities	5.7%

Increase by 0.1%	LGPS £000	Teachers' Unfunded £000
Longevity	26,925	620
Rate of inflation	42,839	194
Rate of increase in salaries	8,066	0
Rate for discounting scheme liabilities	(81,590)	(375)

Note 42 - Contingent Assets and Liabilities

Contingent Liabilities

No liability is recognised in the Balance Sheet where the council has a probable obligation that will only be confirmed by a possible future event not wholly within the council's control. Such a situation is disclosed as a contingent liability.

The Council had the following contingent liabilities at the reporting date:

Non-Domestic Rates

The Council has made a provision for National Non-Domestic Rates (Business Rates) appeals, for costs potentially arising from successful appeals by Non-Domestic Ratepayers against the rateable values applied to their business properties, based upon its best estimate of the actual liability in known appeals as at 31 March 2025.

However, as appeals can be backdated for several years it is possible that additional costs could be incurred by the Council if any subsequent appeals are successful. There also

remains significant uncertainty as to what the ultimate effect of these backdated appeals will be until they are fully settled by the Valuation Office Agency.

There is an estimated contingent liability of £0.715m relating to unknown claims.

Holiday Pay Claim

There is a potential liability relating to holiday pay in respect of certain employees following a lengthy period of litigation in the higher courts which impacts on all Employers. Any 'regularly worked' overtime/additional hours should be taken into account for holiday pay. However, there is some uncertainty around this as it is difficult to define 'regular'.

Discussions have been ongoing with Trade Unions for a number of years. A proposal has been put to the Trade Unions in an attempt to settle any potential claims but has not yet been accepted. The proposal would result in a one-off back pay situation for the 3-year period from 1st April 2020, with a potential cost of £0.135m per year.

Any potential claim since April 2023 has been mitigated by the introduction of a quarterly payment charged to revenue budgets, which was implemented in 2023.

S117 funding

There is currently a dispute in relation to S117 funding for after care services for persons leaving hospital including those discharged on a temporary basis under a Community Treatment Order (CTO). Notice was received by the Council from the funding body on 31st July 2024 of their intention to withdraw all discretionary funding support. The Council believes it should not be required to contribute to the costs in 2024/25 in line with national guidance.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

There are no contingent assets at the reporting date.

Note 43 - Nature and Extent of Risks Arising from Financial Instruments

The Council has adopted CIPFA's Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities.

As part of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry of Housing, Communities & Local Government's (MHCLG) Investment Guidance for Local Authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

- **Credit Risk:** The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other Council.
- **Liquidity Risk:** The possibility that the Council will be unable to raise funds to meet the commitments associated with Financial Instruments.
- **Market Risk:** The possibility that the value of an instrument will fluctuate because of changes in interest rates, market prices etc.

Credit Risk

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit is placed on the amount of money that can be invested with a single counterparty (other than the UK government). The Council also sets a total group investment limit for institutions that are part of the same banking group, along with a limit on the amount that can be invested for a period longer than a year. These limits can be found within the 'Treasury Management Strategy Statement'.

The table below summarises the credit risk exposures of the Council's investment portfolio at 31 March 2025 by the counterparty's country of origin and its credit rating. The table confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment:

Credit Rating *	Balance Invested as at 31 March 2024	Maturity of Investment			Balance Invested as at 31 March 2025
	£000	Cash Equivalent £000	Short Term Investment £000	Long Term Investment £000	£000
AAA	18,206	21,334	0	0	21,334
A+	0	10	0	0	10
A	0	0	0	0	0
Unrated Energy Bond	0	0	0	0	0
Unrated Subsidiaries + Corporate	982	0	300	828	1,128
Total	19,188	21,344	300	828	22,472
Credit risk not applicable*	17,000	0	3,000	7,855	10,855
Total Investments	36,188	21,344	3,300	8,683	33,327

* Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any particular sum of money.

Credit Risk - Debtors	31 March 2024	31 March 2025
	£000	£000
Less than three months	7,200	7,694
Three to six months	2,569	2,078
Six months to one year	1,569	2,996
More than one year	2,089	3,299
Total	13,427	16,067

Liquidity Risk

The Council has access to borrowing facilities from the Public Works Loan Board. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage the risk that it will be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates by aiming to have an even spread of maturities in each year.

The maturity analysis of the nominal value of the Council's debt at 31 March 2025 was as follows. 2023/24 has been restated to reflect the impact of Long-Term Borrowing adjustments. Further detail can be found in the Prior Period Adjustments Note.

Liquidity Risk	31 March 2024 (restated)	31 March 2025
	£000	£000
Less than one year	149,656	151,820
Between one and two years	9,111	46,681
Between two and five years	15,851	42,383
More Than 5 Years	20,282	23,788
More Than 10 years	78,865	76,406
Uncertain date*	48,921	50,127
Total	322,686	391,205

Trade Receivables

Trade receivables are also subject to non-payment and are reviewed for impairment. By adjusting for impairment, the credit risk is recognised in the accounts:

	31 March 2024	31 March 2025
	£000	£000
Gross Receivables	60,876	72,146
Impairment	(17,896)	(19,048)
Total	42,980	53,098

Market Risk

Interest Rate Risk:

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

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

If all interest rates had been 1% higher, with all other variables held constant, the financial effect would be as shown in the table below.

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

The Council has £51m (2023/24 £51m) of "Lender's option, borrower's option" (LOBO) loans with maturity dates between 2026 and 2065 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. In the current interest rate environment, the likelihood of the lender increasing the rate is low; however, the likelihood will increase in later years should market interest rates rise.

Market Risk - Interest Rate Risk	31 March 2024	31 March 2025
	£000	£000
Increase in interest payable on variable rate borrowings	823	903
Increase in interest receivable on variable rate investments	(358)	(423)
Decrease in fair value of investments held at FVPL	25	27
Impact on Surplus or Deficit on the Provision of Services	490	507
Impact on Other Comprehensive Income and Expenditure	490	507
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(16,929)	(14,547)
Decrease in fair value of loans and investments at amortised cost	0	0

Market Risk: Price risk

The market prices of the Council's fixed rate bond investments and its units in pooled bond funds are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £10m per fund. A 5% fall in commercial property prices at 31st March 2025 would result in a £0.03m (2023/24: £0.04m) charge to the Surplus or Deficit on the Provision of Services.

Market Risk: Foreign exchange risk

The Council has no financial assets or liabilities denominated in a foreign currency. It, therefore, has no exposure to loss arising as a result of adverse movements in exchange rates.

Note 44 – 2023/24 Comprehensive Income and Expenditure Statement Realignment

Realignment of 2023/24 Cost of Services in the Comprehensive Income and Expenditure Statement

During 2024/25, there were some changes in the way income and expenditure and several functions were reported in outturn. The table below shows how this information was originally presented in the 2023/24 Comprehensive Income and Expenditure Statement, and the Expenditure and Funding Analysis Note, as restated to correctly account for the property valuations for the Birkenhead Commercial District and the subsequent impact on reserves.

Restated 2023/24 Comprehensive Income and Expenditure Statement Cost of Services

2023/24 (restated)	Expenditure £000	Income £000	Net £000
Adults Care and Health	229,500	(99,370)	130,130
Children, Families & Education	381,479	(267,333)	114,146
Finance	109,829	(98,154)	11,675
Law & Corporate Services	10,049	(1,548)	8,501
Neighbourhoods Services	90,010	(26,762)	63,248
Regeneration and Place	47,377	(19,517)	27,860
Resources	57,843	(905)	56,938
Strategic Holding Account and Corporate Items	38,771	(4,379)	34,392
	964,858	(517,968)	446,890

Restated 2023/24 Expenditure and Funding Analysis

2023/24 (restated)	Net Expenditure Chargeable to the General Fund Balance £000	Statutory Adjustments £000	Net Expenditure in the Comprehensive Income and Expenditure £000
Adults Care and Health	130,075	55	130,130
Children, Families & Education	95,142	19,004	114,146
Finance	11,735	(60)	11,675
Law & Corporate Services	8,626	(125)	8,501
Neighbourhood Services	45,946	17,302	63,248
Regeneration & Place	14,970	12,890	27,860
Resources	21,368	71,896	93,264
Strategic Holding Account and Corporate Items	745	(2,679)	(1,934)
Flexible Use of Capital Receipts	(2,900)	2,900	0
	325,707	121,183	446,890

Restated 2023/24 Note to the Expenditure and Funding Analysis

2023/24 (restated)										
	Net Expenditure reported for Resource Management	Movements in reserve	Items reported to members that sit below Net Cost of Services	Other adjustments reported to Management	Total Net Expenditure Chargeable to the General Fund	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Statutory Adjustments	Net Expenditure in the Compre- hensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults Care and Health	132,450	942	3,159	(6,476)	130,075	391	(381)	45	55	130,130
Children, Families & Education	90,281	5,769	(909)	0	95,141	12,776	(2,171)	8,400	19,005	114,146
Finance	9,728	117	1,890	0	11,735	0	(58)	(2)	(60)	11,675
Law & Corporate Services	8,424	150	52	0	8,626	13	(124)	(13)	(124)	8,502
Neighbourhood Services	46,034	166	(255)	0	45,946	18,010	(743)	35	17,302	63,248
Regeneration & Place	14,738	(2,987)	3,219	0	14,970	13,142	(272)	20	12,890	27,860
Resources	16,405	469	65	4,430	21,369	72,471	(557)	(19)	71,895	93,264
Strategic Holding Account and Corporate It	12,279	5,450	(19,030)	2,046	745	0	(2,180)	(499)	(2,679)	(1,934)
Levies	41,161	0	(41,161)	0	(0)	0	0	0	0	(0)
Flexible Use of Capital Receipts	(2,900)	0	0	0	(2,900)	2,900	0	0	2,900	0
Net cost of services	368,600	10,076	(52,970)	0	325,706	119,703	(6,486)	7,967	121,184	446,890

Fully restated 2023/24 Comprehensive Income and Expenditure Statement

The table below shows the restated 2023/24 Comprehensive Income and Expenditure Statement realigned to the Directorate management reporting structure for 2024/25. The equivalent Expenditure and Funding Analysis 2023/24 tables can be seen in the Expenditure and Funding Analysis note.

2023/24 (restated)	2023/24 (restated)		
	Expenditure £000	Income £000	Net £000
Adult Care and Health	229,518	(99,370)	130,148
Children, Families & Education	381,479	(267,333)	114,146
Finance	159,584	(98,482)	61,102
Law & Governance	18,617	(2,126)	16,491
Neighbourhood & Place	90,010	(26,762)	63,248
Regeneration & Place	47,377	(19,517)	27,860
Strategic Holding Account and Corporate Items	38,273	(4,378)	33,895
Cost of Services	964,858	(517,968)	446,890
Other Operating Expenditure	45,908	0	45,908
Financing and Investment Income and Expenditure	62,939	(9,814)	53,125
Taxation and Non Specific Grant Income	0	(438,153)	(438,153)
Surplus or Deficit on Provision of Services	1,073,705	(965,935)	107,770
Surplus or deficit on revaluation of Property, Plant and Equipment			(62,432)
Surplus or deficit on revaluation of available for sale financial assets and financial instruments at fair value through other comprehensive income and expenditure			(41)
Surplus or deficit on financial assets measured at fair value through other comprehensive income			(856)
Remeasurement of the net defined benefit liability / asset			14,723
Other Comprehensive Income and Expenditure			(48,606)
Total Comprehensive Income and Expenditure			59,164

Note 45 – Prior Period Adjustments

The following adjustments have been made to the prior year (2023/24) as a result of the materiality of their impact on the accounts for 2023/24, or to aid the understanding of the user of the accounts. The adjustments and impact of material changes are detailed below.

Directorate Realignment

During 2024/25, there were some changes in the way income and expenditure and several functions were reported to Management. 2023/24 accounts have been restated to adjust the 2023/24 comparator figures. More detail on this can be found in the 2023/24 Comprehensive Income and Expenditure Statement Realignment note.

Birkenhead Commercial District adjustment

Following a review of all lease arrangements in preparation for the transition to IFRS 16 from 1st April 2024, it was identified that the assets and leases for the Birkenhead Commercial District had not been correctly accounted for in the 2023/24 accounts, with the assets incorrectly being revalued down offsetting the liability. Due to the complex nature of the asset, external independent valuers were consulted and the lease arrangements thoroughly reviewed.

The 2023/24 accounts have been restated to correctly account for the lease liabilities as long-term finance leases, and also to account for floors 1-3 and part of the ground floor of

Mallory building as an operational asset initially at cost but subsequently revalued, with the unoccupied Irvine building and the remaining unoccupied elements of the Mallory building accounted for as Assets Under Construction as they are not available for use in their current form, and would require further capital investment to bring them into use and for them to become PPE Assets. However, these have been adjusted for assumed impairment in line with the valuation of the occupied floors.

				Comprehensive Income & Expenditure Statement	Movement In Reserves Statement	
Adjustment	Assets £000	Liabilities £000	Reserves £000	£000	£000	Total £000
Create lease & AUC asset - Irvine	30,185	(30,185)	0	0	0	0
Create lease & AUC asset - Mallory (unoccupied)	13,698		0	0	0	(32,788)
Create lease & L&B asset - Mallory (occupied)	32,788	(46,486)	0	0	0	32,788
Reverse incorrect downward revaluation - Mallory	6,198	0	(6,198)	(6,198)	6,198	0
Depreciation - Mallory (occupied)	(10)	0	10	10	(10)	0
Downward revaluation (GBV) - Mallory (occupied)	(32,846)	0	32,846	32,836	(32,836)	0
Downward revaluation (depreciation) - Mallory (occupied)	10	0	(10)	0	0	0
Indicated impairment - Mallory (vacant) & Irvine	(36,326)	0	36,326	36,326	(36,326)	0
Total adjustment	13,697	(76,671)	62,974	62,974	(62,974)	0

IAS 19 disclosures and the impact of the asset ceiling calculation

Through external audit review of the IAS 19 disclosures and the Actuary report to support the figures in the 2024/25 draft unaudited financial statements, it was identified that due to a misinterpretation of the impact of the Asset Ceiling in the prior year accounts, the Asset Ceiling calculation as required under IFRIC 14 had not been correctly applied to limit the recognition of the surplus of the Pension Asset in the 2023/24 accounts. The 2023/24 accounts have therefore been restated due to a material adjustment being required to disclose a net pension liability for 2023/24.

				Comprehensive Income & Expenditure Statement	Movement In Reserves Statement	
Adjustment	Assets £000	Liabilities £000	Reserves £000	£000	£000	Total £000
Amendment to apply pension asset ceiling	(26,894)	(38,376)	65,270	65,270	0	65,270

Lender Option Borrower Option loans

During the external audit of the Council's borrowing, five Lender Option Borrower Option loans (LOBOs) with stepped interest rates were identified at a higher than prevailing market rate at the time the loan was taken, suggesting that they were not made at fair value and that the council received a benefit in exchange for agreeing to pay the elevated interest rates, that benefit presumed to be the early termination of other loans for no penalty.

Due to the age profile of these loans, and the historic transfer of the loans between lending counterparties, evidence to confirm the reason for higher interest rates is not available. Following external advice, the increased interests rates are judged to be a result of rolling in the premium from previous older loans. The Code of Practice and IFRS 9 states the amortised cost of those loans is therefore higher than the principal amounts, and the accounts have therefore been adjusted to reflect the increased loan balances, and corresponding impact on the Unusable reserves.

An additional Loan, which was modified in 2008, was also reviewed by the consultants and due to an update to the treatment of effective interest rates in The Code of Practice in 2018/19, the historic accounting treatment has been corrected for in previous years, resulting in a £1.357m increase in General Fund balances.

Adjustment	Comprehensive Income & Expenditure Statement					Movement In Reserves Statement	Total
	Assets £	Liabilities £	Reserves £	£	£	£	
LOBO amortised cost and Effective Interest Rate adjustments - 2023/24	0	(17,682)	19,043		0	(1,361)	0
LOBO amortised cost and Effective Interest Rate adjustments - pre 2023/24	0	243	(245)		(243)	245	0

Cashflow Statement alignment

In the audited 2023/24 Statement of Accounts, receipts and payments of short-term and long-term borrowing had been analysed at Trial Balance level. However, this had been showing the net effect. Following a more detailed review at transaction level, the values are now presented at gross level, with a correction of the creditors movement also identified.

Statement of Accounts impact

The impact on the 2023/24 Statement of Accounts for all the above is captured below, and this has been reflected in the prior year comparator values in the individual statements and notes throughout these accounts:

	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Comprehensive Income and Expenditure Statement							
Expenditure							
Adults Care and Health	229,500	18	0	0	0	0	229,518
Finance	109,829	49,756	0	0	0	0	159,585
Law & Corporate Services	10,049	8,568	0	0	0	0	18,617
Resources	31,195	(57,843)	26,648	0	0	0	0
Strategic Holding Account and Corporate Items	2,445	(498)	36,326	0	0	0	38,273
Income							
Finance	(98,154)	(329)	0	0	0	0	(98,483)
Law & Corporate Services	(1,548)	(578)	0	0	0	0	(2,126)
Resources	(905)	905	0	0	0	0	0
Strategic Holding Account and Corporate Items	(4,379)	1	0	0	0	0	(4,378)
Financing and Investment Income and Expenditure - Expenditure	63,182	0	0	0	(243)	0	62,939
Other Comprehensive Income and Expenditure							
Remeasurement of the net defined benefit liability / asset	(50,547)	0	0	65,270	0	0	14,723

	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Balance Sheet							
Property Plant and Equipment	785,727	0	13,697	0	0	0	799,424
Pension Asset	26,894	0	(26,894)	0	0	0	0
Short-term creditors	(70,165)	0	(3,475)	0	0	0	(73,640)
Long-term Borrowing	(155,579)	0	0	0	(17,439)	0	(173,018)
Other Long-Term Liabilities	(24,727)	0	(73,196)	0	0	0	(97,923)
Pension Liability	0	0	0	(38,376)	0	0	(38,376)
Usable Reserves	(141,278)	0	0	0	(1,359)	0	(142,637)
Unusable Reserves	(464,819)	0	62,974	65,270	18,798	0	(317,777)

	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Cashflow Statement							
Net (surplus) or deficit on the provision of services	45,039	0	62,974	0	(243)	0	107,770
Adjustment to surplus or deficit on the provision of services for non-cash movements	(80,516)	0	(62,974)	0	243	(661)	(143,908)
Net cash flows from financing activities	(29,225)	0	0	0	0	661	(28,564)

	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Movement In Reserves Statement							
General Fund							
Opening balance adjustment	0	0	0	0	(1,361)	0	(1,361)
Surplus or deficit on the provision of services	45,039	0	62,974	0	(243)	0	107,770
Adjustments between accounting basis and funding basis under regulations	(28,289)	0	(62,974)	0	245	0	(91,018)
Unusable Reserves							
Opening balance adjustment	0	0	0	0	19,043	0	19,043
Other Comprehensive Income / Expenditure	(113,876)	0	0	65,270	0	0	(48,606)
Adjustments between accounting basis and funding basis under regulations	46,431	0	62,974	0	(245)	0	109,160
Note 7 and 7a - Expenditure and Funding Analysis							
Net Expenditure Chargeable to the General Fund Balance							
Finance	11,735	14,944	0	0	0	0	26,679
Law & Corporate Services	8,626	6,364	0	0	0	0	14,990
Resources	21,368	(21,368)	0	0	0	0	0
Strategic Holding Account and Corporate Items	745	61	0	0	0	0	806
Other Income and Expenditure	(308,957)	0	0	0	2	0	(308,955)
Statutory Adjustments							
Adults Care and Health	55	18	0	0	0	0	73
Finance	(60)	34,484	0	0	0	0	34,424
Law & Corporate Services	(125)	1,626	0	0	0	0	1,501
Resources	8,922	(35,570)	26,648	0	0	0	0
Strategic Holding Account and Corporate Items	(2,679)	(558)	36,326	0	0	0	33,089
Other Income and Expenditure	(29,920)	0	0	0	(245)	0	(30,165)
Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations							
General Fund							
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	508	0	0	0	245	0	753
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)	(89,620)	0	(62,974)	0	0	0	(152,594)
Unusable Reserves							
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(508)	0	0	0	(245)	0	(753)
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)	89,730	0	62,974	0	0	0	152,704
Note 11 - Financing and Investment Income and Expenditure							
Interest Payable and Similar Charges	19,461	0	0	0	(243)	0	19,218
Note 13 - Expenditure and Income Analysed by Nature							
Other service expenses	559,990	0	26,638	0	0	0	586,628
Depreciation, amortisation and impairment	30,196	0	36,336	0	0	0	66,532
Interest payments	19,955	0	0	0	(243)	0	19,712
Note 14 - Property, Plant and Equipment							
Land & Building (leased)							
Additions	0	0	32,788	0	0	0	32,788
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	(26,648)	0	0	0	(26,648)
Depreciation charge	0	0	(10)	0	0	0	(10)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	10	0	0	0	10
Assets Under Construction (leased)							
Additions	0	0	43,883	0	0	0	43,883
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	(36,326)	0	0	0	(36,326)

	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 18 - Financial Instruments							
Non-current Borrowings - Amortised cost	(155,579)	0	0	0	(17,439)	0	(173,018)
Income, Expense, Gains and Losses - Financial liabilities held at amortised cost SDPS	19,461	0	0	0	(243)	0	19,218
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 22 - Creditors							
Short term creditors - Other payables	(27,326)	0	(3,475)	0	0	0	(30,801)
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 24 - Usable Reserves							
General Fund Balance	(13,176)	0	0	0	(1,359)	0	(14,535)
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 25 - Unusable Reserves							
Capital Adjustment Account							
Charges for depreciation and impairment of non-current assets	29,897	0	36,336	0	0	0	66,233
Revaluation losses on non-current assets	11,164	0	26,638	0	0	0	37,802
Financial Instruments Adjustment Account							
Prior Period Adjustment	0	0	0	0	19,043	0	19,043
Downward Revaluation of Investments	(508)	0	0	0	(245)	0	(753)
Pensions Reserve							
Remeasurements of the net defined benefit (liability)/asset	(50,547)	0	0	65,270	0	0	14,723
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 26 - Cash Flow Statement: Operating Activities							
Interest paid	19,461	0	0	0	(243)	0	19,218
Depreciation	(29,897)	0	(10)	0	0	0	(29,907)
Impairment and downward valuations	(11,164)	0	(62,964)	0	0	0	(74,128)
(Increase)/decrease in creditors	5,226	0	0	0	0	(661)	4,565
Other non-cash movements charged to the surplus or deficit on provision of services	(165)	0	0	0	243	0	78
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 28 - Cash Flow Statement: Financing Activities							
Cash receipts of short-term and long-term borrowing	(95,355)	0	0	0	0	(208,320)	(303,675)
Repayments of short-term and long-term borrowing	71,398	0	0	0	0	208,981	280,379
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 29 - Reconciliation of Liabilities Arising from Financing Activities							
Long-term borrowings	(155,579)	0	0	0	(17,439)	0	(173,018)
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 37 - Capital Expenditure and Capital Financing							
Finance Lease Initial Remeasurement on Adoption of IFRS 16	0	0	77,809	0	0	0	77,809
	2023/24 as previously stated £000	Directorate Realignment £000	Birkenhead Commercial District adjustment £000	Pensions adjustment £000	Lender Option Borrower Option loans adjustment £000	Cashflow adjustments £000	Restated 2023/24 £000
Note 41 - Defined Benefit Pension Scheme							
(Gain) / loss from settlements and / or transfers	(6,090)	0	0	6,090	0	0	0
Effect of the asset ceiling	0	0	0	65,270	0	0	65,270
Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(20,952)	0	0	(6,090)	0	0	(27,042)
Fair value of plan assets	1,486,411	0	0	(65,270)	0	0	1,421,141



Additional Financial Statements

Collection Fund Statement

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of Council Tax and Non-Domestic Rates.

2023/24			2024/25		
Business Rates £000	Council Tax £000	Total £000	Business Rates £000	Council Tax £000	Total £000
INCOME					
0	(211,181)	(211,181)	0	(222,718)	(222,718)
(58,913)	0	(58,913)	(66,742)	0	(66,742)
(58,913)	(211,181)	(270,094)	(66,742)	(222,718)	(289,460)
EXPENDITURE					
Apportionment of Previous Years Surplus /(Deficit)					
(6,561)	(1,265)	(7,826)	(3,910)	2,685	(1,225)
0	(170)	(170)	0	376	376
(66)	(64)	(130)	(39)	132	93
0	(15)	(15)	0	28	28
(6,627)	(1,514)	(8,141)	(3,949)	3,221	(728)
Precepts, Demands and Shares					
67,150	171,909	239,059	69,031	181,258	250,289
0	24,084	24,084	0	25,436	25,436
678	8,470	9,148	697	8,759	9,456
0	1,816	1,816	0	1,824	1,824
67,828	206,279	274,107	69,728	217,277	287,005
Charges to Collection Fund					
662	393	1,055	429	571	1,000
(2,188)	475	(1,713)	600	3,431	4,031
(1,878)	0	(1,878)	(2,458)	0	(2,458)
(3,528)	0	(3,528)	(1,119)	0	(1,119)
315	0	315	317	0	317
311	0	311	395	0	395
88	0	88	133	0	133
(6,218)	868	(5,350)	(1,703)	4,002	2,299
(3,930)	(5,548)	(9,478)	(2,666)	1,782	(884)
6,986	1,466	8,452	3,056	(4,082)	(1,026)
3,056	(4,082)	(1,026)	390	(2,300)	(1,910)

Notes to the Collection Fund

Note 1 - Council Tax Income

The Council is responsible for collecting council tax from its residents on behalf of itself, Police & Crime Commissioner for Merseyside, Merseyside Fire & Rescue Service, and Liverpool City Region Combined Authority. At the time of setting council tax for 2024/25, the tax base was estimated as 95,993.93 Band equivalent properties. This includes an adjustment for the proportion of Council Tax that is estimated to ultimately be collected.

The table below shows the number of band D equivalent properties in each valuation band, with 2023/24 included for comparison.

2024/25					
Band	Valuation band limits	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	Council Tax payable
	£	No		No	£
Disabled A	1/9th of Band A	87.7	5/9	48.7	
A	Upto and including - 40,000	36,568.8	6/9	24,379.2	1,508.97
B	40,001 - 52,000	26,040.3	7/9	20,253.6	1,760.46
C	52,001 - 68,000	23,800.7	8/9	21,156.2	2,011.95
D	68,001 - 88,000	12,194.1	9/9	12,194.1	2,263.44
E	88,001 - 120,000	7,785.5	11/9	9,515.6	2,766.42
F	120,001 - 160,000	4,051.3	13/9	5,851.9	3,269.40
G	160,001 - 320,000	2,983.7	15/9	4,972.8	3,772.41
H	More than - 320,001	244.4	18/9	488.9	4,526.88
Collection Rate				97.10%	
Council tax base				95,993.93	
2023/24					
Band	Valuation band limits	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	Council Tax payable
	£	No		No	£
Disabled A	1/9th of Band A	73.6	5/9	40.9	
A	Upto and including - 40,000	36,564.3	6/9	24,376.2	1,438.71
B	40,001 - 52,000	25,645.9	7/9	19,946.8	1,678.50
C	52,001 - 68,000	23,826.4	8/9	21,179.0	1,918.27
D	68,001 - 88,000	12,077.6	9/9	12,077.6	2,158.06
E	88,001 - 120,000	7,664.3	11/9	9,367.5	2,637.62
F	120,001 - 160,000	4,084.3	13/9	5,899.5	3,117.20
G	160,001 - 320,000	2,976.8	15/9	4,961.3	3,596.77
H	More than - 320,001	244.9	18/9	489.8	4,316.12
Collection Rate				97.20%	
Council tax base				95,585.07	

Note 2 - Non-Domestic Rates

The Council is responsible for collecting non-domestic rates from businesses located within its area on behalf of itself and Merseyside Fire and Rescue Service. The total ratable value of all business properties within the Council's area as at 31 March 2025 is £192.6m (£193.2m as at 31 March 2024). The business rates paid by a business for a property within the Council area equate to the ratable value multiplied by a rate set by central government (the multiplier). The multiplier charged is based on the ratable value of the property as follows:

	2023/24 multiplier	2024/25 multiplier
Rateable Value	(pence)	(pence)
Up to £51,000	49.9	49.9
Over £51,000	51.2	54.6



Glossary

Glossary

Accruals

Income is recognised when it is earned rather than when it is received. Expenditure is recognised when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses

Actuaries assess financial and non-financial information provided to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses arise because:

- Events have not coincided with the actuarial assumptions made at the last valuation
- The actuarial assumptions have changed.

Balances

The balances are to provide funding for unanticipated expenditure and / or expenditure that is of an unforeseen nature. The level is determined having regard to the strategic, operational and financial risks and uncertainties faced by the Council.

Budget

The budget is a statement of the spending plans for the financial year.

Business Rates (also known as National Non-Domestic Rates (NNDR))

A levy on business property based on national rate in the £ applied to the rateable value of the premises. The Government determines the national rate and the rateable value, and the Rates are collected by the Council and accounted for within the collection fund. The Council draws down from this an amount specified at the start of the year.

Capitalisation Direction

This is where the council can apply to borrow money to fund Revenue in exceptional circumstances due to factors beyond the local authority's control.

The costs that can be capitalised are expenditure costs as they are incurred, the Council will charge a Minimum Revenue Provision (MRP) over a maximum period of 20 years.

Capital Expenditure

Expenditure on the acquisition of an asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

Capital Receipts

Income received from the disposal of land and other capital assets, and from the repayment of grants and loans to the Council.

Chartered Institute of Public Finance and Accountancy (CIPFA)

This institute is the leading professional accountancy body for public services and produces the Code of Practice that must be followed in preparing the Council's financial statements.

Collection Fund

A fund administered by the Council to record all income collected from local taxpayers and business ratepayers and shows how this is passed on to other public authorities.

Community Assets

These are fixed assets which the Council intends to hold in perpetuity which have no determinable finite useful life and may have restrictions on their disposal, e.g., Parks.

Council Tax

This is the main source of taxation for the Council. It is levied on households within the area and the proceeds are paid into the Collection Fund for distribution to precepting authorities and for use by the Council's General Fund.

Creditors

Amounts owed by the Council for works undertaken, goods received, or services provided for which payment had not been made at the date of the Balance Sheet.

Current Service Costs (Pensions)

For a defined benefit scheme, the value of the pension benefits earned by active employees in the period, net of contributions paid by employees in respect of those benefits. The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period i.e., the ultimate pension benefits earned by employees in the current year.

Curtailment (Pensions)

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces the number of employees the accrual of defined benefits for some or all of their future service.

Debtors

Amounts owed to the Council that had not been received at the date of the Balance Sheet.

Defined Benefits Scheme

A pension, or other retirement benefit scheme, where the scheme's rules define the benefits payable independently of the contributions paid into the scheme. The benefits paid from the scheme are not directly related to the investments within the scheme. The scheme may be funded or unfunded.

Defined Contributions Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions, as an amount or as a % of pay, and has 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

A charge that represents the extent to which an asset has been worn-out or used or otherwise reduced the useful economic life of a fixed asset during the year.

Expected Rate of Return on Pensions Assets

For the Pension Fund the average rate of return, including both income and changes in fair value net of scheme expenses, expected over the remaining life of the asset.

Expenditure

Amounts paid by the Council for works undertaken, goods received, or services provided, which is deemed to have been spent when the works, goods or services have been received.

FVOCI

Fair value other comprehensive income.

General Fund

The main revenue fund of the Council and includes the net costs of all services financed by local taxpayers and Government grants. It is the day-to-day spending on services.

Government Grants

Specific assistance by Government and similar bodies in the form of cash. For specific grants to a particular service there is expected to be compliance with certain conditions relating to the activities of the Council, but many grants are 'general' and used to help pay for the net cost of Council services generally.

Heritage Assets

These are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained for the contribution to knowledge and culture. This includes Civil Regalia, works of art and historic buildings.

Impairment

A reduction in the value of a fixed asset below the amount brought forward in the Balance Sheet. Reductions include items such as a significant decline in a fixed asset's market value.

Income

Amounts due to the Council for goods supplied or services provided with the income deemed to have been earned once the goods or services have been supplied.

Infrastructure Assets

These are assets which generally cannot be sold and from which benefit can be obtained only from the continued use of the asset e.g., highways and bridges.

Intangible Assets

These are assets which do not have physical substance but are identifiable and controlled by the Council and include items such as software and licenses.

International Financial Reporting Standards (IFRS)

The Standards dictate specific accounting treatments. They must be applied to all financial statements in order to provide a true and fair view of the financial position, and a standardised method of comparison with others.

Investment Properties

Properties held solely to earn rentals or for capital appreciation and not used to provide services or for administrative purposes.

Leases

Leasing costs are the rental for the use of an asset for a specified period of time. There are two different types of lease. Finance leases transfer substantially the risks and

rewards of ownership of a fixed asset to the lessee. Operating leases are where the balance of risks and rewards remains with the lessor who retains the asset e.g., computer equipment.

Medium Term Financial Strategy (MTFS)

The Council's medium-term financial plan.

Minimum Revenue Provision (MRP)

This is the minimum amount that the Council is required to charge to the revenue account each year to provide for the repayment of debt.

National Non-Domestic Rates (NNDR also known as Business Rates)

A levy on business property based on national rate in the £ applied to the rateable value of the premises. The Government determines the national rate and the rateable value, and the Rates are collected by the Council and accounted for within the collection fund. The Council draws down from this an amount specified at the start of the year.

Net Book Value

Net book value, also known as net asset value, is the value at which an organisation reports an asset on its balance sheet. It is calculated as the original cost of an asset less accumulated depreciation, accumulated amortisation, accumulated depletion or accumulated impairment.

Net Expenditure

Gross expenditure less specific service income but before the deduction of non-ring-fenced government grants and local taxation.

OCIE

Other comprehensive Income and Expenditure.

Precept

The amount the Council is required to raise from Council Tax on behalf of other authorities namely the Merseyside Police Authority, Merseyside Fire & Rescue Service, and the Liverpool City Region Combined Authority. It is collected and distributed on behalf of precepting authorities by the Council. These transactions are accounted for within the Collection Fund.

Prior Year Adjustments

These are material adjustments applicable to prior 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.

Property, Plant and Equipment

Assets that yield benefits to the Council and the services provided for a period of more than one year e.g., buildings, land and vehicles.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and / or timing of such costs is uncertain.

Public Works Loans Board (PWLB)

A Central Government body which is the main provider of loans to local authorities to fund capital expenditure.

Reserves

These are amounts held to meet specific, known or predicted future expenditure.

Revenue Expenditure

This is spending on the day-to-day running costs of providing services and is primarily employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital under Statute (REFCUS)

This represents items of capital expenditure where no asset exists, and the cost is allowed by statute to be charged as revenue expenditure to the Consolidated Income & Expenditure Statement.

Right of Use Asset

Under IFRS 16, a right-of-use (ROU) asset is an asset recognised by a lessee that represents their right to use an underlying asset for the lease term. It is essentially a financial instrument representing the lessee's entitlement to utilise the asset, reflecting the value of that entitlement over the lease duration

Scheme Liabilities

These are the liabilities of the Pension Fund for outgoings in the future and reflect the benefits that the employer is committed to provide for service up to a set date.

Unfunded Defined Benefit Scheme

An employer managed retirement plan that uses the employer's current income to fund pension payments as they become necessary. This is in contrast to a funded pension scheme where an employer sets aside funds systematically and in advance to cover any pension plan expenses such as payment to retirees and their beneficiaries.

Unsupported (Prudential) Borrowing

This is borrowing for which no support is given by Central Government. The Council is permitted to undertake unsupported borrowing but has to ensure that the borrowing costs are affordable and be met from the revenue budget.

Useful Life

This is the period over which the Council will derive benefit from the use of an asset.



Merseyside Pension Fund

Independent auditor's report to the members of Wirral Metropolitan Borough Council on the pension fund financial statements of Merseyside Pension Fund

Opinion on financial statements

We have audited the financial statements of Merseyside Pension Fund (the 'Pension Fund') administered by Wirral Metropolitan Borough Council (the 'Authority') for the year ended 31 March 2025, which comprise the Fund Account, the Net Assets Statement and notes to the pension fund financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of the fund's assets and liabilities, other than liabilities to pay promised retirement benefits after the end of the fund year;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

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

Conclusions relating to going concern

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

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

basis of preparation used by the Authority in the Pension Fund financial statements and the disclosures in the Pension Fund financial statements over the going concern period.

In auditing the financial statements, we have concluded that the Interim Director of Finance's use of the going concern basis of accounting in the preparation of the Pension Fund financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Interim Director of Finance with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the Pension Fund's financial statements and our auditor's report thereon, and our auditor's report on the Authority's financial statements. The Interim Director of Finance is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

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

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

responsibilities of the Authority and the Interim Director of Finance

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

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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Pension Fund and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, Public Service Pensions Act 2013, Local Government Pension Scheme Regulations 2013 and Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.
- We enquired of management and the Pensions Committee, concerning the Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Pensions Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

- We assessed the susceptibility of the Pension Fund's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to
 - o journal entries that altered the Fund's financial performance for the year;
 - o potential management bias in determining accounting estimates and judgements in relation to:
 - the valuation of level 3 investments
 - the valuation of level 2 investments
 - the valuation of directly held investment properties
 - the valuation of bulk annuity insurance policies
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on manually posted journals, large journals over performance materiality, self-approved journals, and any journals posted by senior management.
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of level 3 investments, level 2 investments, directly held investment properties and bulk annuity insurance policies; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including management override of controls. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government pensions sector
 - understanding of the legal and regulatory requirements specific to the Pension Fund including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Pension Fund's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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

Use of our report

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

Georgia Jones

Georgia Jones, Key Audit Partner

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

Liverpool

23 February 2026

Merseyside Pension Fund Accounts

2023/24	FUND ACCOUNT - For the year ended 31 March 2025	<i>Note</i>	2024/25
£000			£000
	Dealing with members, employers and others directly involved in the fund:		
259,142	Contributions Receivable	7	281,362
13,422	Transfers In	8	23,760
272,564			305,122
(436,968)	Benefits Payable	9	(483,660)
(15,524)	Payments to and on account of Leavers	10	(24,895)
(452,492)			(508,555)
(179,928)	Net additions/(withdrawals) from dealing with members		(203,433)
(38,145)	Management Expenses	11	(55,002)
(218,073)	Net additions/(withdrawals) including Fund Management Expenses		(258,435)
	Return on Investments:		
267,823	Investment Income	12	358,808
363,924	Profit and Losses on Disposal of Investments and Change in Market Value of Investments	13	61,119
-	Revaluation of Bulk Annuity Insurance Buy In Contract	13	(16,803)
(5,347)	Taxes on Income	12	(4,944)
626,400	Net Return on Investments		398,180
408,327	Net Increase/(Decrease) in the Fund during the year		139,745
10,412,688	Net Assets of the Fund at the start of the year		10,821,015
10,821,015	Net Assets of the Fund at the end of the year		10,960,760

2023/24	NET ASSETS STATEMENT - For the	<i>Note</i>	2024/25
£000	year ended 31 March 2025		£000
Long Term Investment Assets			
-	Bulk Annuity Insurance Buy In Contract	13	186,245
	Investment Assets	13	
3,136,939	Equities		3,019,500
477,212	Bonds		589,459
6,295,744	Pooled Investment Vehicles		6,056,723
6,758	Derivative Contracts		181,335
454,600	Direct Property		425,700
224,371	Loans		241,337
101,810	Short Term Cash Deposits		235,643
96,042	Other Investment Balances		111,607
10,793,476			11,047,549
(5,825)	Investment Liabilities	14	(138,411)
10,787,651	Total Net Investment Assets		10,909,138
3,024	Long Term Assets	19	15,884
50,022	Current Assets	20	57,337
(19,682)	Current Liabilities	20	(21,599)
10,821,015	Net Assets of the Fund as at 31 March		10,960,760

Notes to the Merseyside Pension Fund's Accounts

Note 1 Description of the Fund

Merseyside Pension Fund (MPF/the Fund) is part of the Local Government Pension Scheme (LGPS), and Wirral Council is the Administering Authority.

The overall responsibility for the management of the Fund rests with the Pensions Committee, which for 2024/25 included eleven Councillors from Wirral Council, the Administering Authority and one Councillor from each of the four other Merseyside Borough Councils, and one member representing the other employers in the scheme. Representatives of trade unions also attend. The more detailed consideration of investment strategy and asset allocation of the Fund's portfolios is considered by the Investment Monitoring Working Party, which includes two external advisers and a consultant. There is also a Responsible Investment Working Party to increase capacity for considering responsible investment issues, which also includes two external advisers and a consultant. The more detailed consideration of governance and risk issues is considered by the Governance and Risk Working Party.

A Local Pensions Board was in operation during 2024/25 in accordance with the Public Service Pensions legislation and regulations. The Board's aim is to assist the Administering Authority with ensuring compliance and the effective governance and administration of the Fund.

A) General

The Scheme is governed by the Public Services Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefit pension scheme administered by Wirral Council to provide pensions and other benefits for pensionable employees of the Merseyside Local Authorities and a range of other scheduled and admitted bodies.

B) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to remain in the Scheme or make their own personal arrangements outside the Scheme.

Organisations participating in Merseyside Pension Fund include:

- Scheduled bodies, which are Local Authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation.

There are 269 employer organisations within Merseyside Pension Fund including Wirral Council itself. The Fund has 157,801 members as detailed below:

31 March 2024		31 March 2025
228	Number of Employers with Active Members	269
48,985	Number of Employees in Scheme	50,007
51,160	Number of Pensioners	52,957
6,692	Number of Dependants	6,769
46,320	Number of Deferred Pensioners	48,068
153,157	Total Number of Members in the Scheme	157,801

*Included within the number of deferred pensioners are 8,601 undecided leavers (6,444 31 March 2024).

C) Funding

Benefits are funded by employee and employer contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations, with employer contributions set to achieve the funding target for each individual employer as detailed within the Valuation Rates and Adjustment Certificate.

D) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the Scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is adjusted annually in line with the Consumer Price Index.

There are a range of other benefits provided under the Scheme, for more details please refer to the Fund's website: [Merseyside Pension Fund Website](#)

Note 2 Basis of Preparation

The Statement of Accounts summarises the Funds' transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, are shown within the statement by the Actuary, which is published as an addendum to the accounts.

The Fund has not made any allowances for the potential impact of the Virgin Media case.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited (and others) relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans.

The Local Government Pension Scheme (LGPS) is a contracted-out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department (GAD) as the LGPS actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. HM Treasury has also indicated it did not believe the case applied directly to public service pension schemes where changes will have been made to benefits by legislation.

On 5 June 2025, the Government announced that it was aware of the uncertainty this had created and recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. It was therefore confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards and that scheme obligations would be otherwise unaffected.

On 1 September 2025, the Pensions Minister published draft amendments to the Pension Schemes Bill that would enable the retrospective validation of historical amendments to contracted-out defined benefit schemes, the proposed legislation delivers an industry-wide remedy. It is anticipated that this will result in there being no impact on the LGPS and the Fund from the appeal court's ruling. As a result, Merseyside Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements or in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

The accounts have been prepared on a going concern basis.

The following standards introduced by the 2025/26 Code, where disclosures are required in the 2024/25 financial statements are below, however, they are not anticipated to have any impact on the amounts expected to be reported in the Fund's financial statements::

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- IFRS 17 Insurance Contracts
- IAS 8 (Amendment) Changes to Non-investment Assets.

Note 3 Summary of Significant Accounting Policies

The financial statements have been prepared on an accruals basis, unless otherwise stated.

Contributions and Benefits

Contributions are accounted for on an accruals basis. Contributions are made by active members of the Fund in accordance with LGPS Regulations and employers' contributions are based on triennial actuarial valuations.

Employer normal contributions and deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Scheme actuary or on receipt if earlier than the due date.

Employers' pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year, but unpaid, will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

Benefits payable represent the benefits paid during the financial year and include an estimated accrual for lump-sum benefits outstanding as at the year-end. Benefits payable includes interest on late payment. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Estimates for post year-end outstanding items have been used for payments of retirement grants and death grants:

- Retirement grants due for payment, but not paid by 31 March 2025, using actual figures as far as possible, and assuming maximum commutation to be taken, where the knowledge of the individual member's choice is still outstanding.
- Death grants due for payment, but not paid by 31 March 2025, for example, awaiting Probate.

Transfers to and from Other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined, or left the Fund, during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Management Expenses

The Fund discloses its management expenses analysed into three categories: administration costs, investment management costs and oversight and governance costs, in accordance with CIPFA "Accounting for Local Government Pension Scheme Management Expenses (2016)".

Administration Costs

All administration expenses are accounted for on an accruals basis. All staff costs of the Fund's administration team are charged direct to the Fund. Associated management and other overheads are apportioned to the Fund in accordance with Council Policy.

Investment Management Costs

All investment expenses are accounted for on an accruals basis.

Fees of the external Investment Managers and Custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market values of the investments under their management and therefore increase or reduce as the value of these investments change.

Costs in respect of the internal investment team are classified as investment expenses.

Estimates for post year-end outstanding items have been used for external Investment Management fees, using the Fund's valuations as at 31 March 2025.

In accordance with CIPFA "Accounting for Local Government Pension Scheme Management Expenses (2016)" guidance, transaction costs are shown under investment expenses.

Oversight and Governance Costs

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with oversight and governance are charged direct to the Fund. Associated management and other overheads are apportioned to the Fund in accordance with Council Policy.

The cost of obtaining investment advice from external consultants is included in governance and oversight expenses.

Investment Income

Income from Equities is accounted for when the related investment is quoted ex-dividend. Income from Bonds, Pooled Investment Vehicles and interest on Loans and Short-term Deposits has been accounted for on an accruals basis. Distributions from Private Equity are treated as return of capital until the book value is nil then treated as income on an accruals basis.

Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income and recognised over the term of the lease. Property expenditure is deducted from rental income to report net income from properties.

Receipts from the Bulk Annuity Insurance Buy In Contract are accounted for as investment income on an accruals basis and in accordance with the contract.

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Taxation

The Fund is a registered Public Service Scheme under Section 1 (1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

Valuation of Investments

All financial assets apart from loans are included in the Net Asset Statement on a fair value basis as at the reporting date. Loans are included in the Net Asset Statement on an amortised cost basis. The values of investments as shown in the net asset statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see note 15). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016). The values of investments as shown in the Net Asset Statement are determined as follows:

- Listed securities are valued at quoted bid market prices on the final day of the accounting period. The bid price is the price which the Fund would have obtained had the securities been sold at that date.
- For unlisted investments, wherever possible, valuations are obtained via the Independent Administrator. Valuations that are obtained direct from the Manager

are verified against the latest available audited accounts adjusted for any cash flows up to the reporting date.

- Hedge Funds and Infrastructure are recorded at fair value based on net asset values provided by Fund Administrators, or using latest financial statements published by respective Fund Managers, adjusted for any cash flows.
- Private Equity valuations are in accordance with the guidelines and conventions of the British Venture Capital Association/International Private Equity guidelines, or equivalent.
- Indirect Property is valued at net asset value or capital fair value basis provided by the Fund Manager. For listed Funds, the net asset value per unit is obtained through data vendors.
- The freehold and leasehold interests in the properties held within the Fund were independently valued as at 31 March 2025 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuer of the Fund as defined by the Alternative Investment Fund Managers Regulations 2013). This valuation accords with the requirements of IFRS13 and the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2025 together with the UK National Supplement effective 1 May 2024, together the “Red Book”.
- Pooled Investment Vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of Pooled Investment Vehicles that are Accumulation Funds, change in market value also includes income which is reinvested by the Manager of the vehicle in the underlying investment, net of applicable withholding tax.
- The Bulk Annuity Insurance Buy In Contract is valued by the Fund’s Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

Translation of Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at rates ruling at the year-end. Foreign income received during the year is translated at the rate ruling at the date of receipt. All resulting exchange adjustments are included in the revenue account.

Derivatives

The Fund uses derivative financial assets to manage exposure to specific risks arising from its investment activities.

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in the fair value of derivative contracts are included in change in market value.

The value of future contracts is determined using exchange prices at the reporting date. Amounts due from or owed to the broker are the amounts outstanding in respect of the initial margin and variation margin.

The value of exchange traded options is determined using the exchange price for closing out the option at the reporting date.

The future value of forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year-end with an equal and opposite contract.

Short Term Deposits

Short-term deposits only cover cash balances held by the Fund. Cash held by Investment Managers awaiting investment is shown under "Other Investment Balances".

Financial Liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

Additional Voluntary Contribution

The Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from the main fund. In accordance with regulation 4 (1) (b) of the Pensions Schemes (Management and Investment of Funds) Regulations 2016, these assets are excluded from the Pension Fund accounts.

The Scheme providers are Utmost Life, Standard Life and Prudential. Individual members participating in this arrangement each receive an annual statement confirming the amounts held on their account and the movements in the year.

Note 3b Changes to Accounting Policies

The following accounting standards have been issued and are applicable to 2024/25 reporting:

IFRS 16 Leases

This accounting standard largely removes the distinction between operating and finance leases by introducing an accounting model that requires lessees to recognise assets and liabilities for all assets with a term of more than 12 months unless the underlying asset is of low value. This accounting standard has minimal impact on the Fund because it does not hold any assets as a lessee.

Note 4 Critical Judgements in Applying Accounting Policies

The Fund has not applied any critical judgements.

Note 5 Estimation & Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However, actual outcomes could be different from the assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment the following year are as follows:

Unquoted Investments

The value of unquoted assets as at 31 March 2025 was £5,653 million (£5,754 million at 31 March 2024).

In 2024/25 the Fund purchased a Bulk Annuity Insurance Buy In contract with Aviva PLC to secure benefits payable for a defined group of pensioners and deferred pensioners of one employer. The insurance policy is held as a long term asset on the Net Asset Statement and is valued as at 31 March 2025 by the Fund's Actuary.

The Fund also has significant unquoted investments within Private Equity, Infrastructure, Property and other Alternative investments. These are valued within the financial statements using valuations from the Managers of the respective assets. There are clear accounting standards for these valuations and the Fund has procedures in place to ensure valuations applied by Managers comply with these standards and any other relevant best practice.

Private Equity investments are valued at fair value in accordance with International Private Equity and British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Infrastructure and other alternative assets are valued in accordance with Accounting Standards; however, the valuation basis includes a degree of estimation.

Hedge Funds are valued at the sum of the fair values provided by the Administrators of the underlying Funds plus adjustments that the Hedge Fund Directors or Independent Administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Direct property and pooled property funds use valuation techniques to determine the carrying amount. Where possible, these valuations are based on observable data, but where this is not possible, management uses the best available data.

For 2024/25 there remains additional uncertainty regarding the valuations of illiquid assets, due to the volatility in the financial markets, impacted by world events and the time it will take to fully realise the impact on such assets. There is an increased level of risk that the estimated valuations may be misstated. The valuations have been updated based upon the available information as at 31 March 2025 and maybe subject to variations as further information becomes available.

Note 15 sets out a sensitivity analysis of such assets valued at level 3 (the remaining unquoted assets are classified as level 2 assets).

With regards to the Fund's level 3 investments, these are well diversified between sectors and also vintage year (year in which first influx of investment capital is delivered to a project or company) meaning that there will be a wide dispersion between the potential valuation effects. Some of the underlying level 3 investment assets could have seen positive uplifts to their valuations, as well as those which will have seen negative.

Note 6 Events after the Reporting Date

Non-Adjusting Post Balance Sheet Event

There have been no events since 31 March 2025, and up to the date when these accounts were authorised, that require any adjustments to these accounts. However, since the

reporting date of 31 March 2025, the Fund's value has significantly increased and as at 31 October 2025, the value was £11.9bn.

Note 7 Contributions Receivable

Contributions are made by active members of the Fund in accordance with LGPS Regulations and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employee contributions are matched by employers' contributions which are based on triennial actuarial valuations. The 2024/25 contributions below were calculated at the valuation dated 31 March 2022. The 2022 actuarial valuation calculated the average primary employer contribution rate of 18.7% (2019 17.2%). The Fund received additional or upfront payments, totalling £32,760 (2023/24 £548,060).

"Pension Strain" represents the cost to employers when their employees retire early to compensate the Fund for the reduction in contribution income and the early payment of benefits. Payments to the Fund for such costs are made over agreed periods. An accrual has been made for agreed future payments to the Fund.

"Deficit Funding" includes payments by employers for past service deficit and additional payments by employers to reduce a deficit.

"Surplus Offsets" is when employers are in a funding surplus and have offset the surplus against employers contributions.

The Fund does reserve the right to levy interest charges on late receipt of contributions from employers. In 2024/25 no such charges were levied.

2023/24	Contributions Receivable	2024/25
£000		£000
	Employers	
210,207	Normal	228,871
3,748	Pension Strain	3,071
(29,406)	Deficit Funding/(Surplus)	(30,057)
184,549	Total Employers	201,885
	Employees	
74,593	Normal	79,477
259,142		281,362
	Relating to:	
33,136	Administering Authority	35,746
213,393	Statutory Bodies	229,020
12,613	Admission Bodies	16,596
259,142		281,362

Note 8 Transfers In

There were no bulk transfers into the Fund during 2024/25.

2023/24	Transfers In	2024/25
£'000		£'000
-	Group Transfers	-
13,422	Individual Transfers	23,760
13,422		23,760

Note 9 Benefits Payable

2023/24	Benefits payable	2024/25
£000		£000
348,531	Pensions	378,437
79,583	Lump Sum Retiring Allowances	96,296
8,854	Lump Sum Death Benefits	8,927
436,968		483,660
	Relating to:	
58,018	Administering Authority	63,997
304,072	Statutory Bodies	339,768
74,878	Admission Bodies	79,895
436,968		483,660

Note 10 Payments to and on account of Leavers

2023/24	Payments to and on account of Leavers	2024/25
£000		£000
580	Refunds to Members Leaving Service	720
1	Payment for Members Joining State Scheme	-
(1)	Income for Members from State Scheme	(1)
-	Group Transfers to Other Schemes	-
14,944	Individual Transfers to Other Schemes	24,176
15,524		24,895

Note 11 Management Expenses

2023/24	Management Expenses	2024/25
£000		£000
3,469	Administration Costs	4,008
32,283	Investment Management Costs	48,364
3,146	Oversight and Governance Costs	3,232
(753)	Other Income	(602)
38,145		55,002

Note 11a Administration Costs

2023/24	Administration Costs	2024/25
£000		£000
2,588	Employee Costs	2,903
617	IT Costs	804
230	General Costs	253
34	Other Costs	48
3,469		4,008

Note 11b Investment Management Costs

	Total	External Investment Management Fees	External Investment Management Performance Fees	External Private Market Fees	External Private Market Expenses	Transaction Costs
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	13,104	6,335	3,526			3,243
Bonds	100	100				
Pooled Investment Vehicles	31,655	3,354	-190	11,530	16,961	
Derivative Contracts	795	795				
Loans	485			485		
Short Term Cash Deposits	-					
Other Investment Balances	-					
		10,584	3,336	12,015	16,961	3,243
External Services	965					
Internal Investment Management Fees	1,260					
	48,364					

2023/24

	Total	External Investment Management Fees	External Investment Management Performance Fees	External Private Market Fees	External Private Market Expenses	Transaction Costs
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	10,652	6,654	922			3,076
Bonds	100	100				
Pooled Investment Vehicles	18,969	3,102	190	8,766	6,911	
Derivative Contracts	359	359				
Loans	516			516		
Short Term Cash Deposits	-					
Other Investment Balances	-					
		10,215	1,112	9,282	6,911	3,076
External Services	526					
Internal Investment Management Fees	1,161					
	<u>32,283</u>					

Note 11c Oversight & Governance Costs

Actuarial fees included within External Services below (note 11c) are shown gross of any fees that have been recharged to employers. Included within Other Income for 2024/25 is £541,004 relating to recharged Actuarial fees (2023/24 £674,931).

The estimated External Audit fee for 2024/25 is £133,543, an additional £5,500 relates to services in respect of IAS19 assurances for admitted body auditors, which are recharged to those admitted bodies. An audit fee rebate was received during 2024/25 for £16,015.

2023/24	Oversight & Governance Costs	2024/25
£000		£000
771	Employee Costs	830
1,932	External Services	1,920
49	Internal Audit	49
122	External Audit	123
272	Other Costs	310
3,146		3,232

Note 12 Investment Income

Interest on loans has been accrued up to 31 March 2025.

Investment income figures are shown gross of tax. Included in these figures is recoverable taxation of £19.5 million (2023/24 £16.8 million).

The Fund is seeking to recover tax withheld by UK and overseas tax regimes under the EU principle of free movement of capital within its borders, repayments received in 2024/25 £3.4 million (2023/24 £3.6 million).

2023/24	Investment Income	2024/25
£000		£000
99,675	Dividends from Equities	93,979
3,373	Income from Bonds	4,642
106,863	Income from Pooled Investment Vehicles	111,417
20,389	Net Rents from Properties (Note 12A)	24,590
-	Bulk Annuity Insurance Buy In Contract Receipts	11,509
7,276	Interest on Short Term Cash Deposits	15,699
14,322	Income from Private Equity	62,578
3,497	Income from Derivatives	10,119
11,857	Interest from Loans	23,798
571	Other	477
267,823		358,808
(5,347)	Irrecoverable Withholding Tax	(4,944)
262,476		353,864

Note 12a Property Income

No contingent rents have been recognised as income during the period.

2023/24	Property Income	2024/25
£000		£000
28,049	Rental Income	34,813
(7,660)	Direct Operating Expenses	(10,223)
20,389	Net Rent from properties	24,590

Note 13 Investments

2024/25					
	Market Value @ 31.3.24 £'000	Purchases at Cost and Derivative Payments £'000	Sale Proceeds and Derivative Receipts £'000	Change in Market Value* £'000	Market Value @ 31.3.25 £'000
Bulk Annuity Insurance Buy In Contract	-	203,048	-	-16,803	186,245
Equities	3,136,939	1,001,185	(1,178,907)	60,283	3,019,500
Bonds	477,212	198,104	(46,578)	(39,279)	589,459
Pooled Investment Vehicles	6,295,744	917,630	(1,150,128)	(6,523)	6,056,723
Direct Property	454,600	28,774	(60,909)	3,235	425,700
Loans	224,371	70,980	(57,124)	3,110	241,337
	10,588,866	2,419,721	(2,493,646)	4,023	10,518,964
Derivative Contracts					
FX	20	357,969	(358,317)	428	100
Options	-	188,684	(188,684)	49,247	49,247
Swaps	6,737	-	-	(9,290)	(2,553)
	10,595,623	2,966,374	(3,040,647)	44,408	10,565,758
Short Term Cash Deposits	101,810				235,643
Other Investment Balances	96,042			(92)	111,607
Amounts due to stockbrokers	(5,824)				(3,870)
	10,787,651			44,316	10,909,138
2023/24					
	Market Value @ 31.3.23 £'000	Purchases at Cost and Derivative Payments £'000	Sale Proceeds and Derivative Receipts £'000	Change in Market Value* £'000	Market Value @ 31.3.24 £'000
Equities	3,172,527	908,015	(1,147,777)	204,174	3,136,939
Bonds	501,716	44,337	(40,563)	(28,278)	477,212
Pooled Investment Vehicles	5,922,231	628,827	(473,478)	218,164	6,295,744
Direct Property	470,300	7,760	-	(23,460)	454,600
Loans	155,482	87,829	(15,830)	(3,110)	224,371
	10,222,256	1,676,768	(1,677,648)	367,490	10,588,866
Derivative Contracts					
FX	(3)	158,456	(158,788)	355	20
Options	(51,385)	228,487	(169,533)	(7,569)	-
Swaps	2,781	-	-	3,956	6,737
	10,173,649	2,063,711	(2,005,969)	364,232	10,595,623
Short Term Cash Deposits	80,732				101,810
Other Investment Balances	130,507			(308)	96,042
Amounts due to stockbrokers	(3,397)				(5,824)
	10,381,491			363,924	10,787,651

*Note: The change in market value of investments during the year comprises all realised and unrealised appreciation and depreciation.

Note 13a Analysis of Investments

2023/24 £'000	Long Term Investment Assets	2024/25 £'000
-	Bulk Annuity Insurance Buy In Contract	186,245
2023/24 £'000	Investment Assets	2024/25 £'000
3,136,939	Equities	3,019,500
477,212	Bonds	589,459
	Pooled Investment Vehicles	
787,448	Equities	823,192
366,451	Bonds	368,018
967,457	Private Equity	919,649
314,923	Hedge Funds	306,891
921,367	Infrastructure	842,935
476,919	Unit Trusts - Property	482,265
2,028,690	Other Unitised Funds	1,860,000
432,489	Other	453,773
6,295,744		6,056,723
	Derivative Contracts	
21	FX	104
-	Options	181,231
6,737	Swaps	-
6,758		181,335
454,600	Property	425,700
224,371	Loans	241,337
	Short Term Cash Deposits	
101,810	Sterling	235,643
-	Foreign Currency	-
101,810		235,643
	Other Investment Balances	
-	Amounts Due from Brokers	-
3,445	Outstanding Trades	7,738
31,504	Outstanding Dividend Entitlements and Recoverable Withholding Tax	35,106
61,093	Cash Deposits	68,763
96,042		111,607
10,793,476	Total Investment Assets	10,861,304
10,793,476	Total Investments	11,047,549

Note 13b Analysis of Derivatives

Forward Currency Contracts

The Fund's forward currency contracts are exchange traded and are used by a number of our external Investment Managers to hedge exposures to foreign currency back into sterling.

Settlement Date	Currency bought '000	Currency sold '000	Asset £'000	Liability £'000
Up to one month	GBP 13,898	EUR 16,457	104	-
Up to one month	USD 42	GBP 33	-	-
Up to one month	KRW 242,059	GBP 127	-	-
Up to one month	IDR 17,327,701	GBP 812	-	(2)
Up to one month	GBP 609	KRW 1,160,607	-	(2)
			104	(4)
Net Forward Currency Contracts at 31 March 2025				100
Prior Year Comparative				
Open Forward Currency Contracts at 31 March 2024			21	(1)
Net Forward Currency Contracts at 31 March 2024				20

Purchased/Written Options

Options are contracts between two parties that gives the purchaser the right, but not the obligation to either buy (call) or sell (put) at a price at a specific date. The purchaser immediately pays a non-returnable premium (price) to secure the option. To minimise the risk of loss of value through adverse equity price movements, during 2024/25, the Fund bought a number of equity option contracts that protect it from falls in value in its main investment markets.

Underlying Option Contract	Expires	Put/Call	Notional Holding £'000	Market Value 31 March 2025 £'000
Assets				
Overseas equity purchased	Over three months	Put	9,847	181,231
Total Assets				181,231
Liabilities				
Overseas equity written	Over three months	Put	(9,847)	(102,928)
Overseas equity written	Over three months	Call	(3,520)	(29,056)
Total Liabilities				(131,984)
Net Purchased/Written Options				49,247

There were no open purchased/written options as at 31 March 2024.

Swaps

A swap is an over-the-counter contractual obligation to exchange cash flows, the amount of which is determined by reference to an underlying asset, index, instrument or notional amount, according to terms which are agreed at the outset of the swap. MPF uses swaps to raise or lower the Fund's exposure in certain regions, to manage risks.

Type	Expires	Notional Holding £'000	Market Value 31/3/25 £'000
Assets			
Total Return Swaps	Up to one year	-	-
Total Assets			-
Liabilities			
Total Return Swaps	Up to one year	(4)	(2,553)
Total Liabilities			(2,553)
Net Swaps			(2,553)

Type	Expires	Notional Holding £'000	Market Value 31/3/24 £'000
Assets			
Total Return Swaps	Up to one year	3	6,737
Total Assets			6,737
Liabilities			
Total Return Swaps	Up to one year	-	-
Total Liabilities			-
Net Swaps			6,737

As at 31 March 2025, the Fund held cash and non-cash collateral of £20.6 million to mitigate the risk of loss and credit risk. As the Fund has an obligation to return the collateral, it is excluded from the Fund valuation.

Note 13c Property Holdings

The Fund's investment portfolio includes a number of directly owned properties that are leased commercially to various tenants. Details of these properties are as follows:

2023/24	Property	2024/25
£'000		£'000
470,300	Balance at the Start of the Year	454,600
7,760	Additions	28,774
-	Disposals	(60,909)
(6)	Net Gain/Loss on Fair Value	8,163
-	Transfers In/Out	-
(23,454)	Other Changes in Fair Value	(4,928)
454,600	Balance at the End of the Year	425,700

As at 31 March 2025 there were no restrictions on the realisability of investment property or of the remittance of income or proceeds of disposal and the Fund is not under any contractual obligations to purchase, construct or develop any of these properties.

Property Operating Leases

The Fund's property portfolio comprises a variety of units which are leased to organisations with the objective of generating appropriate investment returns.

These leases are all categorised as operating leases due to the relatively short length of the agreements i.e. relative to the overall life of the asset and proportion of the assets' overall value. The leases do not meet the assessment criteria for finance leases, and the risks and rewards of ownership of the leased assets are retained by the Fund and reflected in the Net Assets Statement.

The properties comprise a mix of office, retail and industrial buildings. These leases vary in length from short-term to over 25 years.

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

2023/24	Age Profile of Lease Income	2024/25
£000		£000
883	No later than one year	2,202
17,436	Between one and five years	13,631
141,645	Later than five years	173,006
159,964	Total	188,839

With regards to the properties owned and leased by the Fund, all are leased to the tenants under contracts that have been assessed as operating leases and which may include periodic rent reviews etc. The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease entered into, such as adjustments following rent reviews.

Note 13d Bulk Annuity Buy In Contract

In June 2024, the Fund purchased for £203 million (initial premium), a Bulk Annuity Insurance Buy In Contract to secure benefits payable for a defined group of pensioners and deferred pensioners of one employer. The insurance policy provides that the insurer underwrites the risk for meeting the liabilities of a specified group of pensioners and deferred members for one employer as at June 2024. The insurance provider pays an agreed monthly payroll amount for this group whilst they or their dependants are entitled to a pension. During 2025/26 and in accordance with the contract, a data verification exercise (true up) will be undertaken and the unadjusted final premium will be calculated and settled.

The Fund held insurance policies at the year end as follows:

2023/24	Bulk Annuity Buy In Contract	2024/25
£000		£000
-	Aviva PLC	186,245
-	Total	186,245

Note 13e Summary of Manager's Portfolio Values at 31 March 2025

2023/24			2024/25	
£million	%		£million	%
Externally Managed				
380	3.5	JP Morgan (European equities)	371	3.4
494	4.6	Nomura (Japan)	462	4.2
294	2.7	Schroders (fixed income)	295	2.7
542	5.0	Legal & General (fixed income)	272	2.5
56	0.5	Unigestion (European equities)	-	-
257	2.4	M&G (global emerging markets)	269	2.5
269	2.5	TT International (UK equities)	270	2.5
335	3.1	Blackrock (UK equities)	371	3.4
119	1.1	Newton (UK equities)	-	-
237	2.2	Amundi (global emerging markets)	243	2.2
196	1.8	Maple-Brown Abbot (Pacific Rim equities)	209	1.9
1,495	14.0	State Street Global Advisor (Passive Manager)	1,590	14.5
490	4.5	State Street Global Advisor (Bonds Manager)	487	4.5
8	0.1	Open Door China A Share Fund Ltd	28	0.3
-	-	Aviva PLC (Bulk Annuity Buy In Contract)	186	1.7
5,172	48.0	Total Externally Managed	5,053	46.3
Internally Managed				
587	5.4	UK equities	651	6.0
397	3.7	European equities	400	3.7
175	1.6	Asia pacific ex Japan	173	1.6
455	4.2	Property (direct)	426	3.9
736	6.8	Property (indirect)	530	4.9
-	-	Loans	233	2.1
987	9.2	Private equity	937	8.5
362	3.4	Hedge funds	353	3.2
951	8.8	Infrastructure	857	7.9
522	4.8	Private Credit	544	5.0
317	2.9	Global Equities Internal Factor	329	3.0
-	-	Low Duration UK Fixed Income	152	1.4
127	1.2	Short term deposits & other investments	271	2.5
5,616	52.0	Total Internally Managed	5,856	53.7
10,788	100.0	Total	10,909	100.0

*For 2023/24 Loans were included within the Property (indirect) portfolio.

The following holdings each represent more than 5% of the net assets of the Fund:

2023/24		2024/25		
£million	%	£million	%	
941	8.7	State Street Pooled UK Index Linked Gilts	977	9.0
941	Total	977		

Note 13f Stock Lending

As at 31 March 2025, £306.1 million of stock was on loan to market makers, which was covered by cash and non-cash collateral, totalling £326.2 million. Collateral is marked to market and adjusted daily. Income from Stock Lending amounted to £476,724 and is included within "Other" Investment Income. As the Fund retains its economic interest in stock on loan, their value remains within the Fund valuation. As the Fund has an obligation to return collateral to the borrowers, collateral is excluded from the Fund valuation. The Fund used its Custodian as agent lender, lending only to an agreed list of approved borrowers. An indemnity is in place which gives the Fund further protection against losses.

Note 14 Investment Liabilities

2023/24	Investment Liabilities	2024/25
£000		£000
1	Derivative Contracts	134,541
5,824	Amounts due to Stockbrokers	3,870
5,825	Total	138,411

Note 15 Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below.

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

All assets have been valued using fair value techniques based on the characteristics of each instrument, where possible using market based information.

Note 15 Fair Value – Basis of Valuation (continued)

Description of Asset	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Level 1			
Quoted Equities and Pooled Investment Vehicles	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted Fixed Income Bonds and Unit Trusts	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Derivatives - Futures and Options	Published exchange prices at the year-end	Not required	Not required
Cash and Cash Equivalents	Carrying Value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

Description of Asset	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Level 2			
Unquoted Equities Investments	Average of broker prices	Evaluated price feeds	Not required
Unquoted Fixed Income Bonds and Unit Trusts	Average of broker prices	Evaluated price feeds	Not required
Unquoted Pooled Fund Investments	Average of broker prices	Evaluated price feeds	Not required
Derivatives - Forward Currency Contracts	Market forward exchange rates at the year end	Exchange rate risk	Not required
Derivatives - OTC Options and OTC Swaps	Option pricing models and Swaps pricing models	Interest rates, underlying equity prices, model assumptions, price risk	Not required
Pooled Property Funds and Hedge Funds where regular trading takes place	NAV - based pricing set on a forward pricing basis. Closing bid price where bid and offer prices are published - closing single price where single price is published.	NAV - based pricing set on a forward pricing basis	Not required

Description of Asset	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Level 3			
Pooled Property Funds where regular trading does not takes place	NAV - based pricing set on a forward pricing basis. Valued by investment managers on a fair value basis each year using clear accounting guidance and industry best practice guidance.	NAV - based pricing set on a forward pricing basis.	Material events occurring between the date of the financial statements provided and MPF's own reporting date, changes to expected cashflows, differences between audited and unaudited accounts.
Hedge Funds where regular trading does not takes place	NAV - based pricing set on a forward pricing basis. Valued by investment managers on a fair value basis each year using clear accounting guidance and industry best practice guidance.	NAV - based pricing set on a forward pricing basis.	Valuations are affected by any changes to the value of the financial instrument being hedged against.
Direct Property	Valued at fair value at the year-end using independent external Valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards (the "RICS Red Book").	Existing lease terms and rentals, independent market research, nature of tenancies, covenant strength of existing tenants, assumed vacancy levels, estimated rental growth, discount rate.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices.
Other Unquoted, including Infrastructure and Private Equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines or equivalent	EBITDA multiple, revenue multiple, discount for lack of marketability, control premium	Material events occurring between the date of the financial statements provided and MPF's own reporting date, changes to expected cashflows, differences between audited and unaudited accounts.

Description of Asset	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Level 3 (Continued)			
Bulk Annuity Insurance Buy In Contract	The Bulk Annuity Insurance Buy In Contract is valued by the Fund's Actuary at the amount of the related obligation, determined using the most recent Scheme funding valuation assumptions updated for the market conditions at the reporting date.	Discount rate, pension increases, life expectancy.	Discount rate, pension increases and life expectancy adjustments.

Note 15 Fair Value – Basis of Valuation (continued)

Sensitivity of assets valued at level 3

The table below sets out the assets classified as level 3 assets. The Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges (as provided by the Fund's investment consultants) and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025 and 31 March 2024. There are various factors that affect the complexity of valuation and the realisable value of assets and certain asset specific issues may lead to realisable valuations falling outside the stated range.

Level 3 Assets	Value at 31 March 2025 £000	Potential variance %	Value on increase £000	Value on decrease £000
Property	913,492	10.0	1,004,841	822,143
Unquoted UK equity	25,871	15.0	29,752	21,990
Unquoted overseas equity	108,115	15.0	124,332	91,898
Hedge funds	201,975	10.0	222,173	181,778
Infrastructure	842,935	15.0	969,375	716,495
Private equity	1,321,190	15.0	1,519,367	1,123,011
Total	3,413,578			

Level 3 Assets	Value at 31 March 2024 £000	Potential variance %	Value on increase £000	Value on decrease £000
Property	937,313	10.0	1,031,044	843,582
Unquoted UK equity	32,384	15.0	37,242	27,526
Unquoted overseas equity	86,390	15.0	99,349	73,432
Hedge funds	207,697	10.0	228,467	186,927
Infrastructure	921,367	15.0	1,059,572	783,162
Private equity	1,347,187	15.0	1,549,265	1,145,109
Total	3,532,338			

The key underlying inputs into the Bulk Annuity Insurance Buy In Contract valuation are the discount rate, pension increases and life expectancy assumptions. The impact of changes as calculated by the Fund's Actuary are shown below:

	Value at 31 March 2025 £000	Potential variance	Value on increase £000	Value on decrease £000
Bulk Annuity Insurance Buy In Contract	186,245			
Change in Assumptions:				
Adjustment to discount rate		0.25	190,291	182,051
Adjustment to pensions increase		0.25	190,012	180,921
Adjustment to life expectancy		1 Year	191,569	181,049

There were no Bulk Annuity Insurance Buy In Contracts as at March 2024.

Note 15a Fair Value Hierarchy

Asset valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values.

For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in "Practical Guidance on Investment Disclosures (PRAG/Investment Association 2016)".

Level 1

Assets at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index-linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the market quotation of the relevant stock exchange.

Level 2

Assets at level 2 are those where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Assets at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such investments would include unquoted equity investments and Hedge Fund of Funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in Private Equity are based on valuations provided by the general partners to the Private Equity funds in which Merseyside Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March 2025 as appropriate.

The values of the investment in Hedge Funds are based on the net asset value provided by the Fund Manager. Assurances over the valuation are gained from the independent audit of the value.

The Bulk Annuity Insurance Buy In Contract is valued by the Fund's Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

The following table provides an analysis of the financial assets of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable:

*Loans, cash, other investment balances and amounts due to stockbrokers are valued at amortised cost rather than fair value, however, are included within the table for reconciliation purposes.

Values at 31 March 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investment assets				
Equities	2,974,118		45,382	3,019,500
Bonds	589,050	400	9	589,459
Pooled Investment Vehicles	1,108,492	2,005,744	2,942,487	6,056,723
Derivative Contracts		181,335		181,335
Direct Property			425,700	425,700
Bulk Annuity Insurance Buy In Contract			186,245	186,245
Loans				241,337
Short Term Cash Deposits				235,643
Other Investment Balances				111,607
Total Investment Assets	4,671,660	2,187,479	3,599,823	11,047,549
Investment liabilities				
Amounts due to stockbrokers				(3,870)
Derivative Contracts		(134,541)		(134,541)
Total Investment Liabilities	-	(134,541)	-	(138,411)
Net Investment Assets	4,671,660	2,052,938	3,599,823	10,909,138

Values at 31 March 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investment assets				
Equities	3,095,898		41,041	3,136,939
Bonds	476,802	400	10	477,212
Pooled Investment Vehicles	1,044,652	2,214,405	3,036,687	6,295,744
Derivative Contracts		6,758		6,758
Direct Property			454,600	454,600
Loans				224,371
Short Term Cash Deposits				101,810
Other Investment Balances				96,042
Total Investment Assets	4,617,352	2,221,563	3,532,338	10,793,476
Investment liabilities				
Amounts due to stockbrokers				(5,824)
Derivative Contracts		(1)		(1)
Total Investment Liabilities	-	(1)	-	(5,825)
Net Investment Assets	4,617,352	2,221,562	3,532,338	10,787,651

A reconciliation of fair value measurements in Level 3 is set out below:

2023/24		2024/25
£000		£000
3,468,553	Opening balance	3,532,338
417,036	Acquisitions	574,017
(238,175)	Disposal proceeds	(458,340)
-	Transfer into/(out) Level 3	26,758
	Total gain/(losses) included in the fund account	
76,881	On assets sold	47,122
(191,957)	On assets held at year end	(122,072)
3,532,338	Closing balance	3,599,823

A reconciliation of fair value measurements for the Bulk Annuity Insurance Buy In Contract is set out below:

2023/24	Bulk Annuity Insurance Buy In Contract	2024/25
£000		£000
-	Bulk Annuity Insurance Buy In Contract value at start of year	-
-	Insurance Policy Purchases	203,048
-	Actuarial revaluation of Insurance Policy	(1,310)
-	Interest on insurance policy	7,275
-	Change in demographic assumptions	-
-	Change in financial assumptions	(10,975)
-	Actuarial experience	(284)
-	Payments received from insurer	(11,509)
-	Bulk Annuity Insurance Buy In Contract value at end of year	186,245

Note 16 Financial Instruments

Note 16a Classification of Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The table above analyses the carrying amounts of financial assets and liabilities by category and net asset statement heading.

To allow reconciliation to the Net Asset Statement and for ease to the reader, all long-term and current assets and current liabilities have been included in this note, although not all are classified as financial instruments, the amounts that are not financial instruments are considered immaterial.

Financial Assets & Liabilities at 31 March 2025	Assets at amortised cost £000	Liabilities at amortised cost £000	Fair value through profit and loss £000	Total £000
Financial Assets				
Equities			3,019,500	3,019,500
Bonds			589,459	589,459
Pooled Investment Vehicles			6,056,723	6,056,723
Derivatives			181,335	181,335
Bulk Annuity Insurance Buy In Contract			186,245	186,245
Loans	241,337			241,337
Cash Deposits	235,643			235,643
Other Investment Balances	111,607			111,607
Long Term and Current Assets	73,221			73,221
Total Financial Assets	661,808	-	10,033,262	10,695,070
Financial Liabilities				
Derivatives			(134,541)	(134,541)
Other Investment Balances		(3,870)		(3,870)
Current Liabilities		(21,599)		(21,599)
Total Financial Liabilities	-	(25,469)	(134,541)	(160,010)
Total Net Assets	661,808	(25,469)	9,898,721	10,535,060

Financial Assets & Liabilities at 31 March 2024	Assets at amortised cost £000	Liabilities at amortised cost £000	Fair value through profit and loss £000	Total £000
Financial Assets				
Equities			3,136,939	3,136,939
Bonds			477,212	477,212
Pooled Investment Vehicles			6,295,744	6,295,744
Derivatives			6,758	6,758
Loans	224,371			224,371
Cash Deposits	101,810			101,810
Other Investment Balances	96,042			96,042
Long Term and Current Assets	53,046			53,046
Total Financial Assets	475,269	-	9,916,653	10,391,922
Financial Liabilities				
Derivatives			(1)	(1)
Other Investment Balances		(5,824)		(5,824)
Current Liabilities		(19,682)		(19,682)
Total Financial Liabilities	-	(25,506)	(1)	(25,507)
Total Net Assets	475,269	(25,506)	9,916,652	10,366,415

Note 16b Net Gains & Losses on Financial Instruments

2023/24	Net Gains and Losses on Financial Instruments	2024/25
£000		£000
	Financial Assets	
426,649	Fair Value through Profit and Loss	109,958
-	Amortised Cost - realised gains on derecognition of	3,110
426,649	Total Financial Assets	113,068
	Financial Liabilities	
(35,847)	Fair Value through Profit and Loss	(71,895)
(3,418)	Amortised Cost - realised losses on derecognition of	(92)
(39,265)	Total Financial Liabilities	(71,987)
387,384	Net gains and losses on Financial Instruments	41,081

Note 16c Fair Value of Financial Instruments

There is no material difference between the carrying value and fair value of financial instruments. The majority of financial instruments are held at fair value and for those

which are not, their amortised cost is considered to be equivalent to an approximation of fair value.

Note 17 Nature and Extent of Risks Arising from Financial Instruments

Risk and Risk Management

The Fund's objective is to achieve and maintain a funding level position of at least 100% whilst minimising the level and volatility of employer contributions. Investment strategy is decided with clear reference to this objective.

Over the long-term, the Fund's objective is to set policies that will seek to ensure that investment returns achieved will at least match the assumptions underlying the actuarial valuation and therefore be appropriate to the liabilities of the Fund.

Having regard to its liability profile, the Fund has determined that adopting a bespoke benchmark should best enable it to implement an effective investment strategy. This strategic benchmark is reviewed every three years, at a minimum, at the time of the actuarial valuation, but will be reviewed as required particularly if there have been significant changes in the underlying liability profile or the investment environment.

The Fund has carefully considered the expected returns from the various permitted asset classes and has concluded that in the longer term, the return on equities will be greater than from other conventional assets. Consequently, the asset allocation has a modest bias towards equities and a skew towards active management, particularly in less developed markets.

The Fund is also cognisant of the risk that the shorter-term returns may vary significantly from one period to another and between the benchmark and actual returns.

Diversification of assets is seen as key to managing this risk and the risk/return characteristics of each asset and their relative correlations are reflected in the make-up of the strategic benchmark. The Fund has also identified the need to grow the income derived from its investments to mitigate the implications for its cashflow from the maturing of its membership profile and the increase in the associated pension payments.

The Fund believes that, over the long-term, a willingness to take on volatility and illiquidity is likely to be rewarded with outperformance. The Fund considers that its strong employer covenant, maturity profile and cash flows enable it to adopt a long-term investment perspective. A mix of short-term assets, such as fixed income and cash is maintained to cover short-term liabilities, while equities (both passive and active), private equity infrastructure and direct property are held to benefit from the potential rewards arising from volatility and illiquidity risks. The Fund recognises that risk is inherent in investment activity and seeks to manage the level of risk that it takes in an appropriate manner. The Fund manages investment risks through the following measures:

- Broad diversification of types of investment and Investment Managers
- Explicit mandates governing the activity of Investment Managers
- The use of a specific benchmark, related to liabilities of the Fund for investment asset allocation
- The use of equity downside protection strategies
- The appointment of Independent Investment Advisors to the Investment Monitoring Working Party

- Comprehensive monitoring procedures for Investment Managers including internal officers and scrutiny by elected Members.
- Driving down investment costs and increasing efficiency through pooling arrangements.

Note 17a Market Risk

The Fund is aware that its key risk is market risk i.e. the unpredictability of market performance in the future. The general practice to quantify these risks is to measure the volatility of historical performance. The tables below show the Fund's exposure to asset classes and their reasonable predicted variance (as provided by the Fund's investment consultants) and the resulting potential changes in net assets available to pay pensions.

Investment Consultant's volatility estimates are calculated using the Redington's Capital Market Assumptions (asset class return, volatility, and correlation assumptions). The assumptions represent the long-term capital market outlook (i.e. 10 years) based on data at 31 March 2025. The long-term assumptions are based on historical results, current market characteristics, professional judgement, and forward-looking expectations, with any long term assumption, there is still a degree of uncertainty.

	Value at 31 March 2025	Potential Variance	Value on increase	Value on decrease
2024/25	£million	%	£million	£million
UK Equities (all equities including pooled vehicles)	2,163	18.8	2,569	1,756
US Equities	775	19.7	927	622
Canadian Equities	43	19.9	52	35
European Equities	895	21.6	1,088	701
Japanese Equities	485	23.1	597	373
Emerging Markets Equities inc Pac Rim	971	19.8	1,163	779
Global Equities (all equities including pooled vehicles)	102	16.9	119	85
UK Fixed Income Pooled Vehicles	638	6.4	679	597
UK Index Linked Gilts	589	8.2	637	541
Pooled Property	482	13.0	545	420
Private Equity	919	31.1	1,204	633
Hedge Funds	307	7.6	330	284
Infrastructure	843	22.4	1,032	654
Other Alternative Assets	454	9.0	495	413
Loans, Short Term Deposits & Other Investment Balances	683	-	683	683
Total	10,349			

	Value at 31 March 2024	Potential Variance	Value on increase	Value on decrease
2023/24	£million	%	£million	£million
UK Equities (all equities including pooled vehicles)	2,166	18.9	2,575	1,756
US Equities	666	19.8	798	534
Canadian Equities	37	20.6	45	29
European Equities	1,033	21.8	1,258	807
Japanese Equities	504	23.3	621	386
Emerging Markets Equities inc Pac Rim	921	20.4	1,109	733
Global Equities (all equities including pooled vehicles)	92	17.1	108	76
UK Fixed Income Pooled Vehicles	901	6.9	963	839
UK Index Linked Gilts	477	8.6	518	436
Pooled Property	477	11.8	533	421
Private Equity	967	31.5	1,272	663
Hedge Funds	315	7.0	337	293
Infrastructure	921	22.5	1,129	714
Other Alternative Assets	432	8.8	471	394
Loans, Short Term Deposits & Other Investment Balances	457	-	457	457
Total	10,366			

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent that the fair value on future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is considered in relation to liabilities as well as assets and therefore through the funding level. This is documented in reports to the IMWP and in the accounts through the actuary's report. MPF's foreign currency exposure is principally through equities and other long term assets. This risk is considered as being part of overall market risk and complicated by the effects of correlations and possible offset through diversification and, consequently, has not been disaggregated or reported as a discrete figure.

Currency Risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency on any cash balances and investment assets not denominated in UK sterling.

Note 17b Credit Risk

Credit risk represents that the counterparty to a financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The Fund's arrangements for derivatives, securities lending and impaired items are dealt with in other notes to the accounts.

The short-term cash deposits and other investment balances are diversified with investment grade financial institutions. The Fund has a treasury management policy that is compliant with current best practice.

The Fund's cash holding under its treasury management arrangements as at 31 March 2025 was £235.6 million (31 March 2024 £101.8 million). This was held on instant access accounts with the following institutions:

2023/24		Rating (S & P)	2024/25
£000			£000
35,140	Lloyds Bank	Long A+ Short A-1	41,630
36,670	Northern Trust	AAAm	114,013
-	Invesco	AAAm	30,000
30,000	Federated	AAAm	30,000
-	Santander	Long A Short A-1	20,000
101,810	Total		235,643

Cash held by Investment Managers, shown in other investment balances, is excluded from the above table, this cash is held for reinvestment in the asset class they are mandated to manage.

Note 17c Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's key priority is to pay pensions in the long term and in the short term and the asset allocation is the key strategy in ensuring this. The earlier sections have dealt with the longer term risks associated with market volatility.

The Fund always ensures it has adequate cash resources to meet its commitments. The Fund has a cash balance at 31 March 2025 of £236 million. The Fund has £6,922 million in assets which could be realised in under 7 days' notice, £662 million in assets which could be realised in under 90 days' notice and £2,741 million in assets which could not be realised within a 90 day period.

The Fund receives monthly receipts from the Bulk Annuity Insurance Buy In Contract for the benefits secured/insured, in accordance with the contract.

The Fund has no borrowing or borrowing facilities.

The management of the Fund also prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows. The Fund has a net withdrawal for 2024/25 in its dealing with members of £203 million, and management expenses of £55 million, this net withdrawal overall, is offset by investment income of £359 million.

Refinancing Risk

Refinancing risk represents the risk that the Fund will need to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

Note 17d Outlook for Real Investment Returns

The expectation of future real investment returns can affect the Fund's liabilities as they may impact on the discount rate used by the actuary to discount the liabilities; the Fund's actuary has calculated that the Fund has sensitivity to this discount rate of 13-14% per 1% change in real investment returns. The Fund considers both the liabilities and assets together and assesses the funding ratio and the implications for investment strategy on a quarterly basis at the IMWP.

Note 18 Funding Arrangements

In line with The Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place at 31 March 2022. The next valuation will take place as at 31 March 2025.

The most recent Triennial Valuation by the actuary was at 31 March 2022, when the funding level was 106% of projected actuarial liabilities (2019 101%). The funding objective is to achieve and then maintain assets equal to the funding target. The funding target is the present value of 100% of projected accrued liabilities, including allowance for projected final pay. The FSS sets out the process for determining the recovery in respect of each employer. At the 2022 valuation, the average recovery period adopted for employers in deficit is 11 years, and for the employers in surplus is 14 years.

The funding method adopted is the projected unit method, which implicitly allows for new entrants replacing leavers.

The key elements of the funding policy are to:

- Manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due
- Enable employer contribution rates to be kept at a reasonable and affordable cost to the taxpayers, scheduled, designating and admitted bodies, while achieving and maintaining Fund solvency and long-term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future due to sector changes
- Maximise the returns from investments within reasonable risk parameters taking into account the above aims.

Summary of key whole Fund assumptions used for calculating funding target

31 March 2022

Long Term Yields	
Market implied RPI inflation	3.90% p.a.
Solvency Funding Target Financial Assumptions	
Investment Return/Discount Rate:	
Higher Risk Investment Bucket	4.60% p.a.
Medium Risk Investment Bucket	4.35% p.a.
Lower Risk Investment Bucket	2.70% p.a.
CPI Price Inflation:	
Higher Risk Investment Bucket	3.10% p.a.
Medium Risk Investment Bucket	3.10% p.a.
Lower Risk Investment Bucket	3.60% p.a.
Short Term Salary Increases	Varies by employer
Long Term Salary Increases:	
Higher Risk Investment Bucket	4.60% p.a.
Medium Risk Investment Bucket	4.60% p.a.
Lower Risk Investment Bucket	5.10% p.a.
Pension Increases in Payment:	
Higher Risk Investment Bucket	3.10% p.a.
Medium Risk Investment Bucket	3.10% p.a.
Lower Risk Investment Bucket	3.60% p.a.
Future Service Accrual Financial Assumptions (Higher Risk Bucket)	
Investment Return/Discount Rate	5.1% p.a.
CPI Price Inflation	3.10% p.a.
Short Term Salary Increases	Varies by employer
Long Term Salary Increases	4.60% p.a.
Pension Increases/Indexation of CARE Benefits	Assumed to be in line with CPI assumptions above
McCloud	Reasonable estimate in line with national guidance

For further and full details please refer to the Fund's website:
[Merseyside Pension Fund Website](#)

Note 19 Long Term Assets

Assets due in more than one year include future payments of pension strain and accrued loan interest.

2023/24	Long Term Assets	2024/25
£000		£000
3,024	Assets due in more than one year	15,884
3,024	Total	15,884

Note 20 Current Assets & Liabilities

"Sundry debtors" mainly covers general debtors, property arrears due, agents' balances and recoverable taxation.

"Provision for Credit Losses" relates to property rental income following a review of all individual debts as at 31 March 2025.

The main components of "Sundry Creditors" are the outstanding charges for Investment Management fees, payable quarterly in arrears, Custodian and Actuarial fees, plus income tax due, pre-paid rent and Administering Authority re-imburement.

2023/24	Current Assets & Liabilities	2024/25
£000		£000
	Assets	
17,956	Contributions due	20,829
11,018	Accrued and outstanding investment income	8,035
22,317	Sundry Debtors	28,584
(1,537)	Provision for credit losses	(111)
268	Cash at bank	-
50,022	Current Assets	57,337
	Liabilities	
-	Amounts due to external managers	-
3,752	Retirement grants due	4,485
15,930	Sundry Creditors	17,114
19,682	Current Liabilities	21,599
30,340	Net Current Assets	35,738

Note 21 Contractual Commitments and Contingent Liabilities

Commitments for investments amounted to £1,090 million as at 31st March 2025. (2023/24 £1,081 million). These commitments relate to Private Equity £469.41 million, Infrastructure £146.07 million, Private Credit £289.14 million, Indirect Property £182.04 million and Other Alternatives £2.91 million. As some of these funds are denominated in foreign currencies, the commitment in sterling is subject to change due to currency fluctuations.

There are no contingent liabilities.

Note 22 Contingent Assets

When determining the appropriate Fund policy for employers, the different participating characteristics as either a contractor or community body or whether a guarantor of sufficient financial standing agrees to support the pension obligations is taken into consideration when setting the fiduciary strategy.

It is the policy to actively seek mechanisms to strengthen employer covenants by engaging "contingent assets" in the form of bonds/indemnity insurance, local authority guarantors, parent company guarantors or charge on assets to mitigate the risk of employers exiting the Fund, leaving unrecoverable debt.

These financial undertakings are drawn in favour of Wirral Council, as the Administering Authority of Merseyside Pension Fund and payment will only be triggered in the event of employer default.

Note 23 Related Party Transactions

There are three groups of related parties: transactions between Wirral Council, as Administering Authority, and the Fund, between employers within the Fund and the Fund, and between Members and Senior Officers and the Fund.

Management expenses include charges by Wirral Council in providing services in its role as Administering Authority to the Fund, which amount to £5.1 million. (2023/24 £4.6 million). Such charges principally relate to staffing required to maintain the pension service. Central, Finance and IT costs are apportioned to the Fund on the basis of time spent on Fund work by Wirral Council. There was a debtor of £8.0 million (2023/24 £4.3 million) and a creditor of £0.4 million as at 31 March 2025 (2023/24 £1.2 million).

Employers are related parties in so far as they pay contributions to the Fund in accordance with the appropriate Local Government Pension Scheme Regulations (LGPS). Contributions for the year are shown in note 7 and in respect of March 2025 payroll are included within the debtors figure in note 20.

A specific declaration has been received from Pension Committee Members and principal officers regarding membership of, and transactions with, such persons or their related parties. A number of Members act as Councillors or Board members of particular scheme employers, listed below, who maintain a conventional employer relationship with the Fund:

Liverpool City Council, Knowsley Council, Sefton Council and St Helens Borough Council, Wirral Council and Merseyside Fire and Rescue Authority. The value of the transactions with each of these related parties, namely the routine monthly payments to the Fund of employers' and employees' contributions, is determined by the LGPS Regulations, and as such no related party transactions have been declared.

Each member of the Pension Committee and Pension Board Members formally considers conflicts of interest at each meeting.

Note 23a Key Management Personnel

The Fund's senior management during 2024/25 was comprised of 7 individuals: the Director of Pensions, Head of Pensions (x3), Senior Investment Managers (x2), and the Senior Manager Operations & Information Governance, the remuneration paid to the senior management during 2024/25 was £615,992 (2023/24 £534,463). In addition, employer contributions of £116,383 (2023/24 £99,570) were also met from the Fund and charged to the Fund Account.

Note 23b Officer Board Roles

A number of officers at MPF act in an un-remunerated board capacity on investment bodies in which the Fund has an interest:

Officer Name	Position at MPF	Company	MPF Value as at 31/3/25
Peter Wallach	Director of Pensions	GLIL	£400.8m

There were no new commitments to GLIL during 2024/25, the remaining commitment as at 31 March 2025 is £65.20m

Northern Pool GP (NO.1) Ltd £398.2m

MPF committed an additional 80.0m to NPEP during 2024/25, the remaining commitment as at 31 March 2025 is £347.75m.

Tellsons Investors LLP £40.8m.

There were no new commitments to Tellsons during 2024/25, there is no remaining commitment as at 31 March 2025.

Adil Manzoor Head of Pensions - Private Markets Virtus (Kothar Group) £6.8m

There were no new commitments to Virtus during 2024/25, there is no remaining commitment as at 31 March 2025.

Owen Thorne Portfolio Manager Technology Enhanced Operations Ltd (TEO) £0.4m

There were no new commitments to TEO during 2024/25, there is no remaining commitment as at 31 March 2025.

Note 24 Additional Voluntary Contribution Investments

2023/24 £000	Additional Voluntary Contribution (AVC) Investments	2024/25 £000
	The aggregate amount of AVC investments is as follows :	
1,622	Utmost Life	1,474
5,131	Standard Life	4,765
14,147	Prudential	16,362
20,900		22,601
	Changes during the year were as follows:	
4,005	Contributions	4,346
3,301	Repayments	3,510
1,146	Change in market values	865

Scheme Employers with Active Members as at 31 March 2025

Scheduled Bodies

Academy of St Francis of Assisi
Ainsdale St Johns CE Primary School
All Saints MAT
Alsop High School
Bedford Primary School (Academy)
Bellerive FCJ Catholic College
Billinge Chapel End Primary School
Birkdale High School (Academy)
Birkenhead High School Academy
Birkenhead Sixth Form College (Academy)
Bishop Martin CE Primary
Black Horse Hill Junior School
Blacklow Brow School (Academy)
Blackmoor Park Infant School (Academy)
Blue Coat School (Academy)
Brakenwood Junior School
Brookdale Primary School
Calday Grange Grammar School (Academy)
Carmel College
Chesterfield High School (Academy)
Chief Constable
Childwall Sports and Science Academy
Christ Church Moreton Primary (Academy)
Church Drive Primary
Churchtown Primary (Academy)
Co-op Academy Bebington
Co-op Academy Hillside
Co-op Academy Portland
Co-op Academy Woodslee
Cronton C of E Primary (Academy)
Cronton Parish Council
Croxteth Community Primary School (Academy)
Deyes High School (Academy)
De La Salle (St Helens)
Dixons Broadgreen Academy
Dixons Croxteth Academy
Dixons Fazakerley Academy
Eccleston Parish Council
Edsential SLE
Egremont Primary School (Academy)
Everton Free School (Academy)
Faith Primary School (Academy)
Finch Woods Academy
Forefield Infants
Forefield Juniors
Formby High School (Academy)
Four Oaks Primary School (Academy)
Garston C of E Primary School (Academy)
Gateacre School
Gayton Primary School (Academy)
Great Meols Primary School (Academy)
Greasby Junior School (Academy)

Greenbank High School (Academy)
 Halewood Academy Centre for Learning
 Halewood C of E Primary (Academy)
 Halewood Town Council
 Halsnead Primary School (Academy)
 Harmonize (Academy)
 Hawthornes Free School
 Heygreen Community Primary (Academy)
 Heswall Primary School (Academy)
 Hightown Parish Council
 Hilbre High School (Academy)
 Hillside High School (Academy)
 Holy Spirit Catholic Primary (Academy)
 Holy Trinity CE Primary (Academy)
 Hope Academy
 Hugh Baird College
 Huyton with Roby CE Primary (Academy)
 Irby Primary School
 Kew Woods
 Kings Lander Primary Academy
 Kings Leadership Academy (Liverpool)
 Kings Leadership Academy (Wavertree)
 Kings Leadership Phoenix Academy
 Kings Northway Primary Academy
 Kirkby High School
 Knotty Ash Primary School
 Knowsley Lane Primary School (Academy)
 Knowsley M.B.C.
 Knowsley Town Council
 LDST – Liverpool Diocesan Schools Trust (Academy)
 Linaker Primary School
 Litherland High School (Academy)
 Litherland Moss Primary (Academy)
 Liverpool City Council
 Liverpool City Region Combined Authority (LCRCA)
 Liverpool College (Academy)
 Liverpool Institute of Performing Arts (LIPA)
 Liverpool John Moores University
 Liverpool Life Science UTC (Academy)
 Liverpool Street Scene Services Ltd
 Lord Derby Academy
 Maghull High School (Academy)
 Maghull Town Council
 Manor Primary School (Academy)
 Melling Parish Council
 Mendell Primary School (Academy)
 Meols Cop Primary School (Academy)
 Mersey View Learning Trust (MVLТ)
 Merseyside Fire & Rescue Authority
 Merseyside Passenger Transport Executive (MPTE)
 Merseyside Recycling and Waste Authority
 New Park Primary (Academy)
 North Liverpool Academy
 Notre Dame Catholic School
 Nutgrove Methodist Aided Primary

Office of the Police and Crime Commissioner for Merseyside (OPCCM)
 Oldershaw Academy
 Our Lady of Lourdes Catholic Primary School
 Our Lady of Pity RC Primary School (Academy)
 Our Lady of Walsingham Catholic Primary School
 Outwood Academy Haydock
 Overchurch Junior School (Academy)
 Parish CE Primary (Academy)
 Park View Academy
 Plantation Primary School (Academy)
 Poulton Lancelyn Primary School (Academy)
 Prescott Primary School
 Prenton High School for Girls (Academy)
 Prescott Town Council
 Rainford Brook Lodge Primary School (Academy)
 Rainford CE Primary School
 Rainford High School (Academy)
 Rainford Parish Council
 Rainhill Parish Council
 Rainhill High School (Academy)
 Rainhill St Anns CE Primary School (Academy)
 Range High School (Academy)
 Rock Ferry Primary School (Academy)
 Roscoe Primary (Academy)
 Rowan Park School
 Sacred Heart Catholic Academy
 Sandbrook Primary School (Academy)
 School Improvement Liverpool Ltd
 Sefton M.B.C.
 Shared Education Services Ltd
 Shoreside Primary School
 Southport Education Group
 St Ambrose Catholic Primary (Academy)
 St Andrew's CE Primary (Academy)
 St. Anselms College (Academy)
 St Augustine of Canterbury (Academy)
 St Cleopas CE Academy
 St. Edwards College (Academy)
 St. Edmund Arrowsmith Catholic Academy
 St Edmunds & St Thomas Catholic Primary School
 St. Francis Xavier's College (Academy)
 St Gabriel's CE Primary
 St. Helens College
 St. Helens M.B.C.
 St James' Primary School (Academy)
 St John Plessington Catholic College
 St. Joseph's Catholic MAT
 St Joseph's Primary (Academy)
 St Margaret Church of England Academy
 St Mary & St Thomas CE Primary School (Academy)
 St Marys Catholic College
 St Marys Catholic Infant/Junior School (Academy)
 St Marys (Little Crosby) Catholic Primary School
 St Michael's C of E High School (Academy)
 St Nicholas Catholic Primary (Academy)

St Peter & Paul Catholic Primary (Wallasey)
St Silas C of E Primary School (Academy)
St Teresa of Lisieux Primary School
St Thomas C of E Primary (Academy)
Stanley High School (Academy)
Stanton Road Primary School
Sylvester Primary Academy
The ACC Liverpool Group Ltd
The Academy of St Nicholas
The Beacon C E Primary School (Academy)
The Belvedere Academy
The Birkenhead Park School
The City of Liverpool College
The District CE Primary School
The Grange Primary School
The Prescott School (Academy)
The Salesian Academy of St John Bosco (Academy)
The Studio (Academy)
The Sutton Academy
The Trinity Catholic Primary (Academy)
Thingwall Primary School (Academy)
Thomas Gray Primary School
Thurstaston Dawpool Primary School (Academy)
Town Lane Infant School (Academy)
Townfield Primary School (Academy)
Trinity St Peters CE Primary School
University of Liverpool Maths School
Upton Hall School (Academy)
Valewood Primary
Waterloo Primary
Waterside Academy
Weatherhead High School (Academy)
West Derby School (Academy)
West Kirby Grammar School (Academy)
Whiston Town Council
Whiston Willis Primary (Academy)
Willow Tree Primary
Willow Tree Primary (St Helens)
Wirral Council
Wirral Grammar School for Boys (Academy)
Wirral Grammar School for Girls (Academy)
Wirral Metropolitan College
Woodchurch CE Primary (Academy)
Woodchurch High School (Academy)
Woodchurch Road Primary School (Academy)
Yew Tree Primary Academy

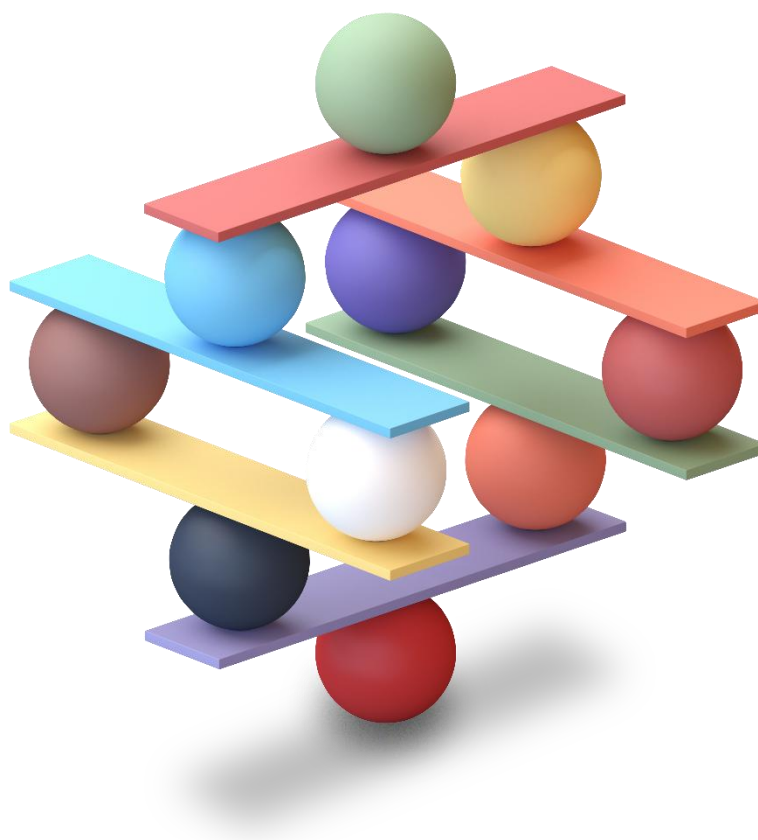
Admission Bodies

Absolutely Catering (Holy Family)
Agilisys Limited
Agilisys Ltd (Sefton)
Arriva North West
Association of Police Authorities
Balfour Beatty PFI SEN School

Balfour Beatty Workplace
Birkenhead School (2002)
Bouygues E & S FM UK Ltd
Bulloughs @ Beacon
Bulloughs @ Outwood Academy
Bulloughs @ SLT
Care Quality Commission
Caterlink @ Hugh Baird
Catholic Children's Society
Change Grow Live
Change Grow Live @ Sefton
Churchill Contract Services (Sutton)
Citizens Advice Liverpool
City Heath Care (St Helens)
Communal (Torus Foundation)
Compass (Scolarest) Wirral Schools
Computeam @ Pope Francis MAT
CWP (NHS)
Dalkia @ Co op Academies Trust
Dataspire Solutions Ltd (St Edmund Arrowsmith)
Dolce Ltd
Hochtief Liverpool Schools
Hochtief Wirral Schools
Hutchison @ Bishop Martin
Hutchison @ Sacred Heart
Improvement & Development Agency
Innovate @ HFC MAT
Interserve (Facilities Management) Ltd
ISS Mediclean Ltd (Outwood Academy)
Liverpool Hope University
Liverpool Schools Sports Partnership (LSSP)
Local Government Association
Mellors Catering – Birkdale
Mellors Catering – Lydiate & Melling
Mellors Catering – St Anns
Mellors Catering – St Mary & St Thomas
Mellors @ Sutton Academy
Mitie Care Custody Ltd
One Day Ltd
Orian @ Bluecoat
Partners Credit Union
RCCN @ Calday Grange
Sanctuary Home Care Ltd
Sefton New Directions Ltd
Southern Electric Co Ltd
Tarmac Trading Ltd
Taylor Shaw (Raeburn)
Taylor Shaw (St Andrews)
Taylor Shaw – Southport Learning Trust
Torus 62 Ltd
Veolia ES Merseyside & Halton
Volair Ltd
Welsh Local Government Association
Wirral Partnership Homes (Magenta)
Yunex Ltd

Merseyside Pension Fund

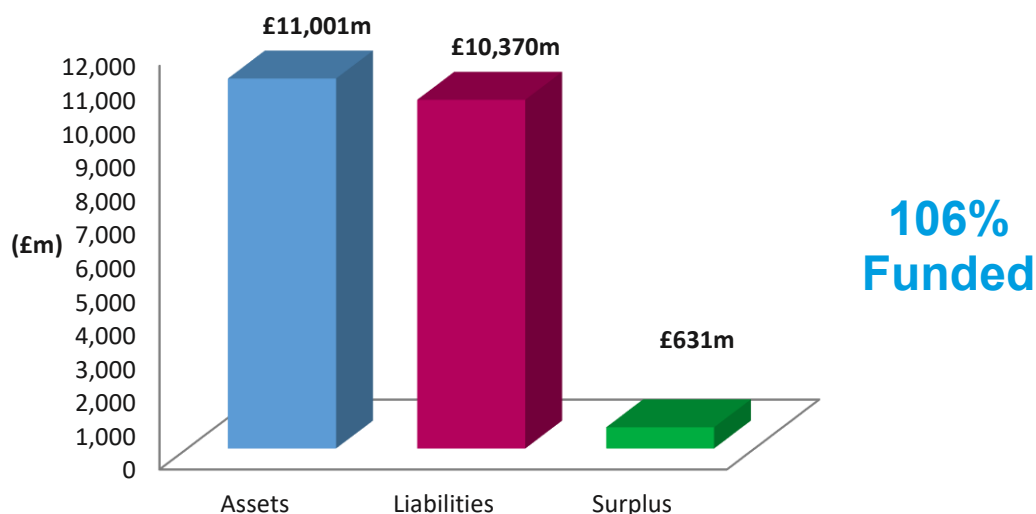
Accounts for the year ended
31 March 2025 – Statement by
the Consulting Actuary



This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the Merseyside Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026.

On the basis of the assumptions adopted, the Fund's assets of £11,001 million represented 106% of the Fund's past service liabilities of £10,370 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £631 million.



The valuation also showed that a Primary contribution rate of 18.7% of pensionable pay per annum was required from employers. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus it may be appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the recovery plan in respect of each employer. At the 2022 actuarial valuation the average recovery period adopted was 11 years for employers in deficit and 14 years for the employers in surplus, and the total initial recovery payment (the "Secondary rate" for 2023/26) was a surplus offset of approximately £37m per annum in £ terms (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated March 2023.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary rate of contribution were as follows:

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
Rate of return on investments (discount rate):		
Higher Risk Investment Bucket	4.60% per annum	5.10% per annum
Medium Risk Investment Bucket	4.35% per annum	4.85% per annum
Lower Risk Investment Bucket	2.70% per annum	2.70% per annum
Rate of pay increases (long term)*:		
Higher Risk Investment Bucket	4.60% per annum	4.60% per annum
Medium Risk Investment Bucket	4.60% per annum	4.60% per annum
Lower Risk Investment Bucket	5.10% per annum	5.10% per annum
Rate of increases in pensions in payment (in excess of GMP):		
Higher Risk Investment Bucket	3.10% per annum	3.10% per annum
Medium Risk Investment Bucket	3.10% per annum	3.10% per annum
Lower Risk Investment Bucket	3.60% per annum	3.60% per annum

*allowance was also made for short-term public sector pay restraint over a 3 year period

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2025. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2026.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes. The assumptions adopted are shown in Appendix B.

The movement in the value of the Fund's promised retirement benefits for IAS 26 is as follows:

Start of period liabilities	£10,120m
Interest on liabilities	£486m
Net benefits accrued/paid over the period*	(£198m)
Actuarial (gains)/losses (see below)	(£1,406m)
End of period liabilities	£9,002m

**this includes any increase in liabilities arising as a result of early retirements*

Key factors leading to actuarial gains above are:

- **Change in financial assumptions:** Corporate bond yields increased over the year, with a corresponding increase in discount rate from 4.9% p.a. to 5.8% p.a. The long-term assumed CPI is slightly lower at the end of year than it was at the start of year. In combination, these factors lead to a significant reduction in liabilities.
- **Change in demographic assumptions:** As noted in appendix B, the mortality assumptions have been updated to reflect the latest mortality tables and future life expectancy improvement model. This acts to slightly reduce the liabilities.
- **Pension increases / inflation experience:** The figures allow for the impact of actual CPI experienced over the year compared to the start of period assumption (experience to September 2024 fed into the April 2025 pension increase of 1.7%, and actual inflation from that point will feed into the 2026 increase). As inflation over the year was a little lower than the long-term assumption, this slightly decreases the liabilities.

Paul Middleman
Chartered Actuary (Fellow)

Mark Wilson
Chartered Actuary (Fellow)

Mercer Limited

Appendix A - additional considerations

The “McCloud judgment”: The figures above allow for the impact of the judgment based on the proposed remedy.

GMP indexation: The above figures allow for the provision of full CPI pension increases on GMP benefits for members who reach State Pension Age after 6 April 2016.

Market volatility and tariffs There was significant volatility in markets shortly after the accounting date, in part due to the announcements on tariffs coming from the USA. The period-end figures reflect market conditions as at the accounting date, but do not allow for any subsequent experience.

Virgin Media Court Case: Our current understanding is that, while HM Treasury are still assessing the implications, they do not believe the case is relevant to public service pension schemes. Given this, and the unknown impact on benefits even if it were to be required, we have not made any allowance for the Virgin Media judgment.

Appendix B – financial and demographic assumptions

To assess the liability value of the benefits, we have used the following assumptions as at 31 March 2025 (the 31 March 2024 assumptions are included for comparison):

Financial assumptions

	31 March 2024	31 March 2025
Rate of return on investments (discount rate)	4.90% per annum	5.80% per annum
Rate of CPI Inflation / CARE benefit revaluation	2.70% per annum	2.60% per annum
Rate of pay increases	4.20% per annum*	4.10% per annum*
Increases on pensions (in excess of GMP) / Deferred revaluation	2.80% per annum	2.70% per annum

**An adjustment has been made for the short-term pay restraint in line with the 2022 actuarial valuation*

Post retirement mortality (normal health)

	31 March 2024 (M/F)	31 March 2025 (M/F)
Base mortality table	SAPS 3 / SAPS 3 middle	SAPS 4 / SAPS 4 middle
Future improvements	CMI 22 1.5%	CMI 23 1.5%
Additional parameters	S=7, A=0 W20=W21=0%, W22=25%	S=7, A=0 W20=W21=0%, W22=W23=15%
Non-retired members (current age 45):		
Weightings	115% / 103%	114% / 103%
Life expectancies at age 65	22.2 / 25.2	22.1 / 25.2
Retired members (current age 65):		
Weightings	111% / 103%	109% / 103%
Life expectancies at age 65	20.9 / 23.4	20.8 / 23.5

The base tables are set based on the most recent mortality analysis for the Fund (undertaken as part of the 2022 actuarial valuation). The future improvements allow for a best estimate long-term improvement rate of 1.5%, and have been updated to allow for the latest base tables available (the “S4” series of tables and CMI 2023 at the end of period), with a reweighting to maintain consistency with the underlying mortality analysis.

Other demographic assumptions

The other demographic assumptions are the same as those used for 2022 actuarial funding valuation – full details are set out in the formal report on the actuarial valuation dated March 2023.