

Wirral Council Unaudited Statement of Accounts 2025/26

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Narrative Report

This Narrative Report provides an overview of Wirral Council's financial and operational performance for the year ended 31 March 2026. It explains the key issues that affected the Council during financial year 2025/26, highlights some of the main outcomes delivered for residents, and, along with the glossary of terms, helps readers understand the accompanying Statement of Accounts.

The Statement of Accounts sets out the Council's financial position at 31 March 2026 and summarises income, expenditure, assets, liabilities and reserves for the year. Together, these documents are intended to give elected members, residents, taxpayers and other stakeholders a clear and transparent view of the Council's finances and performance.

This report is structured in eight sections covering:

- About Wirral;
- Strategic priorities;
- Main influences on the Council and the accounts in 2025/26;
- Key outcomes;
- Summary of financial performance for 2025/26;
- Going concern;
- About the Statement of Accounts;
- Acknowledgements.

1. About Wirral

Wirral is a unique place in the North West of England. A compact peninsula of 60 square miles in the North West 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 (16-64) 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 7.8% to 345,189 by 2047. Although a small increase, this hides large variations when looking at smaller age groups, with the population of children and young people (0-15) decreasing by 12.6%, while the population of older people (90+) is projected to increase by 94.2%.

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.

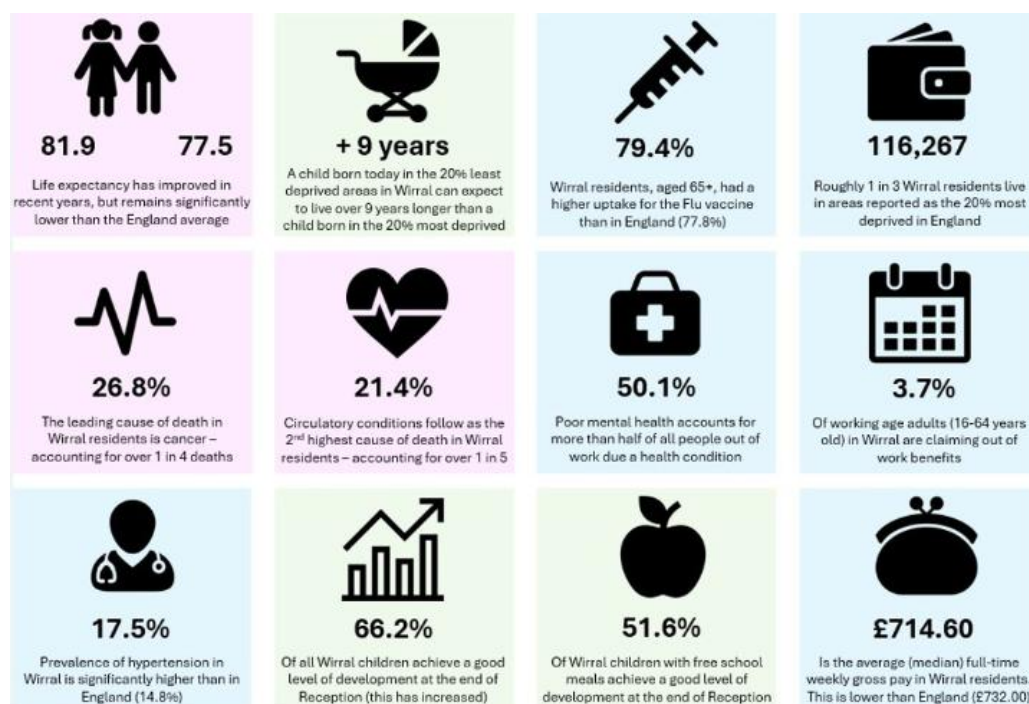


There are wide health inequalities in Wirral which are illustrated by the difference in both life expectancy across the borough and by what proportion of people's lives are spent in good health (known as health life expectancy). More information relating to this can be found in the Wirral Population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

Latest figures (2020-22) show that the four most deprived wards (Birkenhead & Tranmere, Bidston & St James, Rock Ferry and Seacombe) have the lowest life expectancies of all the 22 wards for both males and females. For males, there was a 13.4 year difference between the wards with the highest (West Kirby & Thurstaston) and lowest (Birkenhead & Tranmere) life expectancy in Wirral.

For females, there was a 10.5 year difference between the wards with the highest (Greasby, Frankby & Irby) and lowest (Rock Ferry) life expectancy in Wirral.

Healthy Life Expectancy data shows that people in Wirral spend only around three-quarters of their life in good health (76% for men and 73% 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 18.6 years of their life in poorer health, while for women it is 22.1 years. More information relating to this can be found in the ONS report 2024.



Source: Wirral State of the Borough Report 2025 (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%).

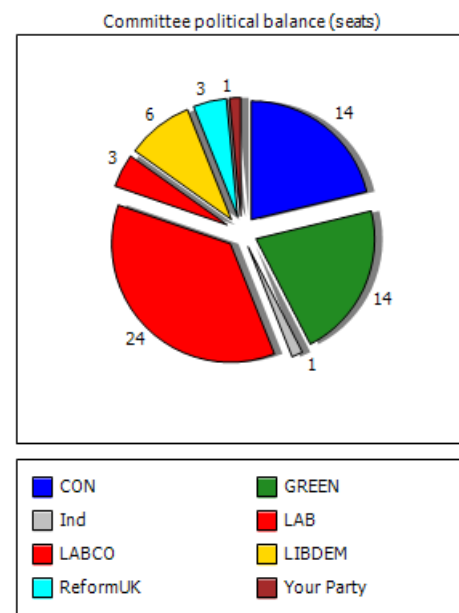
A voluntary section was added to the 2021 Census which asked for sexual orientation of the population over 16 for which 93.5% of Wirral population responded. 90.7% identified as Straight or Heterosexual, 1.6% identified as Gay or Lesbian, 1.0% as Bisexual, 0.2% as Pansexual or Asexual.

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. Local elections were held for all 66 seats at the same time on 4 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. Therefore, the political balance has remained broadly the same since 2024/25. However, during 2025/26, the 3 Independent Conservatives joined Reform UK and Labour lost 2 seats (1 to Independent and 1 to Your Party). The political composition of the Council at the end of 2025/26 was:

- Labour – 24 seats
- Labour and Co-Operative – 3 seats
- Conservative – 14 seats
- The Green Party – 14 seats
- Liberal Democrats – 6 seats
- Reform UK – 3 seats
- Your Party – 1 seat
- Independent – 1 seat



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.

At the beginning of 2025/26, the Chief Executive of Wirral Council was Paul Satoor who was absent from 5 June 2025 and left the authority on 31 October 2025. Jason Gooding was Acting Chief Executive from 11 July 2025 to 13 October 2025. Matthew Bennett was appointed to the role of Interim Chief Executive on 14 October 2025 and was appointed permanently on 2 March 2026.

Finance:

The Director of Finance (Section 151 Officer) was Matthew Bennett up to 13 October 2025. Daniel Kirwan was appointed to the role of Interim Director of Finance on 14 October 2025.

The function included:

- Finance and Investment
- Procurement and Commercial Service
- Risk and Compliance (includes Internal Audit)
- Revenues and Benefits
- Debt recovery and income
- Merseyside Pension Fund
- ICT & Digital

Law and Corporate Services:

For 2025/26 the Director of Law and Corporate Services (Monitoring Officer) was Jill Travers.

The function included:

- Legal Services
- Licensing
- Registrar Service
- Committee Services
- Electoral Services
- Coroners
- Civic Services
- 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

Neighbourhood Services:

At the beginning of 2025/26, the Director of Neighbourhood Services was Jason Gooding. From 11 July 2025 to 13 October 2025 Jason was Acting Chief Executive. From 10 September 2025 to 13 October 2025 Mike Cockburn was Acting Director of Neighbourhoods.

The function included:

- 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 and cremations
- Trading Standards
- Environmental Health
- Environment and climate
- Flood and coastal risk
- Waste and Environment
- Climate change

Regeneration and Place:

At the beginning of 2025/26, the Director of Regeneration and Place was Marcus Shaw, who left the organisation on 18 August 2025. This position has been vacant from 19 August 2025.

The function included:

- 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:

For 2025/26, the Director of Adults' Care and Health was Sayyed Osman.

The function included:

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

Children, Families and Education:

For 2025/26, the Director of Children, Families and Education was Elizabeth Hartley.

The function included:

- Assessment and Intervention
- Permanence, Fostering and Adoption
- Quality and Safeguarding and IFD
- Early Childhood, School and Communities
- Contextual Safeguarding

- Integrated Skills, Learning and Employment
- Virtual School
- School Effectiveness
- SEND
- Schools Improvement
- Performance Improvement

2. Strategic Priorities

Wirral Working Together: 2023-27

The Council Plan was developed through extensive engagement with elected members during 2023 and agreed unanimously at full Council in December 2023.

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

Council Plan Vision and Themes

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

Themes:



New Council Plan

Work has commenced in quarter 4 2025/26 to develop a new Council Plan which aligns with the government's three-year funding settlement and Council's Medium Term Financial Plan. A conversation with residents and Council staff has been initiated in March 2026 and the intention is to bring forward a new Council plan in summer 2026.

3. Main influences on the Council and accounts in 2025/26

There have been several developments in 2025/26 that have impacted on the Council during the year, some of these have influenced the presentation of the 2025/26 Accounts and the reported financial position of the Council. Below are some of the key events:

- Government funding
- Spending Freeze
- Risk Management
- Regeneration
- Better Care Fund
- Changes in pension estimates

Government funding

On 18 December 2024, the government confirmed provisional details of its Local Government Finance Settlement for 2025/26, which were subsequently confirmed on 3rd February 2025 following a public consultation. 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 new Children's Social Care Prevention Grant and Recovery Grant, although the Services Grant previously received was discontinued and overall resulted in additional funding for Wirral compared with previous assumptions. Similar to previous years, the government implemented a single-year settlement, and the resources allocated for 2025/26 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 Exceptional Financial Support (EFS) of a total not exceeding £7.5m for 2025/26, subject to the Council undergoing an external assurance review which would include, but would not be limited to, an assessment of the Council's financial position and governance arrangements. MHCLG committed to working with the Council (and other councils) on how they can provide support through these reviews, including how they might help local authorities to identify the action needed to recover and reform. EFS was not called upon in 2025/26 meaning the £7.5m agreed in principle was not required, however the underlying financial position remains challenging.

Whilst Government published the first multi-year Local Government Finance Settlement for a decade on 17th December 2025, covering the period 2026/27 to 2028/29, challenges remain. This is acknowledged in the Council's Annual Governance Statement

for 2025/26. A balanced budget has been set for 2026/27 but is dependent on £6.0m EFS, which was approved in principle by MHCLG for 2026/27 subject to strengthened governance, improved financial resilience, and confirmation of need. This is in addition to savings and efficiencies needing to be achieved during 2026/27 (and beyond). Robust planning and monitoring of savings, increasing reserves, improving financial governance and oversight, and the management of capital and assets is essential.

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 limit expenditure to essential items only, mitigate the risk of an in-year overspend and to ensure costs for 2024/25 were kept to an absolute minimum. The spending freeze has continued throughout 2025/26.

Risk Management

The Council has well established and comprehensive risk management arrangements in place for strategic/corporate and programme/project risks; as documented in the March 2024 Risk Management Policy, Statement and Strategy. Risk registers are subject to regular review by Senior Leadership Team (SLT) and Directorate Management Team (DMTs), and risk sessions held with each Policy and Service committees and the respective Director and their Management Team.

An audit of risk management arrangements was undertaken in the final quarter of 2025/26 by Cheshire East Council, in order to provide objectivity given that the responsibility for risk management currently sits under the Council's Head of Risk and Compliance who oversees Internal Audit and Risk functions. The report along with a set of recommendations and actions was presented to Audit and Risk Management Committee in March 2026. Progress against these, along with a set of actions from an internal review designed to improve the effectiveness of the Council's risk management arrangements, will be presented to the Committee throughout 2026/27.

Regeneration

During 2025/26, Wirral Council has continued to drive forward the delivery of the Birkenhead 2040 Framework, supported by significant Government investment secured through the Local Regeneration Fund, Levelling Up Fund (through the Liverpool City Region Combined Authority), Towns Fund and Active Travel Fund. The Council has also continued to benefit from funding and strategic support from the Ministry of Housing, Communities and Local Government (MHCLG), Homes England and the Liverpool City Region Combined Authority (LCRCA).

Regeneration and transport activity has remained focused on priority areas including Birkenhead Town Centre, and New Ferry delivering improvements to public realm, transport infrastructure and housing development. These investments are supporting economic growth, creating opportunities for the private and creative sectors, and contributing towards improved outcomes for local communities, including young people and those facing health and wellbeing challenges.

Key achievements during 2025/26 include:

1. Hind Street Urban Village/Borough Yard: A major milestone was achieved with the scheme progressing through planning with site enabling works in the pipeline. Following the approval of plans for approximately 1,400 new homes in January 2026, work has advanced towards the delivery of the first phase of 633 homes on previously derelict land adjacent to Birkenhead town centre, supported through funding secured by Homes England and the Liverpool City Region Combined Authority.
2. Wirral Waters: The Millers Quay residential development reached completion in March 2025, delivering a significant milestone within the wider Wirral Waters regeneration programme and contributing to the creation of new homes and investment opportunities along the waterfront. Development of the site continued during 2025/26 including the approval of a Sainsbury's on site, and work continues to progress. Work on Finsa's landmark HQ continued in 2025/26 and this has since completed in May 2026, another key part of the Wirral Waters regeneration area. Planning permission was approved for Redbridge Quays phase 2 - Conditional planning permission granted (APP/25/00133) and planning notice issued 14 January 2026.
3. Local Regeneration Fund: The Local Regeneration Fund (formerly Simplification Pathfinder Pilot) comprising Levelling Up Funding, Towns Fund, and Future High Street Funding, has continued to demonstrate the benefits of aligning multiple funding streams to provide greater flexibility in responding to changing economic conditions and regeneration priorities.

Key achievements include:

- Expansion of Start Yard and the refurbishment of Egerton House, providing new office accommodation and co-working space to support business growth and entrepreneurship within Birkenhead.
 - Continued development at Future Yard to expand capacity for live events and creative production which will support local employment, skills development and business growth.
 - Ongoing regeneration activity in New Ferry, supporting housing development and public realm improvements.
 - Successful completion of New Ferry Phase One housing development, with full handover of completed homes.
 - Near completion of the Make Community Interest Company (CIC) Creative Hub on Argyle Street, which has achieved full occupancy and is supporting the growth of the local creative economy.
 - Birkenhead Waterfront: designs being approved at Environment, Climate Emergency and Transport Committee (ECET) in March 2026.
4. Birkenhead Town Centre: Works have continued on the major public realm and active travel improvements across Birkenhead town centre, including Conway Street, Europa Boulevard, Europa Square, Grange Road, Charing Cross junction and Grange Road West. The programme will improve accessibility, enhance the public realm and encourage sustainable travel choices.

While originally programmed for completion in June 2025, physical completion was achieved in April 2026. The Council continues to actively manage these matters with the contractor to minimise impacts and ensure successful project delivery.

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 2025/26 was £331.3m, which included £71.5m 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 Council's share can have a significant impact on the Balance Sheet and its Unusable reserves. The assets of the scheme for the Council are £1.310bn and liabilities of £1.343bn. The net change in the scheme for 2025/26 was a decrease in the liabilities of £0.6m.

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 2025 and the valuation rates effective from 1 April 2026 agreed.

4. Key Outcomes

Wirral's Council Plan sets out the organisation's 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 2025/26 financial year.

Working together to enable early help for children and families

In May 2025, Wirral's Family Hub Parent Carer Panel began its journey to strengthen and evolve. With a shared goal of making services better for local families, the panel meet once a month in a local Family Hub across Wirral to speak openly with other parents about what's working, what's missing, and what could be better. It's all about real experiences, honest feedback and practical ideas – helping shape services for families now and in the future.



A Priority Action Plan to drive improvements for children and young people with Special Educational Needs and Disabilities (SEND) was published in June 2025.

The plan confirmed a timeframe for change and detailed the steps the partnership will take to make Education, Health and Care Plans more timely, high-quality, and effective, as well as to help young people with SEND transition smoothly into adulthood and reduce waiting times for Speech, Language & Neurodevelopmental Support. The board continues to track progress made against the plan to ensure services are improving.

A new bespoke hospitality training academy opened in Birkenhead in July 2025. The training facility - a mini-version of an actual Premier Inn hotel - includes a reception area, bedrooms, laundry and staff facilities, and will help students with Special Education Needs or other disabilities (SEND) gain valuable work experience, confidence and training to help them prepare for the world of work. The young people who take part in the programme will gain the skills they need to undertake a supported internship in a local Premier Inn property.



Following a review by His Majesty's Inspectorate of Probation, Wirral's Youth Justice Service was rated 'Good' overall, with some areas judged 'Outstanding'. Reoffending among young people in the borough has fallen by 12.83%, reflecting the impact of the service's strong focus on prevention and support. This progress is driven by targeted interventions that address the underlying causes of offending and help young people make positive, lasting changes in their lives.

Wirral also welcomed the findings of Ofsted's focused visit to children's services, which confirm that the Integrated Front Door (IFD) continues to respond swiftly and effectively to contacts concerning vulnerable children. Inspectors highlighted strong multi-agency working, timely decision-making, and effective out-of-hours responses that help keep children safe. The visit also recognised improvements since 2023, including strengthened

joint processes for 16–17 year olds presenting as homeless, increased focus on private fostering arrangements, and improved workforce stability.

Wirral's Lifelong Learning Service continues to help residents build skills, confidence and new opportunities, with more than 8 in 10 learners progressing into further training, volunteering or employment. 1,818 adults took part in over 3,500 courses delivered in community venues, Family Hubs, libraries and schools across the borough. Key areas of



growth included a significant rise in Family Learning, with enrolments increasing by 144%, and continued strong demand for English for Speakers of Other Languages (ESOL) provision. Maintaining its Good Ofsted rating, the service continues to make a positive difference by helping residents develop skills, support their families, and feel more connected to their communities.

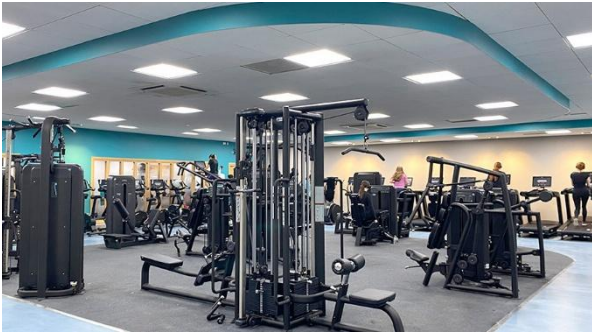
[Working Together to promote independence and healthier lives](#)

In June 2025, a new policy was introduced in Wirral to reduce advertising of food and drink products high in fat, sugar and salt across council-owned channels. Building on existing advertising standards, the policy aligned Wirral with a growing number of local authorities taking action to promote healthier choices. It aims to limit exposure to unhealthy food marketing—particularly in more deprived areas—and encourage advertisers to promote healthier options, supporting wider efforts to improve public health across the borough.

Best Bites café, a vocational training service supporting adults with learning disabilities, relocated from The Grange in Wallasey to West Kirby Concourse. Run by Wirral Council's Adult Social Care, the café provides hands-on experience in hospitality and catering, helping individuals gain recognised qualifications and develop skills for employment and everyday life. The newly refurbished space includes a modern kitchen, updated layout, and a refreshed menu, and is already serving leisure centre users, residents and visitors. The relocation marks a positive step in expanding opportunities for individuals, supporting confidence, independence and real-world work experience in a community setting.



Recovery Fest brought together Wirral's recovery community for a day of art, music and celebration back in October 2025. Highlighting the resilience and achievements of people on their recovery journeys. The event featured performances, exhibitions, workshops and wellbeing sessions. Co-created with people with lived experience, the event successfully showcased the strength and diversity of the recovery community, helping to challenge stigma and increase understanding of addiction and recovery. Supported by a wide range of local partners and aligned with the Wirral Drugs Strategy 2023–2027, Recovery Fest demonstrated the positive impact of recovery services on individuals, families and communities.



Customers and Invigor8 members have begun to benefit from new, state-of-the-art gym equipment being rolled out across Wirral's leisure centres as part of a wider transformation of Active Wirral services. Upgrades at a number of leisure centres have enhanced the fitness offer with modern cardio, strength and inclusive equipment. The investment has improved the overall customer experience, with new technology enabling personalised training and

real-time feedback, while trained staff continue to provide support and guidance. The improvements reflect a wider commitment to supporting healthier lifestyles and making leisure facilities more accessible and appealing for communities across the borough.

An initiative supporting community groups in Wirral to tackle cardiovascular disease was recognised with a national award in December. One Wirral CIC, in partnership with Make It Happen Birkenhead, received the Health Creating Community Connector of the Year award for their Community Hearts programme. Funded through Wirral Council's Step-Up Fund, the programme works within local communities to make heart health support more accessible, offering blood pressure checks, cooking workshops and health advice in trusted settings. The wider Step-Up initiative has supported local organisations to deliver projects addressing key health and wellbeing priorities, aligned to Wirral's Health and Wellbeing Strategy.

In March 2026, the Director of Public Health published the Public Health Annual Report, 'A place to call home: how housing shapes health in Wirral'. The report presented how where we live plays a significant part of our overall health and wellbeing, and importance of a healthy home which is warm, dry and safe. The report, which is aligned with Wirral's Health and Wellbeing Strategy 2023-2027, explores how housing affects health in Wirral today and into the future, and how the neighbourhoods we build next can help create a fairer, healthier and more sustainable borough for everyone. The report celebrates the excellent work taking place across the borough already across housing and health, and will go on to inform a system-wide action plan to support the implementation of the recommendations.

Working Together to deliver people focused regeneration

A grant scheme to improve shopfronts in Birkenhead's Argyle Quarter helped transform the area, supporting local businesses and contributing to wider regeneration. Funded through the UK Shared Prosperity Fund, the programme enabled 10 businesses to



enhance their premises while retaining the area's historic character. The improvements have already led to increased footfall, stronger community connections between businesses, and a more vibrant high street environment. Alongside these upgrades, the launch of the Argyle Independent Quarter has further strengthened collaboration between creative and independent businesses, helping to build a thriving and distinctive neighbourhood

In June 2025, Wirral and the wider Liverpool City Region secured a landmark £1.6 billion investment in transport infrastructure, marking the largest funding package of its kind for the area. The funding set out plans for major rail upgrades, including a new station at

Woodchurch, alongside the development of a rapid transit network and improvements to bus and active travel systems.

The investment also committed support to key regeneration projects such as the Hind Street corridor in Birkenhead, helping unlock new housing and economic growth. Overall, the programme strengthened ambitions for a more integrated, accessible and sustainable transport network, designed to connect communities and create long-term opportunities across the region.

Also in June 2025, Birkenhead was designated as one of the Government's 25 "trailblazer" areas for community-led regeneration, securing up to £20m over the next decade following the Spending Review. The funding set the foundation for locally driven improvements, supporting stronger community engagement, social cohesion and visible neighbourhood change.

Aligned with the Birkenhead 2040 Framework, the investment strengthened long-term plans to revitalise the town centre, reconnect it with the waterfront, and deliver family-friendly neighbourhoods, while boosting the local economy and supporting sustainable growth.

In September 2025, Millers Quay at Wirral Waters received national recognition after winning a prestigious Housing Design Award for completed schemes. The award highlighted the strength of partnership working and reinforced the scheme's role as a catalyst for wider regeneration, showcasing how ambitious, design-led development can drive investment, create homes and shape the future of Birkenhead.



The biggest-ever Wirral Youth Market saw more than 80 young traders and performers come together in Birkenhead in the lead up to the festive period, drawing large crowds and creating a vibrant, festive atmosphere in the town centre. Building on the success of previous markets, which have attracted thousands of visitors and supported young people to launch businesses, the event played a key role in boosting footfall and showcasing the borough's emerging talent, while forming part of a wider Christmas programme of activities across Birkenhead designed to bring communities together and support the local economy.



The sale of a long-vacant brownfield site in Bromborough marked a significant step forward in delivering 249 new homes, helping to meet local housing demand while bringing unused land back into productive use after more than 20 years. Delivered in partnership with Northstone, the scheme also highlights the wider economic benefits of regeneration, including job creation during construction and the creation of a well-connected, high-quality neighbourhood close to local amenities, schools and green spaces.

The expansion of the Early Opportunities Pipeline (EOP) marked an important step in supporting more Wirral residents into employment by tackling the barriers that can prevent people from applying for jobs. The scheme focuses on those furthest from the

labour market, including care leavers, young people not in education or employment, and those who have been out of work for some time, by offering a more accessible and supportive route into entry-level roles.

Building on its early success in helping residents secure jobs, the council is now encouraging more local employers to take part, recognising the scheme's growing impact in widening access to opportunities and strengthening the local workforce.

Plans to relocate Birkenhead Market progressed to the next phase, with the council moving toward formal procurement following initial market engagement. Contractors will now be invited to design and deliver the refurbishment of the former TJ Hughes unit, while ongoing discussions with traders continue to help shape the layout and ensure the new market is accessible, attractive and fit for the future. The project forms a key part of wider town centre regeneration, with a focus on creating a vibrant destination and coordinating the market's opening alongside nearby retail activity.



Working Together to protect our environment

The rollout of a recycling trial for flexible plastics saw selected Wirral households receive blue bags and guidance ahead of its potential launch, enabling them to recycle items that are not usually accepted in standard collections, such as plastic film, wrappers and packaging. Running over 10 weeks from June to August 2025, the trial introduced a simple approach where residents could separate these materials within their existing



recycling bins. As well as aiming to improve local recycling rates, the initiative allowed the council and its partners to test how these materials can be collected and processed more effectively, with the plastics being turned into new products such as benches and planters.

Back in June 2025, Wirral Council secured £27,500 in funding from Keep Britain Tidy's Chewing Gum Task Force to tackle gum litter

across key areas of the borough. The initiative focused on removing existing gum from pavements using specialist equipment while also promoting behaviour change to reduce future littering. Priority locations included Moreton Cross, Pensby Road and Irby Village, with the project also supporting local jobs through the recruitment and training of operatives. As part of a national programme, the scheme aimed to improve the cleanliness of public spaces and reduce the long-term cost and impact of gum litter on local environments.

Wirral's parks and green spaces were once again recognised among the best in the region, with a record 37 Green Flag awards achieved in 2025 – the highest number in the North West. Notably, Hilbre Islands Nature Reserve and Landican Cemetery were awarded Green Heritage Site status for the first time, reflecting their historic significance alongside their environmental value. Building on previous success, the borough not only increased its total awards but retained all existing accreditations, highlighting the consistent quality of its parks. The achievement reflected the ongoing efforts of council staff, partners, volunteers and community groups in maintaining and enhancing green spaces, ensuring they remain welcoming, well-managed environments for residents and visitors alike.



Wirral Council's work to improve local air quality was recognised with a high commendation from DEFRA, highlighting the strength and quality of its annual reporting and ongoing actions. Monitoring confirmed that pollution levels across the borough remained within national objectives, while the council continued to implement measures through its Air Quality Strategy and Implementation Plan. The recognition reflects sustained progress and a strong evidence-based approach to managing air quality, alongside a continued commitment to reducing pollution and protecting public health as national standards become increasingly stringent.



The rollout of energy-efficient LED traffic signals across Wirral marked a significant step in reducing carbon emissions and improving infrastructure, with 186 sites upgraded from older halogen technology. The project delivered substantial environmental and financial benefits, including major reductions in carbon emissions, energy use and ongoing costs. Alongside supporting the region's net zero ambitions, the upgrade also improved road safety and reliability, demonstrating

how modernising essential infrastructure can deliver long-term value for residents, the environment and public services.

Wirral secured £9m in funding to improve its road network and local transport infrastructure, with plans to invest £6m in highway maintenance and a further £3m in targeted transport schemes. The programme focuses on resurfacing roads identified through condition surveys and resident feedback, ensuring investment is directed where it is most needed. Alongside road repairs, the funding will support a range of improvements including upgraded traffic signals, enhanced pedestrian access, public rights of way, and road safety measures such as school-focused schemes and ongoing 20mph reviews.





The continued 'build' phase of EVOLVE Wirral has delivered significant progress in tackling serious and organised crime, with hundreds of arrests, substantial drug and cash seizures, and long prison sentences for offenders. Alongside enforcement, the initiative has focused on strengthening communities in affected areas through targeted support, safeguarding vulnerable residents and investing in local projects aimed at preventing crime and reducing gang involvement. Delivered through strong partnership working between police, the council and local organisations, the programme has combined crime reduction with community resilience, including youth engagement and environmental improvements. These efforts are contributing to safer neighbourhoods and a long-term shift towards more positive opportunities for residents.

A coordinated programme of activity during Anti-Social Behaviour (ASB) Awareness Week saw partners engage directly with hundreds of residents across Wirral, delivering a mix of enforcement, prevention and community support initiatives. Council teams, police, fire service, housing providers and community organisations worked together to carry out door knocking, street surgeries, clean-up activities and home safety visits, while also gathering valuable intelligence on local issues such as fly-tipping, drug activity and youth nuisance. The strong partnership approach helped to strengthen relationships with communities, identify priorities for further action and reinforce efforts to tackle anti-social behaviour and improve neighbourhoods.

The completion of the first phase of the New Ferry revival marked a significant milestone in the area's recovery, delivering 34 high-quality affordable homes on the site of the 2017 explosion. Developed in partnership with Regenda Group, the scheme has already seen strong demand, with all homes occupied before completion, helping to bring new life and confidence back to the high street. Alongside new housing, the project has supported wider community benefits including local jobs, apprenticeships and improved infrastructure, reflecting a broader ambition to create a thriving, sustainable neighbourhood. With further phases and public realm investment planned, the regeneration is continuing to build momentum and restore pride in New Ferry.



The launch of Wirral's Strategic Housing Partnership marked a key step in strengthening collaboration across the housing sector to address local challenges and improve outcomes for residents. Bringing together public and private sector partners, the partnership aims to better coordinate investment, support regeneration, and increase the supply of high-quality, affordable and sustainable homes. By aligning priorities and expertise across the Liverpool City Region, the initiative reflects a

more joined-up approach to housing delivery, with a focus on improving access, raising standards and supporting the development of thriving, long-term communities.

5. Summary of Financial Performance for 2025/26

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 2025, the Council agreed a net budget of £444.7m for 2025/26.

The net spend of the Council is met from a combination of government grants, the local taxpayer through Council Tax and other income. In 2025/26, the Council Tax band D charge was £2,381.66, representing a general increase of 2.99% and 2.00% ringfenced increase to Adult Social Care.

Expenditure throughout the year was monitored monthly and reported to Members quarterly 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 reports the same expenditure and income but in a different format to comply with the statutory external reporting requirements.

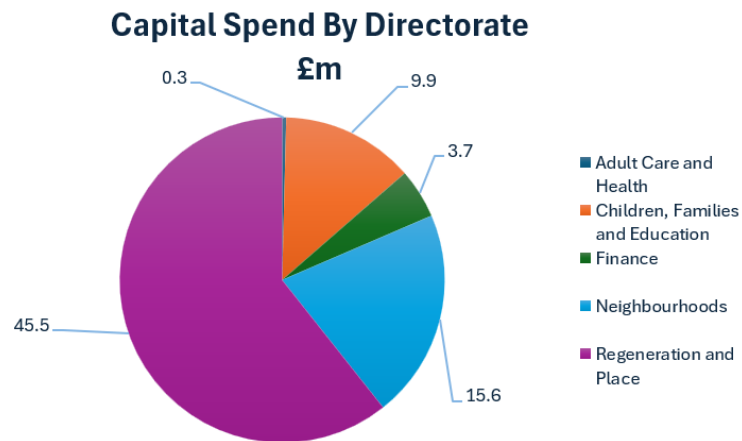
This incorporates additional costs such as depreciation or changes to the value of property which, under regulation, is not chargeable to usable reserves in the year. The impact of such costs in the Accounts is set out in the Expenditure and Funding Analysis note to the accompanying statements.

The General Fund balance has increased by £0.5m, from £14.5m to £15.0m, as part of a planned contribution when the budget was approved.

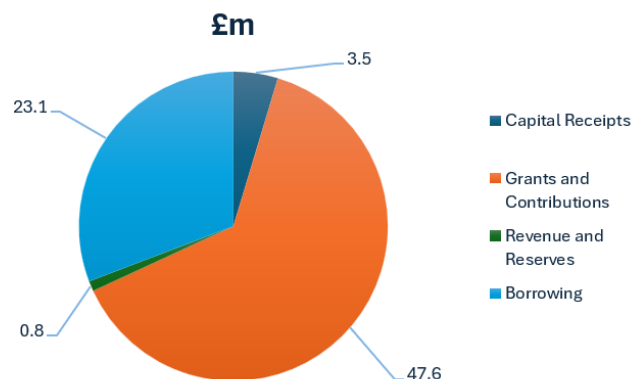
	Budget	Outturn	Variance	
	£000	£000	(+ Adv / (Fav))	%
Adult Care & Health	157,735	167,523	9,788	6%
Children, Families & Education	108,904	108,347	(557)	-1%
Finance	27,514	27,454	(60)	0%
Law & Corporate Services	18,072	17,152	(920)	-5%
Neighbourhoods Services	42,911	43,395	483	1%
Regeneration and Place	19,071	18,844	(226)	-1%
Net Directorate Expenditure	374,207	382,715	8,508	2%
Levies	43,133	43,175	42	0%
Strategic Holding Account and Corporate Items	27,382	18,832	(8,550)	-31%
Net Council Expenditure	444,722	444,722	0	0%

Capital Expenditure

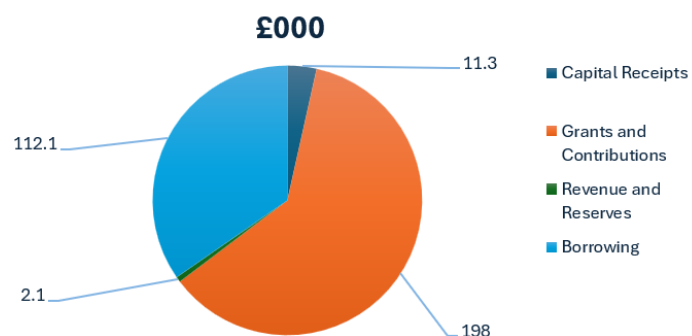
Capital expenditure is different from revenue expenditure, in that it is investment in services and the area (such as buildings, roads and land) that will provide benefits over more than one year. The capital programme for the period 2023/24 –2026/27 is £341.2m. The capital spend for 2025/26 was £75.0m (2024/25 £84.9m).



Sources of Capital Funding 2025/26



Sources of Capital Funding 2023/24 to 2026/27



Summary of the Councils Cashflow and Balance Sheet

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 2026 is £15.0m, resulting from a planned increase of £0.5m.

The Balance Sheet as at 31 March 2026 shows a net asset of £353.9m (2024/25 net asset £411.7m). The net asset worth of the Council excluding the Pension liability is £386.4m (2024/25 £444.8m). The movement for 2025/26 of £57.8m is explained in the sections below. The Council has reviewed its financial performance for 2025/26 and the budget for 2026/27 and considers that the Council is a going concern.

	31 March 2025 (restated) £000	31 March 2026 £000	Change £000
Long term Assets	935,107	926,829	(8,278)
Current Assets	174,719	205,704	30,985
Current Liabilities	(263,324)	(341,754)	(78,430)
Long-Term Liabilities - Pension	(33,088)	(32,508)	580
Long-Term Liabilities - Other	(401,711)	(404,347)	(2,636)
Net Assets	411,703	353,924	(57,779)
Usable reserves - General Fund	(14,533)	(15,033)	(500)
Usable reserves - Earmarked reserves	(48,577)	(43,062)	5,515
Usable reserves - Capital	(56,455)	(57,079)	(624)
Unusable reserves	(292,138)	(238,750)	53,388
Net (Liabilities)/Assets	(411,703)	(353,924)	57,779

Long-Term Assets

	31 March 2025 £000	31 March 2026 £000	Change £000
Property, Plant and Equipment	873,191	872,228	(963)
Heritage Assets	19,110	20,240	1,130
Investment Property	26,020	18,597	(7,423)
Intangible Assets	1,525	1,210	(315)
Long-Term Investments	9,828	9,185	(643)
Long-Term Debtors	5,433	5,369	(64)
Total	935,107	926,829	(8,278)

The £8.3m reduction in Long Term Assets is largely due to a £7.4m reduction in Investment Property and a £1.0m reduction in Property, Plant and Equipment. There is also an overall reduction in long term investments of £0.6m and Intangible Assets of £0.3m.

The portfolio of investment properties is valued annually, while the property and land within the Property, Plant and Equipment (PPE) note to the accounts are valued on a short cycle basis, with valuations every 5 years with indexation applied in the intervening 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 March 2025 (restated) £000	31 March 2026 £000	Change £000
Current Assets			
Short-Term Investments	2,888	2,916	28
Inventories	464	377	(87)
Short-Term Debtors	137,323	157,465	20,142
Cash and Cash Equivalents	21,427	40,509	19,082
Assets Held for Sale	12,617	4,437	(8,180)
Total Current Assets	174,719	205,704	30,985
Current Liabilities			
Cash and Cash Equivalents	(1,110)	(5,888)	(4,778)
Short-Term Borrowing	(159,416)	(244,124)	(84,708)
Short-Term Creditors	(90,068)	(82,178)	7,890
Provisions	(8,569)	(7,342)	1,227
Grants Receipts in Advance - Revenue	(4,161)	(2,222)	1,939
Total Current Liabilities	(263,324)	(341,754)	(78,430)
Total	(88,605)	(136,050)	(47,445)

Total current assets in the Balance Sheet (Investments, debtors including other debtors and cash and cash equivalents) are £205.7m, offset by current liabilities (short term borrowing, creditors and provisions) of £341.8m, giving a net current liability of £136.1m.

Short term debtors have increased by £20.1m, and cash has increased by £19.1m. In addition to this, short-term borrowing has increased by £84.7m. Further details can be found in the Financial Instruments note to the accounts.

Creditors have increased by £7.9m, and Provisions have decreased by £1.3m (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 decrease of provisions during the year.

Long-Term Liabilities

	31 March 2025 £000	31 March 2026 £000	Change £000
Provisions	(3,570)	(3,065)	505
Long-Term Borrowing	(231,789)	(244,054)	(12,265)
Other Long-Term Liabilities	(165,917)	(157,030)	8,887
Pension Liability	(33,088)	(32,508)	580
Grants Receipts in Advance - Capital	(435)	(198)	237
Total	(434,799)	(436,855)	(2,056)

The most significant change in long-term liabilities is the increase in Long Term Borrowing of £12.3m and a decrease in Other Long-Term Liabilities of £8.9m.

Reserves

The Council holds Usable Reserves of £115.2m (2024/25 £119.6m), consisting of Earmarked Reserves of £43.1m (2024/25 £48.6m), General Fund Balance of £15.0m (2024/25 £14.5m), Capital Receipts of £4.8m (2024/25 £2.5m) and Capital Grants Unapplied of £52.3m (2024/25 £54.0m). 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 2025/26 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 2025 £000	Transfers in 2025/26 £000	Transfers out 2025/26 £000	Balance at 31 Mar 2026 £000
School Reserves	(9,115)	(1,321)	4,258	(6,178)
Ringfenced Reserves	(20,732)	(2,111)	3,217	(19,626)
Other Reserves	(18,730)	(3,944)	5,416	(17,258)
Total Earmarked Reserves	(48,577)	(7,376)	12,891	(43,062)

Unusable Reserves are held for managing the statutory accounting adjustments that are not permitted to support service budgets. The change in Unusable reserves of £53.4m 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 2 March 2026, the Council approved the 2026/27 budget and was provided with an indicative financial outlook for the following two years, in line with the Government's Local Government Finance Settlement period. At the time the budget was approved, the Council was forecasting a deficit of £47.3m over the period 2027/28 to 2028/29.

In February 2025, the Ministry of Housing, Communities & Local Government (MHCLG) confirmed that the Deputy Prime Minister was minded to approve a capitalisation direction of up to £27.5m (£20.0m for 2024/25 and £7.5m for 2025/26), subject to the Council undergoing an external assurance review. The review included an assessment of the Council's financial position and governance arrangements. While a total of £18.641m was applied in 2024/25, no EFS was required to balance the 2025/26 outturn position to budget.

As at 31 March 2025, the Council's balanced budget showed General Fund reserves of £14.5m, which is below the sector standard of 5% of net expenditure. It is proposed to transfer a further £0.5m to the General Fund as part of the 2025/26 outturn position, and the approved 2026/27 budget includes a £3.6m contribution to General Fund reserves. Earmarked reserves at the end of 2025/26 are £43.1m, and it is projected that £8.8m of earmarked reserves will be used for their intended purposes during 2026/27.

The Council is closely monitoring the budget position and, where necessary, taking corrective action to maintain a balanced position for 2026/27 and beyond. Work has been ongoing as part of the budget process to identify additional income and savings and to reduce cost pressures, and this will continue to be reviewed. Although a balanced budget has been set for 2026/27, it is dependent on the delivery of savings and efficiencies and includes an assumption that £6.0m of EFS will be required from the Government in response to the financial pressures being experienced. Robust planning and monitoring of savings, increasing reserves, improving financial governance and oversight, and effective management of capital and assets are considered essential and inform the medium-term financial strategy.

As part of the 2024/25 Value for Money review, the Council's external auditors, Grant Thornton, issued four Statutory Recommendations relating to the Council's governance and financial sustainability, which was considered by Full Council in February 2026. A Budget Recovery Action Plan (BRAP) was approved by the Policy & Resources Committee

in March 2025 in response to a previous Statutory Recommendation in 2023/24, and it set out the principles and governance arrangements for the Council from 2025/26 onwards, in light of the agreed request to Government for EFS and the Statutory Recommendation.

Actions are in progress to deliver measurable impact, accelerate savings and strengthen reserves. These include:

- Implementing an Adult Social Care (ASC) Financial Improvement Plan;
- Regular directorate deep-dives to review financial early warning triggers;
- Demand management;
- Developing a robust, costed and deliverable savings pipeline aligned to the MTFP gap;
- Reviewing the affordability and phasing of future borrowing commitments within the capital programme;
- Delivering costed and deliverable savings plans and in-year efficiencies; and
- Continuing a range of planned budget setting and monitoring improvements.

The Council continues to monitor and review how it delivers services. Any changes to service delivery will prioritise services in line with the Council Plan and will be reflected in the Medium-Term Financial Plan (MTFP), supported by benchmarking and other monitoring activity, to help achieve financial sustainability while continuing to have regard to the Council's strategic objectives. Over the three years to 2028/29, the Council's forecast shows a structural deficit. Work is ongoing to mitigate this deficit and to deliver a balanced medium-term financial position.

Cash flows are monitored and requirements are forecast on a daily basis, in line with good treasury practice, to maximise interest received on investment balances. The forecast to March 2027 carries a degree of estimation; however, no cash flow issues are anticipated. The Council has a good track record of managing its cash flow and based on advice from its treasury advisers, does not anticipate any difficulties in accessing borrowing on either a short- or long-term basis. Borrowing facilities and the Council's approach to borrowing are kept under continuous review, and the Council considers its ability to borrow on both a short- and long-term basis to be strong.

The Council continues to utilise short-term borrowing and, where long-term borrowing becomes more competitive, will give further consideration to increasing the use of long-term borrowing to minimise interest costs associated with investment balances and to support longer-term cash flow requirements. Short-term borrowing at 31 March 2026 was £244.1m, of which £65.0m was peer-to-peer borrowing.

The entities in which Wirral Council has an investment have been appropriately provided for in the Council's single-entity accounts as at 31 March 2026. Regular board meetings are held to discuss the ongoing viability of these entities, and any associated risks are assessed to inform appropriate decision-making. A review of governance arrangements for these entities has recently concluded and a number of recommended improvements are being taken forward; however, the Council considers that it is adequately protected against 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, the Council has no option but to prepare its accounts on a going concern basis. This remains the case notwithstanding perceived threats and the ongoing challenges to financial

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

However, while the Council's plans for 2026/27 assume the availability of EFS, the Council is satisfied that there is no material uncertainty over its ability to continue as a going concern. This assessment is based on the ongoing work to maintain a balanced position for 2026/27 and deliver one in 2027/28, the Medium-Term Financial Strategy, and the results of cash flow monitoring and forecasting.

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 2026. 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 2025/26 (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 2025/26 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 2025/26.
- 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:

- Comprehensive Income and Expenditure Statement, which shows all income and expenditure for the Council during 2025/26.
- Movement in Reserves Statement, which shows the movement during the year on the different reserves that the Council holds.
- Balance Sheet, which shows the financial standing of the Council at 31 March 2026, summarising all assets and liabilities.
- 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 and 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. It shows 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 2026 and its income and expenditure for the year then ended.

Signed by Daniel Kirwan
Interim Director of Finance (S151 Officer)
30 June 2026

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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.

	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 2025	(14,533)	(48,577)	(63,110)	(2,496)	(53,959)	(119,565)	(292,139)	(411,704)
IFRS16 PFI remeasurement	0	0	0	0	0	0	0	0
Revised balance at 1 April 2025	(14,533)	(48,577)	(63,110)	(2,496)	(53,959)	(119,565)	(292,139)	(411,704)
Movement in reserves during 2024/25								
Surplus or deficit on the provision of services	80,303	0	80,303	0	0	80,303	0	80,303
Other Comprehensive Income / Expenditure	0	0	0	0	0	0	(22,523)	(22,523)
Total Comprehensive Income and Expenditure	80,303	0	80,303	0	0	80,303	(22,523)	57,780
Adjustments between accounting basis and funding basis under regulations	(75,288)	0	(75,288)	(2,299)	1,675	(75,912)	75,912	0
Net Increase or Decrease before Transfers to Earmarked Reserves	5,015	0	5,015	(2,299)	1,675	4,391	53,389	57,780
Transfers to / from Earmarked Reserves	(5,515)	5,515	0	0	0	0	0	0
Increase or Decrease in 2025/26	(500)	5,515	5,015	(2,299)	1,675	4,391	53,389	57,780
Balance at 31 March 2026	(15,033)	(43,062)	(58,095)	(4,795)	(52,284)	(115,174)	(238,750)	(353,924)

	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)

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.

2024/25			2025/26		
Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
254,573	(108,228)	146,345	281,121	(119,069)	162,052
424,410	(291,359)	133,051	451,131	(291,548)	159,583
124,892	(99,859)	25,033	113,560	(82,596)	30,964
20,245	(3,519)	16,726	17,755	(2,046)	15,709
94,896	(25,801)	69,095	93,495	(27,696)	65,799
60,687	(18,297)	42,390	63,302	(27,954)	35,348
4,871	(4,566)	305	6,126	(6,452)	(326)
984,574	(551,629)	432,945	1,026,490	(557,361)	469,129
47,870	0	47,870	51,712	0	51,712
38,919	(10,185)	28,734	63,206	(7,723)	55,483
0	(438,392)	(438,392)	0	(496,021)	(496,021)
1,071,363	(1,000,206)	71,157	1,141,408	(1,061,105)	80,303
		(37,326)			(29,777)
		(4)			1
		(859)			548
		(4,719)			6,705
		(42,908)			(22,523)
		28,249			57,780

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.'

2024/25 has been restated to correctly account for 3rd party payroll balances as debtors, see Prior Period Adjustment note for further details.

31 March 2025 (restated)			31 March 2026	
£000	Notes		£000	
873,191	14	Property, Plant and Equipment	872,228	
19,110	15	Heritage Assets	20,240	
26,020	16	Investment Property	18,597	
1,525	17	Intangible Assets	1,210	
9,828	18	Long-Term Investments	9,185	
5,433	18 & 19	Long-Term Debtors	5,369	
935,107		Long Term Assets	926,829	
2,888	18	Short-Term Investments	2,916	
464		Inventories	377	
137,323	19	Short-Term Debtors	157,465	
21,427	21	Cash and Cash Equivalents	40,509	
12,617	14	Assets Held for Sale	4,437	
174,719		Current Assets	205,704	
(1,110)	21	Cash and Cash Equivalents	(5,888)	
(159,416)	18 & 29	Short-Term Borrowing	(244,124)	
(90,068)	22	Short-Term Creditors	(82,178)	
(8,569)	23	Provisions	(7,342)	
(4,161)	35	Grants Receipts in Advance - Revenue	(2,222)	
(263,324)		Current Liabilities	(341,754)	
(3,570)	23	Provisions	(3,065)	
(231,789)	18 & 29	Long-Term Borrowing	(244,054)	
(165,917)	18 & 29	Other Long-Term Liabilities	(157,030)	
(33,088)	40 & 41	Pension Liability	(32,508)	
(435)	35	Grants Receipts in Advance - Capital	(198)	
(434,799)		Long Term Liabilities	(436,855)	
411,703		Net (Liabilities)/ Assets	353,924	
(119,565)	24	Usable Reserves	(115,174)	
(292,138)	25	Unusable Reserves	(238,750)	
(411,703)		Total Reserves	(353,924)	

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.

2024/25		2025/26
£000	Notes	£000
71,157	Net (surplus) or deficit on the provision of services	80,303
(42,969)	26 Adjustment to surplus or deficit on the provision of services for non-cash movements	(97,751)
34,078	26 Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	34,046
62,266	Net cash flows from operating activities	16,598
11,143	27 Net cash flows from investing activities	26,120
(76,785)	28 Net cash flows from financing activities	(57,022)
(3,376)	Net increase or decrease in cash and cash equivalents	(14,304)
16,941	21 Cash and cash equivalents at the beginning of the reporting period	20,317
20,317	21 Cash and cash equivalents at the end of the reporting period	34,621
(3,376)	21 Cash and cash equivalents movement during reporting period	(14,304)



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 2025/26 financial year and its balance sheet position as at 31 March 2026. 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 2025/26 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.
- 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 usable 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 Ministry of Housing, Communities and Local Government, 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 Directive

The Council submitted a further request for Exceptional Financial Support (EFS) to enable a balanced budget to be reported in 2026/27. In February 2026 MHCLG granted in-principle capitalisation support of £6.0m for 2026/27, subject to strengthened governance, improved financial resilience, and confirmation of need. This is in addition to £18.641m EFS utilised in 2024/25 as well as EFS utilised in previous years. These positions shape the Council's accounting treatment of any revenue expenditure eligible for capitalisation and inform the disclosures presented in this Statement of Accounts.

The authority may only capitalise expenditure when it is incurred, and 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.

Any 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 Accounting Standard 19 (IAS19) 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:

- Service Costs
 - Current service cost – any increase in liabilities as a result of years of service earned in the financial year;
 - 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;
 - 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;
- 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;
- 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;
- Contributions paid to the Fund – employer's contributions paid to the Pension Fund;
- 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 some financial instruments are 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.

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.

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).

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.

Revenue Grants are treated as income within the CIES within the Cost of Services where the grant is specific to services, or within Taxation and Non-Specific Grant Income and Expenditure Note where the grant is non-specific.

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 reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has been used to finance capital expenditure in the year it is posted to the Capital Adjustment Account in the Unusable Reserves Note. Where the grant has yet to be used to finance capital expenditure it is posted to the Capital Grants Unapplied Reserve in the Usable Reserves Note until such time as the grant is applied to finance capital expenditure.

Where conditions attached to grants and contributions remain outstanding, monies received to date are carried forward in the Balance Sheet as Grants Receipts In Advance until the conditions have been satisfied at which point it is recognised 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 IFRS10 Consolidated Financial Statements, IFRS11 Joint Arrangements, IFRS12 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 2025/26 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
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain to not terminate early.

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 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 Council'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.

Finance leases

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

13.2 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.

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 once every five years on a five-year rolling basis and supported by indexation in intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available to ensure that their carrying amount is not materially different from their current value at the year-end. Assets are revalued in accordance with the methodologies and requirements of the Royal Institute of Chartered Surveyors.

15.4 Revaluation

A revaluation expedient for property, plant and equipment, requiring valuations

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) supported by indexation in the intervening years for Land and Buildings (excluding Council dwellings), Surplus Assets, Vehicles, plant, furniture and equipment, and right of use assets where measured at current value. Additional revaluations will also be applied 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 usable 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 2025/26, the Council has adopted new accounting policies for

- Capitalisation directive (see section 4.0) following a request by the Council to Central Government for Exceptional Financial Support.
- Indexation (see section 15.3 and 15.4) following changes to the Code in line with HM Treasury's Thematic Review of Non-investment Asset Valuations.

These changes have not resulted in prior year adjustments as transitional arrangements are in place when applying these changes so they will be applied prospectively from 2025/26, with no restatement of prior year figures.

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 “usable” or “unusable”. Usable 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 usable 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 Council’s 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 His 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:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024;
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024;
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024;
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

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

In applying its accounting policies, the Council has made a number of significant judgements in relation to complex transactions and matters involving uncertainty about future events.

Funding Levels

While Local Authorities continue to operate in a challenging financial environment, the Government's introduction of a three-year funding settlement from 2026/27 has reduced uncertainty over medium-term core funding levels. Uncertainty nevertheless remains in respect of the wider economic and political outlook, including global geopolitical tensions and conflicts, which may affect inflationary pressures, interest rates and overall economic stability. The Council has reviewed its material estimates and assumptions, including

inflationary factors where relevant, and has reflected these appropriately 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 2025/26 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 into five Lender Option Borrower Option (LOBO) loans in 2004 and 2005, with maturity significantly in the future and with interest rates ranging from 7.75% to 8%, which were significantly higher than other fixed rate LOBOs entered into at around the same time.

Due to the age profile of these loans, and the historic transfer of the loans between lending counterparties, evidence to confirm the reason for the higher interest rates is not available.

For accounting purposes, the higher interest rates are judged to reflect the rolling in of a premium arising from the settlement of a previous loan, as is the case with some other similar LOBO arrangements.

In accordance with the Code and IFRS 9, the amortised cost of these loans is therefore higher than their principal amounts, and the accounts have been 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. The Council partially occupies one of the buildings as operational office space and intends to lease the second building, together with the remaining space in the partially occupied building, to third parties. At the inception of the lease, it was expected that tenants would be identified and in occupation within a short period. It was therefore judged appropriate at that time to recognise fair value as being equal to the capital cost.

However, despite being actively marketed since before completion in September 2023, securing tenants has proved challenging and space remained vacant at 31 March 2026. The external valuation obtained as at March 2024 assessed the occupied floors at less than the lease cost over the term of the lease, and this was judged to be an indicator of impairment in relation to the vacant space within the Mallory and Irvine buildings. Accordingly, both buildings were impaired in the 2023/24 accounts on a basis proportionate to the occupied space.

As the vacant areas require further capital works to bring them to a condition necessary for use in the manner intended, they are classified as Assets Under Construction.

Pooled Budgets

The Section 75 agreement under which Better Care Fund resources are pooled between the Council and NHS Cheshire and Merseyside ICB has been assessed against the appropriate accounting standards, principally IFRS 10 and IFRS 11.

Having considered the governance and control arrangements of the pooled fund, the arrangement has been classified as a Joint Operation. Accordingly, each party accounts separately for the assets, liabilities, income and expenditure relating to its interest in the Joint Operation. Further details are set out in the Pooled Budgets note.

Indexation of non-investment property, plant and equipment

From 1 April 2025, the Code required non-investment property, plant and equipment to be measured using a five-year rolling valuation cycle, with indexation applied in the intervening years instead of annual or tri-annual revaluations.

A key judgement has been exercised in determining that indexation provides an appropriate estimate of current value for the asset classes to which it has been applied, and that a full revaluation was not required in 2025/26 for assets not due for revaluation within the five-year cycle, although a number of valuations had already been carried out. This judgement reflects the transitional provisions in the Code, which permit valuations undertaken prior to 2025/26 to remain valid provided the maximum period between valuations does not exceed five years.

Management has also exercised judgement in selecting appropriate indices for different asset classes, market based where possible, noting that the Code does not prescribe specific indices and allows authorities to use indices that best reflect local market conditions and asset characteristics.

Regeneration Projects

The Council has entered into a number of financial arrangements in support of the regeneration of the borough. Although most of these arrangements have now been extinguished, further details are set out in the Financial Arrangements section of the Financial Instruments note.

High Needs Stability Grant

In February 2026, the government announced High Needs Stability Grants to support the elimination of Dedicated Schools Grant (DSG) deficits held at 31 March 2026. Payment of the grant is conditional on the submission and approval by the Department for Education

of a local SEND reform plan, and allocations are expected to be paid during the 2026/27 financial year.

Under the Code, grants are recognised only where there is reasonable assurance that the authority will comply with the conditions attached to the grant and that the grant will be received. At 31 March 2026, these conditions were not met, as the authority's SEND reform plan had not been approved and no allocation had been confirmed.

Accordingly, no income, debtor or estimated value has been recognised in respect of the High Needs Stability Grant in the 2025/26 accounts, as recognition at this stage would be premature given the level of uncertainty over approval and quantum.

Heritage Assets

The Authority has judged it appropriate to continue recognising heritage assets with a carrying value of £3.58m despite the items, including some ceramic and fine art items, not yet being fully catalogued or individually valued. These assets were capitalised historically and, under the Code, are required to remain recognised where cost information exists. While a programme of cataloguing and review is underway, the Authority does not consider that the conditions for holding the assets off balance sheet are met. Management considers that retaining the existing carrying values provides a more faithful representation than derecognition, with appropriate disclosure of the uncertainty.

Virgin Media Ltd v NTL Pension Trustees

The Council has not made any allowances for the potential impact of the Virgin Media case. In June 2023, the High Court ruled in the case of Virgin Media v NTL Pension Trustees. The ruling was that certain defined benefit pension scheme amendments were invalid as they were not accompanied by the correct actuarial certification. This ruling was appealed and on the 25th July 2024, the Court of Appeal upheld the decision of the High Court.

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. HM Treasury has indicated it did not believe the case applied directly to public service pension schemes where changes will have been made to benefits by legislation.

The government responded on 5 June 2025 that it will introduce legislation to deal with issues arising from the June 2023 legal judgement. The government notes that the "legislation will give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards" and that "scheme obligations will otherwise be unaffected." This legislation was included within the Pension Scheme Bill that received Royal Assent on 29 April 2026.

At the time of the signing of the financial statements, HM Treasury and the Government Actuaries Department are currently investigating whether certificates exist for the prior scheme amendments made to the LGPS, and as such there have been no adjustments to reflect the impact of the ruling made to the value of promised retirement liabilities. The Council will continue to monitor the developments and will consider the impact on the value of promised retirement liabilities should any further information become available.

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 Council's single entity accounts.

The transactions relating to the income and expenditure for schools are 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.

Ten schools converted to an Academy during 2025/26 and there were two 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	33	33	0
Secondary	1	1	0
Special	9	9	0
Foundation Schools	2	2	0
Voluntary Controlle	2	0	2
Voluntary Aided	18	0	18
Academies	56	0	56
Total	124	48	76

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

The Statement of Accounts includes estimates based on assumptions about future events and other sources of estimation uncertainty. These estimates reflect historical experience, current trends and other relevant factors. As balances cannot be determined with certainty, actual results may differ materially from those estimates. The items in the

Council's Balance Sheet at 31 March 2026 that are subject to a significant risk of material adjustment in the forthcoming financial year are set out below.

Material judgements may also be affected by inflation, including in relation to transactions previously assessed as not material. The Council has taken this into account in considering the following matters.

Property Valuations

Previously, the Council revalued Investment Properties, Surplus Assets, Assets Held for Sale and any other assets above the materiality threshold annually. All other property assets were revalued on a five-year rolling programme, with approximately one fifth reviewed each year.

From 2025/26, the CIPFA Code requires property assets, other than Investment Properties, to be revalued on a five-year rolling basis, with indexation applied in intervening years.

The Council's valuations reflect assumptions on asset condition, useful lives, residual values and market conditions. These judgements are based on the best available information and applied by qualified valuers but remain subject to estimation.

The use of indexation to update the carrying values of non-investment property, plant and equipment also gives rise to estimation uncertainty, as indexation is an estimation technique rather than a direct market valuation. Indices may not fully capture asset-specific factors such as condition, obsolescence or local market movements, although market-based evidence has been used where available.

In applying indexation at 31 March 2026, the Authority used the most recent indices available when the accounts were prepared, as permitted by the Code. There remains a risk that indices subsequently published for 31 March 2026 could differ from those applied.

The Authority does not consider that reasonably possible changes in these assumptions would result in a material misstatement of the financial statements as a whole. However, actual asset values may differ from those estimated through indexation and this uncertainty will remain until the assets are next subject to full revaluation.

A 1% movement in the £578.455m carrying value of property assets would result in an approximately £5.8m change in the value of non-current assets on the Balance Sheet.

If average remaining asset lives reduced by 10%, the related annual depreciation charge for operational land and buildings would increase by approximately £1.6m.

Pension Asset / Liability

Estimation of the net pension liability depends on a number of complex judgements, including 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 these assumptions by Mercer, a firm of professional actuaries. The assumptions are disclosed in the Defined Benefit Pension Scheme note and reflect Mercer's best advice on reasonable judgements at 31 March 2026.

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 total value of the Fund's unquoted assets as at 31 March 2026 was £6,149m (£5,653m at 31 March 2025).

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 also 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 2025/26 there remains additional uncertainty regarding the valuations of illiquid assets, due to the volatility in the financial markets, 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.

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.

If the value of the Council's share of the unquoted assets were to move by 1%, the fair value of plan assets would change by £7.2m.

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 on all PWLB loans were to increase by 1%, the fair value would decrease by £6.7m. Conversely, a 1% fall in interest rates would increase the fair value by £7.2m.

Business Rates

The Council is part of the Liverpool City Region 100% Business Rates Retention Pilot, under which it retained 99% (£71.109m) of the business rates income collected in 2025/26.

If business rates income were to fall by 10%, the impact on the Council would be an income loss of approximately £7.1m. High levels of inflation and increasing energy costs in recent years have increased the cost of living, which could adversely affect collection rates.

Debt Impairment

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

At 31 March 2026, the Council had debtors and specific loans (short and long term) totalling £211.8m. Following a review of significant balances, an expected credit loss impairment of £48.9m was considered appropriate. A 10% deterioration in collection rates could result in an increase of approximately £5.3m in the expected credit loss impairment.

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 31 March 2026 is £43.5m.

If interest rates on all LOBOs was to increase by 1% it would reduce the Fair Value by £2.8m, while a 1% decrease would increase Fair Value by £4.0m.

Heritage Assets

A degree of estimation uncertainty exists in respect of £3.58m of heritage assets recognised on the Balance Sheet, relating to items capitalised historically that are not currently fully catalogued or individually valued.

A programme of cataloguing and review is ongoing and there is therefore uncertainty as to the extent to which the current carrying value reflects the underlying collection. The Authority has judged it appropriate to retain these assets on the Balance Sheet because historic cost information exists and the criteria for exclusion under the Code are not met, with appropriate disclosure of the related uncertainty.

A 10% movement in the £3.58m carrying value would result in an approximately £0.358m change in the value of heritage assets on the Balance Sheet. Therefore, management does not expect the outcome to give rise to a material adjustment in aggregate.

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.

During 2025/26, ten schools converted to academy status. Four of these schools were Voluntary Aided or Voluntary Controlled and, as such, their land and building assets were not recognised on the Council's Balance Sheet. The remaining six conversions resulted in a loss on disposal of £37.8m (see the 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 for issue by the Director of Finance (S151 Officer). Events arising after that date are not reflected in the financial statements or notes. Where events before that date provided evidence of conditions existing at 31 March 2026, the amounts recognised in the financial statements and notes have been adjusted, where material, to reflect that information.

The financial statements and notes have not been adjusted for the following events that occurred after 31 March 2026, as they provide information relevant to an understanding of the authority's financial position but do not relate to conditions existing at that date:

Academy Schools

Brookhurst Primary School converted to Academy status on 1 April 2026. As a result of the conversion, the school's land and buildings will cease to be recognised in the authority's Balance Sheet from the date of conversion, together with any other balances relating to the school that no longer fall within the authority's control.

This event has been treated as non-adjusting because the conversion took place after the Balance Sheet date and does not provide evidence of conditions existing at 31 March 2026. The effect of the conversion will be reflected in the financial statements for the year ending 31 March 2027.

High Needs Stability Grant

In February 2026, the government announced High Needs Stability Grants to support the elimination of up to 90% of Dedicated Schools Grant (DSG) deficits held at 31 March 2026. Payment of the grant is conditional on the submission and approval by the Department for Education (DfE) of a local SEND reform plan, and allocations are expected to be paid during the 2026/27 financial year. Further details can be found in the Critical Judgements in Applying Accounting Policies note and the Contingent Assets and Liabilities note. Wirral has developed a SEND reform plan which was submitted ahead of the 19 June 2026 submission deadline.

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).

2024/25			2025/26			
Net Expenditure Chargeable to the General Fund Balance £000	Statutory Adjustments £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	Net Expenditure Chargeable to the General Fund Balance £000	Statutory Adjustments £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	
145,972	373	146,345	Adults Care and Health	162,580	(528)	162,052
110,039	23,012	133,051	Children, Families & Education	112,559	47,024	159,583
23,508	1,525	25,033	Finance	29,362	1,602	30,964
16,366	360	16,726	Law & Corporate Services	16,392	(683)	15,709
47,342	21,753	69,095	Neighbourhood Services	47,502	18,297	65,799
21,079	21,311	42,390	Regeneration & Place	20,773	14,575	35,348
(8,512)	8,817	305	Strategic Holding Account and Corporate Items	10,662	(10,988)	(326)
(2,080)	2,080	0	Flexible Use of Capital Receipts	(2,923)	2,923	0
353,714	79,231	432,945	Net Cost of Services	396,907	72,222	469,129
(346,784)	(15,004)	(361,788)	Other Income and Expenditure	(391,894)	3,068	(388,826)
6,930	64,227	71,157	Surplus or Deficit on Provision of Services	5,013	75,290	80,303
(70,041)			Opening Combined General Fund Balance	(63,110)		
0			LOBOs prior year adjustment	0		
(70,041)			Revised Opening Combined General Fund Balance	(63,110)		
2			Plus / less Surplus or Deficit on the General Fund Balance for the Year (Statutory basis)	(500)		
6,929			Transfers to / from Earmarked Reserves	5,515		
(63,110)			Closing Combined General Fund Balance	(58,095)		

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.

2025/26										
	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	167,523	521	1,004	(6,470)	162,578	545	(1,110)	39	(526)	162,052
Children, Families & Education	108,347	3,862	350	0	112,559	13,047	(2,115)	36,092	47,024	159,583
Finance	30,377	(118)	(897)	0	29,362	2,800	(1,240)	42	1,602	30,964
Law & Corporate Services	17,152	(195)	(565)	0	16,392	6	(719)	30	(683)	15,709
Neighbourhood Services	43,395	(1,312)	5,420	0	47,503	19,597	(1,476)	175	18,296	65,799
Regeneration & Place	18,844	2,541	(611)	0	20,774	15,358	(791)	7	14,574	35,348
Strategic Holding Account and Corporate Items	18,832	62	(14,702)	6,470	10,662	(8,953)	(2,038)	3	(10,988)	(326)
Levies	43,175	0	(43,175)	0	0	0	0	0	0	0
Flexible Use of Capital Receipts	(2,923)	0	0	0	(2,923)	2,923	0	0	2,923	0
Net cost of services	444,722	5,361	(53,176)	0	396,907	45,323	(9,489)	36,388	72,222	469,129
Other Income & Expenditure	(445,222)	153	53,176	0	(391,893)	3,954	2,202	(3,089)	3,067	(388,826)
Surplus (Transfer to General Fund)	500	(500)	0	0	0	0	0	0	0	0
Total	0	5,014	0	0	5,014	49,277	(7,287)	33,299	75,289	80,303

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

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.

2025/26	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)	7,285	0	0	(7,285)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	830	0	0	(830)
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	2,258	0	0	(2,258)
Holiday pay (transferred to the Accumulated Absences reserve)	29	0	0	(29)
In-year Dedicated Schools Grant (DSG) deficit (transferred to DSG Adjustment Account)	(36,417)	0	0	36,417
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)	(100,797)	(136)	0	100,933
Total Adjustments to Revenue Resources	(126,812)	(136)	0	126,948
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	5,701	(5,701)	0	0
Repayment of MRDF debt	0	(4,465)	0	4,465
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	17,090	0	0	(17,090)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,099	0	0	(2,099)
Total Adjustments between Revenue and Capital Resources	24,890	(10,166)	0	(14,724)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	3,543	0	(3,543)
Write off MRDF receipt to LT debtors	0	4,465	0	(4,465)
Application of capital grants to finance capital expenditure	23,734	0	1,675	(25,409)
Cash payments in relation to deferred capital receipts	2,900	(5)	0	(2,895)
Total Adjustments to Capital Resources	26,634	8,003	1,675	(36,312)
Total Adjustments	(75,288)	(2,299)	1,675	75,912

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

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 2024/25 and 2025/26, 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 2024	Transfers in 2024/25	Transfers out 2024/25	Balance at 31 March 2025	Transfers in 2025/26	Transfers out 2025/26	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
School Reserves							
School Balances	(10,491)	(396)	2,907	(7,980)	(1,100)	4,207	(4,873)
School Improvement	(795)	0	180	(615)	0	51	(564)
Schools Capital Schemes	(626)	0	120	(506)	0	0	(506)
Schools Causing Concern	(294)	0	280	(14)	(221)	0	(235)
Total Schools Reserves	(12,206)	(396)	3,487	(9,115)	(1,321)	4,258	(6,178)
Covid-19 Reserves	(20)	0	20	0	0	0	0
Ringfenced Reserves							
Insurance Fund	(8,002)	0	1,326	(6,676)	(504)	0	(7,180)
Public Health Outcomes	(6,627)	0	231	(6,396)	0	694	(5,702)
Resettlement Programme Grant	(5,331)	0	320	(5,011)	(913)	1,980	(3,944)
Selective Licensing	(1,360)	0	75	(1,285)	(307)	276	(1,316)
Domestic Abuse Bill Grant	(671)	(18)	0	(689)	0	216	(473)
Other ringfenced reserves	(1,666)	(278)	1,269	(675)	(387)	51	(1,011)
Total Ringfenced Reserves	(23,657)	(296)	3,221	(20,732)	(2,111)	3,217	(19,626)
Other Reserves							
Termination Payments	(3,670)	(1,888)	154	(5,404)	0	1,066	(4,338)
Wirral Growth Company surplus	(9,153)	0	2,709	(6,444)	0	3,053	(3,391)
Family First Pathfinder	0	(1,852)	0	(1,852)	0	501	(1,351)
Section 106 contributions	0	0	0	0	(1,023)	0	(1,023)
Combined Enterprise Zone and Freeport Zone	(311)	(500)	142	(669)	(347)	50	(966)
Waste Management	0	0	0	0	(688)	0	(688)
Market Rental Risk	(500)	0	0	(500)	0	0	(500)
Electoral Reserve	(50)	(243)	0	(293)	(195)	0	(488)
Financial Instrument Equalisation	(484)	0	0	(484)	0	0	(484)
Treasury Management Equalisation	(360)	0	0	(360)	0	0	(360)
Coastal Management	0	0	0	0	(306)	0	(306)
Regeneration & Inward Investment	(735)	(76)	547	(264)	0	0	(264)
Asset Consolidation	(338)	0	80	(258)	0	0	(258)
Other Reserves	(4,023)	(1,389)	3,210	(2,202)	(1,385)	746	(2,841)
Total Other Reserves	(19,624)	(5,948)	6,842	(18,730)	(3,944)	5,416	(17,258)
Total Earmarked Reserves	(55,507)	(6,640)	13,570	(48,577)	(7,376)	12,891	(43,062)

School Balances

These are earmarked for use purely by the schools. The balance consists of 49 maintained schools with a combined surplus balance of £11.7m, partially offset by 19 maintained schools with a combined deficit balance of £6.8m.

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 2023-27 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.

Wirral Growth Company surplus

This reserve holds profits from Wirral Growth Company LLP, which are ringfenced to support regeneration related activity and capital expenditure approved by the S151 Officer.

Termination Payments

This reserve will be used to fund severance payments to employees who leave in 2026/27 via an Early Voluntary Retirement or Voluntary Severance agreement.

Family First Pathfinder

Wirral was 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, was operational during 2025/26 and is due to continue as part of the Families First Partnership in 2026/27.

Section 106 Payments

Wirral holds a range of Section 106 payments ringfenced for items agreed through the Community Infrastructure Levy which will be utilised in 2026/27 or when relevant expenditure has been incurred.

Combined Enterprise Zone and Freeport Zone

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.

Waste Management

This is to set aside Grant funding from DEFRA to cover revenue set up costs for the implementation of the new Food Waste Collection service being introduced in 2026/27.

Market Rental Risk

This reserve will 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.

2024/25	2025/26
£000	£000
42,121 Levies	43,227
4,929 (Gains)/losses on the Disposal of Non-Current Assets	7,275
820 Other	1,210
47,870 Total Other Operating Expenditure	51,712

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.

2024/25	2025/26
£000	£000
21,492 Interest payable and similar charges	22,992
1,134 Net interest on the net defined benefit liability (asset)	993
(2,504) Interest receivable and similar income	(2,220)
(266) Changes in fair value and (profit) or loss on the disposal of investment properties	(437)
(736) Income and expenditure in relation to investment properties	(36)
11,665 Loss on disposal of interest in Academy Schools	37,112
0 Surplus on Joint Ventures	(82)
(2,051) Other investment income and expenditure	(2,840)
28,734 Total	55,483

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.

2024/25	2025/26
£000	£000
(182,460) Council tax income	(195,006)
(128,768) Non-domestic rates income and expenditure	(141,585)
(94,949) Non-ringfenced government grants	(119,498)
(32,100) Capital grants and contributions	(39,992)
(115) Other tax or non-specific grant income / expenditure	60
(438,392) Total	(496,021)

Note 13 - Expenditure and Income Analysed by Nature

The purpose of the Expenditure and Funding Analysis by Nature is to analyse the expenditure by cost rather than by service area.

2024/25	2025/26
£000	£000
(146,687) Fees, charges and other service income	(161,675)
0 Surplus on Joint Ventures	(82)
(2,504) Interest and investment income	(2,220)
(311,228) Income from local taxation	(336,591)
(534,908) Government grants and contributions	(558,729)
(736) Other income	(36)
344,851 Employee benefits expenses	336,910
605,112 Other service expenses	655,921
35,362 Depreciation, amortisation and impairment	34,434
22,626 Interest payments	23,985
42,121 Precepts and levies	43,225
16,328 Gain or loss on disposal of non-current assets	43,951
820 Other expenditure	1,210
71,157 (Surplus) or Deficit for Year	80,303

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 2025/26. The equivalent table for 2024/25 has been provided for comparative purposes.

Movements to 31 March 2026

	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 2025	581,685	49,019	31,775	6,133	55,889	40,812	1,058	45,232	811,603
IFRS 16 lease remeasurement	240	0	0	0	0	0	0	0	240
Revised Cost or Valuation at 1 April 2025	581,925	49,019	31,775	6,133	55,889	40,812	1,058	45,232	811,843
<u>Adjustments to cost/value & depreciation/impairment:</u>									
Additions	11,379	2,359	426	1,234	17,174	310	674	0	33,556
Revaluation increases/(decreases) recognised in the Revaluation Reserve	15,707	0	0	76	0	(8)	0	0	15,775
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(21,795)	0	0	(1,160)	0	938	0	0	(22,017)
Derecognition – disposals	(38,157)	(17,377)	(42)	(168)	0	(56)	(81)	0	(55,881)
Reclassifications and transfer	12,136	0	0	104	(5,141)	198	(198)	0	7,099
Assets reclassified (to)/from Held for Sale	(420)	0	0	0	0	0	0	0	(420)
Cost or Valuation at 31 March 2026	560,775	34,001	32,159	6,219	67,922	42,194	1,453	45,232	789,955
Accumulated Depreciation and Impairment at 1 April 2025	(862)	(36,680)	0	0	0	(170)	(182)	(36,326)	(74,220)
<u>Adjustments to cost/value & depreciation/impairment:</u>									
Depreciation charge	(16,100)	(2,834)	0	0	0	(1,071)	(361)	0	(20,366)
Depreciation written out to the Revaluation Reserve	12,862	0	0	0	0	10	0	0	12,872
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,195	0	0	0	0	736	0	0	2,931
Derecognition – disposals	990	17,377	0	0	0	12	30	0	18,409
Reclassifications and transfers	1	0	0	0	0	0	0	0	1
Accumulated Depreciation & Impairment at 31 March 2026	(914)	(22,137)	0	0	0	(483)	(513)	(36,326)	(60,373)
Net Book Value at 31 March 2026	559,861	11,864	32,159	6,219	67,922	41,711	940	8,906	729,582
at 31 March 2025	580,823	12,339	31,775	6,133	55,889	40,642	876	8,906	737,383
Infrastructure Assets									
Net book value at 1 Apr 2025									135,808
Additions									26,376
Derecognition - other									(5,815)
Depreciation charge									(13,723)
Infrastructure Assets net book value at 31 March 2026									142,646
Property Plant and Equipment net book value at 31 March 2026									872,228

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
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

During 2025/26, six schools have transferred out of Local Authority control to an Academy. Their combined value at the point of transfer was £37.8m.

As at 31 March 2026, capital commitments outstanding for the acquisition of items of Property, Plant and Equipment and Intangibles totalled £0.6m (£14.1m in 2024/25).

Capital expenditure totalling £59m was incurred on fixed assets, including intangible assets during the year and was funded as follows:

	Funding Sources				
	Borrowing	Grant /	Capital	Reserves /	Total
	£000	Contributions	Receipts	Revenue	£000
	£000	£000	£000	£000	£000
Additions					
Land & Buildings	2,401	8,296	429	253	11,379
VPE	1,041	1,148	170	0	2,359
Infrastructure	4,999	21,344	0	33	26,376
Community	285	140	0	1	426
Surplus	1,207	5	22	0	1,234
AUC	12,819	3,901	0	454	17,174
Intangibles	1	0	0	0	1
Assets Held for Sale	129	0	0	0	129
Total	22,882	34,834	621	741	59,078

Assets Held for Sale

As at 31 March 2026 the following balances were classified as an asset held for sale and actively marketed.

	2024/25	2025/26
	£000	£000
Balance outstanding at 1 April	8,000	12,617
Assets newly classified as held for sale:		0
Property, Plant & Equipment	4,617	420
Additions	0	129
Revaluation losses	0	(29)
Assets sold	0	(8,700)
Balance outstanding at 31 March	12,617	4,437

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.

From 1 April 2025, the Code requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations

in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

The effective date of the valuation exercise for 2025/26 was 31 March 2026.

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 Pyramids & Grange Shopping Centre and The Hythe building. 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	233,970	2,530	236,500
Valued at current value as at:			
31/03/2026	512,030	6,219	518,249
31/03/2025	31,191		31,191
31/03/2024	5,256		5,256
31/03/2023	12,036		12,036
31/03/2022	262		262
Total Cost or Valuation	560,775	6,219	566,994

Note 15 - Heritage Assets

A reconciliation of the carrying value of heritage assets is set out below:

2025/26	Decorative Arts	Buildings	Civic Regalia	Fine Art	Total
	£000	£000	£000	£000	£000
Opening Balance	5,449	305	899	12,457	19,110
Disposals	0	0	0	0	0
Revaluations	2	0	0	1,128	1,130
Closing Balance	5,451	305	899	13,585	20,240

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

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 eighteen pieces range between £0.12m to £1m. Valuations are based on a revaluation carried out in 2025/26 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 2025/26, 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 latest valuations were undertaken by Art & Antiques Appraisals Ltd, supervised by 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 (SSSIs) or Biological Importance (SBIs)

There are 12 SSSIs 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.

31 March 2025	31 March 2026
£000 Investment Property Income and Expenditure	£000
(4,879) Rental income from investment property	(1,808)
4,143 Direct operating expenses from investment property	1,772
(736) Net (gain)/loss	(36)

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

31 March 2025	31 March 2026
£000 Investment Properties Movements in Year	£000
25,979 Opening Balance	26,020
0 Disposals	(760)
266 Net gains/losses from fair value adjustments	437
Transfers:	
(225) to/from Property Plant and Equipment	(7,100)
26,020 Balance at the end of the year	18,597

Fair Value Hierarchy for Investment Properties

Details of the Council's Investment Properties and information about the Fair Value hierarchy as at 31 March 2026 are shown in the following table:

Recurring fair value measuring usage	2024/25				2025/26			
	Quoted Prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair value as at 31 March 2025	Quoted Prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair value as at 31 March 2026
	(Level 1)	(Level 2)	(Level 3)		(Level 1)	(Level 2)	(Level 3)	
	£000	£000	£000	£000	£000	£000	£000	£000
General Buildings & Sites	0	18,755	0	18,755	0	11,851	0	11,851
Industrial Sites	0	7,265	0	7,265	0	6,746	0	6,746
Total	0	26,020	0	26,020	0	18,597	0	18,597

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 2025/26 was £0.3m (2024/25 £0.3m).

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

31 March 2025		31 March 2026	
Other Assets	Total	Other Assets	Total
£000	£000	£000	£000
Balance at start of year:			
6,615	6,615	6,627	6,627
(4,788)	(4,788)	(5,102)	(5,102)
1,827	1,827	1,525	1,525
Net carrying amount at start of year			
12	12	1	1
0	0	(4,378)	(4,378)
(314)	(314)	(315)	(315)
0	0	4,377	4,377
1,525	1,525	1,210	1,210
Net carrying amount at end of year			
Comprising:			
6,627	6,627	2,250	2,250
(5,102)	(5,102)	(1,040)	(1,040)
1,525	1,525	1,210	1,210
Total			

There were enhancements of intangible assets of £0.01m in 2025/26. 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 Lloyds bank,
- Private Finance Initiative contracts and
- trade payables for goods and services received.

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 flows) 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 2025	31 March 2026	31 March 2025 (restated)	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000
IFRS 9 Categories								
Fair value through profit and loss	1,875	1,683	0	0	21,417	40,509	23,292	42,192
Amortised cost	79	300	66,481	89,192	10	0	66,570	89,492
Fair value through other comprehensive income - designated equity instruments	934	933	0	0	0	0	934	933
Total financial assets	2,888	2,916	66,481	89,192	21,427	40,509	90,796	132,617

Non-Current Financial Assets	Investments		Debtors		Total	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000	£000	£000	£000	£000	£000
IFRS 9 Categories						
Amortised cost	836	541	5,433	5,369	6,269	5,910
Fair value through profit and loss	8,992	8,644	0	0	8,992	8,644
Total financial assets	9,828	9,185	5,433	5,369	15,261	14,554

Current Financial Liabilities	Borrowings		Creditors		Lease Liabilities		PFI Liability		Bank Overdraft		Total	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Amortised cost	(159,416)	(244,124)	(45,348)	(50,591)	(2,916)	(3,153)	(7,169)	(8,035)	(1,110)	(5,888)	(215,959)	(311,791)
Total financial liabilities	(159,416)	(244,124)	(45,348)	(50,591)	(2,916)	(3,153)	(7,169)	(8,035)	(1,110)	(5,888)	(215,959)	(311,791)

Non-Current Financial Liabilities	Borrowings		Lease liabilities		PFI liabilities		Total	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000
Amortised cost	(231,789)	(244,054)	(121,314)	(118,902)	(44,603)	(38,128)	(397,706)	(401,084)
Total financial liabilities	(231,789)	(244,054)	(121,314)	(118,902)	(44,603)	(38,128)	(397,706)	(401,084)

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

	31 March 2025 (Restated) £000	31 March 2026 £000
Financial instrument	71,914	94,561
Non Financial Instrument	70,842	68,273
Total	142,756	162,834

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

	31 March 2025 (Restated) £000	31 March 2026 £000
Financial instrument	(55,433)	(61,779)
Non Financial Instrument	(34,635)	(20,399)
Total	(90,068)	(82,178)

Income, Expense, Gains and Losses	31 March 2025 Surplus or Deficit on the provision of services £000	Other Comprehensive Income and Expenditure £000	31 March 2026 Surplus or Deficit on the provision of services £000	Other Comprehensive Income and Expenditure £000
Net gains/losses on:				
• financial assets measured at fair value through profit or loss	(2,301)	(859)	(1,986)	547
• financial assets measured at amortised cost	(150)	0	(171)	0
• investments in equity instruments designated at fair value through other comprehensive income	(37)	(4)	(43)	1
• financial liabilities measured at amortised cost	21,492	0	22,992	0
Total net gains/losses	19,003	(863)	20,792	548
Interest revenue:				
• financial assets measured at amortised cost	(150)	0	(171)	0
• financial assets measured at fair value through profit or loss	(2,301)	0	(1,986)	0
• other financial assets measured at fair value through other comprehensive income	(37)	0	(44)	0
Total interest revenue	(2,488)	0	(2,201)	0
Other Income	(16)	0	(19)	0

Financial Arrangements

The Council has a number of financial arrangements in place to support the regeneration of the Borough. There are two key developments, Wirral Waters and Birkenhead Commercial District, 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
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. Discussions are in progress with potential tenants, although if an agreement is reached they won't be in occupation for a number of months. 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 took on a 250-year lease from Peel Holdings and built the development. The scheme will be funded by Pension Insurance Corporation (PIC) who will take a 250-year lease from Peel Legacy. The Council took 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. The 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.
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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 31 March 2026, 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 31 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 2025	31 March 2026
		£000	£000
FA Measured at Fair Value - Money Market Funds	1	21,417	40,509
FA Measured at Fair Value - Externally Managed Funds	1	11,801	11,260
Balance 31 March		33,218	51,769

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

	31 March 2025		31 March 2026	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities held at Amortised Cost	(391,205)	(391,989)	(488,178)	(487,785)
Total	(391,205)	(391,989)	(488,178)	(487,785)

Financial Assets

	31 March 2025		31 March 2026	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Cash & Cash Equivalents at Amortised Cost	10	10	14	14
Loans and Receivables at Amortised Cost	915	915	841	841
Long-Term Debtors	5,433	5,433	5,369	5,369
Total	6,358	6,358	6,224	6,224

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

31 March 2026				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Financial Liabilities	£000	£000	£000	£000
Financial Liabilities held at amortised cost:				
Loans/Borrowings	0	(487,785)	0	(487,785)
Total	0	(487,785)	0	(487,785)
Financial Assets				
Amortised Cost:				
Other loans and receivables	0	6,224	0	6,224
Total	0	6,224	0	6,224

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

Financial liabilities

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

Lender Option Borrower Option (LOBO)

The fair value (£55.8m) is higher than the carrying amount (£43.5m) because the Council's Lender Option 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 (£344.3m) is lower than the carrying amount (£347.8m) because the average interest rate on the Council's Public Works Loan Board portfolio is lower than the interest rates available for similar loans at the balance sheet date.

Other Market Loans

The fair value (£22m) is higher than the carrying amount (£17.4m) 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 (£65.2m) 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

The following tables detail the debtors position on the Balance Sheet. 2024/25 has been restated to correctly account for 3rd party payroll balances as debtors, see Prior Period Adjustment note for further details.

2024/25				2025/26		
Gross Debtors (restated) £000	Expected Losses £000	Net Debtors (restated) £000		Gross Debtors £000	Expected Losses £000	Net Debtors £000
73,938	(19,048)	54,890	Trade Receivables	74,380	(19,590)	54,790
10,742	0	10,742	Prepayments	12,870	0	12,870
56,610	(24,295)	32,315	Local Taxation	68,838	(28,441)	40,397
39,626	(250)	39,376	Other Receivable Amounts	49,858	(450)	49,408
180,916	(43,593)	137,323	Total Debtors	205,946	(48,481)	157,465

Long Term Debtors

2024/25				2025/26		
Gross Debtors £000	Expected Losses £000	Net Debtors £000		Gross Debtors £000	Expected Losses £000	Net Debtors £000
5,621	(431)	5,190	Loans	5,582	(450)	5,132
243	0	243	Other Debtors	237	0	237
5,864	(431)	5,433	Total Long Term Debtors	5,819	(450)	5,369

Long-term debtors for regeneration loans total £5.582m (£5.621m in 2024/25) 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.

Expected credit losses have been reviewed, and the outcome is a £0.019m change to the carrying value compared to 2024/25.

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:

2024/25		2025/26
£000		£000
8,197	Less than one year	10,218
5,055	One to two years	6,480
3,750	Two to three years	4,909
2,966	Three to four years	3,183
2,372	Four to five years	2,650
6,254	Five + years	8,090
28,594	Total	35,530

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. Cash comprises of cash in 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.

2024/25		2025/26
£000		£000
4,204	Cash and Bank balances	9,741
(5,314)	Bank Overdraft	(15,629)
(1,110)	Total Cash and Cash Equivalents	(5,888)

2024/25		2025/26
£000		£000
21,427	Short Term Investments	40,509
21,427	Total Cash and Cash Equivalents	40,509

Note 22 – Creditors

The following table shows the short-term creditors position. 2024/25 has been restated to correctly account for 3rd party payroll balances as debtors, see Prior Period Adjustment note for further details.

2024/25		2025/26
(Restated)	Short term creditors	
£000		£000
(57,361)	Trade payables	(58,027)
(32,707)	Other payables	(24,151)
(90,068)	Total Creditors	(82,178)

Note 23 – Provisions

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

Total Provisions

2024/25	Total Provision	2025/26
£000		£000
(14,040) Opening Balance		(12,139)
(2,531) Increase in provision during year		(2,368)
4,427 Utilised during year		3,596
6 Unused amounts reversed		504
(12,139) Closing Balance		(10,407)
(3,570) Long Term Provision		(3,065)
(8,569) Short term		(7,342)
(12,139)		(10,407)

Short Term Provisions

2025/26	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
NNDR Appeals	(5,934)	(2,056)	1,946	0	(6,044)
Insurance Fund	(950)	0	0	0	(950)
Regeneration Compensation	0	(312)	0	0	(312)
The Hythe	(1,535)	0	1,535	0	0
Other	(150)	0	114	0	(36)
Closing Balance	(8,569)	(2,368)	3,595	0	(7,342)

2024/25	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
NNDR Appeals	(8,368)	(1,518)	3,952	0	(5,934)
Insurance Fund	(950)	0	0	0	(950)
Regeneration Compensation	0	0	0	0	0
The Hythe	(1,535)	0	0	0	(1,535)
Other	(544)	(87)	475	6	(150)
Total	(11,397)	(1,605)	4,427	6	(8,569)

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 2025/26 but also any backdated amount relating to earlier years. This will include decisions made in future years regarding appeals which may affect the 2025/26 and earlier financial years' business rates charges. The provision calculation is based upon data supplied by the Valuation Office at 31 March 2026 regarding outstanding and settled appeals.

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 actually reported as outstanding. The timing of future

payments depends almost entirely upon when claims are settled, but are likely to run over a number of years.

Regeneration Compensation

This relates to agreed compensation relating to the temporary closure of Europa Car Park and subsequent loss of car parking spaces.

Other Provisions

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

Long Term Provisions

2025/26	Opening Balance	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Total
	£000	£000	£000	£000	£000
Insurance Fund	(3,570)	0	0	505	(3,065)
Total	(3,570)	0	0	505	(3,065)

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)

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.

Total Usable Reserves

31 March 2025	31 March 2026
£000	£000
(14,533) General Fund Balance	(15,033)
(48,577) Earmarked General Fund Reserves	(43,062)
(2,496) Capital Receipts Reserve	(4,795)
(53,959) Capital Grants Unapplied	(52,284)
(119,565) Balance 31 March	(115,174)

Capital Receipts Reserve

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

31 March 2025	31 March 2026
£000	£000
(4,103) Balance 1 April	(2,496)
(1,907) Capital Receipts in year	(5,810)
(70) Private Sector Housing Renewal Receipts in year	(135)
(5) Deferred Receipts realised	(6)
58 Transfer to revenue reserves to cover disposal costs	109
4,469 Capital Receipts transferred to Capital Adjustment Account to repay debt	4,465
3,531 Capital Receipts used for financing	3,543
(4,469) Other movements	(4,465)
(2,496) Balance 31 March	(4,795)

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 2025	31 March 2026
£000	£000
(68,492) Balance 1 April	(53,959)
(13,248) Capital grants recognised in year	(23,733)
27,781 Capital grants and contributions applied	25,408
(53,959) Balance 31 March	(52,284)

Note 25 - Unusable Reserves

31 March 2025	31 March 2026
£000	£000
(402,285) Revaluation Reserve	(394,115)
67 Financial Instruments Revaluation Reserve	68
24,901 Capital Adjustment Account	39,745
20,403 Financial Instruments Adjustment Account	19,572
33,088 Pension Reserve	32,508
(447) Deferred Capital Receipts Reserve	(3,343)
(1,535) Collection Fund Adjustment Account	(3,793)
4,680 Accumulated Absences Account	4,651
(1,002) Pooled Investment Funds Adjustment Account	(452)
29,992 Dedicated Schools Grant Adjustment Account	66,409
(292,138) Total	(238,750)

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 2025		31 March 2026
£000		£000
(381,664)	Balance 1 April	(402,285)
(44,593)	Upward revaluation of assets	(41,739)
7,267	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	11,962
(37,326)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(29,777)
8,399	Difference between fair value depreciation and historical cost depreciation	9,358
8,306	Accumulated gains on assets sold or scrapped	28,589
16,705	Amount written off to the Capital Adjustment Account	37,947
(402,285)	Balance 31 March	(394,115)

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 gains are revalued downwards, impaired, and when an investment is disposed of, and gains realised.

31 March 2025		31 March 2026
£000		£000
71	Balance 1 April	67
(4)	Other movements	1
67	Balance 31 March	68

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 2025	31 March 2026
£000	£000
(12,008) Balance 1 April	24,901
20,459 IFRS 16 PFI remeasurement	0
8,451 Revised balance 1 April	24,901
35,048 Charges for depreciation and impairment of non-current assets	34,118
20,325 Revaluation losses on non-current assets	19,086
314 Amortisation of intangible assets	315
10,940 Revenue expenditure funded from capital under statute	15,908
4,469 Repayment of debt – Merseyside Residual Debt Fund	4,465
1,068 IFRS 16 Transition PFI remeasurement	1,321
18,879 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	52,748
91,043 Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	127,961
(16,708) Adjusting Amounts written out of the Revaluation Reserve	(37,949)
74,335 Net written out amount of the cost of non-current assets consumed in the year	90,012
(3,531) Use of Capital Receipts Reserve to finance new capital expenditure	(3,543)
(52,202) Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(47,670)
(4,469) Write-off Merseyside Residual Debt Fund receipt to long term debtors	(4,465)
(15,648) Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(17,089)
(75,850) Capital financing applied in year:	(72,767)
(266) Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(437)
70 Public Sector Housing Loans	136
18,641 Capitalisation Directive	0
(304) Capital expenditure charged against the General Fund and HRA balances	(566)
(176) Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	0
0 Capital expenditure charged against the General Fund and HRA balances	(1,534)
24,901 Balance 31 March	39,745

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 2026 the account had a balance of £19.572m (2024/25 £20.403m).

31 March 2025	31 March 2026
£000	£000
20,673 Balance 1 April	20,403
(270) Downward revaluation of investments	(831)
(270) Total Changes in revaluation and impairment	(831)
20,403 Balance 31 March	19,572

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 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 2025	31 March 2026
£000	£000
38,376 Balance 1 April	33,088
(4,719) Remeasurements of the net defined benefit (liability)/asset	6,705
29,874 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	24,240
(30,443) Employer's pensions contributions and direct payments to pensioners payable in the year	(31,525)
33,088 Balance 31 March	32,508

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 2026 the reserve had a balance of £3.343m (2024/25 £0.447m).

31 March 2025	31 March 2026
£000	£000
(452) Balance 1 April	(447)
5 Other movements	(2,896)
(447) Balance 31 March	(3,343)

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 2026, the account had a balance of (£3.793m) (2024/25 £1.535m), representing the Council's share of the overall Collection Fund balance.

31 March 2025	31 March 2026
£000	£000
(377) Balance 1 April	(1,535)
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	(2,258)
(1,535) Balance 31 March	(3,793)

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 £4.651m at 31 March 2026 (2024/25 debit balance of £4.680m).

31 March 2025	31 March 2026
£000	£000
4,761 Balance 1 April	4,680
(4,761) Settlement or cancellation of accrual made at the end of the preceding year	(4,680)
4,679 Amounts accrued at the end of the current year	4,651
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	(29)
4,680 Balance 31 March	4,651

Pooled Fund Adjustment Account

The Pooled Investment Funds Adjustment Account contains 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 2025	31 March 2026
£000	£000
(143) Balance 1 April	(1,002)
(859) Changes in fair value of pooled investments	550
(1,002) Balance 31 March	(452)

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 on 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 Council's 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 2025	31 March 2026
£000	£000
12,989 Balance 1 April	29,992
17,003 Movements in Year	36,417
29,992 Balance 31 March	66,409

Note 26 - Cash Flow Statement: Operating Activities

The cash flows for operating activities include the following items:

2024/25	2025/26
£000	£000
(2,504) Interest received	(2,220)
21,492 Interest paid	22,992
18,988 Total	20,772

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2024/25		2025/26
£000		£000
(35,048)	Depreciation	(34,118)
(20,325)	Impairment and downward valuations	(19,086)
(314)	Amortisation	(315)
(4,623)	(Increase)/decrease in impairment for bad debts	(4,907)
7,735	(Increase)/decrease in creditors	(20,996)
25,504	Increase/(decrease) in debtors	25,030
52	Increase/(decrease) in inventories	(86)
569	Movement in pension liability	7,285
(18,940)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(52,747)
2,421	Other non-cash movements charged to the surplus or deficit on provision of services	2,189
(42,969)	Total	(97,751)

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

2024/25		2025/26
£000		£000
1,978	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,946)
32,100	Capital Grants credited to surplus or deficit on the provision of services	39,992
34,078	Total	34,046

Note 27 - Cash Flow Statement: Investing Activities

The cash flows for investing activities include the following:

2024/25		2025/26
£000		£000
55,341	Purchase of property, plant and equipment, investment property and intangible assets	60,062
(6,145)	Purchase of short-term (not to be considered cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
(1,978)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,946
146	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(88)
(32,100)	Capital Grants received	(39,992)
(4,121)	Other receipts from investing activities	192
11,143	Net cash flows from investing activities	26,120

Note 28 - Cash Flow Statement: Financing Activities

The cash flows for financing activities include the following items:

2024/25		2025/26
£000		£000
(410,551)	Cash receipts of short-term and long-term borrowing	(757,841)
(7,265)	Cash payments for the reduction of outstanding liabilities relating to lease liabilities and on-Balance-Sheet PFI contracts	7,784
342,189	Repayments of short-term and long-term borrowing	695,293
(1,158)	Other payments for financing activities	(2,258)
(76,785)	Net cash flows from financing activities	(57,022)

Note 29 - Reconciliation of Liabilities Arising from Financing Activities

Reconciliation of Liabilities Arising from Financing Activities

	1 April 2025	Financing cash flows	Non-cash changes Other non-cash changes	31 March 2026
	£000	£000	£000	£000
Long-term borrowings	(231,789)	(187,603)	175,338	(244,054)
Short-term borrowings	(159,416)	90,971	(175,679)	(244,124)
Lease liabilities	(124,230)	3,138	(963)	(122,055)
On balance sheet PFI liabilities	(51,772)	7,169	(1,560)	(46,163)
Total liabilities from financing activities	(567,207)	(86,325)	(2,864)	(656,396)

	1 April 2024	Financing cash flows	Non-cash changes Other non-cash changes	31 March 2025
	£000	£000	£000	£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)

Analysis of PFI liability is detailed below:

	31 March 2025	31 March 2026
	£000	£000
On balance sheet PFI liabilities - Short Term	(7,169)	(8,035)
On balance sheet PFI liabilities - Long Term	(44,603)	(38,129)
Total PFI liabilities from financing activities	(51,772)	(46,164)

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 2025/26. 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.

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.

2024/25 £000	Revenue	2025/26 £000
Funding provided to the pooled budget:		
(83,434) Wirral Council		(82,392)
(216,752) NHS Cheshire & Merseyside ICB		(237,072)
(300,186) Total		(319,464)
Expenditure met from the pooled budget:		
97,862 Wirral Council		105,284
221,252 NHS Cheshire & Merseyside ICB		226,010
319,114 Total		331,294
18,928	Net (surplus)/deficit arising on the pooled budget during the year	11,830
550	Authority share of the net (surplus)/deficit arising on the pooled budget during the year	(4,975)

2024/25 £000	Capital (Disabled Facilities grant and Social Care)	2025/26 £000
Funding provided to the pooled budget:		
(5,861) Wirral Council		(6,273)
0 NHS Cheshire & Merseyside ICB		0
(5,861) Total		(6,273)
Expenditure met from the pooled budget:		
5,861 Wirral Council		6,273
0 NHS Cheshire & Merseyside ICB		0
5,861 Total		6,273
0	Net (surplus)/deficit arising on the pooled budget during the year	0
0	Authority share of 50% of the net (surplus)/deficit arising on the pooled budget during the year	0

Note 31 - Members' Allowances

During the year Members' allowances including Employer's costs totalled £914k, (2024/25 £875k) as set out in table:

2024/25 £000	2025/26 £000
874 Allowances	913
1 Expenses	1
875 Total Members' Allowances	914

Note 32 – Officers’ Remuneration

Senior Officers’ Remuneration

The following table shows senior officers’ annual remuneration. Gross salary is the full-time equivalent salary, while salary reflects actual pay received, including taxable travel costs and where applicable redundancy payments.

2025/26	Employment Period	Notes	Gross salary	Salaries	Expenses Allowances	Compensation for Loss of Office	Pension Contribution	Total
			£	£	£	£	£	£
Chief Executive (Paul Satoor)	01/04/2025 - 31/10/2025	a	188,468	166,093	0	30,000	20,559	216,652
Chief Executive (Interim)	11/07/2025 - 13/10/2025	b	188,468	48,637	0	0	4,676	53,312
Chief Executive	14/10/2025 - 31/03/2026	c	188,468	87,648	0	0	16,074	103,722
Director of Regeneration and Places	01/04/2025 - 18/08/2025	d	122,495	55,890	38	32,467	9,092	97,486
Director of Regeneration and Places (Vacant)	19/08/2025 - 31/03/2026	d	126,415	0	0	0	0	0
Director of Neighbourhood Services	01/04/2025 - 10/07/2025 & 14/10/2025 - 31/03/2026	e	136,774	101,500	74	0	18,300	119,873
Director of Neighbourhood Services (acting up)	10/09/2025 - 13/10/2025	e	126,415	11,973	0	0	2,205	14,178
Director of Children, Families and Education	01/04/2025 - 31/03/2026		129,868	129,868	0	0	0	129,868
Director for Adults' Care and Health and Strategic Commissioning	01/04/2025 - 31/03/2026		140,226	140,226	0	0	26,222	166,448
Director of Public Health	01/04/2025 - 31/03/2026		113,516	113,516	0	0	16,324	129,840
Director of Law and Governance & Corporate services (Monitoring)	01/04/2025 - 31/03/2026		140,226	140,226	0	0	26,222	166,448
Director of Finance (S151 Officer)	01/04/2025 - 13/10/2025	f	140,226	75,013	0	0	13,585	88,598
Director of Finance (S151 Officer) (Interim)	14/10/2025 - 31/03/2026	f	126,415	58,793	0	0	10,994	69,787
Director of Transformation (Interim)	26/01/2026 - 31/03/2026	g	113,516	41,948	0	0	0	41,948
TOTAL			1,981,496	1,171,330	112	62,467	164,252	1,398,161

a) Includes additional payments to employee

b) Postholder acted up to cover absence until 13/10/2025

c) Postholder interim from 14/10/2025 until made permanent on 03/03/2026

d) The postholder received an additional payment. The post has remained vacant since 19/08/2025

e) The substantive postholder acted up temporarily to Chief Executive and returned to post 14/10/2025. The interim cover ended 13/10/2025

f) Postholder acting up to Chief Executive until made permanent on 03/03/26. Current postholder remains interim.

g) Temporary position fulfilled by contractor and is partly funded by a grant received by MHCLG.

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

Officers' Remuneration

The following table shows the number of employees whose remuneration exceeded £50,000 in bands of £5,000.

Senior Officers included in the table above are ordinarily excluded from this disclosure. However, in 2025/26 two officers temporarily acted up into Director posts under interim arrangements. These officers have been included in the following table in the relevant pay band reflecting their full-year annual salary, while only the remuneration relating to the periods during which they served as interim Directors has been included in the Senior Officers' Remuneration table above.

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.

Amount	2024/25			2025/26		
	Other	Teacher	Total	Other	Teacher	Total
£50,001 - £55,000	137	165	302	204	202	406
£55,001 - £60,000	110	78	188	75	109	184
£60,001 - £65,000	53	45	98	100	52	152
£65,001 - £70,000	29	33	62	34	32	66
£70,001 - £75,000	17	22	39	16	24	40
£75,001 - £80,000	30	16	46	26	22	48
£80,001 - £85,000	8	11	19	14	14	28
£85,001 - £90,000	9	8	17	7	12	19
£90,001 - £95,000	7	10	17	12	6	18
£95,001 - £100,000	1	6	7	5	6	11
£100,001 - £105,000	5	3	8	2	7	9
£105,001 - £110,000	0	2	2	4	1	5
£110,001 - £115,000	0	0	0	0	1	1
£115,001 - £120,000	0	1	1	2	3	5
£120,001 - £125,000	0	2	2	1	0	1
£125,001 - £130,000	0	0	0	0	1	1
£130,001 - £135,000	0	0	0	0	0	0
£135,001 - £140,000	1	0	1	0	0	0
£140,001 - £145,000	0	0	0	0	0	0
£145,001 - £150,000	0	0	0	1	0	1
Total	407	402	809	503	492	995

Exit Packages

The table below sets out the number of exit packages and the total cost of compulsory and other redundancies by cost band. 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	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £000	2025/26 £000
£0 - £20,000	0	0	29	58	29	58	192	409
£20,000 - £40,000	0	0	4	47	4	47	105	1,328
£40,001 - £60,000	0	0	0	5	0	5	0	244
£60,001 - £80,000	0	0	0	1	0	1	0	65
Total	0	0	33	111	33	111	297	2,046

Note 33 - External Audit Costs

The Council's auditors are Grant Thornton and will incur audit fees of £515k relating to the external audit for 2025/26. The costs reported for 2025/26 include fees of £50k for other services provided. The Council has received £57k of grant from central government to support the rise in fees. The 2024/25 audits fees have been restated to include additional audit costs of £43k.

2024/25 (restated) £000	2025/26 £000
534 Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	465
53 Fees payable in respect of other services provided by external auditors during the year	50
587 Total	515

Note 34 - Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE), 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 2025. 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 2025/26 are as follows:

DSG Receivable for 2025/26	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG for year before Academies recoupment			406,338
Academy figure recouped for year			(178,203)
Total DSG after academy recoupment			228,135
Plus: Brought forward from previous year			0
Less: Carry forward to following year (agreed in advance)			0
Agreed initial budgeted distribution in year	49,285	178,850	228,135
In year adjustments	0	(71)	(71)
Final budget distribution for year	49,285	178,779	228,064
Less: Actual central expenditure	(85,331)	0	(85,331)
Less: Actual ISB deployed to schools	0	(179,150)	(179,150)
Plus: Local Authority contribution for year	0	0	0
In Year Carry-forward to 2026/27	(36,046)	(371)	(36,417)
Plus/Minus: Carry forward to following year (agreed in advance)			0
Carry-forward to 2026/27			0
DSG unusable reserve at the end of 2024/25			(29,992)
Addition to DSG unusable reserve at the end of year			(36,417)
Total of DSG unusable reserve at the end of year			(66,409)
Net DSG position at the end of year			(66,409)

At 31 March 2026 the Dedicated Schools Grant reserve has a debit balance to the value of £66.409m which represents a deficit position to be carried forward into 2026/27. The deficit position is mainly due to additional pressure in the High Needs block.

In February 2026, the government announced High Needs Stability Grants to support the elimination of up to 90% of Dedicated Schools Grant (DSG) deficits held at 31 March 2026. Payment of the grant is conditional on the submission and approval by the Department for Education (DfE) of a local SEND reform plan, and allocations are expected to be paid during the 2026/27 financial year. Further details can be found in the Critical Judgements in Applying Accounting Policies note and the Contingent Assets and Liabilities note. Wirral has developed a SEND reform plan which was submitted ahead of the 19 June 2026 submission deadline.

[Comparative table for 2024/25](#)

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 2025/26	(16,961)	(42)	(17,003)
Plus/Minus: Carry forward to following year (agreed in advance)			0
Carry-forward to 2025/26			0
DSG unusable reserve at the end of 2023/24			(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)

Note 35 - Grant Income

Government grants, third-party contributions and donations are recognised in the Comprehensive Income and Expenditure Statement where there is reasonable assurance that the Council has complied with the conditions attached to the funding and that the income will be received.

Where grants and contributions relate to capital expenditure, they are credited to Taxation and Non-Specific Grant Income. Where they relate to revenue expenditure, they are credited to the relevant service line or to Taxation and Non-Specific Grant Income, as appropriate.

The following grants, contributions and donations were recognised as income and credited to the Comprehensive Income and Expenditure Statement during the year:

Grant Income Credited to Taxation and Non-Specific Grant Income

2024/25	2025/26
£000	£000
Revenue Grants:	
(41,899) Social Care Support Grant	(49,545)
(32,816) Business Rates (reliefs) S31 grants	(33,356)
0 Recovery	(9,758)
(7,877) Market Sustainability & Improvement Fund	(7,877)
0 Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024	(6,011)
(5,472) Schools Private Finance Initiative	(5,472)
0 Employers National Insurance Contributions Scheme (Council)	(2,701)
0 Childrens Social Care	(2,419)
0 New Burdens - Accommodation-based Domestic Abuse	(974)
(79) New Homes Bonus	(416)
(258) Local Reform & Community Voices	(258)
(4,495) Social Care Discharge Fund	0
(683) Business Rates Levy Surplus	0
(569) Services Grant	0
(801) Other Revenue Grants	(711)
(94,949) Total Revenue Grants	(119,498)
Capital Grants:	
(11,460) Transport Supplementary Grant	(10,418)
(5,500) Levelling Up Fund	(5,958)
0 Birkenhead Town Deal Fund	(4,864)
(3,830) School Condition	(3,556)
(1,210) High Needs Provision Grant	(2,823)
0 Hind Street (Homes England)	(2,661)
0 LUF Liscard	(2,026)
(1,949) Disabled Facilities Grant	(1,924)
Department for Transport funding for highways maintenance	
(1,093) improvements	(1,777)
(2,183) Active Travel	(1,110)
0 District Heat Network Infrastructure Funding	(569)
(442) LED Grant Funded	(537)
Liverpool City Region Combined Authority contribution Argyle &	
(500) Conway Street roundabout	(489)
0 Basic Needs	(427)
0 Local Authority Housing Fund	(303)
(2,377) Food Waste Collection Service (DEFRA funding)	0
(1,556) Other Capital Grants	(550)
(32,100) Total Capital Grants	(39,992)
(127,049) Total credited to Taxation and Non-Specific Grant Income	(159,490)

Grant Income Credited to Services

2024/25 £000	2025/26 £000
(216,929) Dedicated Schools Grant	(226,479)
(83,704) Housing Benefit Subsidy	(68,606)
(32,947) Public Health Grant	(34,912)
(13,385) Pupil Premium	(11,979)
0 Household Support Fund 7	(5,374)
(3,478) Core Schools Budget Grant	(5,285)
(4,376) Drug & Alcohol Treatment & Recovery Improvement	(5,021)
0 Children & Families	(2,923)
(2,656) United Kingdom Prosperity Fund	(2,440)
0 Employers National Insurance Contributions Scheme (Maintained Schools)	(2,398)
(2,330) Universal Infant Free School Meals	(2,206)
(3,040) Families First for Children Pathfinder	(1,401)
0 Capacity Building	(2,000)
(1,477) Holiday Activities & Food Programme	(1,458)
(912) Homelessness Prevention Grant	(1,434)
(1,042) Adult Community Learning	(1,275)
(1,147) Housing Benefit Subsidy Administration Grant	(1,128)
(1,280) Physical Education & Sports Grant	(1,126)
0 Schools Budget Support	(1,057)
(1,413) Sixth Form Funding	(1,039)
(1,661) Unaccompanied Asylum Seeking Children	(1,021)
0 Simpler Recycling Food Waste Collection	(693)
(256) Asylum Seeker Dispersal	(849)
(714) Youth Justice Board	(842)
(247) Resettlement Programme	(822)
449 Virtual Headteacher Grant	(766)
(579) Wraparound Childcare	(598)
(582) S31 Grant for Staying Close Children's Social Care	(582)
(552) Discretionary Housing Payments	(548)
215 Leaving Care	(523)
0 Youth Guarantee Trailblazer	(489)
0 Early Years Expansion	(466)
(342) Community Safety Partnership	(465)
(639) Rough Sleeper Initiative	(433)
(361) Local Stop Smoking Services and Support Grant	(352)
(368) Devolved Formula Capital	(380)
0 Homelessness Next Step	(297)
(4,092) Capital Grants Treated as REFCUS	(4,773)
(27,899) Other Grants	(4,859)
(407,744) Total	(399,299)

In 2025/26, the Council acted as agent in administering grants on behalf of external partner organisations. As a result, the related income and expenditure have been excluded from the Comprehensive Income and Expenditure Statement in respect of the following arrangements:

2024/25 £000	2025/26 £000
(646) Inpatient Detoxification	(541)
0 Pupil Premium	(49)
(121) Mockingbird Funding	(40)
(4) Adoption Support Fund	(20)
(2) Universal Infant Free School Meals	0
(773) Total	(650)

The Inpatient Detoxification grant is held by the Council on behalf of a number of local authority partners across Cheshire and Merseyside. The Council's own share of the grant

is £0.111m in 2025/26 (£0.111m in 2024/25) and this amount is included within the Other Grants line in the Grant Income Credited to Services table above.

Mockingbird Funding is distributed by the Department for Education via Warrington Council, who act as regional host. The section 14 grant supports the development of additional Mockingbird constellations to provide ongoing support to approved foster carers, with the aim of improving foster carer retention. Funding is distributed subject to defined eligibility criteria, supporting evidence must be submitted to the funder, and any unspent amounts must be returned.

The Adoption Support Fund comprises funding received from the Department for Education to support therapeutic services for eligible adoptive, special guardianship order (SGO) and child arrangement order (CAO) families. As the Council has no discretion over eligibility and does not control the amount of funding awarded, the arrangement is assessed as agency in nature.

Pupil Premium funding comprises amounts receivable by the Council on behalf of a number of local authority partners across Cheshire and Merseyside. The funding relates to contributions from partner authorities in respect of children placed in Wirral schools from outside the borough.

Universal Infant School Meals funding is allocated to the Council and academy schools. The amount shown above represents the proportion attributable to academy schools.

Grants Received in Advance

The Council has received grants and contributions for which conditions remain outstanding at the Balance Sheet date. As these conditions had not been satisfied, the amounts have not been recognised as income and may be repayable if the conditions are not met. The balances are set out below.

2024/25	2025/26
£000 Revenue Grants	£000
(658) Adult Community Learning	(475)
0 Pride in Place	(855)
(639) Virtual School Headteachers	0
(502) Wraparound Childcare	0
(460) Simpler Recycling Food Waste Collection	0
(1,902) Other	(892)
(4,161) Total	(2,222)

2024/25	2025/26
£000 Capital Grants	£000
(190) S106 various	(131)
(67) Mulberry Properties	(67)
(178) Cluster of Empty Homes	0
(435) Total	(198)

Note 36 - Related Parties

The Council is required to disclose material transactions with related parties. These are organisations 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;
- Other Public Bodies;
- Entities controlled or significantly influenced by the Council;
- Elected Members of the Council; and
- Senior Officers

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 2024/25 £000	Apportionment of Previous Years Surplus 2024/25 £000	Precept / Levy 2025/26 £000	Apportionment of Previous Years Surplus 2025/26 £000
Merseyside Police Authority	2	25,436	376	27,314	392
Merseyside Fire & Rescue Service	4	9,456	93	10,142	135
Merseyside Recycling and Waste Authority	2	18,092	0	18,865	0
Merseyside Port Health	6	105	0	105	0
Manchester Port Health	1	24	0	24	0
North Western Inshore Fisheries and Conservation	1	95	0	100	0
Environment Agency	1	191	0	197	0
Liverpool City Region Combined Authority	11	25,372	28	26,234	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 2025/26, 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 £2.367m (£785k in 2024/25) 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 £5.1m (£4.8m in 2024/25) 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 2025/26 amounted to £9.3m (2024/25 in £5.4m), these are detailed below, inclusive of VAT were applicable.

Edsential Community Interest Company

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 £6.0m in 2025/26 (£4.9m in 2024/25) and £0.6m received from them which includes interest for the working capital and one-off loan.

The Council has provided the company with two loans with balances of £0.3m for a working capital loan and £0.7m for a Covid loan as at the 31 March 2026. The Council has provided for an expected credit loss provision of £0.2m.

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.

The activity between Wirral and WGC has largely been of a capital nature relating to Europa Pools Substation (£3.2m), while non-capital expenditure totalled £0.2m.

There is also a small balance of £0.2m due for a working capital loan interest expected to be settled in 2026/27.

Pension Guarantees

The Council acts as a guarantor for several staff who work in various external bodies that have been admitted to the Merseyside Pension Fund. On cessation of a 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 2026, 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 2025/26 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 2025/26 is shown in the Members Allowances Note.

During 2025/26 works and services to the value of £13.7m (£10.0m in 2024/25) was commissioned from organisations and £4.6m (£0.3m in 2024/25) 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 £44k. And the debtors balance owed from the organisations is £0.7m.

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 2025/26.

The table below identifies Members' and Officers' interests in other organisations that had transactions with the Council during 2025/26 and separately shows those interests arising from their role 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 2025/26.

Organisation	Officer	Members - in their official capacity	Members - other
Bidston Avenue Primary (Academy)			Councillor George Davies
Birkenhead High School (Academy)			Councillor George Davies
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 Graeme Cooper	Councillor Angela Davies
Cheshire and Merseyside ICB		Councillor Mary Jordan Councillor Julie McManus	
Devonshire Park Primary School			Councillor Christopher Cooke
Family Rights Group Limited			Councillor Sue Powell-Wilde
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	
Merseyside Society For Deaf People (MSDP)		Councillor Gary Bennett Councillor Julie McManus	
N Western Inshore Fisheries & Conservation Authority		Councillor Colin Baldwin	
North Birkenhead Development Trust Limited		Councillor Julie McManus	Councillor Brian Kenny
North West Employers Organisation		Councillor George Davies Councillor Angela Davies	
Overton Community Centre Limited			Councillor Jean Robinson
Parking and Traffic Regulations Outside London Joint Committee (PATROL)		Councillor Elizabeth Grey	
Peel Land & Property (Group)			Councillor Naomi Graham
Pensby High School For Boys			Councillor Allan Brame
Plus Dane Housing Association			Councillor George Davies
Royal National Lifeboat Institution (RNLI)	Andrew Kehoe		Councillor Tony Jones Councillor Sue Powell-Wilde
South Wirral High School (Academy)			Councillor Phil Gilchrist
St Anselm's College Edmund Rice Academy Trust	Mark Goulding		Councillor George Davies
St Barnabas PCC			Councillor Phil Gilchrist
The Barnstonedale Centre	Vicki Shaw		
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
Wirral Chamber Of Commerce			Councillor Paula Basnett
Wirral Multicultural Organisation		Councillor Colin Baldwin Councillor Amanda Onwuemene	
Wirral University Teaching Hospital NHS Foundation Trust		Councillor Gary Bennett Councillor Sue Powell-Wilde	Councillor Ian Lewis

Company	Control / Interest	Directors	Company Status	Members and Officers of the Council held interests
Edsential Community Interest Company (*)	Joint Venture	Peter Brown Philip Dickson Simon Kidwell Ian Philip McGrady Samantha-Jane Myers-Whittaker Mark Parkinson Sharon Senn Salahdin Thirlway Adrian Francis Whiteley	Active	
Wirral Growth Company LLP	Limited liability Partnership	Muse Places Ltd Wirral Borough Council	Active	Cllr Julie McManus Cllr Jeff Green Officer Sayyed Osman Officer Mark Goulding
Wirral Evolutions Ltd (**)	Subsidiary	Simon Garner	Active (non-trading)	Officer Simon Garner
Wirral Growth Company Nominee Limited	Subsidiary	Paul Knowles	Dormant	n/a
Wirral Holdings Ltd	Subsidiary	Mark Goulding Lisa Newman	Dormant	Officer Mark Goulding Officer Lisa Newman

* Wirral Council is in the process of appointing an official representative on the Board but has maintained involvement through Officer Anthony Kirk.

** This is a non-trading but active company which is being wound up and is expected to be formally closed during 2026/27.

Note 37 - Capital Expenditure and Capital Financing

The Council's Capital Financing requirement has risen in 2025/26 by £4.1m as capital cost incurred totalled £77.5m, including £2.5m relating to IFRS16 lease adjustments, with funding set aside totalling £73.4m. 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 £15.9m.

2024/25 £000		2025/26 £000
471,798	Opening Capital Financing Requirement	560,991
	IFRS 16 Leases:	
28,873	PFI Initial Remeasurement on Adoption of IFRS 16	0
1,508	Annual PFI Remeasurement	1,561
49,953	Right of Use Assets	984
80,334	IFRS 16 Adjustments	2,545
	Capital Investment:	
54,893	Property Plant and Equipment	58,948
12	Intangible Assets	1
436	Assets Held for Sale	129
29,581	Revenue Expenditure Funded from Capital Under Statute	15,908
84,922	Total Capital Spending	74,986
	Sources of Finance:	
(3,531)	Capital receipts - Applied to Capital Expenditure	(3,543)
(4,469)	Capital receipts - Applied to MRDF	(4,465)
(52,202)	Government Grants and other contributions	(47,772)
91	Adjustment to prior years financing	0
	Sums set aside from revenue:	
(304)	- Direct revenue contributions	(566)
(15,648)	- Minimum revenue provision	(17,089)
(76,063)	Total Sources of Finance	(73,435)
560,991	Closing Capital Financing Requirement	565,087
Explanation of movements in year		
2024/25 £000		2025/26 £000
16,845	Increase in underlying need to borrow (unsupported by government financial assistance)	9,687
23,801	PFI contracts under IFRS 16	(5,608)
48,547	Finance leases under IFRS 16	17
89,193	Increase/(decrease) in Capital Financing Requirement	4,096

Note 38 - Leases

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 2.2% has been applied to lease liabilities as at 1 April 2025.

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.

	2024/25	2025/26
	£000	£000
Comprehensive income and expenditure statement	4,374	5,847
Interest expense on lease liabilities	837	2,709
Expense relating to short-term leases	40	41
Expense relating to exempt leases of low-value items	41	84
Cash flow Statement		
Minimum lease payments	3,532	3,090

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 2025	31 March 2026
	£000	£000
Payable within one year	2,908	3,090
Payable within two to five years	10,584	10,772
More than five Years	110,738	108,193
Total undiscounted Liabilities	124,230	122,055

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 2025	31 March 2026	31 March 2025	31 March 2026
	£000	£000	£000	£000
Less than one year	6	6	2,659	3,979
One to two years	6	6	3,979	3,846
Two to three years	6	6	3,846	3,575
Three to four years	6	6	3,575	3,331
Four to five years	6	6	3,331	2,924
More than five years	219	213	22,934	20,010
Total	249	243	40,324	37,665

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows.

	31 March 2025	31 March 2026
	£000	£000
Total undiscounted lease receivables	249	243
Unearned finance income	(203)	(190)
Net investment in leases	46	53

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 adopted Foundation status and during 2025/26 converted to Academy status. Birkenhead Park School (formerly University Academy Birkenhead), Weatherhead High, Hilbre High, Wirral Grammar School, Bebington High and Prenton High have all also previously 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 31 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 2026 is £28.173m following the conversion to Academy Status of South Wirral High School during the year (31 March 2024 £47.266m), 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 2026 (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	8,035	1,684	15,828
Payable within two to five years	26,434	37,120	4,209	67,763
Payable within six to ten years	9,809	1,008	246	11,063
Total	42,352	46,163	6,139	94,654

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 2024/25 resulted in a remeasurement that is represented in this table.

2024/25	2025/26
£000	£000
27,970 Balance outstanding at start of year	51,772
(4,473) Payments during the year	(5,609)
28,275 Other movements	0
51,772 Balance outstanding at year-end	46,163

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 2025/26, the Council paid £18.6m (2024/25 £19.4m) 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 £18.5m. 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 1.8m 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 2026, the Council's own contributions are negligible.

In 2025/26 the Council paid £0.2m (2024/25 £0.5m) 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 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.

2024/25				2025/26			
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:			
27,680	0	0	27,680	Current service cost	20,364	0	20,364
240	0	0	240	(Gain) / loss from curtailments	1673	0	1,673
820	0	0	820	Administration expenses	1,210	0	1,210
(3,828)	1,080	684	(2,064)	Net interest expense	(15,058)	1,098	(13,283)
3,198	0	0	3,198	Interest charged on surplus above asset ceiling	14,276	0	14,276
28,110	1,080	684	29,874	Total charged to Surplus and Deficit on Provision of Services	22,465	1,098	24,240
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement							
2024/25				2025/26			
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
				Re-measurement of the net defined benefit liability comprising:			
17,558	0	0	17,558	Return on plan assets (excluding the amount included in the net interest expense)	(87,017)	0	(87,017)
(1,603)	(36)	0	(1,639)	Actuarial gains and losses - experience	9,718	1,690	12,222
(4,411)	(84)	(64)	(4,559)	Actuarial gains and losses arising on changes in demographic assumptions	(10,984)	(154)	(11,209)
(191,652)	(1,471)	(625)	(193,748)	Actuarial gains and losses arising on changes in financial assumptions	(414)	0	(479)
177,669	0	0	177,669	Effect of the asset ceiling	93,188	0	93,188
(2,439)	(1,591)	(689)	(4,719)	Total charged to Other Comprehensive Income and Expenditure Statement	4,491	1,536	6,705
25,671	(511)	(5)	25,155	Total charged to the Comprehensive Income and Expenditure Statement	26,956	2,634	30,945

Pension Assets and Liabilities recognised in the Balance Sheet

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 2026 is £32.5m (£33.1m liability as at 31 March 2025).

2024/25				2025/26				
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	
Movement in Reserves Statement								
(28,110)	(1,080)	(684)	(29,874)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(22,465)	(1,098)	(677)	(24,240)
25,671	2,616	2,156	30,443	Employers' contributions payable to scheme	26,956	2,556	2,013	31,525
(2,439)	1,536	1,472	569	Net movement in reserves	4,491	1,458	1,336	7,285

2024/25				2025/26			
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
(1,269,396)	(20,206)	(12,882)	(1,302,484)	Present value of the defined obligation	(1,310,644)	(20,284)	(1,343,152)
1,269,396	0	0	1,269,396	Fair value of plan assets	1,310,644	0	1,310,644
0	(20,206)	(12,882)	(33,088)	Net (liability) / asset arising from the defined benefit obligation	0	(12,224)	(32,508)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

2024/25				2025/26				
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	
1,486,411	0	0	1,486,411	Opening fair value of scheme assets	1,515,533	0	0	1,515,533
72,228	0	0	72,228	Interest income	87,196	0	0	87,196
				Re-measurement gain / (loss):				
				- The return on plan assets, excluding the				
(17,558)	0	0	(17,558)	amount included in the net interest expense	87,017	0	0	87,017
25,671	2,616	2,156	30,443	Contributions from employer	26,956	2,556	2,013	31,525
10,341	0	0	10,341	Contributions from employees into the scheme	11,013	0	0	11,013
(60,740)	(2,616)	(2,156)	(65,512)	Benefits / transfers paid	(62,260)	(2,556)	(2,013)	(66,829)
(820)	0	0	(820)	Administration expenses	(1,210)	0	0	(1,210)
1,515,533	0	0	1,515,533	Closing value of scheme assets	1,664,245	0	0	1,664,245

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

2024/25				2025/26				
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	
(1,421,141)	(23,333)	(15,043)	(1,459,517)	Opening balance at 1 April	(1,269,396)	(20,206)	(12,882)	(1,302,484)
(27,680)	0	0	(27,680)	Current service cost	(20,364)	0	0	(20,364)
(68,400)	(1,080)	(684)	(70,164)	Interest cost	(72,138)	(1,098)	(677)	(73,913)
(10,341)	0	0	(10,341)	Contributions from scheme participants	(11,013)	0	0	(11,013)
				Re-measurement gains and losses:				
1,603	36	0	1,639	- Actuarial gains / (losses) - experience	(9,718)	(1,690)	(814)	(12,222)
4,411	84	64	4,559	- Actuarial gains / (losses) from changes in demographic assumptions	10,984	154	71	11,209
191,652	1,471	625	193,748	- Actuarial gains / (losses) from changes in financial assumptions	414	0	65	479
(240)	0	0	(240)	Gains / (losses) on curtailments	(1,673)	0	0	(1,673)
60,740	2,616	2,156	65,512	Benefits / transfers paid	62,260	2,556	2,013	66,829
(1,269,396)	(20,206)	(12,882)	(1,302,484)	Balance as at 31 March	(1,310,644)	(20,284)	(12,224)	(1,343,152)

LGPS Pension Scheme Assets Comprised of

2024/25			2025/26		
Quoted £000	Unquoted £000	Total £000	Quoted £000	Unquoted £000	Total £000
20,814	0	20,814	76,722	0	76,722
Cash and cash equivalents					
Equities					
194,491	4,156	198,647	185,397	4,327	189,724
386,322	242,698	629,020	409,238	266,945	676,183
580,813	246,854	827,667	594,635	271,272	865,907
Bonds					
6,982	0	6,982	24,132	0	24,132
71	0	71	0	0	0
16,070	0	16,070	34,949	0	34,949
8,991	0	8,991	19,472	0	19,472
38,795	0	38,795	84,876	0	84,876
8,708	0	8,708	19,638	0	19,638
0	7,314	7,314	(499)	0	(499)
79,617	7,314	86,931	182,568	0	182,568
Property					
0	15,433	15,433	25,463	0	25,463
0	65,994	65,994	60,079	0	60,079
1,496	38,399	39,895	666	37,778	38,444
0	42,223	42,223	0	34,450	34,450
1,496	162,049	163,545	86,208	72,228	158,436
Alternatives					
0	80,290	80,290	0	78,552	78,552
997	63,667	64,664	1,498	50,759	52,257
0	166	166	0	166	166
0	40,228	40,228	0	37,279	37,279
0	85,277	85,277	0	79,884	79,884
0	47,542	47,542	0	50,427	50,427
0	21,278	21,278	0	22,634	22,634
2,327	60,508	62,835	1,165	50,593	51,758
0	6,317	6,317	0	0	0
7,979	0	7,979	0	7,656	7,656
11,303	405,273	416,576	2,663	377,950	380,613
694,043	821,490	1,515,533	942,796	721,450	1,664,246
Total Assets					

Significant Assumptions by the Actuary

2024/25	Local Government Pension Scheme	2025/26
Mortality assumptions		
Longevity at retirement for current pensioners		
20.8	Men	20.6
23.5	Women	23.3
Longevity at retirement for future pensioners		
22.1	Men	21.8
25.2	Women	24.8
Other assumptions		
2.6%	Rate of inflation	2.9%
4.1%	Rate of increase in salaries	4.4%
2.7%	Rate of increase in pensions	3.0%
5.8%	Rate for discounting scheme liabilities	6.1%

2024/25	Teachers' Unfunded	2025/26
Mortality assumptions		
Longevity at retirement for current pensioners aged 75		
12.5	Men	12.3
14.5	Women	14.4
Longevity at retirement for current pensioners aged 65		
20.8	Men	20.6
23.5	Women	23.3
Other assumptions		
2.7%	Rate of inflation	2.9%
2.8%	Rate of increase in pensions	3.0%
5.7%	Rate for discounting scheme liabilities	6.0%

Impact of assumptions on the obligation

Increase by 0.1% (Gain) or Loss Assumption	LGPS £000	Teachers' Unfunded £000
Longevity	27,878	633
Rate of inflation	41,904	161
Rate of increase in salaries	5,553	0
Rate for discounting scheme liabilities	(80,009)	(309)

Note 42 - Contingent Assets and Liabilities

Contingent Liabilities

No liability is recognised in the Balance Sheet where there is a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. Such an obligation 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 based on its best estimate of the liability arising from known appeals as at 31 March 2026. This provision reflects the potential cost of successful appeals by non-domestic ratepayers against the rateable values applied to their business properties.

However, as appeals may be lodged and settled retrospectively over a number of years, there remains a risk that the Council may incur additional costs where further appeals are

successful. Significant uncertainty therefore remains over the ultimate level of liability arising from such appeals until they are fully determined by the Valuation Office Agency.

S117 funding

A dispute has arisen in relation to Section 117 funding for aftercare services for persons leaving hospital, including those discharged on a temporary basis under a Community Treatment Order (CTO). On 31 July 2024, the Council received notice from the relevant funding body of its intention to withdraw discretionary funding support. The Council considers that it should not be required to contribute to these costs in accordance with national guidance and, although legal advice has been obtained and representations have been made to the funding body, the matter, including the assessment of continuing healthcare responsibilities, has not yet been formally concluded.

Ordinary Residence

Following protracted discussions with another local authority regarding the ordinary residence of an individual who moved from Wirral in February 2017, and subsequent responsibility for their care costs, the case was referred to the Secretary of State for Health and Social Care in July 2025.

On 1 May 2026, the Council was notified of the Secretary of State's determination that the individual was ordinarily resident in Wirral in February 2017 when they moved to specified accommodation outside the borough, and that they have remained ordinarily resident in Wirral under Section 18 of the Care Act 2014.

The other local authority therefore intends to seek recovery from Wirral of care costs for the full period covered by the determination. However, following external legal advice, the Council considers that the Secretary of State's determination is open to significant challenge and has written formally to request a review of the decision, as permitted under Section 40 of the Care Act 2014.

Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but are disclosed in the Notes to the Accounts where it is probable that there will be an inflow of economic benefits or service potential.

At the reporting date, the Council had the following contingent asset:

High Needs Stability Grant

In February 2026, the Government announced the High Needs Stability Grant to support local authorities in addressing historic Dedicated Schools Grant (DSG) High Needs deficits. At 31 March 2026, Wirral's DSG deficit was £66.409m, and the grant could potentially fund up to 90% of this amount, subject to the conditions attached to the scheme.

Payment of the grant is conditional upon the submission and approval of a SEND Reform Plan by the Department for Education (DfE). As at the balance sheet date, these conditions had not been met as while Wirral submitted a SEND Reform Plan to DfE ahead of the submission deadline of 19 June 2026 it had not yet been approved by DfE. Accordingly, no income has been recognised as there was not sufficient assurance that the conditions would be satisfied or that the funding would be received.

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 2026 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 of Investment				Balance Invested as at 31 March 2026 £000
	Invested as at 31 March 2025 £000	Cash Equivalent £000	Short Term Investment £000	Long Term Investment £000	
AAA	21,334	40,418	0	0	40,418
A+	10	10	0	0	10
A	0	0	0	0	0
Unrated Energy Bond	0	0	0	0	0
Unrated Subsidiaries + Corporate	1,128	0	300	740	1,040
Total	22,472	40,428	300	740	41,468
Credit risk not applicable*	10,855	0	3,000	7,855	10,855
Total Investments	33,327	40,428	3,300	8,595	52,323

* 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 2025 £000	31 March 2026 £000
Less than three months	7,694	6,120
Three to six months	2,078	2,342
Six months to one year	2,996	4,402
More than one year	3,299	3,237
Total	16,067	16,101

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 2026 was as follows.

Liquidity Risk	31 March 2025 £000	31 March 2026 £000
Less than one year	151,820	250,704
Between one and two years	46,681	90,590
Between two and five years	42,383	32,393
Between five and ten years	23,788	34,579
More Than 10 years	76,406	79,912
Uncertain date*	50,127	0
Total	391,205	488,178

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 2025 (restated)	31 March 2026
£000	£000
73,938 Gross Receivables	74,380
(19,048) Impairment	(19,590)
54,890	54,790
Total	

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 £53.5m (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 2025	31 March 2026
	£000	£000
Increase in interest payable on variable rate borrowings	903	1,297
Increase in interest receivable on variable rate investments	(423)	(410)
Decrease in fair value of investments held at FVPL	27	50
Impact on Surplus or Deficit on the Provision of Services	507	937
Impact on Other Comprehensive Income and Expenditure	507	937
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)	(14,547)	(10,782)
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 31 March 2026 would result in a £0.03m (2024/25: £0.03m) 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 – Prior Period Adjustments

The prior year (2024/25) comparators have been adjusted where the impact on the 2024/25 accounts was material, or where restatement improves users' understanding of the financial statements. Details of the adjustments and the effect of the material changes are set out below.

Debtor & Creditor Realignment

During the review of debtors and creditors undertaken as part of the preparation of the 2025/26 Statement of Accounts, it was identified that some debtor balances relating to payroll services provided to third party organisations had been incorrectly offset against creditors rather than recognised within debtors. The 2024/25 comparative figures have therefore been restated to reflect the correct accounting treatment.

Adjustment	Assets	Liabilities	Reserves	Comprehensive Income & Expenditure Statement	Movement In Reserves Statement	Total
	£000	£000	£000	£000	£000	£000
Correction from Short-Term Creditors to Short-Term Debtors	1,792	(1,792)	0	0	0	0
Total adjustment	1,792	(1,792)	0	0	0	0

Statement of Accounts impact

The effect on the 2024/25 Statement of Accounts is set out below and has been reflected in the prior year comparative figures throughout the primary statements and associated notes to these accounts.

Balance Sheet

	2024/25 as previously stated £000	Debtor & Creditor Realignment £000	Restated 2024/25 £000
Short-term debtors	135,531	1,792	137,323
Short-term creditors	(88,276)	(1,792)	(90,068)

Note 18 - Financial Instruments

	2024/25 as previously stated £000	Debtor & Creditor Realignment £000	Restated 2024/25 £000
Debtors - Debtors amortised cost	64,689	1,792	66,481
Debtors - Financial instrument	70,122	1,792	71,914
Creditors - Non-Financial instrument	(32,843)	(1,792)	(34,635)

Note 19 - Debtors

	2024/25 as previously stated £000	Debtor & Creditor Realignment £000	Restated 2024/25 £000
Trade Receivables - gross debtors	72,146	1,792	73,938
Trade Receivables - net debtors	53,098	1,792	54,890

Note 22 – Creditors

	2024/25 as previously stated £000	Debtor & Creditor Realignment £000	Restated 2024/25 £000
Other payables	(30,915)	(1,792)	(32,707)

Note 43 - Nature and Extent of Risks Arising from Financial Instruments

	2024/25 as previously stated £000	Debtor & Creditor Realignment £000	Restated 2024/25 £000
Gross Receivables	72,146	1,792	73,938



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.

2024/25			2025/26		
Business Rates £000	Council Tax £000	Total £000	Business Rates £000	Council Tax £000	Total £000
INCOME					
0	(222,718)	(222,718)	0	(238,697)	(238,697)
(66,742)	0	(66,742)	(78,523)	0	(78,523)
(66,742)	(222,718)	(289,460)	(78,523)	(238,697)	(317,220)
EXPENDITURE					
Apportionment of Previous Years Surplus / (Deficit)					
(3,910)	2,685	(1,225)	0	2,796	2,796
0	376	376	0	392	392
(39)	132	93	0	135	135
0	28	28	0	28	28
(3,949)	3,221	(728)	0	3,351	3,351
Precepts, Demands and Shares					
69,031	181,258	250,289	71,109	194,099	265,208
0	25,436	25,436	0	27,313	27,313
697	8,759	9,456	718	9,424	10,142
0	1,824	1,824	0	2,350	2,350
69,728	217,277	287,005	71,827	233,186	305,013
Charges to Collection Fund					
429	571	1,000	226	1,177	1,403
600	3,431	4,031	1,505	3,245	4,750
(2,458)	0	(2,458)	111	0	111
(1,119)	0	(1,119)	(113)	0	(113)
317	0	317	317	0	317
395	0	395	347	0	347
133	0	133	113	0	113
(1,703)	4,002	2,299	2,506	4,422	6,928
(2,666)	1,782	(884)	(4,190)	2,262	(1,928)
3,056	(4,082)	(1,026)	390	(2,300)	(1,910)
390	(2,300)	(1,910)	(3,800)	(38)	(3,838)

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 2025/26, the tax base was estimated as 97,908.96 band D 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 2024/25 included for comparison.

2025/26					
Band	Valuation band limits	Calculated no of dwellings No	Ratio to band D	Equated No of dwellings No	Council Tax payable £
	£				
Disabled A	1/9th of Band A	86.7	5/9	48.2	
A	Upto and including - 40,000	38,398.4	6/9	25,598.9	1,587.78
B	40,001 - 52,000	26,346.1	7/9	20,491.4	1,852.41
C	52,001 - 68,000	24,081.0	8/9	21,405.3	2,117.03
D	68,001 - 88,000	12,360.7	9/9	12,360.7	2,381.66
E	88,001 - 120,000	7,847.2	11/9	9,591.0	2,910.91
F	120,001 - 160,000	4,110.0	13/9	5,936.7	3,440.18
G	160,001 - 320,000	2,997.1	15/9	4,995.1	3,969.44
H	More than - 320,001	254.9	18/9	509.8	4,763.32
Collection Rate				97.00%	
Council tax base				97,908.96	
2024/25					
Band	Valuation band limits	Calculated no of dwellings No	Ratio to band D	Equated No of dwellings No	Council Tax payable £
	£				
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	

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 2026 is £195.3m (£192.6m as at 31 March 2025). 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:

	2024/25 multiplier	2025/26 multiplier
Rateable Value	(pence)	(pence)
Up to £51,000	49.9	49.9
Over £51,000	54.6	55.5



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.

Agency services

Services the Council provides for other organisations, or services other organisations provide for the Council.

Amortisation

The process of charging capital expenditure, usually on intangible non-current assets, to the accounts over a suitable period of time.

Amortised cost

Amortised cost is the real amount at which the financial instrument is measured rather than the payments made under a contract.

Appropriations

Amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

Asset Ceiling

Under IFRIC14, an asset ceiling limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.

Assets held for sale

Property (land or a building, or part of a building) which is expected to be sold within the next 12 months and is therefore held primarily as a means of generating a capital receipt.

Balance Sheet

The Balance Sheet is a summary of an authority's financial position at the year end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness, and the non-current and net current assets employed in its operations, together with summarised information on non-current assets held.

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 a national rate in the £GBP 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 Adjustment Account

The Capital Adjustment Account is made up of amounts set aside from revenue resources or capital receipts to pay for spending on non-current assets or for repaying external loans and certain other capital financing transactions.

Capital 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 financing

The means by which capital expenditure incurred by the Council is funded. Usually such funding comprises grants, contributions from third parties, receipts from the sale of assets, contributions from Council reserves and borrowing.

Capital Receipts

Income received from the disposal of land and other capital assets, and from the repayment of grants and loans to the Council.

Capital Receipts Reserve

A reserve held to provide an alternative source for financing future capital expenditure, and to ensure some stability in the level of capital programmes that can be financed.

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.

Comprehensive Income and Expenditure Statement (CIES)

This statement consolidates all the gains and losses experienced by the Council during the financial year. The statement has two sections:

- Surplus or Deficit on the Provision of Services (SDPS) – the increase or decrease in net worth as a result of incurring expenditure and generating income.
- Other Comprehensive Income and Expenditure – any changes in net worth not reflected in the surplus or deficit on the provision of services.

This statement shows the accounting cost in year of providing services in accordance with accounting practice rather than the amount to be funded from taxation.

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 Assets and Liabilities

Current assets are cash and items that can be readily converted into cash. Current liabilities are items that are due for payment immediately or in the short term.

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.

Deferred Capital Receipts

Amounts derived from asset sales, which will be received in instalments over a period of years. (e.g. mortgages on the sale of council houses).

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.

Depreciated Historic Cost

The value of an asset shown in the Balance Sheet calculated from the original cost less depreciation to date.

Derecognition

The removal of an asset or liability from the Balance Sheet as it has been extinguished, for example, the settling of a liability by paying the creditor.

Discretionary Benefits

Retirement Benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers.

Donated Assets

Assets transferred at nil value or acquired at less than fair value.

Earmarked Reserves

These reserves represent monies set aside that can only be used for a specific usage or purpose.

Effective Interest Rate

The rate of interest that would discount expected cash flows throughout the life of the financial instrument down to the fair value of the asset calculated at initial measurement.

Events after the Balance Sheet Date

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

Exceptional Items

Items that derive from the ordinary activities of the Council and are material in terms of the Council's overall expenditure but not expected to recur frequently or regularly.

Expected Credit Loss

Expected Credit Losses are probability-weighted estimates of credit losses measured as the present value of all cash shortfalls, taking account of past events, current conditions

and reasonable and supportable forecasts of future economic conditions, in accordance with IFRS 9.

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.

Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis links the Comprehensive Income and Expenditure Statement by demonstrating how available funding has been used to provide services. Whilst still reported in accordance with accounting practice, the analysis shows how the expenditure has been allocated by directorates for decision making purposes rather than legislative purposes.

Fair Value Through Other Comprehensive Income (FVOCI)

Objective is to receive contractual cash flows and sell the financial asset. The terms give rise to specified cash flow on specific dates and must be solely principal and interest (SPPI) on outstanding balance. Election can be made where changes to the value can be reported in Other Comprehensive Income and Expenditure.

Finance Lease

An arrangement whereby the owner of an asset (the lessor) accepts a rental in return for allowing another party (the lessee) use of an asset for a specified period, such that substantially all of the risks and rewards associated with ownership are transferred to the lessee.

Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term financial instrument covers both financial assets and financial liabilities and includes trade debtors, investments, trade creditors and borrowings.

Financial Instrument Revaluation Reserve

Unusable Reserve that holds financial instrument unrealised gains and losses. These amounts will only become available to provide services once the gain/loss has been realised and the financial asset has either been disposed of or reached maturity.

General 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.

Government Grants and Contributions Unapplied

Capital grants and contributions that have been recognised in the Comprehensive Income and Expenditure Statement not yet applied to finance capital expenditure.

Heritage Assets

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.

IFRS16 Leases

An accounting standard that became mandatory for implementation by Local Authorities from 1st April 2024. Its main impact is to remove the traditional distinction between Finance Leases and Operating Leases for lessees. This will require recognition of Assets and Liabilities for most leases.

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.

Inventories

Raw materials and consumable goods bought but not yet used at the end of the accounting period.

Investments

Short term investments comprise deposits of temporary surplus funds with banks or similar institutions. Long term investments comprise similar funds held for a period of more than one year.

Investment Properties

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 leases. 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)

A multi-year financial strategy setting out resource assumptions, funding plans, risks and opportunities to support long-term financial resilience.

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.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable and unusable reserves. The statement reconciles the surplus or deficit on the provision of services, in the Comprehensive Income and Expenditure Statement, to the movement in the General Fund balance for the year.

National Non-Domestic Rates (NNDR also known as Business Rates)

A levy on business property based on a national rate in the £GBP 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 Current Replacement Cost

The estimated cost of replacing or recreating an asset in its existing condition and existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the condition of the existing asset.

Net Expenditure

Gross expenditure less specific service income but before the deduction of non-ring-fenced government grants and local taxation.

Net Realisable Value

The expected proceeds from the sale of an asset when sold on the open market between a willing buyer and a willing seller less all the expenses incurred in selling the asset.

Non-current Asset

An asset which is intended to be in use for several years such as a building or a vehicle. These may be tangible or intangible.

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.

Prepayments

Amounts paid by the Council during the year in relation to goods and services not received until the following year.

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.

Private Finance Initiative (PFI)

A means of securing new assets and associated services in partnership with the private sector.

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.

Receipts In Advance

Amounts received by the Council during the year relating to goods or services delivered in the following year.

Right of Use Asset

An asset that represents a lessee's right to use an asset for the lease term.

Related Party

A person or organisation which has influence over another person or organisation.

Reserves

Specific amounts set aside for future policy purposes or to cover contingencies. There are two types of reserve: usable reserves which are available to meet current expenditure, and unusable reserves which are not. Most revenue reserves are capable of being used, but the Revaluation Reserve, Capital Adjustment Account, and the Financial Instruments Adjustment Account cannot be used to meet current expenditure.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

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.

Section 151 Officer

The Officer designated to assume overall responsibility for the administration of the financial affairs of the Council and for the preparation of the Council's Statement of Accounts.

Section 106

Section 106 (S106) agreements are contracts signed between the Council and a developer whereby both parties agree to work in partnership to mitigate the negative impacts of development in the local area.

Settlements and Curtailments (IAS 19 term)

Settlements are liabilities settled at a cost materially different to the IAS 19 reserve during the year. Curtailments represent the cost arising from early payment of accrued pensions in respect of any redundancies during the year.

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 a non-current 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

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Merseyside Pension Fund Accounts

2024/25	FUND ACCOUNT - For the year ended 31 March 2026	<i>Note</i>	2025/26
£000			£000
	Dealing with members, employers and others directly involved in the fund:		
281,362	Contributions Receivable	7	293,170
23,760	Transfers In	8	39,331
305,122			332,501
(483,660)	Benefits Payable	9	(512,091)
(24,895)	Payments to and on account of Leavers	10	(23,270)
(508,555)			(535,361)
(203,433)	Net additions/(withdrawals) from dealing with members		(202,860)
(55,002)	Management Expenses	11	(51,045)
(258,435)	Net additions/(withdrawals) including Fund Management Expenses		(253,905)
	Return on Investments:		
358,808	Investment Income	12	331,111
61,119	Profit and Losses on Disposal of Investments and Change in Market Value of Investments	13	1,173,575
(16,803)	Revaluation of Bulk Annuity Insurance Buy In Contract	13	(16,071)
(4,944)	Taxes on Income	12	(6,031)
398,180	Net Return on Investments		1,482,584
139,745	Net Increase/(Decrease) in the Fund during the year		1,228,679
10,821,015	Net Assets of the Fund at the start of the year		10,960,760
10,960,760	Net Assets of the Fund at the end of the year		12,189,439

2024/25	NET ASSETS STATEMENT - For the	<i>Note</i>	2025/26
£000	year ended 31 March 2026		£000
Long Term Investment Assets			
186,245	Bulk Annuity Insurance Buy In Contract	<i>13</i>	170,174
	Investment Assets	<i>13</i>	
3,019,500	Equities		3,337,646
589,459	Bonds		613,099
6,056,723	Pooled Investment Vehicles		6,828,168
181,335	Derivative Contracts		76,785
425,700	Direct Property		432,275
241,337	Loans		184,875
235,643	Short Term Cash Deposits		310,262
111,607	Other Investment Balances		273,883
11,047,549			12,227,167
(138,411)	Investment Liabilities	<i>14</i>	(90,444)
10,909,138	Total Net Investment Assets		12,136,723
15,884	Long Term Assets	<i>19</i>	20,069
57,337	Current Assets	<i>20</i>	59,736
(21,599)	Current Liabilities	<i>20</i>	(27,089)
10,960,760	Net Assets of the Fund as at 31 March		12,189,439

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 2025/26 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 2025/26 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 268 employer organisations within Merseyside Pension Fund including Wirral Council itself, the fund also has 162,277 members as detailed below:

31 March 2025		31 March 2026
268	Number of Employers with Active Members	268
50,007	Number of Employees in Scheme	51,090
52,957	Number of Pensioners	55,188
6,769	Number of Dependants	6,907
39,467	Number of Deferred Pensioners*	38,611
8,601	Number of undecided leavers	10,481
157,801	Total Number of Members in the Scheme	162,277

* The number of undecided leavers was previously reported under deferred pensioners.

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 level 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 Funds' website: <https://mpfmembers.org.uk/>

Note 2 Basis of Preparation

The Statement of Accounts summarises the Funds' transactions for the 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 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 ruled in the case of Virgin Media v NTL Pension Trustees. The ruling was that certain defined benefit pension scheme amendments were invalid as they were not accompanied by the correct actuarial certification. This ruling was appealed and on the 25th July 2024, the Court of Appeal upheld the decision of the High Court.

The Local Government Pension Scheme (LGPS) was a contracted-out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. HM Treasury has indicated it did not believe the case applied

directly to public service pension schemes where changes will have been made to benefits by legislation.

The government responded on 5 June 2025 that it will introduce legislation to deal with issues arising from the June 2023 legal judgement.

The government notes that the "legislation will give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards" and that "scheme obligations will otherwise be unaffected."

This legislation was included within the Pension Scheme Bill that received Royal Assent on 29 April 2026.

At the time of the signing of the financial statements HM Treasury and the Government Actuaries Department are currently investigating whether certificates exist for the prior scheme amendments made to the LGPS, and as such there have been no adjustments, to reflect the impact of the ruling, made to the value of promised retirement liabilities.

Merseyside Pension Fund will continue to monitor the developments and will consider the impact on the value of promised retirement liabilities should any further information become available.

The accounts have been prepared on a going concern basis.

The following standards introduced by the 2026/27 Code, where disclosures are required in the 2025/26 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:

- Amendments to FRS102 The Financial Reporting Standard applicable to the UK and Republic of Ireland (Amendments to Heritage assets)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards - Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

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 2026, 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 2026, 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 2026.

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 should the securities have 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 2026 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). The valuations accord 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 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 2026 was £6,149 million (£5,653 million at 31 March 2025).

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 2026 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 2025/26 there remains additional uncertainty regarding the valuations of illiquid assets, due to the volatility in the financial markets 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 2026 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 2026, and up to the date when these accounts were authorised, that require any adjustments to these accounts.

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 2026. Employee contributions are matched by employers' contributions which are based on triennial actuarial valuations. The 2025/26 contributions above 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 £1,008 (2024/25 £32,760).

"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 2025/26 no such charges were levied.

2024/25	Contributions Receivable	2025/26
£000		£000
	Employers	
228,871	Normal	244,359
3,071	Pension Strain	3,635
(30,057)	Deficit Funding/(Surplus)	(41,014)
201,885	Total Employers	206,980
	Employees	
79,477	Normal	86,190
281,362		293,170
	Relating to:	
35,746	Administering Authority	38,434
229,020	Statutory Bodies	243,917
16,596	Admission Bodies	10,819
281,362		293,170

Note 8 Transfers In

There were no bulk transfers into the Fund during 2025/26.

2024/25	Transfers In	2025/26
£'000		£'000
-	Group Transfers	-
23,760	Individual Transfers	39,331
23,760		39,331

Note 9 Benefits Payable

2024/25	Benefits payable	2025/26
£000		£000
378,437	Pensions	396,944
96,296	Lump Sum Retiring Allowances	104,840
8,927	Lump Sum Death Benefits	10,307
483,660		512,091
	Relating to:	
63,997	Administering Authority	69,589
339,768	Statutory Bodies	358,969
79,895	Admission Bodies	83,533
483,660		512,091

Note 10 Payments to and on account of Leavers

2024/25	Payments to and on account of Leavers	2025/26
£000		£000
720	Refunds to Members Leaving Service	748
-	Payment for Members Joining State Scheme	-
(1)	Income for Members from State Scheme	(1)
-	Group Transfers to Other Schemes	-
24,176	Individual Transfers to Other Schemes	22,523
24,895		23,270

Note 11 Management Expenses

2024/25	Management Expenses	2025/26
£000		£000
4,008	Administration Costs	4,309
48,364	Investment Management Costs	41,318
3,232	Oversight and Governance Costs	5,854
(602)	Other Income	(436)
55,002		51,045

Note 11a Administration Costs

2024/25	Administration Costs	2025/26
£000		£000
2,903	Employee Costs	3,175
804	IT Costs	798
253	General Costs	282
48	Other Costs	54
4,008		4,309

Note 11b Investment Management Costs

2025/26

	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	10,876	7,473			4	3,399
Bonds	100	100				
Pooled Investment Vehicles	26,430	3,628	234	8,058	14,510	
Derivative Contracts	1,057	673			384	
Loans	477			477		
Short Term Cash Deposits	-					
Other Investment Balances	-					
		11,874	234	8,535	14,898	3,399
External Services	893					
Internal Investment Management Fees	1,485					
	<u>41,318</u>					

2024/25

	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					
	<u>48,364</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 2025/26 is £359,445 relating to recharged Actuarial fees (2024/25 £541,004).

The estimated External Audit fee for 2025/26 is £139,704, an additional £5,500 relates to services in respect of IAS19 assurances for admitted body auditors, which are recharged to those admitted bodies. Additional audit fees of £22,530 were approved by PSAA for 2023/24, with an additional £6,600 being charged for IAS19 for prior years paid in 2025/26. An audit fee rebate was received during 2025/26 for £15,756.

2024/25	Oversight & Governance Costs	2025/26
£000		£000
830	Employee Costs	885
1,920	External Services	4,410
49	Internal Audit	58
123	External Audit	159
310	Other Costs	342
3,232		5,854

Note 12 Investment Income

Interest on loans has been accrued up to 31 March 2026.

Investment income figures are shown gross of tax. Included in these figures is recoverable taxation of £22.2 million (2024/25 £19.5 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 2025/26 £5.4 million (2024/25 £3.4 million).

2024/25	Investment Income	2025/26
£000		£000
93,979	Dividends from Equities	101,549
4,642	Income from Bonds	10,206
111,417	Income from Pooled Investment Vehicles	95,340
24,590	Net Rents from Properties (Note 12A)	20,247
11,509	Bulk Annuity Insurance Buy In Contract Receipts	15,316
15,699	Interest on Short Term Cash Deposits	14,899
62,578	Income from Private Equity	39,215
10,119	Income from Derivatives	4,640
23,798	Interest from Loans	29,134
477	Other	565
358,808		331,111
(4,944)	Irrecoverable Withholding Tax	(6,031)
353,864		325,080

Note 12a Property Income

No contingent rents have been recognised as income during the period.

2024/25	Property Income	2025/26
£000		£000
34,813	Rental Income	30,298
(10,223)	Direct Operating Expenses	(10,051)
24,590	Net Rent from properties	20,247

Note 13 Investments

2025/26	Market Value @ 31.3.25 £'000	Purchases at Cost and Derivative Payments £'000	Sale Proceeds and Derivative Receipts £'000	Change in Market Value* £'000	Market Value @ 31.3.26 £'000
Bulk Annuity Insurance Buy In Contract	186,245	-	-	(16,071)	170,174
Equities	3,019,500	1,136,866	(1,447,640)	628,920	3,337,646
Bonds	589,459	105,915	(95,419)	13,144	613,099
Pooled Investment Vehicles	6,056,723	986,209	(881,278)	666,514	6,828,168
Direct Property	425,700	752	(2,750)	8,573	432,275
Loans	241,337	25,326	(81,788)	-	184,875
	10,518,964	2,255,068	(2,508,875)	1,301,080	11,566,237
Derivative Contracts					
FX	100	330,808	(330,472)	(436)	-
Options	49,247	239,866	(146,698)	(146,065)	(3,650)
Swaps	(2,553)	-	-	2,553	-
	10,565,758	2,825,742	(2,986,045)	1,157,132	11,562,587
Short Term Cash Deposits	235,643				310,262
Other Investment Balances	111,607			372	273,883
Amounts due to stockbrokers	(3,870)				(10,009)
	10,909,138			1,157,504	12,136,723

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

*Note: The change in market value of investments during the year comprises all realised and unrealised appreciation and depreciation.

Note 13a Analysis of Investments

2024/25	Long Term Investment Assets	2025/26
£'000		£'000
186,245	Bulk Annuity Insurance Buy In Contract	170,174
2024/25	Investment Assets	2025/26
£'000		£'000
3,019,500	Equities	3,337,646
589,459	Bonds	613,099
	Pooled Investment Vehicles	
823,192	Equities	957,820
368,018	Bonds	524,742
919,649	Private Equity	923,247
306,891	Hedge Funds	323,893
842,935	Infrastructure	922,938
482,265	Unit Trusts - Property	496,450
1,860,000	Other Unitised Funds	2,220,906
453,773	Other	458,172
6,056,723		6,828,168
	Derivative Contracts	
104	FX	-
181,231	Options	76,785
-	Swaps	-
181,335		76,785
425,700	Property	432,275
241,337	Loans	184,875
	Short Term Cash Deposits	
235,643	Sterling	310,262
-	Foreign Currency	-
235,643		310,262
	Other Investment Balances	
-	Amounts Due from Brokers	-
7,738	Outstanding Trades	13,696
35,106	Outstanding Dividend Entitlements and Recoverable Withholding Tax	39,532
68,763	Cash Deposits	220,655
111,607		273,883
10,861,304	Total Investment Assets	12,056,993
11,047,549	Total Investments	12,227,167

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.

There are no forward currency contracts as at 31 March 2026.

	Asset	Liability
	£'000	£'000
Prior Year Comparative		
Open Forward Currency Contracts at 31 March 2025	104	(4)
Net Forward Currency Contracts at 31 March 2025		100

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 pays immediately a non-returnable premium (price) to secure the option. To minimise the risk of loss of value through adverse equity price movements, during 2025/26 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	Market Value 31 March 2026
			£'000	£'000
Assets				
Overseas equity purchased	Over three months	Put	884	76,785
Total Assets				76,785
Liabilities				
Overseas equity written	Over three months	Put	(884)	(63,110)
Overseas equity written	Over three months	Call	(396)	(17,326)
Total Liabilities				(80,436)
Net Purchased/Written Options				(3,650)

Swaps

There are no swap contracts as at 31 March 2026.

As at 31 March 2026, the Fund held cash and non-cash collateral of £516,000 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.

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:

2024/25	Property	2025/26
£'000		£'000
454,600	Balance at the Start of the Year	425,700
28,774	Additions	752
(60,909)	Disposals	(2,750)
8,163	Net Gain/Loss on Fair Value	(3,666)
-	Transfers In/Out	-
(4,928)	Other Changes in Fair Value	12,239
425,700	Balance at the End of the Year	432,275

As at 31 March 2026 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:

2024/25	Age Profile of Lease Income	2025/26
£000		£000
2,202	No later than one year	827
13,631	Between one and five years	29,715
173,006	Later than five years	196,003
188,839	Total	226,545

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 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. The terms and conditions of the policy specify that an initial premium was payable at the inception of the insurance contract, based on provisional data used to derive the quotation amount. They also stipulate that a data verification process be completed within two years of the contract's start date. During 2026/27 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:

2024/25	Bulk Annuity Buy In Contract	2025/26
£000		£000
186,245	Aviva PLC	170,174
186,245	Total	170,174

Note 13e Summary of Manager's Portfolio Values at 31 March 2025

2024/25			2025/26		
£million	%		£million	%	
Externally Managed					
371	3.4	JP Morgan (European equities)	307	2.5	
462	4.2	Nomura (Japan)	576	4.7	
295	2.7	Schroders (fixed income)	305	2.5	
272	2.5	Legal & General (fixed income)	272	2.2	
269	2.5	M&G (global emerging markets)	358	3.0	
270	2.5	TT International (UK equities)	211	1.7	
371	3.4	Blackrock (UK equities)	357	2.9	
243	2.2	Amundi (global emerging markets)	298	2.5	
209	1.9	Maple-Brown Abbot (Pacific Rim equities)	258	2.1	
1,590	14.5	State Street Global Advisor (Passive Manager)	1,948	16.0	
487	4.5	State Street Global Advisor (Bonds Manager)	454	3.7	
28	0.3	Open Door China A Share Fund Ltd	36	0.3	
186	1.7	Aviva PLC (Bulk Annuity Buy In Contract)	170	1.4	
-	-	CQS Credit Multi Assets	149	1.2	
5,053	46.3	Total Externally Managed	5,699	47.0	
Internally Managed					
651	6.0	UK equities	941	7.8	
400	3.7	European equities	463	3.8	
173	1.6	Asia pacific ex Japan	262	2.2	
426	3.9	Property (direct)	432	3.6	
530	4.9	Property (indirect)	524	4.3	
233	2.1	Loans	184	1.5	
937	8.5	Private equity	945	7.8	
353	3.2	Hedge funds	324	2.7	
857	7.9	Infrastructure	937	7.7	
544	5.0	Private Credit	544	4.5	
329	3.0	Global Equities Internal Factor	384	3.2	
152	1.4	Low Duration UK Fixed Income	157	1.3	
271	2.5	Short term deposits & other investments	341	2.8	
5,856	53.7	Total Internally Managed	6,438	53.1	
10,909	100.0	Total	12,137	100.0	

The following holdings each represent more than 5% of the net assets of the Fund:

2024/25			2025/26		
£million	%		£million	%	
977	9.0	MPF All World Equity Climate Balanced Multi-Factor Index Sub-Fund	1,230	10.1	
		North America Screened Index Equity Sub-Fund	612	5	
977	Total		1,842		

Note 13f Stock Lending

As at 31 March 2026, £350.5 million of stock was on loan to market makers, which was covered by cash and non-cash collateral, totalling £373.6 million. Collateral is marked to

market and adjusted daily. Income from Stock Lending amounted to £565,395 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

2024/25	Investment Liabilities	2025/26
£000		£000
134,541	Derivative Contracts	80,435
3,870	Amounts due to Stockbrokers	10,009
138,411	Total	90,444

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 2026 and 31 March 2025. 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 2026 £000	Potential variance %	Value on increase £000	Value on decrease £000
Property	943,673	10.0%	1,038,040	849,306
Unquoted UK equity	11,535	15.0%	13,265	9,805
Unquoted overseas equity	40,041	15.0%	46,047	34,035
Hedge funds	221,418	10.0%	243,560	199,276
Infrastructure	922,938	15.0%	1,061,379	784,497
Private equity	1,372,566	15.0%	1,578,451	1,166,681
Total	3,512,171			

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			

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 2026 £000	Potential variance	Value on increase £000	Value on decrease £000
Bulk Annuity Insurance Buy In Contract	170,174			
Change in Assumptions:				
Adjustment to discount rate		0.25	173,621	166,849
Adjustment to pensions increase		0.25	173,143	167,278
Adjustment to life expectancy		1 Year	177,423	162,980

	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

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 by 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 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 2026	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Investment assets				
Equities	3,299,020		38,626	3,337,646
Bonds	612,691	400	8	613,099
Pooled Investment Vehicles	1,317,494	2,469,412	3,041,262	6,828,168
Derivative Contracts		76,785		76,785
Direct Property			432,275	432,275
Bulk Annuity Insurance Buy In Contract			170,174	170,174
Loans*				184,875
Short Term Cash Deposits*				310,262
Other Investment Balances*				273,883
Total Investment Assets	5,229,205	2,546,597	3,682,345	12,227,167
Investment liabilities				
Amounts due to stockbrokers				(10,009)
Derivative Contracts		(80,435)		(80,435)
Total Investment Liabilities	-	(80,435)	-	(90,444)
Net Investment Assets	5,229,205	2,466,162	3,682,345	12,136,723

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

A reconciliation of fair value measurements in Level 3 is set out below:

2024/25 £000		2025/26 £000
3,532,338	Opening balance	3,599,823
574,017	Acquisitions	398,104
(458,340)	Disposal proceeds	(389,158)
26,758	Transfer into/(out) Level 3	-
	Total gain/(losses) included in the fund account:	
47,122	On assets sold	(61,838)
(122,072)	On assets held at year end	135,414
3,599,823	Closing balance	3,682,345

A reconciliation of fair value measurements for the Bulk Annuity Insurance Buy In Contract is set out below:

2024/25	Bulk Annuity Insurance Buy In Contract	2025/26
£000		£000
-	Bulk Annuity Insurance Buy In Contract value at start of year	186,245
203,048	Insurance Policy Purchases	-
(1,310)	Actuarial revaluation of Insurance Policy	-
7,275	Interest on insurance policy	8,954
-	Change in demographic assumptions	(7,983)
(10,975)	Change in financial assumptions	(906)
(284)	Actuarial experience	(820)
(11,509)	Payments received from insurer	(15,316)
186,245	Bulk Annuity Insurance Buy In Contract value at end of year	170,174

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 following table 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 the above 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 2026	Assets at amortised cost £000	Liabilities at amortised cost £000	Fair value through profit and loss £000	Total £000
Financial Assets				
Equities			3,337,646	3,337,646
Bonds			613,099	613,099
Pooled Investment Vehicles			6,828,168	6,828,168
Derivatives			76,785	76,785
Bulk Annuity Insurance Buy In Contract			170,174	170,174
Loans	184,875			184,875
Cash Deposits	310,262			310,262
Other Investment Balances	273,883			273,883
Long Term and Current Assets	79,805			79,805
Total Financial Assets	848,825	-	11,025,872	11,874,697
Financial Liabilities				
Derivatives			(80,435)	(80,435)
Other Investment Balances		(10,009)		(10,009)
Current Liabilities		(27,089)		(27,089)
Total Financial Liabilities	-	(37,098)	(80,435)	(117,533)
Total Net Assets	848,825	(37,098)	10,945,437	11,757,164

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

Note 16b Net Gains & Losses on Financial Instruments

2024/25 £000	Net Gains and Losses on Financial Instruments	2025/26 £000
	Financial Assets	
109,958	Fair Value through Profit and Loss	1,311,131
3,110	Amortised Cost - realised gains on derecognition of	372
113,068	Total Financial Assets	1,311,503
	Financial Liabilities	
(71,895)	Fair Value through Profit and Loss	(162,572)
(92)	Amortised Cost - realised losses on derecognition of	-
(71,987)	Total Financial Liabilities	(162,572)
41,081	Net gains and losses on Financial Instruments	1,148,931

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 aren't, 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.

The Fund's primary objective is to ensure it has sufficient assets to meet its statutory obligation to pay all pension liabilities as they fall due. As a minimum, and consistent with the Funding Strategy Statement, this translates to achieving a long-term rate of return ahead of the Consumer Price Index (CPI) that is in keeping with the assumptions adopted by the Fund Actuary in assessing the Fund's future liabilities. This should ensure the Fund is able to achieve its target of a 100% solvency level over a reasonable time frame, whilst maintaining sustainable and affordable employer contribution rates.

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 is reviewed as required particularly if there have been significant changes in the underlying liability profile or the investment environment.

Investment risk is managed in line with the Fund's risk appetite, balancing a wide variety of return-seeking assets and defensive assets so that adverse funding outcomes remain acceptable to employers and are appropriate given the maturity of the Fund and its cash flow profile. Quantitative risk metrics are considered as part of actuarial valuations and strategic advice, such as Value-at-Risk and probability of achieving the actuarial discount rate used for calculating past and future service.

The Fund's financial risk appetite is determined after seeking advice from the Fund's Strategic Investment advisors and the Fund Actuary. It is set at a level consistent with an investment strategy that should ensure sufficient resources are available to meet all liabilities as they fall due and enable employer contribution rates to remain sustainably affordable.

The Fund's Strategic Asset Allocation (SAA), alongside diversification of assets, is the primary way in which investment risk is managed. The SAA contains target allocations for each asset class, along with associated operable ranges which are integral for managing overall investment risk.

The Strategic Investment advisors prepare regular reports to the Fund on quantitative risk measures, including but not limited to Value-at-Risk, as well as various liquidity and cash flow metrics. The former quantifies the maximum expected percentage fall in asset values

over one year with 95% confidence. The Fund also receives complementary risk measures from the Fund Actuary at every triennial review, including but not limited to, the probability of being at least 100% funded in twenty years and the probability of investment returns exceeding the actuarial discount rate applied to liabilities associated with past service.

Risks arising from climate change are considered material to the Fund's long-term return objective and is reported annually to ensure the Fund maintains alignment with the goals of the Paris Agreement and is on target to reduce the investment portfolio's carbon footprint.

The Fund maintains a register of principal risks and the controls and measures put in place to manage them. The Risk Register is a standing item on the agenda of the Fund Operating Group which meets monthly and on the agenda for the Governance and Risk Working Party and Local Pension Board. Whilst it focusses on administrative, financial and operational risks, it is nevertheless important in contributing to the achievement of the Fund's investment objectives. In addition, the Fund makes use of external advisors and applies industry best practice in assessing and establishing policies to identify and mitigate risks that are inherent in many of its activities.

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 Gallagher'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 2026. 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 2026	Potential Variance	Value on increase	Value on decrease
2025/26	£million	%	£million	£million
UK Equities (all equities including pooled vehicles)	2,456	14.0%	2,800	2,112
US Equities	941	13.7%	1,070	813
Canadian Equities	45	17.7%	53	37
European Equities	852	16.4%	992	713
Japanese Equities	597	13.7%	679	515
Emerging Markets Equities inc Pac Rim	1,288	18.7%	1,528	1,047
Global Equities (all equities including pooled vehicles)	72	14.1%	82	62
UK Fixed Income Pooled Vehicles	791	6.4%	842	741
UK Index Linked Gilts	613	7.3%	657	568
Pooled Property	496	14.0%	565	427
Private Equity	923	31.1%	1,210	636
Hedge Funds	324	7.4%	348	300
Infrastructure	923	21.9%	1,125	721
Other Alternative Assets	458	8.5%	497	419
Loans, Short Term Deposits & Other Investment Balances	808	0.0%	808	808
Total	11,587			

2024/25	Value at 31 March 2025	Potential Variance	Value on increase	Value on decrease
	£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			

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 within 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 2026 was £310.3 million (31 March 2025 £235.6 million). This was held on instant access accounts with the following institutions:

2024/25		Rating (S & P)	2025/26
£000			£000
41,630	Lloyds Bank	Long A+ Short A-1	39,186
114,013	Northern Trust	AAAm	191,076
30,000	Invesco	AAAm	30,000
30,000	Federated	AAAm	30,000
20,000	Santander	Long A Short A-1	20,000
235,643	Total		310,262

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 2026 of £310 million. The Fund has £8,167 million in assets which could be realised in under 7 days' notice, £555 million in assets which could be realised in under 90 days' notice and £2,865 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 2025/26 in its dealing with members of £203 million, and management expenses of £51 million, this net withdrawal overall, is offset by investment income of £331 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 unfavorable 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 c.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. 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 as at 31 March 2025. The next valuation will take place as at 31 March 2028.

The most recent Triennial Valuation by the actuary was as at 31 March 2025, when the funding level was 116% of projected actuarial liabilities (2022 106%). 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 2025 valuation the average recovery period adopted for employers in deficit is 12 years, and for the employers in surplus is 15 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 sustainable and affordable cost to the taxpayers and employers, 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

Summary of key whole Fund assumptions used for calculating funding target

Summary of key whole Fund assumptions used for calculating funding target

Financial Assumptions	2025 Valuation Assumptions		Description
Investment return / discount rate	Higher Risk Investment Strategy Bucket	5.50% p.a. (past) and 4.85% p.a. (future)	Derived from the expected return on the Fund assets based on the long-term strategy set out in the ISS, including appropriate margins for prudence. For the 2025 valuation this is based on an assumed return of 2.90% p.a. above CPI inflation (past service) and 2.25% p.a. above CPI inflation (future service). This real return will be reviewed from time to time based on the investment strategy, market outlook and the Fund's overall risk metrics
	Lower Risk Investment Strategy Bucket	5.98% p.a. (past and future for a very mature employer)	Linked directly to the yields available for the assets within the lower risk investment strategy. The typical discount rate is equivalent to a return of 0.83% p.a. above gilt yields as at 31 March 2025. This assumption will be regularly reviewed and updated to allow for changes in market conditions at the relevant employing body's cessation date, along with any other structural or legislative changes. The assumption used will be linked to the duration of the employer's liabilities as appropriate.
Inflation (Retail Prices Index)	3.30% p.a.		The investment market's expectation as indicated by the difference between yields derived from market instruments, principally conventional and index-linked UK Government gilts as at the valuation date (reflecting the profile and duration of the whole Fund's accrued liabilities).
Inflation (Consumer Prices Index)	Higher Risk Investment Strategy Bucket	2.60% p.a. (includes an adjustment of 0.70% p.a.)	RPI inflation (above) reduced to reflect the expected long-term difference between RPI and CPI measures of inflation (reflecting the profile and duration of the whole Fund's accrued liabilities and 2030 RPI reform) and adjusted to remove the estimated impact of supply/demand distortions as well as Bank of England forecasts. This varies for the higher and lower risk strategies, reflecting the degree of inflation hedging inherent in each strategy and will reflect the duration of
	Lower Risk Investment Strategy Bucket	3.10% p.a. (includes an adjustment of 0.20% p.a. for a very mature employer)	
Salary increases (long-term)	Higher Risk Investment Strategy Bucket	4.10% p.a.	Pre 1 April 2014 benefits (and 2014 to 2022 McCloud underpin) - the assumption for real salary increases (salary increases in excess of price inflation) will be determined by an allowance of 1.50% p.a. over the appropriate CPI inflation assumption as described above. This includes allowance for promotional increases.
	Lower Risk Investment Strategy Bucket	4.60% p.a.	
Pension Increases and Deferred Revaluation	Assumed to be in line with the CPI inflation assumption above (noting that pension increases cannot be negative as pensions cannot be reduced). At the 2025 valuation, an adjustment has been made to the liabilities to allow for the known inflation for the period September 2024 to March 2025, and where material, allowance will continue to be made for inflation as it emerges when assessing funding positions between valuations.		
Indexation of CARE benefits	Assumed to be in line with the CPI inflation assumption above. For members in pensionable employment, indexation of CARE benefits can be less than zero (i.e. a reduction in benefits).		
McCloud	A reasonable estimate for the potential cost of McCloud has been included within the 2025 valuation results for each employer. This has been calculated based on the actual data provided for the 2025 valuation and in line with national guidance.		

For further and full details please refer to the Fund's website:
<https://mpfmembers.org.uk/>

Note 19 Long Term Assets

Assets due in more than one year include future payments of pension strain and accrued loan interest.

2024/25	Long Term Assets	2025/26
£000		£000
15,884	Assets due in more than one year	20,069
15,884	Total	20,069

Note 20 Current Assets & Liabilities

"Sundry debtors" mainly covers general debtors, property arrears due and agents' balances.

"Provision for Credit Losses" relates to property rental income following a review of all individual debts as at 31 March 2026.

The main components of "Sundry Creditors" are the outstanding charges for Investment Management fees, payable quarterly in arrears, Custodian and Actuarial fees, plus taxes due, pre-paid rent, Administering Authority re-imbursement and general creditors for supplies and services.

2024/25	Current Assets & Liabilities	2025/26
£000		£000
	Assets	
20,829	Contributions due	22,274
8,035	Accrued and outstanding investment income	14,632
28,584	Sundry Debtors	23,204
(111)	Provision for credit losses	(374)
-	Cash at bank	(0)
57,337	Current Assets	59,736
	Liabilities	
-	Amounts due to external managers	-
4,485	Retirement grants due	5,108
17,114	Sundry Creditors	21,981
21,599	Current Liabilities	27,089
35,738	Net Current Assets	32,647

Note 21 Contractual Commitments and Contingent Liabilities

Commitments for investments amounted to £1,027 million as at 31st March 2026. (2024/25 £1,090 million). These commitments relate to Private Equity £455.83 million, Infrastructure £127.94 million, Private Credit £254.99 million, Indirect Property £185.73

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 favor 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 four groups of related parties: transactions between Wirral Council, as Administering Authority, and the Fund, between employers within the Fund and the Fund, between the Northern LGPS 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 £5.5 million. (2024/25 £5.1 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 £4.0 million (2024/25 £4.3 million) and a creditor of £1.3 million as at 31 March 2026 (2024/25 £0.4 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 2026 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 Merseyside Fire and Rescue Authority and Welsh Local Government Association. 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.

Northern LGPS Ltd has been established in January 2026 to manage investment assets on behalf of 3 Local Government Pension Schemes, administering authorities, including Merseyside Pension Fund, Greater Manchester Pension Fund and West Yorkshire Pension Fund. It is jointly owned by equal shares by the 3 administering authorities participating in the pool.

As at 31 March 2026 Wirral Council (via the Pension Fund) has not yet invested capital into Northern LGPS. During 2025/26 the Fund incurred set up costs of £2.2 million paid in accordance with the pool cost sharing agreement and shown in note 11c under external services.

Note 23a Key Management Personnel

As at 31 March 2026, the Fund's senior management was comprised of 6 individuals: the Director of Pensions, Head of Pensions (x4), and the Senior Manager Operations & Information Governance, the remuneration paid to the senior management during 2025/26 was £501,413 (2024/25 £469,053 for equivalent filled posts). In addition, employer contributions of £89,369 (2024/25 £87,569 for equivalent filled posts) was 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 31/3/26
Peter Wallach	Director of Pensions	GLIL	£397.0m
MPF committed an additional £50m to GLIL during 2025/26, the remaining commitment as at 31 March 2026 is £105.0m.			
		Northern Pool GP (NO.1) Ltd	£439.9m
MPF committed an additional £50m to NPEP during 2025/26, the remaining commitment as at 31 March 2026 is £335.5m.			
		Tellsons Investors LLP	£nil.
The Fund sold its investments in Tellsons during 2025/26 for a value of £48.3 and the partnership interest lapsed as it was wound up. The winding up of this Fund is currently taking place.			
		Northern LGPS Ltd	£nil.
During 2025/26 the Fund incurred set up costs of £2.2m.			
Adil Manzoor	Head of Pensions - Private Markets	Virtus (Kothar Group)	£5.7m
There were no new commitments to Virtus during 2025/26, there is no remaining commitment as at 31 March 2026.			
During 2025/26 Owen Thorne, Portfolio Manager, resigned a Directorship on Technology Enhanced Operations Ltd (TEO), the Fund sold its investments in TEO during 2025/26 for a value of £0.4.			

Note 24 Additional Voluntary Contribution Investments

2024/25	Additional Voluntary Contribution (AVC) Investments	2025/26
£000		£000
	The aggregate amount of AVC investments is as follows :	
1,474	Utmost Life	1,179
4,765	Standard Life	4,811
16,362	Prudential	19,541
22,601		25,531
	Changes during the year were as follows:	
4,346	Contributions	5,795
3,510	Repayments	4,970
865	Change in market values	2,105

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
Belong CE MAT
Bidston Avenue Primary School
Billinge Chapel End Parish Council
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
Chapelhill Primary School
Chesterfield High School (Academy)
Chief Constable
Childwall CE Primary School
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 Rathbone
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 Infant & Nursery School
Forefield Junior School

Formby High School (Academy)
 Four Oaks Primary School (Academy)
 Garston C of E Primary School (Academy)
 Gateacre School
 Gayton Primary School (Academy)
 Greasby Junior School (Academy)
 Great Meols Primary 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
 Heswall Primary School (Academy)
 Heygreen Community Primary (Academy)
 Hightown Parish Council
 Hilbre High School (Academy)
 Hillside High School (Academy)
 Holy Spirit Catholic Primary (Academy)
 Holy Trinity CE Primary (Academy)
 Hope Academy
 Hoyslake Holy Trinity CE Primary
 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
 Kirkdale St Lawrence Primary School
 Knotty Ash Primary School
 Knowsley Lane Primary School (Academy)
 Knowsley M.B.C.
 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 Experience Campus Ltd
 Liverpool Institute of Performing Arts (LIPA)
 Liverpool John Moores University
 Liverpool Life Science UTC (Academy)
 Lord Derby Academy
 Maghull High School (Academy)
 Maghull Town Council
 Manor Primary School (Academy)
 Melling Parish Council
 Mendell Primary School (Academy)
 Meols Cop High School (Academy)

Merefield School
Mersey View Learning Trust (MVLT)
Merseyside Fire & Rescue Authority
Merseyside Passenger Transport Executive (MPTE)
Merseyside Waste Disposal Authority
New Park Primary (Academy)
North Liverpool Academy
Notre Dame Catholic School
Nutgrove Methodist Aided Primary
Oakdene Primary Academy
Office of the Police and Crime Commissioner for Merseyside (OPCCM)
Oldershaw Academy
Orrets Meadow School
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)
Oxton St Saviours CE Primary
Parish CE Primary (Academy)
Park View Academy
Plantation Primary School (Academy)
Pope Francis Catholic MAT
Poulton Lancelyn Primary School (Academy)
Prescot Primary School
Prenton High School for Girls (Academy)
Prescot 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
School Improvement Liverpool Ltd
Sefton M.B.C.
Shared Education Services Ltd
Shoreside Primary School
South Wirral High School
Southport Education Group
St Albans Primary School
St Ambrose Catholic Primary (Academy)
St Andrew's CE Primary (Academy)
St Andrew's CE Primary (Bebington)
St. Anselms College (Academy)
St Augustine of Canterbury (Academy)
St. Charles Catholic Academy
St Cleopas CE Academy
St. Edmund Arrowsmith Catholic Academy
St Edmunds & St Thomas Catholic Primary School

St. Edwards College (Academy)
 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 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 Prescot 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
 Well Lane Primary School
 Weatherhead High School (Academy)
 West Derby School (Academy)
 West Kirby Grammar School (Academy)
 West Kirby St Bridget's CE Primary
 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 Ltd (Sefton)
Archroad (SMC) @ St Austins
Arriva Squared
Association of Police Authorities
Balfour Beatty PFI SEN School
Balfour Beatty Workplace
Barnardos
Bouygues E & S FM UK Ltd
Bulloughs @ All Saints
Bulloughs @ SLT
Bulloughs @ St Margarets
Care Quality Commission
Caterlink @ Hugh Baird
Caterlink @ Sutton Academy
Change Grow Live
Change Grow Live @ Sefton
Churchill Contract Services (Sutton)
Citizens Advice Liverpool
City Heath Care (Knowsley)
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 John Bosco Arts College)
Dolce Ltd
Hochtief Liverpool Schools
Hochtief Wirral Schools
Hutchison @ Bishop Martin
Hutchison @ Oak Trees MAT
Improvement & Development Agency
Innovate @ HFC MAT
Interserve (Facilities Management) Ltd
ISS Mediclean Ltd (Outwood Academy)
J McCann & Co Ltd
Liverpool Schools Sports Partnership (LSSP)
Local Government Association
Mellors Catering – Pope Francis MAT
Mitie Care Custody Ltd
One Day Ltd
Orian @ Bluecoat
Partners Credit Union

Pristine Clean @ LLT
RCCN @ Pope Francis MAT
Sanctuary Home Care Ltd
Sefton New Directions Ltd
Sentrex @ Mill Green
Southern Electric Co Ltd
Tarmac Trading Ltd
Taylor Shaw (Raeburn)
Taylor Shaw (St Andrews)
Torus 62 Ltd
Veolia ES Merseyside & Halton
Volair Ltd
Welsh Local Government Association
Wirral Partnership Homes (Magenta)
Yunex Ltd

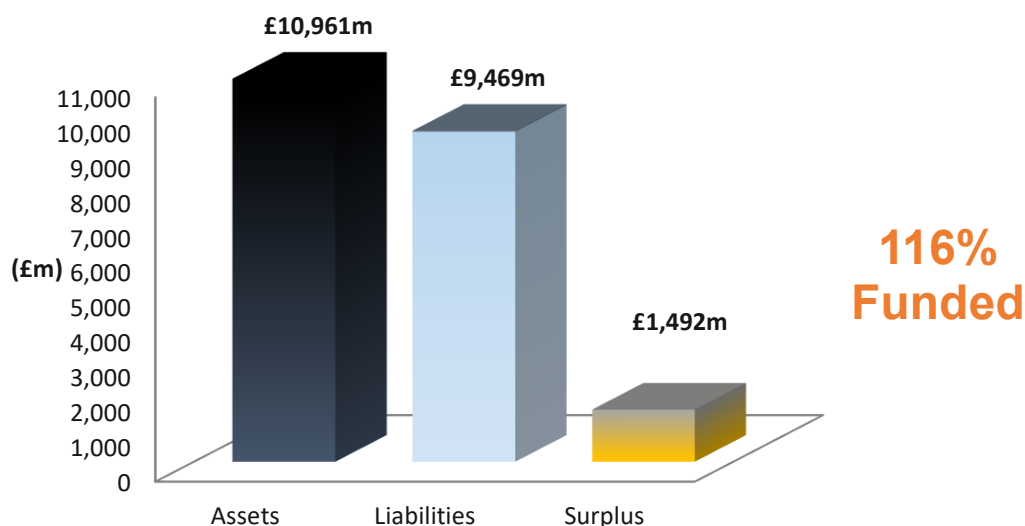
Accounts for the year ended 31 March 2026 – Statement by the Consulting Actuary



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 2025 to determine the contribution rates with effect from 1 April 2026 to 31 March 2029.

On the basis of the assumptions adopted, the Fund's assets of £10,961 million represented 116% of the Fund's past service liabilities of £9,469 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £1,492 million.



The valuation also showed that a Primary Contribution Rate of 16.2% 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 contributions in respect of any deficit / surplus for each employer. At the 2025 actuarial valuation the average recovery period adopted for employers in deficit was 12 years, and the run off period for employers with a recoverable surplus was 15 years. The resulting total "Secondary Rate" for 2026/29 was, on average, a surplus offset of approximately £95m per annum (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 2026.

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 valuation was carried out using the projected unit actuarial method. Full yield curves were used in calculating the liabilities and the approximate single equivalent rates for the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary Contribution Rate, were as follows:

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
Return on investments (discount rate)		
Higher Risk Investment Bucket	5.50% p.a.	4.85% p.a.
Lower Risk Investment Bucket	5.98% p.a.	5.98% p.a.
Pay increases (long term)		
Higher Risk Investment Bucket	4.10% p.a.	4.10% p.a.
Lower Risk Investment Bucket	4.60% p.a.	4.60% p.a.
Pensions increases (in excess of GMP)		
Higher Risk Investment Bucket	2.60% p.a.	2.60% p.a.
Lower Risk Investment Bucket	3.10% p.a.	3.10% p.a.

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2028. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2029.

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:

	£m
Start of period liabilities	9,002
Interest <u>on</u> liabilities	510
Net benefits accrued / paid over the period*	(256)
Actuarial (gains) / losses (see below)	167
End of period liabilities	9,423

**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 5.8% p.a. to 6.2% p.a. The long-term assumed CPI also increased over the year from 2.6% p.a. to 2.9% p.a. The net effect is a small reduction in liabilities.

- **Change in demographic assumptions:** As noted in Appendix B, the mortality assumptions have been updated to reflect the latest mortality study carried out for the 2025 actuarial valuation. This acts to slightly reduce the liabilities.
- **Pension increases / inflation experience:** The figures allow for the impact of actual CPI over the year compared to the start of period assumption (experience to September 2025 fed into the April 2026 pension increase of 3.8%, and actual inflation from that point will feed into the 2027 increase). As inflation over the year was higher than the long-term assumption, this slightly increases the liabilities.
- **Allowance for 2025 actuarial valuation results:** The figures allow for the now completed 2025 actuarial valuation of the Fund. The effect of this is an increase in liabilities.

Paul Middleman
FIA C.Act

Mark Wilson
FIA C.Act

Mercer Limited
June 2026

Appendix A

Additional considerations

The “McCloud judgment”: The figures above allow for the impact of the judgment based on the remedy and the data provided for the 2025 actuarial valuation.

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: There was significant volatility in markets both shortly before and after the accounting date. 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 2026 (the 31 March 2025 assumptions are included for comparison):

Financial assumptions

	31 March 2025	31 March 2026
Rate of return on investments (discount rate)	5.80% p.a.	6.20% p.a.
Rate of CPI Inflation / CARE benefit revaluation	2.60% p.a.	2.90% p.a.
Rate of pay increases	4.10% p.a.*	4.40% p.a.
Increases on pensions (in excess of GMP) / Deferred revaluation	2.70% p.a.	3.00% p.a.

**An adjustment was made for short term pay restraint in line with the 2022 valuation*

Post retirement mortality (normal health)

	31 March 2025 (M/F)	31 March 2026 (M/F)
Base mortality table	SAPS 4 / SAPS 4 middle	SAPS 4 / SAPS 4 middle
Future improvements	CMI 23 1.5%	CMI 24 1.5%
Other choices	S=7, A=0 W20=W21=0%, W22=W23=15%	Core Underlying
Non-retired members (currently age 45):		
Weightings	114% / 103%	125% / 111%
Life expectancies at age 65	22.1 / 25.2	21.8 / 24.8
Retired members (current age 65):		
Weightings	109% / 103%	117% / 106%
Life expectancies at age 65	20.8 / 23.5	20.6 / 23.3

The start of period assumption is set based on the most recent mortality analysis as at the previous accounting date (so from the 2022 actuarial valuation), but with:

- a best estimate long-term improvement rate of 1.5%
- an update to the future improvement model (CMI 2023)
- an update to the base tables (S4 tables, with a reweighting to maintain consistency with the underlying mortality analysis)

The end of period base tables are set based on the updated analysis undertaken as part of the 2025 actuarial valuation (note that the 1.5% improvement rate is still our best estimate assumption).

Other demographic assumptions

The other demographic assumptions as at the start of period 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.

Those as at the end of period are the same as those used for 2025 actuarial funding valuation – full details are set out in the formal report on the actuarial valuation dated March 2026.

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