



Annual Statement of Accounts

Year ended 31 March 2021

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Annual Statement of Accounts 2020/21

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Narrative Report by the Authority Treasurer

Welcome to the Greater Manchester Combined Authority's (the Authority) Annual Statement of Accounts for 2020/21. The statements have been prepared in accordance with the requirements of the Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

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

- A full and understandable explanation of the overarching financial position of the Authority and the financial performance for the year 2020/21;
- Confidence that the public money with which the Authority has been entrusted has been used and accounted for in an appropriate manner;
- Assurance that the financial position of the Authority is sound and secure.

This narrative report provides information about the Authority, including the key issues affecting the Authority and its accounts. It also provides a summary of the financial position at 31 March 2021 and is structured as below:

- How the Authority Performed in 2020/21
- Devolution and Impact in 2020/21
- The Authority's Group of Companies
- Revenue Budget and Financial Performance 2020/21
- Capital Programme and Financing 2020/21
- Treasury Management Performance in 2020/21
- Forward Look – Financial Landscape
- Financial Statements

How the Authority Performed in 2020/21

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

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

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

The GMCA was established on 1 April 2011 by the Greater Manchester Combined Authority Order 2011 and comprised of ten members, being the Leaders of the constituent councils. Greater Manchester re-elected Andy Burnham as Mayor in May 2021 who will remain in office until 2024 and continue to lead on the implementation of the Greater Manchester Strategy (the GM Strategy) which is the blueprint for the future of the city-region – 'Our People, Our Place'. The GM Strategy was approved by the Local Enterprise Partnership and the GM Centre for Voluntary Organisation as well as the Authority and its partners. In this way, it brings together the public, private and voluntary and community sectors in delivering a bold new vision to make Greater Manchester one of the best places in the world to grow up, get on and grow old.

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

In April 2018, the Authority agreed a two-year Implementation Plan for the GM Strategy with the inclusion of ambitions to be achieved by 2020. Alongside the Implementation Plan, the GM Strategy Performance Dashboard has been developed to track progress against key outcomes and indicators. Good progress has been made across the whole range of priorities demonstrating the benefits of collaboration and how devolution is continuing to make a real difference to the lives of the people of Greater Manchester, though there remains further challenges and opportunities going forward.

The Greater Manchester Local Industrial Strategy

In June 2019 Greater Manchester published its ambitious Local Industrial Strategy, designed to deliver an economy fit for the future, with prosperous communities across the city-region and radically increased productivity and earning power. The strategy is based on the robust evidence provided by the 2019 Independent Prosperity Review, and the 2016 Science and Innovation Audit. It has been developed from the ground up with local and national stakeholders, including business and social enterprises, trade unions, universities and colleges, and community and voluntary organisations.

The Greater Manchester Local Industrial Strategy is not working in isolation. It complements other national and local strategies including the national Plan for Growth and the Greater Manchester Strategy 'Our People, Our Place'. Our People, Our Place sets a clear objective to make Greater Manchester one of the best places in the world to grow up, get on in life and grow old.

To achieve this ambition, it identifies actions around five foundations of productivity: Ideas, People, Infrastructure, Business Environment and Places, which are the essential attributes of every successful economy. It also identifies the frontier sectors where Greater Manchester has particular strengths and opportunities, and the 'foundational economy' which employs significant numbers of people but productivity and pay can be low, and work can be insecure.

Growing the Economy

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

The Greater Manchester Good Employment Charter, developed with employers, trade unions, professional bodies and others, is raising employment standards and tackling economic inequality through spreading more secure work and higher pay. It has now engaged over 220 employers with more than 200,000 employees in the city region.

The GM Investment Strategy continued to support regeneration and job creation in the Greater Manchester area through targeted investment that reflects the strengths and

opportunities in the local economy. The GM Investment Strategy was based on sustainably generating returns that can be recycled and reinvested – as existing loans are repaid, they can be reinvested in new projects.

The GM Investment Funds are used as a lever to deliver the Investment Strategy and focus on our strategic priorities in business, housing and commercial property. At the end of 2020/21, the GM Investment Funds included over £635m of funds under direct and indirect management. Projects to the value of £925.5m have been approved to date across the funds. The main elements of the Funds are:

1. *The Greater Manchester Housing Investment Loans Fund (HIF):*

HIF aims to unlock the delivery of at least 10,000 homes over the 10-year life of the fund providing the high quality housing offer needed to support GM's economic growth. In 2018/19 HIF novated from Manchester City Council to the Authority. As existing investments made by the Fund are re-paid the monies are available for reinvestment by the Fund. The COVID-19 pandemic and lockdown has caused delays to the completion of developments, and the rate at which properties are sold or let will likely be slower than originally anticipated. As such, extended timeframes before borrowers are able to repay the debt are expected, although at the time of writing there have been no defaults. It is also expected that the Fund may experience increased demand as appetite on the part of other lenders tightens.

HIF represents a cornerstone of GM's strategy to increase housing supply, and maintaining support for developers is considered strategically important to GM's recovery from the impact of the COVID-19 pandemic. Alongside requests to government regarding the provision of further HIF, the GMCA has approved a strategy to use other funding available to it in order to maintain and increase the Fund's investment capacity. All HIF investments are based on an assessment of risk and are structured to mitigate GMCA's exposure to loss and supported with appropriate security. Where it is proposed to refinance existing commitments, this will be considered in light of an up to date risk assessment.

2. *City Deal Receipts:*

In 2015 it was agreed that receipts realised by Homes England from the disposal of its land and property within Greater Manchester would be provided to GMCA to invest in support of the housing and regeneration objectives set out in the 2012

Greater Manchester City Deal. To date Homes England, which has to approve the investments made using City Deal Receipts, has provided £29m to the GMCA for investment.

3. *The Core Recycled Funds:*

The Core Recycled Funds originated from Regional Growth Fund (RGF) and Growing Places Fund (GPF) monies which have been recycled and are now reinvested into businesses and commercial property. As part of this overarching programme, the funds offered investments at commercial rates to businesses and organisations to fund schemes that boost local employment, improve people's skills and contribute to the region's economic growth.

These funds have invested over £175m into more than 170 companies across Greater Manchester who are contracted to create and safeguard over 7,975 jobs. The business funds have been used to support a market gap for finance and therefore, given the nature of the portfolio, defaults are expected. The impact of COVID-19 on the business portfolio remains unclear but provisions have been made to estimate the risk, in accordance with International Financial Reporting Standards - IFRS 9. Where requested, companies have been granted short term payment deferrals to assist them to manage through the pandemic.

4. *Commercial property funds:* the dedicated commercial property funds are managed by CBRE Ltd on behalf of the Authority and have supported the development of 700,000m² of commercial floor space and the redevelopment of over 52 hectares of Brownfield land. Developments in the year are expected to unlock over 20,000m² of industrial space.

5. *Local Growth Fund (LGF)*

LGF monies are provided to Local Enterprise Partnerships for projects that benefit the local area and economy. The Government awarded a total of £493.3m, over three Growth Deals to GM from 2015-2021, for capital projects that will benefit the local area and economy. Transport projects were allocated £350.3m to support the infrastructure and capital requirements for Greater Manchester's (GM's) priority Transport schemes. Non transport projects were allocated £143m for Skills Capital and Economic Development & Regeneration (ED&R).

Prescribed outcomes against this funding were limited to jobs and match funding, recognising that only some projects would be able to demonstrate 'direct' achievement of these outcomes. The outcomes agreed in the original profile with Government were for 6,250 jobs (direct and indirect) to be created and for the public sector investment to generate £210m of private sector investment.

The full Growth Deal grant allocation was spent by the 31 March 2021. Outputs are on track to achieve the full outputs set by government. Up to March 2021, a total of 5,564 jobs (direct and indirect) and £240.6m match spend has been achieved. Several projects have spend profiles extending beyond March 2021 and as a result, a number of additional eligible projects were brought into the programme to ensure spend of the full allocation by 31 March 2021 to meet grant conditions. The additional projects were largely recycling in nature to allow the overhang of spend on the original projects to be funded.

6. *Life Sciences Fund*: The £30m Life Sciences Fund was established in 2016 in partnership with Cheshire East Council and Bruntwood to further develop the Alderley Park site and support life sciences businesses across the city region. As at 31 March 2021, the Fund had committed £22.2m into 37 businesses and has created 252 jobs from those investments. The overall target for the Fund is to create/safeguard 370 jobs over 15 years and the investments to date show good progress against this target.
7. *Low Carbon Fund*: The £15m Low Carbon Fund is managed by CBRE Ltd on behalf of the Authority. The Fund was established to promote the production and distribution of energy derived from renewable resources in the region.
8. *Getting Building Fund*: In March 2020 the government made an allocation of £54m to GMCA as part of the Getting Building Fund (GBF). This was focussed on 'shovel ready' sites with a key focus on job creation and economic recovery with all allocated spend to be outlaid by 31 March 2022. During 2020/21 £19.6m was spent on supported schemes. The schemes supported are:
 - Mayfield - Manchester
 - Manchester Innovation Activities Hub - Manchester
 - Completion of Kingsway Business Park Northern Loop Road - Rochdale:
 - South Heywood Link Road Phase 1 - Rochdale
 - Port Salford early infrastructure work - Salford

- Conversion of iconic empty high street retail unit into new workspace - Stockport
- Stockport Exchange Phase 4 and Clean Energy Infrastructure

The schemes are predicted to create almost 12,000 direct jobs and a further 1,876 employment opportunities in construction. A total of 45 apprenticeships will follow as will the building of more than 1,000 new homes and 4.5km of roads, cycle ways and walkways supporting 29 businesses and 205,000 square metres of commercial space.

Business Support and Innovation

Greater Manchester has an economy worth over £64bn and around 125,000 businesses, with a diverse business base and a number of world leading industries from health innovation to digital industries, to engineering and financial services along with the large cultural and creative cluster outside London. Over the last year, GMCA has supported the development of a business-led innovation network, Innovation Greater Manchester, which is better connecting the world-leading research & development happening in the city region with businesses and growth opportunities.

Business Growth Hub:

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

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

BGH has performed well in 2020-21 exceeding a range of targets across a broad range of external and internal agendas. The overall level of performance is positive given that this has been achieved in a very uncertain policy, commercial and commissioning environment arising from the impact of COVID-19 and the UK's exit from the European Union.

The BGH, in partnership with the Local Enterprise Partnership (LEP), GMCA, local authorities and other partners, has responded to the COVID-19 pandemic with speed

and agility leveraging the breadth of service provision to provide support to business and individual clients. This has included a range of activities such as:

- Growth Company Business Finance are administering financial support provided by the LEP/GMCA to businesses and have been on the forefront as an accredited Coronavirus Business Interruption Scheme (CBILS) provider with additional local funding made available.
- COVID-19 website - a dedicated COVID-19 landing page provides information to businesses on the support available and how to access. There have been more than 600,000 unique visitors to the Growth Hub website and the Coronavirus pages have seen over 200,000 unique visits to date.
- The Employ GM website, supporting individuals and employers impacted by COVID-19, has now seen more than 20,000 visitors.

The BGH will support Recovery will be informed by the ambition and objectives of the LEP and GMCA. It will also be framed by the needs of businesses and individuals, which will continue to undertake needs analysis and intelligence gathering alongside GMCA, LEP and other partners.

Digital City Region:

Greater Manchester has made important strides in becoming the UK's leading Digital City region. During 2018-20 our priorities evolved and a refreshed Greater Manchester Digital Blueprint was launched shortly before the first lockdown. The Blueprint is focused on delivering benefits that help the city region's people lead healthier, happier lives. Each of our five digital priorities and two cross-cutting enablers, co-designed and developed with the input of key stakeholders is supported by pan-Greater Manchester public sector projects. These combine with inclusive community, local authority, private, not-for-profit and academic work.

The plan connects the wealth of digital change and will help us reach a shared ambition that underpins and enables both the Local Industrial Strategy and the Greater Manchester Strategy.

The range of initiatives and successes in Greater Manchester's digital portfolio is increasing with anchor initiatives like the largest Local Full Fibre Networks programme in the UK connecting over 1,300 public sector premises with 450km of full fibre which is

expected to lead to 25% of the city region's premises having full fibre connections within three years. Work with GCHQ on their presence in the city region is at the centre of the fastest growing digital security and trust ecosystem in the UK, and further investments at MediaCityUK and the £1.5bn in ID Manchester will continue to accelerate the pace of growth across the sector as a whole.

The fabric of the city regions fibre and advanced wireless digital infrastructure is evolving alongside and enabling data assets such as the GM Care Record which now reaches over 99% of the population, and transport related initiatives such as the £175m Clean Air Zone project and the 5GCreate smart traffic signalling pilot.

The COVID-19 pandemic is affecting all areas of life in many and substantial ways. The GMCA Digital Portfolio have been working to identify ways digital technologies can be used to improve people's lives across Greater Manchester. This has not only included new innovations but assessing the possibility of bringing forward priorities such as 100% Digital Inclusion identified in the GM Digital Blueprint.

Green City Region:

At a Green Summit, held in March 2019, the city region launched a five year Environment Plan and confirmed its target to become carbon neutral by 2038. The aim is for Greater Manchester to be a clean, carbon neutral, climate resilient city-region with a thriving natural environment and circular, zero-waste economy. GMCA and all 10 Greater Manchester local authorities have now declared a Climate Emergency.

To continue delivery of the Plan and support the climate emergency declarations, the Authority has this year been successful in securing £27m of Green Homes Grant (Local Authority Delivery) funding to provide energy efficiency, low carbon heating and renewable energy systems to approximately 2700 fuel poor homes, to be delivered by December 2021. In addition, the Authority has coordinated a successful bid to the Public Sector Decarbonisation Scheme for £78m to install similar measures in over 150 public buildings by March 2022 and a further £670k of revenue funding to support delivery of the scheme and develop heat decarbonisation plans.

The Authority has also supported Southways Housing's successful bid to the European Regional Development Fund (ERDF) for Arrowfield Neighbourhood project to deliver a further 370 low carbon heating systems.

On the natural environment, the Authority was successful in coordinating a GM partnership bid for £1.8m of Green Recovery funding to deliver natural environment projects across Greater Manchester via the newly established Greater Manchester Environment Fund. This complements the ongoing nature based solutions work funded by the EU Urban Innovative Actions (UIA) funding for the IGNITION project and the ongoing EU-LIFE funding for Natural Course, which together fund 90% of the Authority's spending in this area.

The Authority has also supported GM Health and Social Care Partnership's successful award of £500K for a 2 year programme, enabling 3-5 GM localities to deliver green' social prescribing projects supporting improved mental health and well-being.

Housing

In December 2020 each nine of the GM Councils were asked to approve an agreement to prepare a joint development plan to cover strategic policies including housing and employment land requirements. This plan known as 'Places for Everyone' replaced the Greater Manchester Spatial Framework following the withdrawal of Stockport Council. A new joint committee of the nine councils will formulate and prepare the joint development plan to be place by December 2023.

In March 2020 the Government announced a £400m Brownfield Land Fund (BLF). For GMCA this was an allocation to GMCA of £81.1m over a 5 year period to unlock capacity for a minimum of 5,500 homes to start on site by 31 March 2025. In February 2021 GMCA received a further allocation of £15.8m based a bid to deliver a further 1,325 homes. This takes Greater Manchester's total Brownfield Housing Fund allocation to £97m over the five years to 2025.

During 2020/21 £17.2m was spent against the first phase of the programme. In March 2021 GMCA approved an allocation of £41m to develop a further 21 brownfield sites across the city-region. Twenty-four schemes were identified to benefit from £37.2m of the five-year funding allocation. In total 8,638 homes on brownfield sites will be unlocked through the Brownfield Housing Fund. This is in addition to the homes built as a consequence of £506.7m of investments in 54 schemes across the city-region by the Greater Manchester Housing Investment Loans Fund.

The previous Greater Manchester Spatial Framework and the new Places for Everyone plan will have a brownfield first preference towards development in order to meet the Government's housing targets while minimising the impact on the green belt.

Education, Skills and Work

Education, Skills and Work support are the threads that links all aspects of the Greater Manchester Strategy and have been highlighted as key to a successful Local Industrial Strategy. In 2020/21 priorities centred on maintaining a dual focus on the skills and employment needs of our people, communities, businesses and industries who have been impacted by the COVID-19 pandemic, while at the same time continuing to support those who already faced existing inequalities, labour market distance/disadvantage, and productivity challenges prior to the downturn.

This focus on tackling the inequalities that have been placed in sharper focus than ever as a result of the pandemic has continued to shape our work in ensuring that all residents have access to the support they need to move towards, into and on within the labour market, whether they are already in employment or looking to return to/enter the labour market.

Adult Education

The last quarter of the 2019/20 academic year (ending July 2020) – the first year of devolved Adult Education Budget (AEB) – was severely disrupted by the impact of the pandemic, in terms of delivery models and volumes. Colleges and other adult education and training providers acted quickly to move provision online wherever possible, but it was inevitable that the impact could not be fully mitigated, resulting in a reduction in learner numbers and higher costs of delivering provision. This disruption continued into the 2020/21 academic year (commencing August 2020), with the impact of localised restrictions and two further periods of national lockdown coinciding with what would ordinarily have been peaks in learner recruitment, hitting providers hard. Part of GMCA's response was, therefore, to provide funding assurances to the end of March 2021 that took account of the disruption and reduced learner numbers whilst safeguarding provider stability in order to ensure a responsive provider base was maintained that could continue to provide the training and skills needed by individuals and employers through these difficult times.

To the end of March 2021 (two-thirds of the 2020/21 academic year) AEB had supported around 41,000 GM residents across almost 86,000 education and skills enrolments, both through the core offer and through responsive provision designed/delivered in response to specific COVID-related issues. In particular, in summer 2020:

- Additional grant funding totalling £2m (£1.5m AEB, £500k LGF) was made available to local authorities in order to support access to skills under four strands of activity: alleviating barriers, digital inclusion, digital kit and connectivity, and English for Speakers of Other Languages
- Additional opportunities have arisen to align devolved skills and employment support, using AEB to train clients from the devolved GM Working Well (Work & Health Programme) to prepare up to 1,000 roles in the social care sector
- Provision has been made available to support workers in GM's night-time economy, one of the hardest hit sectors in economic terms.

Additional funding has also been allocated via AEB by central government, ring-fenced deliver to a number of specific skills recovery package measures introduced in response to the pandemic, including £3.9m for the 2020/21 academic year (£2.46m in FY 2020/21).

Supporting Small and Medium Enterprises

During 2020/21, apprenticeships remained a key pathway into work and skills improvement for our residents and, together with Traineeships, saw additional employer grants introduced as an incentive within the Government's *Plan for Jobs* COVID-19 response/recovery package in the summer of 2020. Within Greater Manchester, we have built on the successes of previous activity by commissioning 'Skills for Growth - SME Support' as part of GM's three year ESF Skills for Growth programme. We have also continued to maximise impact of Apprenticeship Levy funding generated within Greater Manchester via the GM Levy Matchmaking Service which, since its launch in August 2019, has secured pledges of Levy funding totalling £3.9m, and has funded 345 new apprenticeships to date.

Supporting young people and young adults into education, training and work: Future Workforce Fund

GMCA has worked in partnership with The Prince's Trust to deliver the £12m Future Workforce Fund (FWF), a three-year pilot funded jointly by DfE and GM to test innovative ways of supporting around 6,000 young people and young adults aged 14-25 who are not in education, employment or training (NEET) or at risk of becoming so for a sustained period and experiencing poorer outcomes in adult life. With a focus on young people in schools, colleges, alternative education provision as well as those not engaged in education, training or work, the FWF has seven main strands of activity, including life skills, pre-employment, world of work and mentoring, plus a series of small-scale grant funded projects commissioned by Prince's Trust. To the end of March 2021, the programme has supported 3,030 young people.

Public Sector Apprenticeships

The approach has supported thousands of new apprenticeship starts across Greater Manchester public services since 2017. Whilst formal reporting for 2020/21 has not yet taken place, it is anticipated that at least 2,000 additional apprenticeships will have started across Greater Manchester public sector employers in the year to March 2021. Collaborative approaches to apprenticeships across our public services continue, including an excellent uptake of the Levy Matchmaking service, which has seen further collaborations across the wider public services including the creation of around 100 additional apprenticeships starts last year. Three Greater Manchester public sector employers (GMCA, Rochdale MBC and Salford CC) were named amongst the top 100 apprentice employers in the country in 2020.

Removing Barriers

As part of our work to remove barriers to apprenticeships for underrepresented groups, seven small-scale projects commenced delivery in September 2020, designed to better understand and tackle under-representation of different groups within our apprentice population relative to the GM population in general. In total, 99 individuals engaged across the 7 projects, with 95 still on programme and 70 new apprenticeship starts anticipated. In addition, 160 residents aged over 50 were surveyed to understand their views of undertaking an apprenticeship to further their career or re-train. This builds on the work undertaken with Department for Education as part of the Five Cities pilot, and work with the Ageing Hub on apprenticeships for the Over 50s.

ESF Skills for Growth

The £40m Skills for Growth programme, will support 3,000 businesses to better understand and articulate their skills needs and over 25,000 individuals to develop their technical skills. Following significant development work, a rolling programme of commissioning is underway, developed in response to industry intelligence gathered from businesses and employer networks in Greater Manchester frontier sectors and foundation economy; delivery of the SME Support element commenced in Autumn 2020 and additional programmes of sector/occupationally specific skills provision, beginning with Retrofit, commenced in Spring 2021.

Employment and Self-Employment Support

The devolved GM Working Well (Work and Health Programme) (WHP) continues to support GM residents who are out of work due to poor health/disabilities and the long term unemployed, to help address their individual barriers to employment with a view to helping them enter or return to work. The £52m programme will support over 22,000 GM residents over its five-year span (2018-2024). The challenges of the pandemic brought movement from a payment by results model to a cost plus model, enabling the provider to continue to support all participants on programme despite having to adopt remote delivery models for significant periods in order to continue supporting residents facing some of the most complex barriers and long-standing distancing from the labour market. To the end of March 2021, there have been 15,106 individual starts onto the programme with 4,615 of those starting employment and 2,419 achieving earnings outcomes (sustained jobs). The programme is one of the best performing Contract Package Areas in England and Wales.

The GM Working Well suite expanded with the launch of the Specialist Employment Service in August 2020, a £4m three-year programme aiming to support up to 1,300 residents with autism or severe mental illness to find work. In addition, as part of the government's Plan for Jobs, support for the newly unemployed came in the form of the £13m Job Entry Targeted Support (JETS) programme, launched in late October 2020 and devolved to Greater Manchester as part of our Working Well suite. By the end of March 2021, JETS had already supported 5,475 residents (107% of profiled target) and had delivered 927 job entries.

The beginning of the first period of lockdown in March 2020 also coincided with the launch of a new pilot programme, Enterprising You, to test up-skilling support for low income self-employed residents and those working in the gig economy. Enterprising

You, developed in partnership with the Federation of Small Businesses, is the only programme of its kind in the UK that is offering this level of multi-faceted support to self-employed/gig workers on low incomes. Due to the circumstances of the pandemic this was one of several programmes which adapted to provide support where it was most needed, but in its first year of delivery the pilot has already supported over 700 people:

- 63% reported improved skills to run their business which is likely to impact across other key areas including business sustainability
- 61% have seen an increase in their business turnover as a result of EY, 48% reported an increase in profitability, and 56% reported an improvement in business stability
- 30% of the clients supported are claiming UC, 67% of are female, 26% are from BAME communities and 29% are aged over 50.

Digital Skills and Digital Inclusion

Together with Lancashire Digital Skills Partnership, and with funding from Department for Education (DfE) to build upon the original Department for Culture Media and Sport (DCMS) pilot, we expanded the Fast Track Digital Workforce Fund, supporting people from underrepresented groups to enter well-paid creative, digital and tech roles, and helping local businesses to address skills gaps/skills shortage vacancies. To March 2021, 29 bootcamp programmes have supported around 1,200 people. Learning from these pilots will help to inform future scale-up of this approach, including the National Skills Fund activity commissioned in Spring 2021 by DfE, as well as providing a basis for testing its application in other sectors, such as construction.

In recognition of the importance of connectivity during the lockdown period and more generally, in addition to the package delivered for adults via the AEB/LGF, we have also supported disadvantaged and digitally excluded pupils/young people most in need by providing over 1,200 digital kit and data bundles worth £280,000 through the GM Technology Fund in 2020/21, which brought together a combination of CA funding and donated resources.

Together with core strategic and delivery partners, GM has continued to take the steps needed to mitigate the impact of the COVID-19 pandemic, provide support for residents and businesses, and lay the foundations for recovery.

Throughout the lockdown period, GMCA has worked with its delivery partners to secure and stabilise around 100 locally commissioned contracts for skills and employment support activity as well as making additional resources available where possible through our devolved functions/budgets and other sources of funding, as well as integrating new government funding/initiatives into the existing landscape.

The response from providers and partners has been exceptional, and the willingness to adapt to serve the interests of GM residents demonstrates that building back better, fairer and more sustainably can be a central theme in Greater Manchester's future.

Tackling homelessness

Tackling homelessness and rough sleeping have continued to be key priorities and policy objectives in 2020/21. During the year, the first Greater Manchester Homelessness Prevention Strategy was developed to provide a long term vision and cross sector commitments.

The COVID-19 pandemic provided continued and varied challenges for the health and safety of people experiencing homelessness. The first Out of Hospital COVID-19 Care accommodation was established for people experiencing homelessness and a successful outreach operation to ensure access and take up of vaccinations.

The A Bed Every Night programme has provided a key accommodation and support pathway for people who are experiencing rough sleeping, or at imminent risk, in Greater Manchester for the last 2 years. Since 2018, over 3,000 people experiencing homelessness with no statutory duty owed them, including those with No Recourse to Public Funds, have been accommodated and supported under this programme.

A Bed Every Night in its fourth phase will run from July 2021 to March 2022. It will be delivered as one part of a wider system of activity to prevent and relieve rough sleeping, including the Rough Sleeper Initiative, Rough Sleeper Accommodation Programme, and Housing First pilot, all of which should be delivered with reference to one another and provide options and complementary resources for people who rough sleep. An independent evaluation by Herriot Watt I-SPHERE Unit provided clear evidence of impact and detailed areas for developing increased outcomes and efficiency.

The Housing First pilot has continued to operate through the COVID-19 crisis and met targets to accommodate 240 people with multiple and complex needs experiencing

exclusion from housing options and support. This is accompanied by an 88% tenancy sustainment rate that builds on existing international standards.

Focus is on ensuring sustainability of a high fidelity Housing First model in Greater Manchester, as the pilot moves into its final year of funding. Working with the other regional pilots and central government to build a clear case for value and ongoing demand.

Public Service Reform

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

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

Troubled Families

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

At the end of 2019/20 Government announced that the Troubled Families programme would be extended for a further 12 months and set Greater Manchester authorities the collective target of 6,263 families achieving successful outcomes based on the agreed success criteria for the programme during 2020/21, which was achieved. Government have subsequently announced a further extension of the programme for 2021/22 with a further allocation of £10.9m to be allocated to Greater Manchester should it achieve a target of successful outcomes being achieved by a further 4754 families.

Reform Investment

The Reform Investment Fund provides a vehicle through which central Government funding can be brought together with funding in order to invest more flexibly in activity that supports Greater Manchester reform priorities. In 2020/21 in response to the crisis presented by COVID-19 an allocation was made from the Reform Investment Fund as part of GMCA's commitment to the 'Everyone In' Policy with the majority of this funding being used to procure alternative accommodation and support options for homeless individuals in the city-region. A further allocation was allocated towards the extension of the existing contract for the Women's Alliance which is responsible for the delivery of a number of women's centres that support vulnerable women across Greater Manchester. This was in recognition of the impact COVID-19 had on delaying the procurement process for the re-contracting of this provision.

In response to the economic and social impact of COVID-19 on increasing the risk of young people presenting as homeless an allocation of £663,000 was made towards the launch of a Young Person's Homelessness Prevention pathfinder project. The aim of the project is to work with around 250 young people identified as being at risk of becoming homeless in Manchester, Salford and Bolton. Importantly this pathfinder will also capture learning that will inform the design of a larger scale project that it is hoped will launch across Greater Manchester in the later part of 2021/22.

Age Friendly Greater Manchester

An Age Friendly Greater Manchester is priority ten of the Greater Manchester Strategy. Delivering on this priority is a hugely collaborative undertaking coordinated by the Greater Manchester Ageing Hub, which is part of the GMCA Reform Directorate, and involving partners from across the GM system.

In 2020 renewed its strategic partnership with the Centre for Ageing Better, the national What Works centre for ageing populations. First signed in 2016, the partnership is extended to 2024.

In January 2021 the Hub produced an updated set of priorities in building in the views of the GM Older People's Network, and our network of partner agencies. These are:

- Work and Skills – promoting new services and inclusive practice for older workers
- Housing and Planning – aiming to increase of age-friendly housing in GM

- Ageing well, including public health and culture – Coordinating best practice and increasing capacity of a range of services that promote healthy ageing
- Ageing-in-Place – creating age-friendly neighbourhoods
- Innovation and Growth – collaborating to take create new jobs and businesses

The Ageing Hub continues to develop extensive partnerships with the GM local authorities to develop effective ageing plans that deliver real improvements for GM residents.

Throughout 2020/21 the Hub continued to coordinate activities in response to the COVID-19 pandemic: during April the GM Ageing Hub partners produced a Keep Well at Home and Keep Well this Winter guides, films and other resources for older people, distributing 150,000 copies in GM. The work was identified by WHO as international good practice and has been published nationally and internationally.

In 2021 the GMCA agreed to establish an Older People's Panel to enhance the representative voice of older people in GM decision-making.

Police and Crime - Safer and Stronger Communities

The Mayor is responsible for the formal oversight of Greater Manchester Police (GMP), including provision of all funding, budget-setting, performance scrutiny and strategic policy development. The Mayor is also responsible for holding the Chief Constable to account for ensuring GMP is run efficiently and effectively. These responsibilities are carried out by the Mayor alongside Greater Manchester's Deputy Mayor for Policing, Crime, Criminal Justice and Fire. Operational decision-making on day-to-day policing matters and the employment of police staff remains the responsibility of the Chief Constable.

Greater Manchester is committed to building safer and stronger communities where every community and person in Greater Manchester feels safe and secure in their daily lives. The Greater Manchester Mayor fulfils the role of Police and Crime Commissioner. Launched in March 2018, this ambition is echoed in 'Standing Together', the Greater Manchester Police and Crime plan. The plan sets out our vision for a strong, safe, resilient Greater Manchester standing together and working as one to keep people safe and protect and support the most vulnerable in our society. The three-year strategy

focuses on three main priorities of keeping people safe; reducing harm and offending; and strengthening communities and places.

For 2020/21 the PCC received core grant of £467.2m, ring fenced Police Uplift grant of £9.7m and Pension grant of £6.6m and the Mayor approved an increase of £10 to the policing precept in February 2020. This provided overall funding for 2020/21 of £645.2m which included funding for the first year of the national expansion programme of 20,000 police officers over three years. In 2020/21 this was 6,000 officers nationally which for GM equated to 347 new officers recruited in 2020/21. Funding for 2020/21 included a front loaded contribution to the infrastructure costs of new officers (training, equipment etc) of £20m which will be drawn upon from 2021/22 onwards to support delivery.

The 2020 Spending Review provided funding for additional 6,000 which equates to 325 in 2021/22, plus 16 to support the Regional Organised Crime Unit (ROCU). Whilst the increase in funding and police officer numbers is a positive step, the underlying financial position for GMP is likely to remain very challenging once the expected number of police officers have been recruited.

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

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

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

because they are vulnerable and aims to reduce the risk of them coming into contact with the criminal justice system in the future.

The Deputy Mayor works closely with GM Authority Community Safety Partnerships. In 2020/21, over £4m was delegated to Community Safety Partnerships to support delivery of 'Standing Together' collectively making our communities safer and more resilient. Part of this funding was ring fenced for supporting communities to contribute to reducing crime and anti-social behaviour in the areas where they live. This meant that more than 70 community groups across Greater Manchester have received funding through their local community safety partnerships and their work has been invaluable to tackling local priorities.

In December 2021 Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) published 'An inspection of the service provided to Victims of crime by Greater Manchester Police (GMP)'. The focus of this assessment was to understand the experience of the victim. The report made a number of recommendations for Greater Manchester Police with specific timeframes for completion. The force, in response to these recommendations has initiated a comprehensive action plan to support and intensify ongoing activity. The action plan has specific focus on the immediate recommendations, recommendations to be completed within three months and recommendations to be completed within six months. In May 2021 the Police, Fire and Crime Panel appointed a new Chief Constable of GMP to drive forward the response to the inspection.

During the COVID-19 pandemic GMP has maintained core policing, the Force has adapted its policing model to deal with emergency legislation and to encourage businesses and the public to adhere to the restrictions invoked.

Greater Manchester Fire and Rescue Service

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

GMFRS work closely with the local community to make Greater Manchester a safer place to live, work and visit. GMFRS are also responsible for enforcing fire safety legislations.

Our usual ways of working have been significantly affected by the COVID-19 pandemic, so we have adapted how we engage with young people, with schools and have been carrying out Safe and Well assessments via the telephone, rather than face to face.

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

Programme for Change commenced in April 2018, to undertake a whole service review of GMFRS, together with a strong focus on improving leadership and culture throughout the organisation. Phase 2, the implementation phase of the programme, commenced following the publication of the Mayoral Decision Notice.

One of the key deliverables for the programme was to design and implement a new Target Operating Model, enabling the Service to refocus on core functions and improve frontline service delivery, against a backdrop of efficiency savings due to reduced funding from Central Government.

Change plans were centred around enhancing the role of firefighters, promoting a more inclusive and supportive culture across the Service, protecting the frontline, and keeping more firefighters in communities - all whilst having minimal impact on performance and ensuring that GMFRS continues to have one of the fastest response times in the country.

Significant progress has been made against the original objectives of the Programme for Change, with a new operating model and supporting management structures (Level 1 and Level 2) in place, together with clear references assigned to each Directorate.

Efficiencies savings have been delivered as follows:

- Original OBC efficiencies target of £11.9m.
- Decision in 2020/21 to maintain 50 pumps and current crewing numbers. Precept increases from 2020/21 of £4.7m per annum, reducing the efficiency target to £7.2m

- All other elements of the Service's Efficiency Programme have continued to be implemented. Additional savings of £1.4m have been identified in 2021/22 through line-by-line budget review
- Taking all of the above into account, we have delivered £5.8m efficiencies, leaving a shortfall of £1.4m to be delivered.
- Any efficiencies achieved over and above this will be used for re-investment in the Service.

Programme for Change (PfC) was formally closed from the end of March 2021 with transition to a new organisational-led Greater Manchester Fire & Rescue Service (GMFRS) Improvement Programme from 1 April 2021.

Operational Performance in 2020/21

GMFRS attended 27,717 incidents (fires, false alarms and special service calls) during 2020/21, a decrease of 7% (2,125) when compared with 2019/20. The decrease is mainly associated with the reduction in false alarms.

A revised Automatic Fire Alarm (AFA) policy was introduced on 1 April 2019 to reduce mobilisations to specified non-domestic property types during the hours of 8am and 5pm, with an extension of these hours to 7pm introduced from 31 August 2020.

Sadly, 11 people died as a result of a fire in 2020/21 compared with 12 fire related deaths in 2019/20. Of these, seven involved males, of which 5 were accidental in nature and 2 were deliberate. Home Office research has indicated that that the likelihood of dying in a fire is not uniform across age and gender, men are nearly twice (1.7 times) as likely to die in a fire as women.

There have been 180 injuries as a result of fire in 2020/21; 158 slight and 22 serious. This compares with 189 injuries during 2019/20, a decrease of 5% (nine). The majority of fires continue to originate in the kitchen and are associated with cooking.

8,335 Safe and Well telephone assessments were made to homes across Greater Manchester. At the moment we cannot compare to the previous year as the delivery approach has changed. During this unprecedented time, GMFRS has been trying to balance how we keep households safe from fire whilst limiting the exposure to our operational staff to the public and / or the COVID-19 virus.

We updated our website and social media and other channels with an increased focus on the focus on fire safety in the home messaging, recognising that increased numbers of people would be spending extended periods in the home. At the same time, we took the decision to cease the delivery of face to face Safe and Well. Instead, we moved to a telephone offer, whereby fire and rescue service staff contacted households who have requested or been referred for, a visit. Where a risk assessment deemed that risk reduction equipment should be installed arrangements were put in place to do this following government guidance on social distancing.

2020-21 has been an unusual year due to the COVID-19 pandemic, with planned activity not delivered and anticipated costs not incurred due to the restrictions in place throughout the financial year. Key impacts are as follows:

- Fewer new recruits appointed due to social distancing requirements
- Training delivery plan has been affected by social distancing requirements
- Premises costs have been less than expected due to government guidance on working from home
- Transport costs are lower, due to reduced fuel costs, taking the offer of free fuel for emergency services and a reduction in essential and casual mileage claims due to less staff travel
- Income relating to catering and Prince's Trust schemes has been affected by the pandemic

Since the outbreak of the COVID-19 pandemic, the service has received one-off COVID-19 Emergency Funding additional funding of £3.144m to support the COVID-19 pandemic response. Additional costs have been incurred in the following areas: overtime, personal protective equipment, cleaning and cleaning consumables, and ICT equipment, and the use of the grant continues to be monitored in 2021/22.

Highways and Transport Services

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

The **Greater Manchester Transport Strategy** (GMTS) 2040 was published in 2017, and refreshed in 2021, with an updated five year transport delivery plan published in 2021. The GMTS 2040 is aligned with multiple strategies and policy documents

including: The Greater Manchester Transport Strategy 2040: five year Delivery Plan (2021-2026); Congestion Deal; Clean Air Plan; HS2 and Northern Powerhouse Rail Growth Strategy. In addition to the policies and activities which are directed by the GMCA transport vision, a number of TfGM activities are determined by government policy or legislation, including the English National Concessionary Travel Scheme.

The GMCA oversees Transport for Greater Manchester (TfGM), who are in turn responsible for management of the network. Most of TfGM's operational activities are funded from the transport levy, statutory charge and the Mayoral precept. The transport levy is provided by the GMCA from funding received from the ten GM local authorities. Following the 'Transport Order' which was laid before Parliament in April 2019, the 2020/21 funding for transport functions was split between the transport levy and a statutory charge on GM local authorities from the Mayor. The transport levy for 2020/21 was reduced from £192.5m to £105.8m and the new statutory charge from the Mayor was set at £86.7m. Overall the total funding from GM local authorities of £192.5m for 2020/21 was unchanged from 2019/20. Other transport activities which are Mayoral functions are funded from the Mayoral budget and the Mayoral precept. This includes the costs associated with developing, updating and delivering the Local Transport Plan.

The Greater Manchester Transport Committee (GMTC) is a joint committee made-up of the principal transport decision-making bodies – the ten GM Councils, GMCA and the Mayor of Greater Manchester. Members of the GMTC represent residents and businesses across Greater Manchester and have oversight across all aspects of Greater Manchester's transport network. GMTC oversees the performance of the transport system and hold rail, tram, and bus operators, TfGM, and highways authorities to account. This effectively allows the Committee to act in an advisory capacity to the Mayor and GMCA.

Greater Manchester local authorities are responsible for the roads in their area, such as general maintenance and the planning of the work to deliver it. TfGM has strategic oversight of a Key Route Network, making up over 650km of Greater Manchester's busiest roads. While this is just 7% of the total length of the highways network, it carries two-thirds of all peak-time traffic. TfGM works closely with local authority partners and Highways England to coordinate day-to-day operations and deal with incidents and events on Greater Manchester's roads and motorways. This includes work aimed at tackling congestion such as managing signals to improve traffic flow, controlling

pedestrian crossings, conducting long-term planning and modelling and design, and installing and modifying new signal junctions.

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

Metrolink

Metrolink services began operating in 1992 and since then the network has grown extensively and is now the largest light rail network in the UK. Metrolink is owned by TfGM and operated and maintained by Keolis Amey Metrolink (KAM) on a ten-year contract which began in July 2017. While KAM operates and maintains the network, TfGM is responsible for setting the price of tickets, expanding the network and planning future development, as well as overseeing the operations, maintenance and renewals for the network.

The system has expanded greatly since 2010, due to the c£2bn expansion and extension programme, with the latest extension being the Trafford Park Line which opened in March 2020. Metrolink is one of the most accessible forms of transport with step-free access at all stops and level access from the platform to the tram. It is powered by electricity produced from wind or solar power, making it zero-emission at street level. All net revenues generated from Metrolink are ring fenced to fund the financing costs associated with the local borrowings taken out as part of the Greater Manchester Transport Fund (GMTF).

Patronage and revenues on Metrolink have been significantly impacted by COVID-19 and the lockdowns throughout the year. Patronage fell to around 5% of pre pandemic levels in the first lockdown before recovering back to around 50% and then reducing again in subsequent lockdowns. Funding has been provided during the year by Department for Transport (DfT) to support the loss in revenues and to enable the continued operation of these essential services which, along with the other modes, have been key to providing transport to key workers. Although patronage and revenues have started to recover, patronage and farebox income are still well below pre pandemic levels and discussions are ongoing with DfT and HM Treasury regarding future financial support.

Bus

The Greater Manchester bus network plays a key role in keeping the city-region moving by helping to reduce car journeys and easing congestion on roads. Bus services were deregulated in 1986 under the Transport Act 1985. Consequently, there are currently two interacting bus markets in Greater Manchester: a commercial (deregulated) market and a subsidised (contracted) market. Over 80% of services are run commercially by companies who set the routes, timetables, fares, frequencies and quality standards. The remaining services form the subsidised market, where operators compete to win contracts. These contracts are for services, or parts of services (e.g. early morning or evening journeys) that are considered to be socially necessary and are funded by TfGM.

School transport also makes up part of the subsidised market, Greater Manchester has a comprehensive network of dedicated school services, funded by TfGM and TfGM also owns a fleet of 78 Yellow School Buses. TfGM also funds a Local Link service in Greater Manchester which provides demand responsive transport to ring and book a journey within the local area. Ring and Ride operates across Greater Manchester and provides a door-to-door minibus service for people who find it difficult to use regular public transport. The Ring and Ride service is operated by Greater Manchester Accessible Transport Ltd (GMATL) and is mainly funded via a grant from TfGM.

Bus Reform

In March 2021, the Mayor of Greater Manchester, Andy Burnham made a landmark decision, to take back control of buses, as part of plans for a joined-up and truly passenger-focused transport network.

Greater Manchester will be the first city-region outside London to have buses that are under local control, allowing local leaders to set routes, frequencies, fares and tickets. This will allow GMCA and TfGM to fully integrate buses with the rest of the transport network, as part of a passenger-focused network with easy end-to-end journeys.

Franchising, or local control, will deliver passenger benefits, including simpler fares and ticketing, better joined-up planning between bus and tram journeys so passengers will be able to quickly and easily change between them. It will also mean a 'one-stop shop' for travel information and customer support, as well as consistent standards for a high quality passenger experience across the network.

Franchising will also support GMCA's objectives as set out in the Greater Manchester Strategy to become the best place in the world to grow up, get on and grow old. With buses under local control, Greater Manchester leaders will be able to connect people by public transport to work, home, education, culture and leisure. Bus franchising also means GMCA can set environmental standards for a cleaner, greener bus fleet, helping to meet the city-region's targets to tackle the climate emergency, reduce harmful emissions and clean up our air.

TfGM will be implementing and managing bus franchising on behalf of GMCA. To ensure a smooth transition franchising will be introduced in phases, with the first franchised buses starting to run in Bolton and Wigan in early 2023.

Active Travel

Encouraging more people to be more active, more often is vital to achieving our vision to make Greater Manchester an attractive, healthy and economically thriving region, and also help to reduce air pollution and congestion on our roads. Cycling and walking have a crucial role to play in building a more sustainable, environmentally-friendly and efficient transport network. Walking and increasingly cycling form peoples 'first and last step' and are the means by which the other modes can integrate. Combined they form almost a quarter of all trips on the network as modes in their own right, and walking (or cycling) underpin all public transport and private car journeys.

Impact of the COVID-19 pandemic

The period covered by this Statement of Accounts and the period since the year end continue to have been significantly impacted in a number of ways by the COVID-19 pandemic. The 2040 Strategy and the five year delivery plans will still provide the appropriate framework for the response, development of options and delivery of appropriate plans through the COVID-19 recovery phases.

Greater Manchester Local Enterprise Partnership (LEP)

The Authority acts as the accountable body for the Greater Manchester LEP, with funds such as, Growth Deal, LEP Capacity and Business Growth Hub being awarded to it. The tables below show Income and Expenditure activity within 2020/21, along with funds held in reserves on behalf of the LEP.

	Income £000s	Expenditure £000s	Variance £000s
Revenue Funds			
LEP Capacity	(666)	666	0
Business Growth Hub	(513)	513	0
Total Revenue	(1,013)	1,013	0
Capital Funds			
Growth Deal	(77,808)	77,808	0
Growing Places Fund	(3,291)	3,291	0
Total Capital	(81,099)	81,099	0
Grand Total	(82,112)	82,112	0

LEP Reserves	31 March 2020 £000s	Transfers in/out £000s	31 March 2021 £000s
LEP Capacity	(562)	166	(396)
Business Rates (Enterprise Zones)	(340)	0	(340)
Total Reserves	(902)	166	(736)

Devolution and the impact on the Authority in 2020/21

As signalled in previous years Statement of Accounts, additional responsibilities are gradually being conveyed on the Authority and these had various levels of impact during 2020/21.

Waste Disposal

The functions of the Greater Manchester Waste Disposal Authority (GMWDA) that are exercisable in relation to the area of the Authority excluding the Borough of Wigan were transferred by Parliamentary Order to the Authority with effect from 1 April 2018. Under the Order, all functions and decisions relating to such properties, rights and liabilities are now exercised and made by the Authority and are reflected in the General Fund.

The closing balance sheet of GMWDA was brought into the Authority's 2018/19 balance sheet as an in year transfer using the absorption accounting policy. For 2020/21 the Waste Income and Expenditure and Balance Sheet forms part of the Single Entity accounts.

Adult Education

A Parliamentary Order was passed in November 2018, which provides for the conferral of certain adult education functions on the Authority. The full responsibility and funding for adult education transferred from 1 August 2019.

Housing Investment Fund

The Greater Manchester Housing Investment Fund (HIF) has been designed to accelerate and unlock housing schemes and support the growth ambitions for new homes across GM. The HIF novated from Manchester City Council during 2018/19.

Mayoral Development Corporations

The Mayor's power to establish Mayoral Development Corporations (MDC) were conferred in April 2017. In September 2018 the GMCA agreed in principle to support the creation of a MDC in Stockport to support regeneration in the area. During 2019/20 the Stockport Town Centre West Mayoral Development Corporation Strategic Business Plan 2020-25 was developed and approved by the GMCA in June 2020.

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

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

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

In September 2016 the Authority established NW Evergreen Holdings Limited Partnership (NWEH) to act as a holding fund for tranches of ERDF funding. The Fund

has received significant funding from ERDF and will invest in sub funds that provide opportunities to identify, research and negotiate investment opportunities in properties in the North West of England. The accounts of NWEH are consolidated into the Group Accounts of the Authority.

In November 2016 the Authority established Greater Manchester Fund of Funds Limited Partnership (FoFLP) to act as a holding fund for ERDF funding. FoFLP will invest in sub funds that seek to support the shift towards a low carbon economy and for research and innovation. The accounts of FoFLP will continue to be consolidated into the Group Accounts of the Authority.

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

- NW Fire Control Company;
- Greater Manchester Accessible Transport Limited (GMATL);
- Manchester Investment and Development Agency Service (MIDAS); and
- HIVE Homes.

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

Revenue Outturn 2020/21

The 2020/21 revenue outturn position in relation to the Mayoral budget, GMCA General Budget, GM Fire and Rescue, Waste and Resources and Transport, including TfGM and the Police Fund is shown in the table below:

GMCA Summary 2020/21	Approved Budget			Provisional Outturn			Variance*		
	Exp	Income	Total	Exp	Income	Total	Exp	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Mayoral Budget	127,072	(127,072)	0	123,774	(123,774)	0	(3,298)	3,298	0
GMCA General	209,115	(209,115)	0	209,115	(209,115)	0	0	0	0
GMFRS	109,245	(109,245)	0	109,054	(109,531)	(477)	(191)	(286)	(477)
Waste	167,242	(167,242)	0	167,242	(167,242)	0	0	0	0
Transport	242,089	(242,089)	0	236,842	(236,842)	0	(5,247)	5,247	0
<u>Memorandum</u>									
TfGM	170,430	(170,430)	0	168,367	(168,367)	0	(2,063)	2,063	0

*Over/(Under) Spend

Police Fund 2020/21	Approved Budget			Provisional Outturn			Variance*		
	Exp	Income	Total	Exp	Income	Total	Exp	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Police Fund	645,106	(645,106)	0	665,899	(666,106)	(207)	(20,793)	21,000	(207)

*Over/(Under) Spend

Capital Programme and Financing 2020/21

GMCA Capital Programme

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

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

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

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

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

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

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

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

GMCA CAPITAL PROGRAMME PROVISIONAL OUTTURN 2020/21	Original Budget	Revised Budget	Final Outturn	Variance
	£000	£000	£000	£000
<u>TRANSPORT</u>				
Greater Manchester Transport Fund				
Metrolink Programme	7,006	5,208	4,240	(968)
Metrolink Renewals & Enhancements	8,025	4,065	4,226	161
Park and Ride	79	14	49	35
Bus Priority Programme	296	496	391	(105)
Greater Manchester Transport Fund	15,406	9,783	8,906	(877)
Road Schemes (Stockport)				
Stockport Town Centre Access Plan	2,305	3,445	3,445	0
A6 MARR / SEMMMS	3,927	2,908	3,808	900
Stockport Council Schemes total	6,232	6,353	7,253	900
Other Metrolink Schemes				
Trafford Extension	6,180	6,853	13,138	6,285
Other Metrolink Schemes total	6,180	6,853	13,138	6,285
Other Capital Schemes				
Other Capital Schemes	0	504	353	(151)
Cycling-CCAG 2	2,334	4,916	5,361	445
TCF - Mayors Challenge Fund	26,730	27,804	17,565	(10,239)
TCF - Metrolink Capacity Improvement Prog	30,130	21,750	19,251	(2,499)
Active Travel Fund	0	1,886	1,886	0
Access For All	0	82	85	3
OZEV EV	0	91	42	(49)
Clean Bus Technology Fund	3,590	4,261	3,923	(338)
Clean Bus Fund	0	178	67	(111)
Early Measures	1,267	469	444	(25)
Other Capital Schemes total	64,051	61,941	48,977	(12,964)
Growth Deal - Transport				
TfGM Majors	18,613	19,224	18,549	(675)
Local Authorities Majors	26,017	20,199	21,094	895
Growth Deal 3 TfGM schemes	4,011	4,363	2,289	(2,074)
Growth Deal 3 Local Authorities	2,603	2,901	4,300	1,399
Growth Deal total	51,244	46,687	46,232	(455)
Minor Works				
ITB Local Authorities and TfGM	941	1,080	(51)	(1,131)
Growth Deal 1&2 Local Authorities	5,897	6,291	6,332	41
Growth Deal 2 TfGM Schemes	953	448	425	(23)
Minor Works total	7,791	7,819	6,706	(1,113)
GMCA Transport Schemes				
Traffic Signals	2,500	2,500	3,889	1,389
Full Fibre Network	21,184	12,484	10,314	(2,170)

Highways Maintenance	27,202	48,801	50,699	1,898
GMCA Transport Schemes	50,886	63,785	64,902	1,117
Total - Transport	201,790	203,221	196,114	(7,107)
<u>ECONOMIC DEVELOPMENT & REGENERATION</u>				
Growth Deal - ED&R				
Skills Capital Round 2 & 3	30,000	40,548	41,133	585
Life Sciences Fund	1,500	1,140	1,303	163
SODA	9,533	12,332	12,333	1
Pankhurst Institute	3,000	4,207	4,207	0
Cyber Innovation Hub	2,200	5,000	5,000	0
Protos Loan	7,816	7,811	7,810	(1)
Broughton House	0	3,000	3,000	0
COVID-19 Learner Support	0	2,115	2,115	0
LA Digital Kit	0	0	2,000	2,000
NW Evergreen	0	0	17,000	17,000
Housing Investment Fund Schemes	0	0	18,365	18,365
Other ED&R Schemes				
Recycled GF / RGF Capital Receipts	5,000	3,993	2,738	(1,255)
Growing Places	0	3,291	3,291	0
Housing Investment Fund	90,729	61,704	47,005	(14,699)
LGBT Centre	338	338	338	0
Affordable Homes	0	84	103	19
CBILS and Co Angels	0	2,900	2,900	0
Bounceback Loan Fund	0	10,000	6,000	(4,000)
Getting Building Fund	0	22,884	19,588	(3,296)
Brownfield Land Fund	0	16,200	17,219	1,019
Total - Economic Development & Regeneration	150,116	197,547	213,448	15,901
<u>GM FIRE AND RESCUE</u>				
Estates	5,399	1,203	704	(499)
ICT	4,722	928	830	(98)
Vehicles & Equipment	5,643	5,069	1,843	(3,226)
Sustainability	75	144	48	(96)
Total - GM Fire & Rescue	15,839	7,344	3,425	(3,919)
<u>WASTE AND RESOURCES</u>				
Operational Sites	23,090	19,335	7,209	(12,126)
Non-Operational - Sites	1,800	125	73	(52)
Total - Waste and Resources	24,890	19,460	7,282	(12,178)
TOTAL GMCA CAPITAL	392,635	427,572	420,269	(7,303)

CAPITAL PROGRAMME FINANCING 2020/21	£000s
Borrowing	36,022
Capital Grants	121,082
Revenue Contribution to Capital Outlay	35,391
External Contributions	3,619
Total Transport	196,114
Borrowing	0
Capital Grants	105,611
Revenue Contribution to Capital Outlay	1,838
Useable Capital Receipts	105,999
Total Economic Development and Regeneration	213,448
Borrowing	2,838
Revenue Contribution to Capital Outlay	573
Capital Receipts	14
Total GM Fire and Rescue Service	3,425
Borrowing	2,588
Revenue Contribution to Capital Outlay	4,694
Total Waste	7,282
Total Funding	420,269

Police Fund Capital Programme

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

Expenditure in 2020/21 was £16.8m, mainly funded from borrowing.

POLICE FUND CAPITAL PROVISIONAL OUTTURN 2020/21	Original Budget	Revised Budget	Final Outturn	Variance
	£000s	£000s	£000s	£000s
Estates	2,980	3,035	2,113	(922)
ICT	4,285	4,598	1,086	(3,512)
Fleet	4,566	4,375	3,694	(681)
Target Operating Model	26,591	26,591	11,218	(15,372)
Other	2,725	2,580	(1,328)	(3,907)
Total – Police Fund	41,146	41,178	16,784	(24,394)

Treasury Management Performance in 2020/21

Borrowing and Borrowing Limits

In 2020/21, the Authority had an authorised limit for external debt of £2,542.8m, which compares to the actual level of debt outstanding at 31 March 2021 of £1,496.8m. Debt outstanding (including accounting adjustments) is made up of the following figures:

2019/20		2020/21
£m		£m
588.5	Public Works Loan Board (PWLB)	567.5
582.8	European Investment Bank (EIB)	571.6
106.2	Market	106.2
90.8	Temporary	61.8
158.3	MHCLG – HIF	161.2
28.0	Homes England	28.5
1,554.6	Total	1,496.8

Total borrowings show a net decrease during the year of £57.8m due to scheduled repayments to PWLB and EIB, reduced temporary borrowing and other accounting adjustments.

Short Term Investments for Treasury Management Purposes

Whilst the Authority held short term borrowing at the end of the financial year, a level of short term cash is always held to cover unexpected cash flow requirements. Short term deposits (excluding bank current accounts) as at 31 March 2021 were £139.4m. This is made up of the following figures:

2019/20		2020/21
£m		£m
14.9	Bank Deposits	89.4
44.0	UK Government Backed Deposits	50.0
58.9	Total	139.4

Total investments showed an increase in the year of £80.5m, mainly due to the advanced receipt of grants from central government.

Outlook for the future – financial landscape.

Mayor's General Services including Fire and Rescue.

For 2021/22 the Mayor proposed a precept of £90.95 (Band D) which was frozen from 2020/21. This was to provide budget support to the Fire and Rescue Service which would receive £66.20 of the precept and other Mayoral General Functions which would receive £24.75.

The 2020 Spending Review provided a one-year settlement for the Fire and Rescue Service, including compensation for irrecoverable 2020/21 Council Tax arrears, loss of 2021/22 precept income resulting from local Council Tax relief schemes and a real terms protection expected with flat cash pensions grant.

GMCA Services

Highways and Transport, Economic Development and Regeneration and Waste Disposal Services are all funded through a mixture of Levies and Contributions from the GM Authorities alongside specific grant funding from Government Departments.

For 2021/22 the Transport Levy has been set at £105.8m and the Statutory Charge be set at £86.7m, a total of £192.5m which is unchanged from 2020/21. The Transport Levy and Statutory Charge is distributed across the Districts based on mid-year 2019 population.

The Business Rates 100% retention pilot was extended for a further year into 2021/22. Greater Manchester will strongly support the retention of the 100% pilot beyond 2021/22 until national rollout of 100% is achieved. Continuation of the 100% pilot would enable the GMCA to maintain a source of income to cover its investment priorities to promote growth in the GM economic area.

The 10 GM Authorities continue to face uncertain financial prospects due to the COVID-19 pandemic and Fair Funding Review and this will continue to impact on and influence the levels of the Contributions and Waste and Transport Levies which are funded from the 10 GM Authorities' General Fund Budgets.

Mayor's Police and Crime Services

Funding for police is sourced 75% from a central Government grant and 25% from the policing precept. Revenue funding for 2021/22 is budgeted at £674.4m, which is an overall increase of £29.2m compared to 2020/21.

For 2021/22 the Government grant for police included an additional £23.9m for Greater Manchester Police. The grant funding increase is expected to deliver the second year of the national expansion programme of 20,000 police officers over three years. The 2020 Spending Review provided funding for an additional 6,000 officers nationally, which equates to 325 in 2021/22 across Greater Manchester, plus 16 to support the Regional Organised Crime Unit (ROCU).

The policing precept is the amount Greater Manchester residents contribute to local policing through the council tax bill. For 2021/22 the government stated that local areas could increase the police precept by £15 for Band D properties. Following the results of a public consultation, a precept increase of £10 for a Band D property was agreed for 2021/22 taking the precept to £218.30.

What is in the Statements of Accounts?

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

Statement of Responsibilities for the Statement of Accounts

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

Movement in Reserves Statement (MIRS)

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

Comprehensive Income and Expenditure Statement (CIES)

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

Balance Sheet (BS)

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

Cash Flow Statement

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

Expenditure and Funding Analysis

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

Accounting Policies and Concepts

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

Notes to the Financial Statements

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

Events after the reporting period and authorised for issue date

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

Group Accounts

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

Transport for Greater Manchester, Chief Constable of Greater Manchester Police, NW Evergreen Holdings Limited Partnership and GM Fund of Funds Limited Partnership.

Glossary of financial terms

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

A handwritten signature in black ink, appearing to read 'Steve Wilson', with a small dot at the end.

Steve Wilson

Greater Manchester Combined Authority Treasurer

Statement of Responsibilities for the Statement of Accounts

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

Further Information

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

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

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

The Authority's Responsibilities

The Authority is required to:

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

The Treasurer's Responsibilities

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

In preparing this Statement of Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that these unaudited Statement of Accounts give a true and fair view of the financial position of the Authority as at 31 March 2021 and of its income and expenditure for the year ended 31 March 2021.



Steve Wilson

Greater Manchester Combined Authority Treasurer

Greater Manchester Combined Authority

Single Entity Accounts

Financial Statements

Comprehensive Income and Expenditure Statement

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

Comprehensive Income and Expenditure Statement

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

Gross Expenditure 2019/20 £000s	Gross Income 2019/20 £000s	Net Expenditure 2019/20 £000s	Comprehensive Income and Expenditure Statement	Note	Gross Expenditure 2020/21 £000s	Gross Income 2020/21 £000s	Net Expenditure 2020/21 £000s
			Transport, Waste, Economic Development and Regeneration				
360,609	(23,450)	337,159	Highways and Transport Services		250,115	(12,141)	237,974
145,664	(148,088)	(2,424)	Economic Development and Regeneration		417,494	(253,129)	164,365
134,688	(2,595)	132,093	Waste Disposal		128,420	(5,247)	123,172
640,961	(174,133)	466,828	Total		796,029	(270,517)	525,511
			Mayoral General Fund Services				
94,665	(12,739)	81,926	Fire and Rescue Services		94,512	(19,627)	74,885
26,480	(14,156)	12,324	Mayor's Office		116,925	(101,170)	15,755
121,145	(26,895)	94,250	Total		211,436	(120,797)	90,640
			Mayoral Police Fund Services				
27,760	(107,510)	(79,750)	Mayoral Policing Services		39,061	(108,706)	(69,645)
664,358	0	664,358	Funding provided by the Mayor to the Chief Constable to fund Police and Crime Services		698,569	0	698,569
692,118	(107,510)	584,608	Total		737,630	(108,706)	628,924
1,454,224	(308,538)	1,145,686	Total Cost of GMCA Operations		1,745,095	(500,020)	1,245,075
5,767	0	5,767	Loss on Disposal of Non Current Assets		5,666	0	5,666
0	0	0	(Surplus) / Deficit from disposal of investment in equity instruments designated at fair value through other		0	0	0
113,895	(13,424)	100,471	Financing and Investment Income and Expenditure	15	106,162	(12,768)	93,394
0	(1,241,648)	(1,241,648)	Taxation and Non Specific Grant Income	16	0	(1,316,369)	(1,316,369)
107,284	(107,284)	0	Home Office grant payable towards the cost of Police retirement		101,482	(101,482)	0
1,681,170	(1,670,894)	10,276	(Surplus) / Deficit on Provision of Services		1,958,405	(1,930,639)	27,766
			Items that will not be subsequently classified in deficit on provision of services				
		(160,685)	Re-measurement of the net defined benefit liability				191,413
		2,591	(Surplus) / Deficit on revaluation of non current assets				(38,842)
		(158,094)	Other Comprehensive (Income) & Expenditure				152,571
		(147,818)	Total Comprehensive (Income) and Expenditure				180,337

A handwritten signature in black ink, appearing to read 'Steve Wilson', is positioned above the printed name.

Steve Wilson

Greater Manchester Combined Authority Treasurer

Date: 22 July 2021

Movement in Reserves Statement

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

	General Fund Balances	Capital Grants Unapplied Reserve £000s	Capital Receipts Reserve £000s	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
	£000s	£000s	£000s	£000s	£000s	£000s
Balance as at 31 March 2019	(459,073)	0	(41,169)	(500,242)	3,331,731	2,831,489
Transferred Services Balances as at 1 April 2019 Balances transferred from GM Waste Disposal Authority						
Balance as at 1 April 2019	(459,073)	0	(41,169)	(500,242)	3,331,731	2,831,489
Movement in Reserves during 2019/20						
(Surplus) or deficit on the provision of services	10,277	0	0	10,277	0	10,277
Total Comprehensive Income and Expenditure	0	0	0	0	(158,094)	(158,094)
Total Adjustments between accounting basis & funding basis under regulations	(24,024)	0	(41,555)	(65,579)	65,579	0
Transfers to or from Earmarked Reserves	0	0	0	0	0	0
(Increase) / decrease in year	(13,747)	0	(41,555)	(55,302)	(92,515)	(147,818)
Balance as at 31 March 2020	(472,820)	0	(82,724)	(555,545)	3,239,216	2,683,671
Movement in Reserves during 2020/21						
(Surplus) or deficit on the provision of services	27,766	0	0	27,766	0	27,766
Total Comprehensive Income and Expenditure	0	0	0	0	152,571	152,571
Total Adjustments between accounting basis & funding basis under regulations	(1,768)	(27,037)	37,442	8,638	(8,638)	0
Transfers to or from Earmarked Reserves	0	0	0	0	0	0
(Increase) / decrease in year	25,998	(27,037)	37,442	36,404	143,933	180,337
Balance as at 31 March 2021	(446,822)	(27,037)	(45,282)	(519,141)	3,383,149	2,864,008

Balance Sheet

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

Further details of balance sheet items can be found in the relevant associated notes.

31 March 2020 £000s	Balance Sheet	Note	31 March 2021 £000s
	Non Current Assets		
602,270	Property, Plant and Equipment	20	619,895
83	Heritage Assets		83
53	Investment Property		53
26,977	Intangible Assets	21	22,378
82,591	Long Term Debtors and Payments in Advance	22	85,448
2,419	Long Term Investments		7,501
714,393	Total Non Current Assets		735,358
	Current Assets		
2,851	Inventories and Stocks		2,601
316,660	Short Term Debtors and Payments in Advance	22	293,965
55,555	Cash and Cash Equivalents	23	138,810
375,066	Total Current Assets		435,376
	Current Liabilities		
(130,058)	Short Term Borrowing	29	(130,280)
(271,329)	Short Term Creditors and Receipts in Advance	24	(262,976)
(41,234)	Capital Grants Receipts in Advance	14	(153,402)
(17,723)	Revenue Grants Receipts in Advance	14	(23,632)
(9,664)	Short Term Provisions	25	(7,057)
(3,240)	Short Term Lease Liability	26	(3,659)
(6,857)	Short Term Deferred Liability	27	(7,303)
(480,106)	Total Current Liabilities		(588,309)
	Long Term Liabilities		
(1,424,516)	Long Term Borrowing	29	(1,366,546)
(9,138)	Long Term Provisions	25	(9,146)
(44,418)	Long Term Lease Liability	26	(40,759)
(7,302)	Long Term Deferred Liability	27	0
(65,024)	Long Term Capital Grants Receipts in Advance	14	(72,262)
(1,742,625)	Pensions Liability	33	(1,957,721)
(3,293,023)	Total Long Term Liabilities		(3,446,434)
(2,683,671)	Net Assets (Liabilities)		(2,864,008)
	Financed by:		
(555,545)	Usable Reserves	9,10	(519,141)
3,239,216	Unusable Reserves	28	3,383,149
2,683,671	Total Reserves		2,864,008



Steve Wilson

Greater Manchester Combined Authority Treasurer

Date: 22 July 2021

Cash Flow Statement

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

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2019/20 £000s	Cash Flow Statement	Note	2020/21 £000s
10,276	Net (surplus) / deficit on the provision of continuing operations		27,766
95,048	Adjustments to net surplus on the provision of services for non cash movements	32a	(253,515)
16,000	Adjust for items included in the net surplus on the provision of services that are investing and financing activities	32a	5,343
121,324	Net Cash Flows from Operating Activities		(220,406)
13,949	Investing Activities	32b	66,120
(10,640)	Financing Activities	32c	71,030
124,633	(Increase) / Decrease in Cash and Cash Equivalents		(83,256)
180,188	Cash and cash equivalents on 1 April for continuing operations		55,555
180,188	Cash and cash equivalents brought forward for all operations		55,555
55,555	Cash and cash equivalents at the end of the reporting period	23	138,810

Greater Manchester Combined Authority

Single Entity Accounts

Notes to the Financial Statements

1 Accounting Concepts and Policies

1.1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. These regulations require the Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003.

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

1.2. Accounting Concepts

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

As a combined authority, the GMCA has to operate within its powers. The services provided by the GMCA include waste disposal functions, fire and rescue functions, police and crime commissioner, transport, economic development and regeneration. These services are funded by levies paid by the 10 Greater Manchester authorities, precepts collected by the 10 Greater Manchester authorities and grants provided by central government. The Authority does not anticipate that these levies, precepts or grants will cease in the foreseeable future given the statutory requirements placed on the GMCA to provide these services.

The group includes TfGM, which provides the transport network across Greater Manchester, and although transport related borrowing sits on the GMCA balance sheet, all the transport assets sit on TfGM's balance sheet. GMCA carries sufficient reserves in respect of each of its functions to provide resilience in the event of volatility in its various funding sources.

1.3. Accruals of Income and Expenditure

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

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet;
- Expenses relating to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than on the basis of the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance sheet.

1.4. Cash and Cash Equivalents

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

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

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

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

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

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

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

1.6. Charges to Revenue for Non-Current Assets

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

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

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

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

1.7. Termination Benefits

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the

Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are made to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.8. Post-Employment Benefits – Pensions

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

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

1.8.1. The Firefighters' Pension Scheme

This is a defined benefit scheme, the rules of which are set out in the Firefighters' Pension Regulations. The scheme is wholly unfunded. No investment assets have been built up to meet liabilities and cash had to be generated from employee and employer contributions to meet actual pension payments as they fall due.

The Combined Authority as an employer, and firefighters as members, pay pension contribution based on a percentage of pensionable pay into the Firefighters' Pension Fund Account. Pension benefits are paid out of the Pension Fund Account.

The amounts payable into and out of the Pension Fund Account are specified by regulations. Any surplus or deficit on the Pension Fund Account must be transferred to or from the Combined Authority and ultimately repaid to or received from the Home Office.

Injury awards are not part of the pension scheme and are charged directly to the Comprehensive Income and Expenditure Statement. However, liabilities in respect of injury awards are disclosed as part of the overall pensions liability.

Other than references to assets, these schemes are accounted for in the same way as the Local Government Pension Scheme set out below.

1.8.2. Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme. Both employer and employees pay pension contributions based on a percentage of pensionable pay into the scheme.

- The liabilities of the Greater Manchester Pension Fund attributable to the authority are included in the balance sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projected earnings for current employees
- Liabilities are discounted to their value at current prices, using a discount rate based on the rate of return on high quality corporate bonds constructed on the constituents of the iBoxx AA corporate bond index. The discount rate reflects the weighted average duration of the benefit obligation

- The assets of Greater Manchester Pension Fund pension fund attributable to the authority are included in the balance sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.

1.8.3. Net Pensions Liability

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

1.8.3.1. Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the comprehensive income and expenditure statement to the services for which the employees worked;
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement; and
- Net interest on the net defined benefit liability, i.e. net interest expense for the authority, – the change during the period in the net defined benefit liability that arises from the passage of time charged to the financing and investment income and expenditure line of the comprehensive income and expenditure statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

1.8.3.2. Remeasurements comprising:

- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the pensions reserve as other comprehensive income and expenditure;
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure; and
- Contributions paid to the Greater Manchester Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the group to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the general fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.8.4. Discretionary benefits

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

1.8.5. Material valuation uncertainty - pensions

The authority Local Government net pension liability of £84.621m includes a share of the overall Greater Manchester Pension Fund investment assets as disclosed in Note 33. The Pension Fund in their financial statements for 2020/21 have disclosed a material uncertainty in accordance with VPS 3 and VPGA 10 of the RICS Red Book Global due to the impact of COVID-19, in respect of the valuation of the investments they hold in "Direct Investment Property". Consequently, less certainty, and a higher degree of caution, should be attached to the valuation of those assets than would normally be the case. In Note 33 the authority has disclosed that its share of the total property assets held by the Pension Fund is valued at £7.678m. The valuation of the authority's share of the property assets is subject to the same material valuation uncertainty as applies to the Pension Fund financial statements and as such less certainty can be applied to the valuations than would typically be the case.

1.9. Property, Plant and Equipment and Assets under Construction

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

1.9.1. Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. The authority has a £20,000 de minimis level for the recognition of property, plant and equipment. Exceptions to this are traffic signals and vehicles, which are capitalised with no minimum level.

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

1.9.2. Measurement

Assets are initially measured at cost, comprising:

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

The authority does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income line of the comprehensive income and expenditure statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the comprehensive income and expenditure statement, they are reversed out of the general fund balance to the capital adjustment account in the movement in reserves statement

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

- assets under construction and infrastructure assets – depreciated historical cost;

- surplus assets – fair value, estimated at highest and best use from a market participants perspective; and
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Where non-property assets have short useful lives or low values (or both), the depreciated historical cost basis is used as a proxy for current value.

Assets included in the balance sheet at current value are revalued sufficiently regularly, as a minimum every five years, to ensure that their carrying amount is not materially different from their current value at the year-end. Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

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

The revaluation reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

1.9.3. Impairment

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

Where impairment losses are identified, they are accounted for as follows:

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

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

1.9.4. Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- infrastructure assets – straight-line allocation over the useful life of the assets as estimated by Transport for Greater Manchester;
- buildings – straight-line allocation over the useful life of the property as estimated by the valuer; and
- vehicles, plant and equipment – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer.

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

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

1.9.5. Non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the comprehensive income and expenditure statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

1.9.6. Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the comprehensive income and expenditure statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

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

CRR from the relevant Mayoral or GMCA Balances in the movement in reserves statement.

The written-off value of disposals is not a charge against statutory funding, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the relevant general fund balance in the movement in reserves statement.

1.10. Intangible Assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authorities goods or services.

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.11. Fair Value

The Authority measures some of its non-financial assets, such as Investment Properties and Surplus Assets, and some of its financial instruments at fair value at each reporting date, if material. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Authority uses valuers to provide a valuation of its assets and liabilities in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant in terms of pricing (assuming those market participants were acting in their economic best interest).

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

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

If there is no quoted market price for the asset, then a reliable valuation technique should be applied. This could be a discounted cash flow analysis of dividends received or a valuation of the Authority's share of the company.

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

- For loans from the PWLB, new borrowing rates from the PWLB have been applied to provide the fair value;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value;
- The fair value of trade and other receivables and creditors is taken to be the invoiced or billed amount;

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

- Level 1 inputs – quoted prices in active markets for identical assets that the Authority can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset or liability where market data is not available.

1.12. Revenue Expenditure Funded by Capital Under Statute

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

1.13. Minimum Revenue Provision

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

- MRP in relation to capital expenditure incurred before 1 April 2008 will be based upon 4% of the adjusted Capital Financing Requirement (CFR) in accordance with Option 1: the Regulatory method.
- For capital expenditure incurred between 1 April 2008 and 31 March 2018 the following will apply (being the policies adopted by the previous organisations):
 - For capital expenditure incurred on the Metrolink and Transport Delivery Programme schemes and Waste Disposal assets, MRP will be calculated using Option 3b: the Asset life (Annuity) method.
 - For capital expenditure incurred on PCC assets MRP will be calculated using Option 3a: the Asset Life (Equal Instalment) method.
 - For capital expenditure incurred on GM Fire assets MRP will be calculated using Option 4: the Depreciation method.
- For capital expenditure incurred on or after 1 April 2018, MRP will be calculated using Option 3b: the Asset life (Annuity) method for all classes of asset. The

interest rate applied will be linked to market interest rates and the useful life of the asset.

- MRP in respect of on balance sheet leases and PFI contracts is regarded as met by the amount that writes down the balance sheet liability.
- MRP will generally commence in the financial year following the one in which the expenditure was incurred. However, for long life assets, the authority will postpone the commencement of MRP until the financial year following the one in which the asset becomes operational.
- Estimated asset lives will reflect the life assigned to the asset on the asset register unless the GMCA considers a different life is more appropriate. Estimated asset lives will be determined in the year that MRP commences and may not subsequently be revised. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the GMCA. However, the GMCA reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

1.14. Capital and Revenue Grants and Contributions

1.14.1. Revenue Grants and Contributions

Revenue grants and contributions received by the Authority can either be classified as non-specific for general purposes or specific for use in relation to a service and/or function. Where conditions have been met, specific revenue grants and contributions are credited to the relevant service line within Cost of Services; non-specific grants are credited to Taxation and Non-Specific Grant Income.

When the expenditure relating to specific grants has not been incurred, the Authority has elected to make a contribution equivalent to the unspent amount of grant to an earmarked reserve. This reserve will be released in future financial years when the expenditure to which the grant relates is incurred.

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

1.14.2. Capital Grants and Contributions

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

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

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

Any capital grants and contributions that have been received from the Department for Transport which relate to non-GMCA projects are credited to the Creditors Account.

When a grant and contribution is paid to the relevant GM Authority the Creditors Account is reduced accordingly.

1.15. Local Taxation

1.15.1. Council Tax

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

In their capacity as billing authorities the 10 GM Authorities act as agents: they collect and distribute council tax income on behalf of the major preceptors and themselves. The cash collected by the billing authorities from council tax debtors belongs proportionately to the billing authorities and the major preceptors. There will therefore be a debtor/creditor position between the billing authorities and GMCA to be recognised since the net cash paid to GMCA in the year will not be its share of cash collected from council taxpayers.

1.15.2. NNDR

From 1 April 2013 the 10 GM Authorities as billing authorities of Greater Manchester have acted as agents; they have collected National Non-Domestic Rates (NNDR) income on behalf of Central Government, the GMCA and themselves.

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

In 2020/21 Greater Manchester continues to be a pilot area for the 100% Business Rates Retention Scheme and the relevant shares of NNDR income for 2020/21 are Central Government (0%), GM Authorities (99%) and GMCA (1%).

For both council tax and NNDR, the income reflected in the CIES in 2020/21 is the GMCA's share of the income relating to that year. However, the amount of council tax / NNDR income that can be credited to the General Fund for the year is determined by statute and may be different from the accrued income position shown in the CIES. An adjustment is made via the Movement in Reserves Statement for the difference between the income due under proper accounting practice and the income per statute.

1.16. Financial Assets

Financial Assets such as investments (excluding those in companies included in the Authority's group accounts) and debtors are classified into three types; amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL).

The categorisation of financial assets into these types is dependent on the reason for holding the assets, which can be to collect cash flows, to sell assets or achieve objectives by other means.

Financial assets are introduced onto the balance sheet at fair value when the Authority becomes a party to any contractual provision.

1.16.1. Amortised Cost

These assets relate to financial instruments where the amounts received are solely principal and interest and they are held in a hold to collect business model (e.g. investments of surplus cash with the government's debt management office or loans to third parties).

The interest received on these assets is measured using the Effective Interest Rate model.

1.16.2. Fair Value through Other Comprehensive Income (FVOCI)

These assets relate to financial instruments where the amounts received are solely principal and interest but they are held to collect cash and have the ability sell the assets (e.g. money market funds).

The interest received on these assets is measured using the Effective Interest Rate model.

All gains and losses due to changes in the fair value of these assets are accounted for through an unusable reserve (the Financial Instruments Revaluation Reserve) and charged to Other Comprehensive Income and Expenditure.

The cumulative gain or loss is debited or credited to the surplus/deficit on provision of services when an asset is disposed of.

1.16.3. Fair Value through Profit and Loss (FVPL)

These assets relate to financial instruments where the amounts received are not principal and interest (e.g. equity investments).

Charges in fair value are charged to the surplus / deficit on the net provision of services as they occur.

Under capital accounting regulations where these assets were treated as capital expenditure the gain or loss is reversed through the Movement in Reserves Statement and charged to the Capital Adjustment Account, which is an unusable reserve.

An equity instrument that has been classed as FVPL can be designated as FVOCI if it is not held for trading (e.g. a strategic investment). Once this designation has been made it

cannot be reversed. This designation would mean that any gains and losses would be held in the Financial Instruments Revaluation Reserve.

1.16.4. Credit loss

The Authority will recognise a loss allowance for expected credit losses, if applicable, on assets where cash flows are solely principal and interest (i.e. financial instruments measured at amortised cost or FVOCI). This does not apply where the counterparty is central government or another local authority.

At each year end, the loss allowance for a financial instrument is calculated as equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If at the year end, the credit risk has not increased significantly since initial recognition the loss allowance is measured at an amount equal to twelve month expected credit losses.

The Authority has chosen not to adopt a simplified approach for impairment loss allowances on loan related trade receivables, including interest due. At each year end these loss allowances are calculated using the expected credit loss approach, and an assessment of changes in credit risk.

Where the financial asset was treated as capital expenditure, any losses will be reversed via the Movement in Reserves Statement to the Capital Adjustment Account.

1.17. Financial Liabilities

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

the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus accrued interest. The interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

For Lender Option Borrower Option (LOBO) loans, the effective interest rate has been calculated over the life of the loan. This is an average and differs from the amounts actually paid in the year. The difference between the calculated interest charge and interest paid has been adjusted in the carrying amount of the loan and the amount charged in the Comprehensive Income and Expenditure Statement is the effective interest rate for the life of the loan rather than the amount payable per the loan agreement. A statutory over-ride allows the reversal of this difference through the Movement in Reserves Statement in order to charge the actual interest payable to the General Fund.

1.18. Impairment of non-financial assets

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

Where impairment losses are identified, they are accounted for as follows:

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

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

1.19. Value Added Tax (VAT)

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

1.20. Reserves and Balances

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus and Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge for the expenditure.

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

The Authority produces memorandum accounts to hold the ring fenced reserves and balances relating to the Mayoral General Fund and the Mayoral Police Fund.

1.21. Revenue

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

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

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

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

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

1.22. Contingent assets

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

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

1.23. Contingent liabilities

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

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

1.24. Provisions

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be

required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

1.25. Events after the Reporting Period

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

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

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

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

1.26. Interests in Companies and Other Entities - Group Accounts

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

Inclusion in the group is dependent upon the extent of the Authority's interest and power to influence an entity. The Authority is considered to control an entity if it has power over the entity, exposure or rights to variable returns from its interest with the entity and the

ability to use its power to affect the level of returns. The determining factor for assessing the extent of interest and power to influence is either through ownership of an entity, or representation on an entity's board of directors/trustees.

An assessment of all the Authority's interests has been carried out during the year, in accordance with the Code of Practice, to determine the relationships that exist and whether they should be included within the Authority's group accounts. As such, group accounts have been prepared for the Authority to include Transport for Greater Manchester, Greater Manchester Police, NW Evergreen Holdings LP and GM Fund of Funds LP.

1.27. Discretionary Benefits

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

1.28. Benefits Payable During Employment

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

In 2018/19, the Authority adopted a policy of not accruing for employee benefits if the value of the adjustment was considered immaterial. An annual assessment will be made each year and should this result in an adjustment that would be material then these benefits will be accrued. In the 2020/21 accounts the employee benefit accrual was calculated and considered not to be material, therefore the accounts have not been adjusted.

For the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees could carry forward into the next financial year:

- An accrual will be introduced at the wage and salary rates applicable in the following accounting year, being the period in which the employee will take the benefit. The accrual will be charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement, so that holiday benefits are charged to the General Fund in the financial year in which the holiday absence occurs.

1.29. Private Finance Initiative (PFI)

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

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

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

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

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

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

2 Critical Accounting Judgements

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

Government Funding

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

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

Private Finance Initiative (PFI)

The Authority has entered into Private Finance Initiative (PFI) agreements for the Stretford Fire Station and 17 new Police Stations across 16 sites. The ownership of the buildings is determined by who holds the balance of control in line with accounting standards. The Authority considers the buildings and equipment associated with these sites should be included on its Balance Sheet because:

- The reversion clause within the PFI agreement results in the Authority having a residual interest in the buildings at the end of the agreement;
- The services provided and the use of the building is controlled by the Authority through the PFI agreement; and
- The PFI agreement is between the PFI contractor and the Authority.

Former GMWDA Landfill Tax Claim

The GMCA has instructed Price Waterhouse Coopers Legal LLP (PWC) to act on its behalf in a claim in relation to landfill tax paid over to HM Revenue and Customs. That claim has been lodged with the Courts, and if successful would see significant recovery of landfill tax being returned to the GMCA. The claim is one of a series of cases, which are taking place in relation to this area of interpretation of the law, and the GMCA action remains 'stayed', whilst a test case progresses through the Courts system.

Given that clarification of this complex area of law is awaited by way of a legally binding decision, which may be some distance in the future, it is considered that at this stage in the legal proceedings and given the uncertainty of the outcome of the claim, the claim does not meet the recognition criteria as an asset or a contingent asset for inclusion in the accounts at 31 March 2021.

Group Accounts Considerations

A review of the entities related to the Authority in 2020/21 has taken place and the conclusions are provided below:

Chief Constable of Greater Manchester Police (GMP)

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

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

Transport for Greater Manchester (TfGM)

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

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

Greater Manchester Fund of Funds Limited Partnership (FoFLP)

In November 2016 the Authority established FoFLP to act as a holding fund for ERDF funding. In May 2017, the fund received £30m funding from ERDF and £0.5m from the Authority. FoFLP will invest in sub funds that seek to support the shift towards a low carbon economy and for research and innovation. The fund has secured an additional £30m ERDF funding. On the grounds of materiality, **FoFLP will continue to be included** in the group accounts.

NW Evergreen Holdings Limited Partnership (NWEH)

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

NW Fire Control Company

The NW Fire Control Limited Company (NWFCC) operates a regional control centre based in Warrington. The company has four equal partners namely: Greater Manchester

Combined Authority, Cheshire, Cumbria County Council and Lancashire Fire and Rescue Authorities.

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

Greater Manchester Accessible Transport Limited (GMATL)

GMATL is a private company limited by guarantee without share capital. The Authority is the person with significant control and has previously included GMATL in its group accounts. The balance sheet value is approximately £2.4m. On the grounds of immateriality, it has been decided that **GMATL will not be included** in the group accounts.

Manchester Investment and Development Agency Service (MIDAS)

MIDAS is a private company limited by guarantee without share capital. The Authority is the person with significant control and has previously included MIDAS in its group accounts. The balance sheet value is approximately £2.3m. On the grounds of immateriality, it has been decided that **MIDAS will not be included** in the group accounts.

HIVE Homes

HIVE Homes is a joint venture with 10 Registered Housing providers and has been incorporated to acquire sites in Greater Manchester and then develop them for sale as residential use. From March 2019 the Authority has a 20% share within the company, however to date £489,820 has been invested. On the grounds of immateriality, it has been decided that **HIVE Homes will not be included** in the group accounts.

3 Key Sources of Estimation and Uncertainty

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

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

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees and to reflect further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The Authority’s valuer, Salford City Council Property Services (SCCPS), has noted the following in relation to material uncertainty for the valuation of police and fire assets in 2020/21:

- Their valuations are reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to their valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, they recommend that the Authority keeps the valuation of its property under frequent review.

- It is understood that this statement is more particularly designed to urge caution regarding valuations for lending purposes. However, it serves as a general warning as to likely forthcoming market instability and re-adjustment. The restructuring of markets and the time frame for such adjustment is presently an unknown quantity.

The Authority's valuer, Hilco Valuation Services, has noted the following in relation to material uncertainty for the valuation of waste service plant and equipment assets in 2020/21:

- Our valuation is reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.
- Given the unknown future impact that COVID-19 might have on the tangible asset market, it is not possible to quantify any potential impact on the Subject Assets in a valuation context, as there is a degree of material valuation uncertainty. However, the inputs to the valuation approaches adopted to arrive at our opinions of Current Value in respect of the Subject Assets, are likely to be less impacted than market transaction data on used equipment, and accordingly no adjustment to our reported values is considered relevant in the context of the purpose of the valuation.

The Authority's valuer, Avison Young, has noted the following in relation to material uncertainty for the valuation of waste service property land and building assets and solar farm in 2020/21:

- The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction

volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

- For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

4 Impact of Accounting Standards issued but not yet Adopted

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2020/21 Code. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years. Accounting changes that are introduced by the 2020/21 code are:

- Annual Improvements to IFRS Standards 2015–2017 Cycle affecting:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements
 - Previously Held Interest in a Joint Operation
 - IAS 23 Borrowing Costs
 - Borrowing Costs Eligible for Capitalisation
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement
- Amendments to References to the Conceptual Framework in IFRS Standards.

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

5 Events After the Reporting Period

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

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

There are no events after the end of the reporting period and up to the date of authorisation for issue of the Statement of Accounts.

6 Authorisation for the Issue of the Statement of Accounts

The 2020/21 draft Statement of Accounts was authorised for issue by the Treasurer on the 22 July 2021.

7a Expenditure and Funding Analysis

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

2019/20				2020/21		
Net expenditure chargeable to the General Fund Balance	Adjustments between Funding and Accounting Basis	Net expenditure in the Comprehensive Income and Expenditure Statement		Net expenditure chargeable to the General Fund Balance	Adjustments between Funding and Accounting Basis	Net expenditure in the Comprehensive Income and Expenditure Statement
£000s	£000s	£000s		£000s	£000s	£000s
303,049	34,109	337,159	Continuing Services	257,833	(19,859)	237,974
23,780	(26,204)	(2,424)	Highways and Transport Services	160,534	3,832	164,365
156,781	(24,688)	132,093	Economic Development and Regeneration	151,463	(28,291)	123,172
111,180	(16,930)	94,250	Waste Disposal Services	97,920	(7,280)	90,640
576,225	8,384	584,608	Mayoral General Fund Services	616,007	12,917	628,924
			Mayoral Police Fund Services			
1,171,015	(25,328)	1,145,687	Cost of Services	1,283,757	(38,681)	1,245,075
(1,184,762)	49,352	(1,135,410)	Other Income and Expenditure	(1,257,758)	40,449	(1,217,309)
(13,747)	24,024	10,276	(Surplus)/Deficit	25,998	1,768	27,766
459,073			Opening General Fund Balance and Earmarked Reserves Continuing Services	472,820		
13,747			Surplus / (Deficit) on General Fund Balance in year	(25,998)		
			Transfers between reserves			
472,820			Closing General Fund Balance at 31 March	446,822		

7b Note to the Expenditure and Funding Analysis

2019/20					2020/21			
Adjustments for Capital Purposes (a)	Pension Adjustments (b)	Other Adjustments (c)	Total Adjustments		Adjustments for Capital Purposes (a)	Pension Adjustments (b)	Other Adjustments (c)	Total Adjustments
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
34,109	0	0	34,109	Continuing Services	(19,859)	0	0	(19,859)
(28,109)	1,906	0	(26,203)	Highways and Transport Services	1,978	1,853	0	3,832
(24,855)	167	0	(24,688)	Economic Development and Regeneration	(28,430)	139	0	(28,291)
(221)	(16,709)	0	(16,930)	Waste Disposal Services	10,223	(17,503)	0	(7,280)
8,246	138	0	8,384	Mayoral General Fund Services	12,789	128	0	12,917
				Mayoral Police Fund Services				
(10,829)	(14,499)	0	(25,328)	Net Cost of Services	(23,299)	(15,382)	0	(38,681)
(2,625)	45,744	6,232	49,352	Other Income and Expenditure	(4,733)	39,065	6,117	40,449
(13,453)	31,245	6,232	24,024	Difference between General Fund Surplus and CIES Deficit on the Provision of Services	(28,032)	23,683	6,117	1,768

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

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

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

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

b) Net Change for the Pensions Adjustments - Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.

- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

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

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

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

8 Adjustments between Accounting Basis and Funding Basis under Regulations

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

General Fund Balance

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

Capital Receipts Reserve

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

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet

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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.

2019/20					2020/21			
General Fund Balance £000s	Capital Receipts Reserve £000s	Capital Grants Unapplied £000s	Movement in Unusable Reserves £000s		General Fund Balance £000s	Capital Receipts Reserve £000s	Capital Grants Unapplied £000s	Movement in Unusable Reserves £000s
				Adjustments to the Revenue Resources				
				Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
(31,245)	0	0	31,245	Pension cost (transferred to (or from) the Pensions Reserve)	(23,683)	0	0	23,683
24,151	0	0	(24,151)	Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(4,177)	0	0	4,177
(3,722)	0	0	3,722	Council tax and NDR (transfers to or from the Collection Fund)	(13,052)	0	0	13,052
0	0	0	0	Holiday pay (transferred to the Accumulated Absences reserve)	0	0	0	0
(154,110)	0	0	154,110	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)	(125,576)	0	0	125,576
(164,927)	0	0	164,927	Total Adjustments to Revenue Resources	(166,488)	0	0	166,488
				Adjustments between Revenue and Capital Resources				
384	(54,278)	0	53,894	Transfer of capital income to the Capital Receipts Reserve	0	(68,812)	0	68,812
1,964	0	0	(1,964)	Movement in Capital Bad Debt Provision	2,041	0	0	(2,041)
80,357	0	0	(80,357)	Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	92,389	0	0	(92,389)
0	0	0	0	Capital receipts applied (transfer to the Capital Adjustment Account)	601	0	0	(601)
58,197	0	0	(58,197)	Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	42,653	0	0	(42,653)
140,903	(54,278)	0	(86,625)	Total Adjustments between Revenue and Capital Resources	137,684	(68,812)	0	(68,872)
				Adjustments to Capital Resources				
0	12,723	0	(12,723)	Use of the Capital Receipts Reserve to finance capital expenditure	0	106,254	0	(106,254)
0	0	0	0	Application of capital grants to finance capital expenditure	27,037	0	(27,037)	0
0	12,723	0	(12,723)	Total Adjustments to Capital Resources	27,037	106,254	(27,037)	(106,254)
(24,024)	(41,555)	0	65,579	Total Adjustments	(1,768)	37,442	(27,037)	(8,638)

9 Transfers to/from Reserves

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

Earmarked Reserves and Balances	1 April 2019 £000s	Transfers in/out £000s	31 March 2020 £000s	Transfers in/out £000s	31 March 2021 £000s
Transport, Economic Development and Regeneration (ED&R) & Waste					
Earn-back Revenue	(10,180)	140	(10,040)	(12,320)	(22,360)
Life Chances	(5,000)	285	(4,715)	0	(4,715)
Clean Air Plan	(4,227)	(10,034)	(14,261)	11,341	(2,920)
Reform and Investment Fund	(2,786)	900	(1,886)	1,496	(390)
Youth Contract	(2,411)	166	(2,245)	377	(1,868)
City Deal	(1,886)	326	(1,560)	432	(1,128)
GM Trailblazer	(1,734)	1,734	0	(38)	(38)
Growing Places Fund	(1,554)	0	(1,554)	0	(1,554)
Housing First	(1,105)	680	(425)	(41)	(466)
One Public Estate	(655)	123	(532)	165	(367)
Creative Scale Up Project	(650)	(650)	(1,300)	935	(365)
Manchester Western Loop	(599)	44	(555)	223	(332)
LEP Strategic Plans Funding	(581)	19	(562)	166	(396)
Working Well-Care and Support	(182)	(577)	(759)	394	(365)
Planning & Delivery Fund	(544)	0	(544)	97	(447)
Business Rates Top Up	(54,390)	17,261	(37,129)	1,646	(35,483)
RGF/GPF Interest and Arrangement Fees	(8,916)	(1,205)	(10,121)	1,229	(8,892)
GM Connect	(1,123)	243	(880)	186	(694)
Churchgate House Accommodation	(700)	0	(700)	0	(700)
Adult Education Budget Devolution	0	(3,024)	(3,024)	(1,421)	(4,445)
Integrated Ticketing Reserve	(12,500)	0	(12,500)	797	(11,703)
Capital Programme Reserve	(99,996)	8,252	(91,744)	2,853	(88,891)
Business Rates Growth Pilot & Levy	(52,178)	(35,800)	(87,978)	54,786	(33,192)
HIF Interest and Arrangement Fees	0	(7,921)	(7,921)	(3,066)	(10,987)
Our Pass Reserve	0	0	0	(5,688)	(5,688)
A Bed Every Night	0	0	0	(2,000)	(2,000)
Brownfield Fund	0	0	0	(1,551)	(1,551)
Active Travel Fund	0	0	0	(2,759)	(2,759)
Ageing Well Programme	0	0	0	(830)	(830)
GM Covid Fund	0	0	0	(589)	(589)
Other Transport and ED&R Reserves	(2,505)	367	(2,138)	(1,372)	(3,510)
Waste Engagement Activities Reserve	(102)	(256)	(358)	(395)	(753)
Waste Disposal Insurance Reserve	(12,694)	0	(12,694)	0	(12,694)
Waste Interest Rate Reserve	(2,000)	0	(2,000)	0	(2,000)
Waste Pension Deficit Funding Reserve	(812)	0	(812)	0	(812)
Waste MTFP Funding Reserve	(36,360)	18,810	(17,550)	5,664	(11,886)
Waste Optimisation and Efficiency	(5,000)	0	(5,000)	5,000	0
Waste Composition Analysis	(186)	186	0	0	0
Waste Lifecycle Reserve	(3,911)	0	(3,911)	0	(3,911)
Total Earmarked Reserves	(327,467)	(9,931)	(337,398)	55,717	(281,681)
Transport and ED&R General Fund Balances	(7,845)	2,515	(5,330)	0	(5,330)
Waste General Fund Balance	(12,132)	(0)	(12,132)	0	(12,132)
Total General Fund Reserves	(19,977)	2,515	(17,462)	0	(17,462)
Usable Capital Receipts Reserve	(41,169)	(41,555)	(82,724)	37,442	(45,282)
Capital Grants Unapplied Reserve	0	0	0	(24,987)	(24,987)
Total Transport, ED&R and Waste Reserves	(388,613)	(48,972)	(437,585)	68,172	(369,413)

Earmarked Reserves and Balances	1 April 2019 £000s	Transfers in/out £000s	31 March 2020 £000s	Transfers in/out £000s	31 March 2021 £000s
Mayoral General Fund					
Capital Reserve	(8,951)	4,275	(4,676)	(5,924)	(10,600)
Earmarked Budgets Reserve	(1,958)	(502)	(2,460)	(726)	(3,186)
Revenue Grants Unapplied	(2,745)	(2,030)	(4,775)	(7,688)	(12,463)
Insurance Reserve	(2,849)	0	(2,849)	0	(2,849)
Business Rates Reserve	(2,123)	30	(2,093)	488	(1,605)
Restructuring Reserve	(418)	0	(418)	0	(418)
Innovation and Partnership CYP	(127)	0	(127)	0	(127)
Projects Reserve	0	0	0	0	0
Transformation Fund	(3,604)	0	(3,604)	0	(3,604)
Total Earmarked Reserves	(22,775)	1,773	(21,002)	(13,850)	(34,852)
Mayoral General Fund Balance	(12,775)	1,160	(11,615)	(477)	(12,092)
Capital Grants Unapplied Reserve	0	0	0	(2,050)	(2,050)
Total Mayoral General Fund Reserves	(35,550)	2,933	(32,617)	(16,377)	(48,994)

Earmarked Reserves and Balances	1 April 2019 £000s	Transfers in/out £000s	31 March 2020 £000s	Transfers in/out £000s	31 March 2021 £000s
Mayoral Police Fund					
Revenue Expenditure Reserve	(7,833)	(7,337)	(15,170)	3,848	(11,322)
Insurance Reserve	(14,169)	(1,712)	(15,881)	648	(15,233)
Police and Crime Commissioner Earmarked Reserves	(29,194)	1,501	(27,693)	(20,299)	(47,992)
Capital Expenditure Reserve	0	0	0	0	0
PFI Reserve	(11,826)	599	(11,227)	621	(10,606)
Total Earmarked Reserves	(63,022)	(6,949)	(69,971)	(15,182)	(85,153)
Mayoral Police Fund Balances	(13,061)	(2,314)	(15,375)	(209)	(15,585)
Total Mayoral Police Fund	(76,083)	(9,263)	(85,346)	(15,391)	(100,737)

Earmarked Reserves and Balances	1 April 2019 £000s	Transfers in/out £000s	31 March 2020 £000s	Transfers in/out £000s	31 March 2021 £000s
Combined					
Earmarked Reserves	(413,260)	(15,107)	(428,367)	26,685	(401,682)
General Fund Balances	(45,813)	1,360	(44,453)	(687)	(45,140)
Usable Capital Receipts Reserve	(41,169)	(41,555)	(82,724)	37,442	(45,282)
Capital Grants Unapplied Reserve	0	0	0	(27,037)	(27,037)
Total Usable Reserves	(500,242)	(55,302)	(555,545)	36,404	(519,141)

10 Purpose of Earmarked Reserves

The purpose and operation of the reserves are as follows.

Transport, Economic Development & Regeneration	
Earnback Revenue Reserve	Funding from the devolution deal to be used for infrastructure investment.
Life Chances Reserve	Funding to help people in society who face the most significant barriers to leading happy and productive lives. It will provide top-up contributions to outcomes-based contracts involving social investment e.g. SIB's.

GM Clean Air Plan Reserve	Funding to support the work to improve air quality across GM and to develop a local plan to ensure the UK achieves compliance with legal limits for nitrogen dioxide in the shortest possible time.
Reform and Investment Fund Reserve	Funding to help thousands of families across England to get the help they need to address multiple, complex problems.
Youth Contract Reserve	Funding to be used on initiatives to tackle youth unemployment for 18-24 year olds.
City Deal Reserve	Funding to support high-quality careers, education, information, advice and guidance to stimulate demand for apprenticeships and pre-apprenticeship programmes.
GM Trailblazer Reserve	Three year project funding for homelessness prevention schemes, working closely with the MHCLG to improve homelessness data and evidence base.
Growing Places Fund Reserve	Funding to establish revolving investment funds, promoting a long term locally led solution to local infrastructure constraints.
Housing First Pilot Reserve	Funding to deliver a Housing First service, supporting single homeless people with complex needs, including rough sleepers and those with a history of rough sleeping.
One Public Estate Reserve	Funding to facilitate and enable local authority partnerships to work successfully with central government and local agencies on public property and land issues through sharing and collaboration.
Creative Scale Up Project Reserve	Funding to support local creative industries by working with potential investors to increase investor interest and capacity.
Manchester Western Loop T2 Reserve	Funding to link the Metrolink tramline between Manchester Airport and Wythenshawe Hospital.
Strategic Plans Funding Reserve	Funding to Local Enterprise Partnerships to support delivery of the Strategic Economic Plan for 2014-2020.

Working Well Care and Support	Now called Working 'Well Specialist Employment Service'. Supported employment for people with a learning disability and autistic people (or people with both). Supports Individual Placement and Support (IPS) for people with a severe mental illness.
Planning Delivery Fund Reserve	Funding to establish a GM-wide whole-place approach to the development of new homes in key locations.
Business Rates Top-Up Reserve	Funding Received as part of the single pot allocations to support delivery.
GPF-RGF Interest and Arrangement Fees Reserve	Interest earned on income received in advance will be re-invested within the fund as per grant conditions and arrangement fees may be off-set against specific costs associated with the making of the loans.
GM Connect Reserve	Earmarked funding to support the GM Connect Digital Strategy.
Churchgate Accommodation Reserve	Earmarked funding for accommodation fit-out costs at Churchgate House and Lee House.
Adult Education Budget Devolution	Funds adult further education (all 19yrs+ provision with the exception of apprenticeships/traineeships), community learning and discretionary learner support. Supports the local labour market and economic development, in particular, it focuses on ensuring that adults have the core skills that they need for progression in learning and work, including guaranteeing a number of statutory entitlements relating to English, Maths and (from 2020/21 academic year onwards) digital skills, as well as first level 2 and 3 qualifications and English for Speakers of Other Languages (ESOL).
Integrated Ticketing Reserve	Funding to support the integrated ticketing scheme.

Capital Programme Reserve	Surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.
Business rates Growth Pilot & Levy	Funding to support Greater Manchester Strategic Priorities.
HIF Interest and Arrangement Fees	Interest, arrangement fees and other income earned from loans funded by the funding agreement with Ministry for Homes, Communities and Local Government. With the surplus to be used to support the GM housing strategy.
Our Pass Reserve	Funding to support Our Pass. Membership scheme for young people who live in Greater Manchester, and supports both school and care leavers. Allows young people access opportunities with free bus travel throughout Greater Manchester.
A Bed Every Night	Funding to support GM Mayor's Charity' A Bed Every Night scheme. Works to assist those who are sleeping rough in Greater Manchester, into need into warm, safe and supported accommodation.
Brownfield Fund	Funding to support the construction of housing on brownfield land.
Active Travel Fund	Funding to support local transport authorities with delivering cycling and walking facilities. Tranche 1, to support the installation of temporary projects as part of emergency Covid response measures; and tranche 2, for the creation of longer-term projects as part of the longer-term recovery.
Ageing Well Programme	Funding to support the Ageing Well Programme.
GM Covid Fund	Funding to support GMCA Corporate costs as a result of COVID.
Waste Engagement Activity Reserve	Reserve funding to allow the completion of the Communications Action Plan that runs over a two year period.
Insurance Reserve	This reserve has been established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims,

	including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases. The Reserve is now also enhanced as a buffer to satisfy any future insurance claims that may arise from an unforeseen event due to failure to secure selected insurance from the market.
Waste Interest Rate Reserve	To enable the Waste & Resources service to meet the additional cost of funding future increases in the margin chargeable on borrowings, arising from the current policy of not taking longer term debt.
Waste Pension Deficit Funding Reserve	To meet the cost of funding potential future deficit arising on transfer of former Greater Manchester Waste Limited employees into the Authority's pension fund on commencement of the Contract, and to take account of possible further efficiencies arising from austerity challenges.
Waste Medium Term Financial Plan Funding Reserve	Reserve to support the delivery of objectives in the Waste & Resources service Medium Term Financial Plan.
Waste Optimisation Reserve	This reserve has been set up to allow a further capital contribution to be made (if required), so that the Authority can realise longer term financial and operational benefits from the approach to minimising the amount of waste sent to landfill.
Waste Compositional Reserve	This reserve provides the cost of conducting a review of waste arisings to be spread over a number of years. The review enables us to gauge whether our residents are recycling, and in so doing, better target limited behavioural change resources.
Waste Lifecycle Reserve	Reserve created to allow funding of lifecycle / maintenance needs at the operational sites now under Authority control.
Usable Capital Receipts	Includes the principal repayments of RGF/GPF loans.

Mayoral General Fund

Capital Reserve	Surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.
Earmarked Budgets Reserve	Funding to be utilised to meet the costs of future projects as part of the budget strategy.
Revenue Grants Unapplied Reserves	Accumulated unspent grant funding which is required to meet costs in future years.
Insurance Reserve	Reserve established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases.
Business Rates Reserve	Funding to mitigate the impact of potential significant deficits on the 10 Greater Manchester Council respective Collection Funds, of which the Authority is liable for 1%.
Restructuring Reserve	Reserve created to provide funds towards the costs of service transition.
Innovation and Partnership CYP Reserve	Funding for future partnership and innovation schemes and to support Children's and Young People's initiatives.
Projects Reserve	Funding to support project work within the Authority.
Transformation Reserve	New reserve set up as part of the Budget Strategy to be used by the Mayor to promote collaboration and transformation in blue light services.

Mayoral Police Fund	
Revenue Expenditure Reserve	Funding to be utilised to meet costs of existing projects which span years.

Insurance Reserve	Insurance Reserve - this reserve has been established as a result of reducing the insurance provision in compliance with IAS37. The reserve provides a prudent contingency against unforeseen future claims, including the MMI Scheme of Arrangement. The reserve also provides a prudent hedge against changes in the insurance market which may require premium increases.
PCC Earmarked Reserves	Funding to be utilised to meet costs of future projects which support the delivery of the Police and Crime Plan.
Capital Expenditure Reserve	Capital Programme Reserve - surpluses of capital financing costs which have been set aside to fund future capital programme related expenditure.
PFI Reserve	This reserve holds that balance of the PFI grant paid by the Home Office. It is used to support the future costs arising from the PFI Scheme.

11 Expenditure and Income Analysed by Nature

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

2019/20 *Restated £000s	Nature of Expenditure and Income	2020/21 £000s
	Expenditure	
94,186	Employee Costs	96,461
50,030	Pension Interest Costs*	42,944
107,284	Cost of Police Officer retirement benefits	101,482
254,697	Grants Expenditure	362,615
664,358	Funding set aside for the Chief Constable	698,569
202,643	Other Service Expenditure	275,625
25,012	Capital Charges including Depreciation and Impairment	26,343
63,865	Financing and Investment Expenditure*	63,218
213,329	Revenue Expenditure Funded from Capital Under Statute	285,483
5,767	Loss on Disposal of Non-current Assets	5,666
1,681,171	Total Expenditure	1,958,405
	Income	
(13,424)	Financing and Investment Income	(12,768)
(52,918)	Fees, charges and other service income	(137,977)
(107,284)	Home Office grant payable towards the cost of retirement benefits	(101,482)
(297,032)	Income from Council Tax and NNDR	(270,017)
(329,926)	Transport and Waste Levy Income	(251,302)
(870,310)	Government Grants and Contributions	(1,157,093)
(1,670,895)	Total Income	(1,930,639)
10,276	Deficit / (Surplus) on the Provision of Services	27,766

*The prior year has been restated to split out pension interest costs from financing and investment expenditure, £50.030m.

12 Revenue Expenditure Funded from Capital under Statute

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

2019/20 £000s	REFCUS	2020/21 £000s
201,266	Highways and Transport Services	178,744
12,063	Economic Development and Regeneration Services	106,739
213,329	REFCUS Total	285,483

13 Grants and Contributions Credited to Comprehensive Income

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

2019/20 £000s	Grants and Contributions	2020/21 £000s
	Highways and Transport Services	
(21,097)	GM Clean Air Plan (Feasibility Study) - DEFRA	0
(33)	Other transport grants	(158)
(2,000)	Light Rail Funding	(1,549)
0	Active Travel Fund	(3,174)
0	Emergency Active Travel Fund	(1,288)
0	Home to School and College Transport	(5,565)
0	Revenue Expenditure Funded by Capital under Statute - DfT	0
(23,130)		(11,734)
	Economic Development and Regeneration Services	
(6,477)	Business Support Grants & Contributions	(3,885)
(3,004)	Works & Skills Grants & Contributions	(13,148)
(58,130)	Adult Education Budget	(97,193)
(2,150)	Environment & Low Carbon Grants & Contributions	(1,179)
(8,520)	GM Technical Assistance - ERDF/ESF	0
(4,210)	Homelessness Grants - MHCLG	(3,610)
(7,843)	Troubled Families - MHCLG	(11,029)
(5,211)	Innovation & Reform Grant - DfE	(978)
(1,222)	Future Workforce Fund	(2,547)
(9,271)	GM Authority Contributions to ED&R Functions	(9,173)
(1,699)	External Contributions Towards ED&R	(8,385)
0	Brownfield Fund (BF) - MHCLG	(1,882)
0	Covid 19 grants	(77,287)
0	Rough Sleeping Initiative	(1,005)
0	Self Employment Pilot Programme	(2,372)
0	Working Well JETS	(3,607)
0	Economy - BEIS	(1,077)
(8,150)	Other Grants	(5,791)
(24,148)	Benefit of concessionary loan received and future years write back*	3,476
(140,035)		(240,672)
	Waste and Resources	
(6)	Erasmus Grant - EU	0
0	PFI Credit	0
(6)		0
	Mayoral General Fund Services	
(14,156)	Mayor's Office	(14,470)
(7,778)	Business Rates Top-Up Grant	(13,175)
(2,505)	Fire Service Specific Grants and Contributions	(4,735)
(24,439)		(32,380)
	Mayoral Police Fund Services	
(36,404)	CTU grant	(34,810)
(26,291)	Other revenue grants and contributions	(37,132)
(5,315)	PFI grant	(5,315)
(68,010)		(77,257)
(255,620)	Total Grants and Contributions Credited to Net Cost of Services	(362,042)
	Non-Specific Grants and Contributions	
(110,117)	Non-Specific Capital Grant	(244,277)
(15,000)	Earnback Revenue Grant	(20,000)
(43,377)	Business Rates Top Up Grant	(43,377)
(1,845)	Contributions to Traffic Signals Repairs / S278	(3,375)
(500)	Growth Deal Grant (LEP)	(500)
(443,851)	Police Grant	(483,521)
(614,690)	Total Non-Specific Grants and Contributions	(795,050)
(870,310)	Total Grants and Contributions Credited to Net Cost of Services	(1,157,093)

*The full benefit of the saving from a loan provided at below market rate interest is treated as a grant in the year the loan funds are received. In future years the benefit is reduced annually over the remaining years of the loan term using a fair value effective interest rate.

In 2018/19 Housing Investment Fund and City Deal loan agreements novated from Manchester City Council to the GMCA. This resulted in the Authority receiving novated interest free loans of £29.2m from Homes England repayable in 2022 and £181.3m from the Ministry for Homes, Communities and Local Government (MHCLG) repayable in 2028. The £24.1m in 2019/20 is the total saving to the Authority on novation of the loans, £1.2m City Deal (Homes England Loan) and £22.9m Housing Investment Fund (MHCLG Loan).

14 Grants and Contributions Received in Advance

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

31 March 2020 £000s	Grants Received in Advance	31 March 2021 £000s
	Capital Grants Receipts in Advance	
(6,020)	Clean Bus Technology Grant	(2,097)
(4,896)	Cross City Bus Package	(4,759)
(7,147)	Cycle City Ambition Grant 2	(1,785)
(3,813)	Stockport Town Centre Access	(368)
(58)	Local Sustainable Transport Fund	(58)
(1,535)	Early Measure (GM Clean Air Plan)	(1,024)
(1,542)	Cycle Safety Grant	(1,542)
(36,000)	Clean Air Charging Zone	(64,387)
(1,800)	OLEV ULEV Taxi Infrastructure	(1,758)
0	Green Homes Grant	(10,022)
0	Pothole Action Fund	(4,658)
0	Public Sector Decarbonisation	(78,237)
0	Rough Sleeping Accommodation Programme (RSAP)	(1,335)
(31,738)	Transforming Cities	(53,515)
(11,433)	Revenue Expenditure Funded by Capital under Statute - DfT	0
(277)	Police Capital Grants	(119)
(106,258)	Total Capital Grants RIA	(225,663)
(41,234)	Due to be recognised within 1 year	(153,402)
(65,024)	Due to be recognised over 1 year	(72,262)
	Revenue Grants Receipts in Advance	
(1,546)	Made Smarter	(2,040)
(796)	Innovation & Reform Funding	(568)
(1,000)	Planning Delivery Fund	0
(2,805)	Work and Health Programme	(3,684)
(2,474)	Digital Skills Academy Fund	(191)
(1,890)	NHS Early Help Transformation Fund	(1,941)
(1,893)	Self Employment Pilot Programme	(3,034)
(1,033)	UIA Ignition Project	(589)
0	Dedicated Home to School & College Transport	(2,686)
0	Early Years Transformation Fund	(1,577)
0	Working Well JETS	(1,449)
0	Future Workforce Fund	(1,148)
0	Housing Deal Capacity Funding	(1,000)
0	Better Deal for Bus Users	(1,532)
(1,150)	Other revenue grants receipts in advance	(897)
(281)	Mayoral Police Fund Asset Incentivisation	(745)
(2,854)	Mayoral Police Fund Other	(550)
(17,723)	Total Revenue Grants RIA	(23,632)
(17,723)	Due to be recognised within 1 year	(23,632)
0	Due to be recognised over 1 year	0

15 Financing and Investment Income and Expenditure

2019/20 £000s	Financing and Investment Income	2020/21 £000s
(1,213)	Interest receivable on deposits	(802)
(7,925)	Interest receivable on loans	(8,087)
(4,286)	Interest on Plan Assets	(3,879)
(13,424)	Total Financing and Investment Income	(12,768)

2019/20 £000s	Financing and Investment Expenditure	2020/21 £000s
26,707	PWLB	25,914
21,533	European Investment Bank	21,061
6,838	Others	7,744
1,159	Former Greater Manchester Council Debt	927
7,628	Interest Element of PFI Unitary Charge	7,572
50,030	Interest on Plan Liabilities	42,944
113,895	Total Financing and Investment Expenditure	106,162

16 Taxation and Non-Specific Grant Income

2019/20 £000s	Taxation and Non Specific Grant Income	2020/21 £000s
	Income from Levies	
(187,473)	Transport Levy from the GM Authorities	(105,773)
(142,453)	Waste levy from the GM Authorities	(145,529)
	Income from Council Tax and Business Rates	0
(149,827)	Council Tax Police Precept Income	(156,587)
(58,317)	Council Tax Mayoral Precept Income (inc Fire)	(68,151)
(88,889)	Non Domestic Rates Income	(45,280)
	Income from Revenue Grants	
(43,377)	Business Rates Top up Grant	(43,377)
(443,851)	Police Grant	(484,880)
(500)	Growth Deal Grant (LEP)	(500)
(15,000)	Earmback Grant	(20,000)
	Income from Capital Grants	
(1,845)	Capital Contributions Receivable for Traffic Signal Schemes	(3,375)
(47,904)	Growth Deal	(77,808)
(15,000)	Earmback	(10,000)
(23,262)	Transforming Cities	(50,223)
(11,637)	Pot Hole National Productivity Investment Fund	(20,899)
(6,818)	Stockport Town Centre Access Programme	(3,445)
(1,558)	Cycle City Ambition Grant	(5,361)
0	Getting Building Fund	(27,100)
0	Brownfield Land Fund	(16,286)
0	Emergency Active Travel Fund	(14,583)
0	Full Fibre	(9,824)
0	Clean Bus Technology Grant	(3,923)
0	Watching Watch Relief Fund	(2,050)
(2,371)	Police Capital Grants	(622)
(1,566)	Other capital grants and contributions	(794)
(1,241,648)	Total Taxation and Non Specific Grant Income	(1,316,369)

17 External Audit Fees

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

2019/20 £000s	External Audit Fees	2020/21 £000s
20	Fees payable to Mazars with regard to external audit services carried out by the appointed auditor for the previous year	49
0	Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the previous year	0
(9)	Surplus Fee refund received from Public Sector Audit Appointments (PSAA) with regard to external audit services undertaken in prior years under transitional arrangements by the Secretary of State	0
70	Fees payable to Mazars with regard to external audit services carried out by the appointed auditor for the year	82
0	Fees payable to Mazars for the certification of grant claims and returns for the year	0
81	Total External Audit Fees	131

18 Officer Remuneration

Officers with Remuneration above £50,000

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

Staff who have not received severance 2019/20	Staff who have received severance 2019/20	Number of Employees 2019/20	Salary Range	Staff who have not received severance 2020/21	Staff who have received severance 2020/21	Number of Employees 2020/21
28	2	30	£50,000 to £54,999	45	0	45
58	0	58	£55,000 to £59,999	69	1	70
16	1	17	£60,000 to £64,999	21	1	22
13	2	15	£65,000 to £69,999	18	0	18
6	1	7	£70,000 to £74,999	5	0	5
7	1	8	£75,000 to £79,999	4	0	4
1	0	1	£80,000 to £84,999	4	0	4
7	0	7	£85,000 to £89,999	4	0	4
1	1	2	£90,000 to £94,999	7	0	7
0	0	0	£95,000 to £99,999	0	0	0
2	0	2	£100,000 to £104,999	0	0	0
1	1	2	£105,000 to £109,999	1	0	1
1	0	1	£110,000 to £114,999	3	0	3
0	1	1	£115,000 to £119,999	0	0	0
1	0	1	£120,000 to £124,999	1	0	1
4	0	4	£125,000 to £129,999	0	0	0
1	0	1	£130,000 to £134,999	3	0	3
1	1	2	£135,000 to £139,999	0	0	0
0	0	0	£140,000 to £144,999	1	0	1
0	1	1	£145,000 to £149,999	0	0	0
0	0	0	£150,000 to £154,999	0	0	0
0	0	0	£155,000 to £159,999	0	0	0
0	0	0	£160,000 to £164,999	0	0	0
1	0	1	£165,000 to £169,999	1	0	1
0	0	0	£170,000 to £174,999	0	0	0
0	0	0	£175,000 to £179,999	0	0	0
0	0	0	£180,000 to £184,999	0	0	0
0	0	0	£185,000 to £189,999	0	0	0
0	1	1	£190,000 to £194,999	0	0	0
0	0	0	£195,000 to £199,999	0	0	0
0	0	0	£200,000 to £204,999	0	0	0
0	0	0	£205,000 to £209,999	0	0	0
0	0	0	£210,000 to £214,999	0	0	0
1	0	1	£215,000 to £219,999	0	0	0
0	0	0	£220,000 to £224,999	0	0	0
0	0	0	£225,000 to £229,999	1	0	1
150	13	163		188	2	190

Senior Employees Remuneration

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

Note	Post Title	2019/20				2020/21			
		Salary (including fees and allowances) £000s	Expenses £000s	Employer's Pensions Contribution £000s	Total Remuneration £000s	Salary (including fees and allowances) £000s	Expenses £000s	Employer's Pensions Contribution £000s	Total Remuneration £000s
	Mayor of Greater Manchester (Andy Burnham)	110	1	0	111	110	0	0	110
	Deputy Mayor for Police and Crime (Baroness Beverley Hughes)	78	0	0	78	80	0	0	80
	Director - Mayor's Office	78	0	17	95	80	0	17	97
A	Chief Executive - GMCA and TfGM (Eamonn Boylan)	219	0	0	219	226	0	0	226
B	Interim Chief Fire Officer (Dawn Docx)	0	0	0	0	73	1	0	73
C	Chief Fire Officer (James Wallace)	166	1	0	167	93	2	27	121
D	Treasurer (Richard Paver)	123	1	0	124	0	0	0	0
E	Treasurer (Steve Wilson)	45	0	0	45	166	0	0	166
F	Chief Investment Officer (William Enevoldson)	73	1	0	74	67	0	9	77
	Deputy Chief Executive	137	0	29	166	140	0	30	170
	Solicitor and Monitoring Officer	110	0	23	133	113	0	24	137
	Executive Director - Waste and Resources	104	0	22	126	107	0	23	130

- A. The GMCA received a contribution of £113,025 (2019: £109,251) for the Chief Executive also performing the duties of Chief Executive at TfGM during 2020/21.
- B. Post Holder left 31 August 2020 (2020: FTE salary £164,020.63)
- C. Post Holder commenced 7 September 2020. (2020: FTE salary £164,020.63)
- D. Post Holder left 31 December 2019 (2019: FTE salary £164,412)
- E. Post Holder commenced 2 December 2019 (2019: FTE salary £136,000). The GMCA received a contribution of £60,000 for the Treasurer performing duties of Executive lead for finance and investment at Greater Manchester Health and Social Care Partnership during 2020/21

F. Post in 2019/20 is 0.41 FTE, Annual salary for 1.0 FTE would be £157,621. Post in 2020/21 is also 0.41 FTE, Annual Salary for 1.0 FTE would be £161,955.16

Exit Costs

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

Exit package cost band	Number of compulsory departures		Number of other departures		Total number of exit package by cost band		Total cost of exits £000s	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
£0 - £20,000	0	0	12	15	12	4	156	23
£20,001 - £40,000	0	0	3	1	3	1	77	37
£40,001 -£60,000	0	0	4	1	4	1	200	54
£60,001 - £80,000	0	0	1	0	1	0	75	0
£80,001 - £100,000	0	0	2	0	2	0	183	0
£100,001 - £150,000	0	0	2	0	2	0	254	0
Total	0	0	24	17	24	6	945	114

19 Capital Expenditure and Capital Financing

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

2019/20 £000s	Capital Financing Requirement (CFR)	2020/21 £000s
1,878,509	Opening CFR - General Fund	2,107,938
28,410	Opening CFR - Mayoral General Fund	24,758
231,388	Opening CFR - Mayoral Police Fund	249,708
0	Opening CFR - transferred into General Fund from GMWDA	0
2,138,307	Opening CFR	2,382,404
	Capital Investment In Year	
213,329	Revenue Expenditure Funded from Capital Under Statute	285,483
55,978	Property, Plant and Equipment Assets	32,525
2,235	Intangible Assets	363
82,771	Loan Advances	106,709
	Novated Capital Investment In Year	
154,576	Housing Investment Fund Loan Advances Novated to GMCA*	0
	Sources of Finance	
(112,742)	Government Grants & Other Contributions	(220,615)
0	Short / Long Term Debtor financed from Capital Grants	0
(13,022)	Short / Long Term Debtor financed from Capital Receipts	(63,515)
0	Investments funded from RCCO	0
(58,197)	Revenue Contributions	(42,653)
(474)	Useable Capital Receipts	(769)
(73,836)	Minimum Revenue Provision	(85,529)
(6,522)	Repayment of Inherited Debt	(6,860)
2,382,404	Closing Capital Financing Requirement	2,387,543
	Explanation of movements in year	
244,096	Increase / (decrease) in underlying need to borrow	5,139
244,096	Increase in Capital Financing Requirement	5,139

*The novation of Loan Advances in 2019/20 relates to the transfer from Manchester City Council of investments made using Housing Investment Fund and City Deal Receipts funding, following the novation of the associated government loan debt to the Greater Manchester Combined Authority. With both the loan debt and the associated investments being novated, the Capital Financing Requirement requires an adjustment to reflect this.

2019/20	Increase/decrease in CFR	2020/21
£000s		£000s
229,428	Authority Operations	7,014
(1,650)	Mayoral General Fund	1,171
16,318	Mayoral Police Fund	(3,046)
244,096	Total	5,139

2019/20	Closing CFR Analysed by Fund	2020/21
£000s		£000s
2,107,938	General Fund	2,114,953
24,758	Mayoral General Fund	25,929
249,708	Mayoral Police Fund	246,662
2,382,404	Total	2,387,544

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

2019/20	Capital Commitments	2020/21
£000s		£000s
1,409	Traffic Signals	1,048
1,633	Fire Programme related	683
16,640	Police Programme related	10,519
0	Waste Programme related	11,210
19,682	Total Capital Commitments	23,461

20 Property, Plant and Equipment Including Disposals

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

The Authority used the following valuers in 2020/21:

Waste Assets

- Valuations were carried out by Avison Young, an independent valuer, for all land, buildings and infrastructure revaluations, in accordance with the provisions of the professional standards of the Royal Institute of Chartered Surveyors.
- Hilco Appraisals Limited carried out plant and machinery valuations.

Other Assets

- Salford City Council Property Services (Formerly Urban Vision Ltd) carried out valuations of the Authority's remaining assets.

	Infrastructure Assets	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Surplus Assets	Assets Under Construction	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Carried at Historic Cost:	86,358	0	239,263	0	30,030	355,651
Valued at Current Value:						
2020/21	0	185,041	18,063	0	0	203,104
2019/20	0	65,163	0	0	0	65,163
2018/19	0	132,772	0	0	0	132,772
2017/18	0	60,280	0	0	0	60,280
2016/17	0	56,847	0	0	0	56,847
Valued at Fair Value in 19/20:	0	0	0	3,481	0	3,481
	86,358	500,103	257,327	3,481	30,030	877,298

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Property, Plant and Equipment 2020/21	Infrastructure assets	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment	PFI in PPE
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
Asset values brought forward at 1 April 2020	81,251	479,447	252,406	2,566	23,262	838,932	78,432
General Fund Adjustments between cost/value & depreciation/impairment - gross	0	(15,400)	(5,070)	0	0	(20,470)	0
Additions	5,371	7,399	3,879	0	15,877	32,526	0
Accumulated depreciation and impairment written off to cost or valuation	0	(3,510)	0	(1)	0	(3,511)	(1,777)
Revaluation increases/decreases recognised in the Revaluation Reserve	0	27,139	10,441	1,262	0	38,842	2,831
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	0	2,427	(1,517)	179	0	1,089	347
Derecognition - disposals	(264)	0	(4,526)	(525)	0	(5,315)	0
Derecognition - other	0	(4,794)	0	0	0	(4,794)	0
Assets reclassified to/from held for sale	0	0	0	0	0	0	0
Assets reclassified to/from assets under construction	0	7,395	1,713	0	(9,109)	(1)	0
Other movements in cost or valuation	0	0	0	0	0	0	0
Cost or Valuation at 31 March 2021	86,358	500,103	257,326	3,481	30,030	877,298	79,833
Accumulated Depreciation & Impairment							
Accumulated depreciation values brought forward at 1 April 2020	(63,456)	(24,965)	(148,208)	(33)	0	(236,662)	(2,811)
Accumulated depreciation and impairment written off to cost or valuation	0	18,909	5,070	1	0	23,980	1,777
Depreciation Charge	(3,533)	(18,319)	(26,696)	(15)	0	(48,563)	(2,106)
Depreciation recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition - disposals	130	0	3,699	13	0	3,842	0
Other adjustment - depreciation	0	0	0	0	0	0	0
Closing value - depreciation	(66,859)	(24,375)	(166,135)	(34)	0	(257,403)	(3,140)
Net Book Value at 31 March 2020	17,795	454,482	104,198	2,533	23,262	602,271	75,621
Net Book Value at 31 March 2021	19,499	475,728	91,191	3,447	30,030	619,895	76,693
Net Book Value at 31 March 2021							
Assets deployed for GMCA activity	19,499	0	0	0	68	19,567	0
Assets deployed for Mayoral General activity	0	96,785	13,400	0	648	110,833	4,391
Assets deployed for Mayoral Police activity	0	246,630	51,677	3,447	23,974	325,728	72,302
Assets deployed for Waste activity	0	132,312	26,114	0	5,341	163,767	0
At 31 March 2021	19,499	475,728	91,191	3,447	30,030	619,895	76,693

Greater Manchester Combined Authority Draft Statement of Accounts 2020/21 (22/7/21)

Property, Plant and Equipment 2019/20	Infrastructure assets	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment	PFI in PPE
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
Asset values brought forward at 1 April 2019	77,191	534,346	240,187	2,111	38,185	892,020	81,056
Accumulated depreciation and impairment written off to cost or valuation	0	(53,201)	(26,139)	0	0	(79,339)	(2,655)
Additions	4,759	4,845	21,761	0	24,613	55,978	0
Revaluation increases/decreases recognised in the Revaluation Reserve	0	(5,066)	2,500	(25)	0	(2,591)	4,060
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	0	288	(3,138)	0	0	(2,850)	546
Derecognition - disposals	(708)	(1,006)	(21,323)	0	0	(23,037)	(4,575)
Derecognition - other	0	(1,499)	0	0	0	(1,499)	0
Assets reclassified to/from held for sale	0	0	0	250	0	250	0
Assets reclassified to/from assets under construction	9	969	38,558	0	(39,536)	0	0
Other movements in cost or valuation	0	(230)	0	230	0	0	0
Cost or Valuation at 31 March 2020	81,251	479,447	252,406	2,566	23,262	838,932	78,432
Accumulated Depreciation & Impairment							
Accumulated depreciation values brought forward at 1 April 2019	(59,356)	(62,689)	(172,635)	(13)	0	(294,693)	(8,401)
Accumulated depreciation and impairment written off to cost or valuation	0	53,201	26,139	0	0	79,339	2,655
Depreciation Charge	(4,593)	(16,334)	(18,516)	(16)	0	(39,459)	(2,064)
Depreciation recognised in the Revaluation Reserve	0	(0)	0	0	0	(0)	862
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	19
Derecognition - disposals	493	854	16,804	0	0	18,151	4,118
Derecognition - other	0	0	0	0	0	0	0
Depreciation eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0
Reclassifications & Transfers - depreciation	0	0	0	0	0	0	0
Other adjustment - depreciation	0	4	0	(4)	0	0	0
Closing value - depreciation at 31 March 2020	(63,456)	(24,965)	(148,208)	(33)	0	(236,661)	(2,811)
Net Book Value summary:							
Net Book Value at 31 March 2019	17,835	471,657	67,552	2,098	38,185	597,331	72,655
Net Book Value at 31 March 2020	17,795	454,482	104,198	2,533	23,262	602,271	75,621
Net Book Value at 31 March 2020							
Assets deployed for GMCA activity	17,795	0	0	0	41	17,836	0
Assets deployed for Mayoral General activity	0	92,200	13,970	0	0	106,171	4,391
Assets deployed for Mayoral Police activity	0	245,854	65,225	2,533	15,903	329,515	71,230
Assets deployed for Waste activity	0	116,428	25,003	0	7,318	148,749	0
At 31 March 2020	17,795	454,482	104,198	2,533	23,262	602,271	75,621

21 Intangible Assets

The Authority 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 are purchased licenses.

All software is given a finite useful life, based on assessments of the period that the software is expected to be used by the Authority. The useful lives assigned to the major software suites used by the Authority are:

Assets attributable to the Fire and Rescue Services	3 to 10 years
Assets attributable to the Policing Service	5 years
Assets attributable to the Waste Disposal Services	5 years

The carrying amounts of intangible assets is amortised on a straight line basis. Amortisation has been charged to service headings in the cost of services as follows:

	£000s
Fire and Rescue Service	(71)
Policing Service	(4,890)
Waste disposal service	0
	(4,961)

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

2019/20 Intangible operational £000s	2019/20 Intangible Assets Under Construction £000s	2019/20 Intangible total £000s	Intangible Fixed Assets	2020/21 Intangible operational £000s	2020/21 Intangible Assets Under Construction £000s	2020/21 Intangible total £000s
			Balance at start of year			
3,887	0	3,887	Gross carrying amount	33,085	0	33,085
(3,175)	0	(3,175)	Accumulated amortisation	(6,108)	0	(6,108)
0	26,979	26,979	Assets under construction	0	0	0
712	26,979	27,691	Net carrying amount at 1 April	26,977	0	26,977
			Additions:			
238	0	238	Purchases	128	0	128
0	1,998	1,998	Additions to assets under construction	0	235	235
28,977	(28,977)	0	Reclassified from assets under construction to operational	0	0	0
(17)	0	(17)	Disposals	0	0	0
(2,933)	0	(2,933)	Amortisation for the year	(4,961)	0	(4,961)
26,977	0	26,977	Net carrying amount at 31 March	22,144	235	22,378
			Comprising			
33,085	0	33,085	Gross carrying amounts	33,213	235	33,448
(6,108)	0	(6,108)	Accumulated amortisation	(11,069)	0	(11,069)
0	0	0	Assets under construction	0	0	0
26,977	0	26,977	Balance at 31 March	22,144	235	22,378

There is one capitalised software suite that is individually material to the financial statements: The Information Services Transformation Programme had a carrying amount of £26.560m at 31 March 2021 and a remaining amortisation period of 3.5 years.

22 Short and Long Term Debtors

Short Term Debtors

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

31 March 2020 £000s	Short Term Debtors	31 March 2021 £000s
75,089	Central Government Bodies	66,573
100,590	Other Local Authorities and Police and Crime Commissioners	62,967
1,779	NHS Bodies	5,948
4,420	Public Corporations	205
9,668	Payments in Advance	13,687
160,659	Other entities and individuals	188,212
(35,546)	Impairment Allowance	(43,627)
316,660	Total Short Term Debtors	293,965

Other entities and individuals includes the following short term debtors:

- £145.3m where Housing Investment Fund (HIF) loans (£131.4m) and Local Growth Fund (LGF) loans (£13.9m) have been provided to support Greater Manchester's economic growth by supporting the delivery of new homes;
- £15.1m where Local Growth Fund (LGF) loans have been provided for projects that benefit the local area and economy;
- £8.4m where Regional Growth Fund (RGF) and Growing Places Fund (GPF) monies have been recycled and loans provided for investment in businesses and commercial property projects.

Long Term Debtors

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

31 March 2020 £000s	Long Term Debtors	31 March 2021 £000s
	Other entities and individuals	
87,907	Gross Book Value	90,341
(5,316)	Impairment Allowance	(4,893)
82,591	Total Long Term Debtors	85,449

23 Cash and Cash Equivalents

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

- Cash is represented by operating bank accounts (shown net of bank overdrafts), deposits with financial institutions for less than three months, cash in hand and petty cash balances.
- Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with an insignificant risk of change in value. These include interest bearing call accounts and money market funds with institutions that meet our required credit ratings.

31 March 2020 £000s	Cash and Cash Equivalents	31 March 2021 £000s
(3,880)	Bank current accounts	(1,144)
14,867	Bank call accounts	89,377
567	Cash held by the Authority	565
44,001	Short term deposits with central government and other institutions	50,012
55,555	Total Cash and Cash Equivalents	138,810

24 Short and Long Term Creditors

Short Term Creditors

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

31 March 2020 £000s	Creditors	31 March 2021 £000s
(15,921)	Central Government Bodies	(20,045)
(96,400)	Other Local Authorities and Police and Crime Commissioners	(101,410)
(1,612)	NHS Bodies	(769)
(60,805)	Public Corporations	(47,520)
(74,075)	Other entities and individuals	(71,578)
(14,912)	Prepaid Income / Receipt in Advance	(10,428)
(7,605)	Siezed Cash	(11,227)
(271,329)	Total Creditors	(262,976)

25 Short and Long Term Provisions

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

Provisions	1 April 2020 £000s	Top Up of Provision in year £000s	Amounts released in year £000s	Use of Provision in year £000s	31 March 2021 £000s	Short Term Provision £000s	Long Term Provision £000s	31 March 2021 £000s
GMCA								
Trafford Park Metrolink Line Land Provision	4,116	7,242	(302)	(11,056)	0	0	0	0
Metrolink Compensation Provision	1,184	0	0	(1,184)	0	0	0	0
Quay West Parking Provision	76	14	0	(90)	0	0	0	0
Landcare Provision	1,245	0	(476)	0	770	455	313	770
	6,621	7,256	(778)	(12,330)	770	455	313	770
Mayoral General Fund								
Insurance Provision	664	0	0	0	664	110	554	664
NNDR Appeals Provision	2,208	365	0	0	2,573	2,573	0	2,573
Bear Scotland v Fulton Provision	1,100	335	0	0	1,438	1,438	0	1,438
Fire Roster Provision	0	0	0	0	0	0	0	0
	3,972	700	0	0	4,676	4,122	554	4,676
Mayoral Police Fund								
Insurance Provision	7,908	14,118	0	(11,649)	10,376	2,097	8,279	10,376
Police Pension Lump Sum Provision	224	0	0	0	224	224	0	224
Capital Project Retentions Provision	77	692	0	(611)	158	158	0	158
	8,209	14,810	0	(12,260)	10,758	2,480	8,279	10,759
Total	18,802	22,766	(778)	(24,590)	16,203	7,057	9,146	16,203

The provisions held by the Authority are described below:

GMCA

- a) Trafford Park Metrolink Line Land Provision - TfGM had to occupy the land to build the Metrolink and did so by a legal 'Group Vesting Declaration' and entering into leases with Peel Holdings. This provision has now been fully expended.
- b) Metrolink Compensation Provision - TfGM are liable for providing compensation from claims arising from 'Noise Pollution and Devalued House Prices' as a result of installing Metrolink lines. This provision has now been fully expended.
- c) Quay West Parking Provision - This provision has now been fully expended.
- d) Landcare Provision - The GMWDA sold 18 sites to the private sector (Landcare (Manchester) Limited) in December 2012 in return for agreeing a fixed ten year contribution less potential income from part of any enhanced value (overage) from future development of the sites. The Landcare provision represents the maximum amounts that GMCA would have to pay each year, however as there is an overage clause if Landcare were to make money from one of the sites transferred to them, there is a mechanism to reduce the annual payment.

Mayoral General Fund

- e) Insurance Provision - This provision represents the value of an actuarial assessment of the remaining liability for all self-insured claims occurring in 2020/21, all prior policy years and a prudent margin added for emerging claim types.
- f) NNDR Appeals Provision - This is the estimated amount required to cover the cost of successful appeals against local non-domestic rateable values, where the cost of these appeals is required to be met locally.

- g) Bear Scotland v Fulton - The Employment Appeals Tribunal has ruled in this case that non-contractual overtime needs to be included when calculating holiday pay paid to firefighter employees. This provision is the estimated amount required to pay backdated claims.

Mayoral Police Fund

- h) Insurance Provision - This provision represents the value of an actuarial assessment of the remaining liability for all self-insured claims occurring in 2020/21, all prior policy years and a prudent margin added for emerging claim types.
- i) Police Pension Lump Sum Provision - The Pensions Ombudsman determined there was an underpayment of lump sums, to pension scheme members who retired between December 2001 and August 2006. The Ombudsman concluded that commutation formulas to convert annual pensions payments to lump sums should have been updated between 2001 and 2006 and as a result, additional payments are due to those members who chose to commute pension for lump sum at retirement during these years.
- j) Capital Project Retentions Provision - This is a provision to hold a percentage of a projects total funding, which is retained during the contractual defects period.

26 Short and Long Term Leases including PFI

Fire Station

2020/21 was the twenty second year of a 25 year PFI contract (ending October 2024) for the construction, maintenance and provision of a Fire Station at Stretford, along with associated equipment.

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

Over the remaining term of the contract, the Authority is committed to making gross payments of £2.585m (average payment per year is £0.721m). However, the net cost to the Authority after income from specific government grant is estimated at £0.889m (average payment per year is £0.248m).

Police Stations

2020/21 was the eighteenth year of a Private Finance Initiative (PFI) contract (ending in 2030) for the construction and maintenance of seventeen Police stations across the Greater Manchester area. The contractor will operate and service the stations for twenty-five years after which ownership will revert to the Authority, to be held on behalf of the Mayor, for nil consideration.

Over the remaining term of the contract, the Authority is committed to making gross payments of £173.297m (average payment per year is £19.255m). However, the net cost to the Authority after income from specific government grant is estimated at £125.463m (average payment per year is £13.940m).

Property Plant and Equipment

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

Outstanding Liability

The PFI liability represents the current outstanding long term liability to the contractor for capital expenditure. The current value of the liability held under each PFI arrangement is as follows:

2020/21

	PFI Arrangement Fire £000	PFI Arrangement Police £000	Total £000
Balance outstanding at 1 April 2020	1,364	46,294	47,658
Payments during the year	(242)	(2,999)	(3,241)
Balance outstanding at 31 March 2021	1,122	43,295	44,417

2019/20

	PFI Arrangement Fire £000	PFI Arrangement Police £000	Total £000
Balance outstanding at 1 April 2019	1,580	48,751	50,331
Payments during the year	(216)	(2,457)	(2,673)
Balance outstanding at 31 March 2020	1,364	46,294	47,658

Central Government Grant Subsidy

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

Payments due under the PFI Contracts

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

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

Reimbursement of Capital Expenditure

	PFI Arrangement Fire £000	PFI Arrangement Police £000	Total £000
Payable within one year	270	3,389	3,659
Payable within two to five years	852	15,960	16,812
Payable within six to ten years	0	23,946	23,946
Total	1,122	43,295	44,417

Interest

	PFI Arrangement Fire £000	PFI Arrangement Police £000	Total £000
Payable within one year	112	9,005	9,117
Payable within two to five years	132	34,536	34,668
Payable within six to ten years	0	31,854	31,854
Total	244	75,395	75,639

Payment for Services

	PFI Arrangement Fire £000	PFI Arrangement Police £000	Total £000
Payable within one year	329	5,014	5,343
Payable within two to five years	890	23,602	24,492
Payable within six to ten years	0	25,991	25,991
Total	1,219	54,607	55,826

27 Short and Long Term Deferred Liabilities

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

The debt is being repaid annually on an annuity basis over the 36 years to 31 March 2022.

2019/20 £000s	Deferred Liabilities	2020/21 £000s
	Former Greater Manchester Council Debt	
(20,679)	Balance brought forward - continuing operations	(14,159)
0	Balance transferred on 1 April 2018 from GMWDA	0
(20,679)	Balance brought forward all operations 1 April	(14,159)
6,520	Repayment in the year	6,857
(14,159)	Balance carried forward 31 March	(7,302)
(6,857)	Due within 1 year	(7,302)
(7,302)	Due over 1 year	0

28 Unusable Reserves

31 March 2020 £000s	Unusable Reserves	31 March 2021 £000s
1,666,420	Capital Adjustment Account	1,613,005
(23,946)	Financial Instruments Adjustment Account	(19,769)
1,742,625	Pensions Reserve	1,957,721
(141,151)	Revaluation Reserve	(176,210)
(725)	Financial Instruments Revaluation Reserve	(814)
(3,705)	Collection Fund Adjustment Account	9,347
(302)	Deferred Capital Receipts Reserve	(134)
3,239,216	Total Unusable Reserves	3,383,149

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

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

31 March 2020 £000s	Capital Adjustment Account	31 March 2021 £000s
1,618,707	Balance brought forward 1 April	1,666,420
39,459	Charges for depreciation and impairment of non-current assets	48,563
2,850	Revaluation (gains) / losses on non-current assets	(1,089)
2,933	Amortisation of intangible assets	4,961
213,329	Revenue expenditure funded from capital under statute	285,483
(1,964)	Capital bad debt provision movement	(2,041)
2,514	Revaluation and impairment of capital financial assets	2,094
(261)	Loan novations	0
6,151	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	6,267
265,010	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	344,237
(7,003)	Adjusting Amounts written out of the Revaluation Reserve	(3,783)
258,006	Net written out amount of the cost of non-current assets consumed in the year	340,454
(12,723)	Use of Capital Receipts Reserve to finance new capital expenditure	(106,255)
(168)	Use of Capital Receipts applied in year to finance new capital expenditure	(769)
(112,742)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(220,615)
0	Capital Grants and Contributions applied to capital financing from Capital Grants Unapplied	0
(73,836)	Statutory provision for the financing of capital investment charged against the General Fund balance	(85,529)
(6,522)	Repayment of inherited debt	(6,860)
(58,197)	Capital expenditure charged against the General Fund balance	(42,653)
(264,187)	Capital financing applied in year	(462,680)
53,894	Capital Receipts debited to the Capital Adjustment Account on Repayment of loans	68,812
0	Other movements	0
1,666,420	Balance carried forward 31 March	1,613,005

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

31 March 2020 £000s	Financial Instruments Adjustment Account	31 March 2021 £000s
205	Balance brought forward 1 April	(23,946)
(27,017)	Interest incurred in the year and charged to the Comprehensive Income and Expenditure Statement	0
2,866	Proportion of interest incurred to be charged against the General Fund Balance in accordance with statutory requirements	4,177
(24,151)	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	4,177
(23,946)	Balance carried forward 31 March	(19,769)

The movement in year is due to the Authority being in receipt of two loans from central government that are interest free for the purposes of HIF and City Deal. In accordance with statutory accounting requirements an effective interest rate has been calculated to enable the value of the financial assistance being provided to the GMCA on a net present value basis to be separated from the financing costs of the loan.

The effect of this in the accounts is to discount the value of the loans received using an interest rate at which the Authority could borrow from the Public Works Loan Board for a loan with similar terms. This will result in a lower figure for the fair value of the loan when it is initially recognised as received but each year an element of the full fair value discount will be written back. Thereby increasing the loan value on the balance sheet annually over the loan term. This will continue until the full loan value advanced is reflected in the balance sheet, which is the year repayment of the loan falls due.

The Pension Reserve relates to the net pension asset as at 31 March 2021 in accordance with the actuary's report.

31 March 2020 £000s	Pension Reserve	31 March 2021 £000s
1,872,065	Balance brought forward for continuing operations	1,742,625
0	Balance transferred in from GMWDA	0
1,872,065	Balance brought forward for all operations 1 April	1,742,625
(160,685)	Remeasurements of the net defined benefit liability / (asset)	191,413
(60,917)	Employer's pension contributions and direct payments to pensioners payable in the year	(60,360)
92,162	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.	84,043
1,742,625	Balance carried forward 31 March	1,957,721

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

31 March 2020 £000s	Revaluation Reserve	31 March 2021 £000s
(150,745)	Balance brought forward for continuing operations	(141,151)
0	Balance transferred in from GMWDA	0
(150,745)	Balance brought forward for all operations 1 April	(141,151)
(21,295)	Upward revaluation of assets	(48,966)
23,886	Impairment losses not charged to the Surplus/Deficit on the Provision of Services	10,124
2,591	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(38,842)
2,807	Difference between fair value depreciation and historical cost depreciation	3,291
4,196	Accumulated gains on assets sold or scrapped	492
7,003	Amount written off to the Capital Adjustment Account	3,783
(141,151)	Balance carried forward 31 March	(176,210)

The Financial Instruments Revaluation Reserve contains the gains made by the Authority arising from increases in the fair value of its investments that are measured at fair value through other comprehensive income.

The balance is reduced when investments with accumulated gains are:

- Revalued downwards, or impaired and gains are lost,
- Disposed of and the gains are realised.

31 March 2020 £000s	Financial Instruments Revaluation Reserve	31 March 2021 £000s
(603)	Balance brought forward 1 April	(725)
0	Transfer of accumulated gains on revaluation of investments from the Revaluation Reserve on implementation of IFRS9	0
(122)	Upward revaluation of investments	(125)
0	Downward revaluation of investments	36
(725)	Balance carried forward 31 March	(814)

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

31 March 2020 £000s	Collection Fund Adjustment Account	31 March 2021 £000s
(7,428)	Balance brought forward 1 April	(3,705)
3,722	Amount by which precept income and non-domestic rates income credited to the CIES is different from council tax income and non-domestic rates income calculated for the year in accordance with statutory requirements	13,052
(3,705)	Balance carried forward 31 March	9,347

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

31 March 2020 £000s	Deferred Capital Receipts Reserve	31 March 2021 £000s
(470)	Balance brought forward 1 April	(302)
168	Transfer to the Capital Receipts Reserve upon receipt of cash	168
(302)	Balance carried forward 31 March	(134)

29 Financial Instruments

Financial Instruments include the financial assets and liabilities of the Authority. These appear in different sections of the Balance Sheet depending on their characteristics.

Categories of Financial Instruments

The Authority is required to classify its financial assets following the adoption of IFRS9 Financial Instruments by the Code of Practice on Local Authority Accounting into one of three categories.

- Financial Assets held at amortised cost. These assets relate to instruments where the amount received relating to them are solely principal and interest and they are held to generate cashflows. The amount presented in the balance sheet represents the outstanding principal plus any accrued interest. Interest credited to CIES is the amount receivable as per the instrument's agreement.
- Fair Value through Other Comprehensive Income (FVOCI). Amounts received relate to principal and interest but the business model for holding the asset includes the possibility of sale. These assets are measured and carried at fair value. All gains and losses due to changes in fair value are accounted for through a reserve account (the Financial Instruments Revaluation Reserve), with the balance debited or credited to CIES when the asset is disposed of.

- Fair Value Through Profit and Loss (FVPL) – all other instruments where the amounts received relating to them are not principal and interest, for example dividends as part of equity instruments. These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.

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

	Non-Current Financial Assets				
	Investments		Debtors		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2021 £000s
Amortised cost - soft loans	0	0	0	6,604	6,604
Amortised cost	0	0	77,082	73,512	73,512
Fair value through other comprehensive income - designated equity instruments	2,419	7,501	0	0	7,501
Total financial assets	2,419	7,501	77,082	80,117	87,617
Non-financial assets	0	0	5,509		0
Total	2,419	7,501	82,591	80,117	87,617

	Current Financial Assets						
	Investments		Debtors		Cash		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2021 £000s
Amortised cost - soft loans	0	0	0	191,289	0	0	191,289
Amortised cost	0	0	272,024	52,912	55,555	138,810	191,722
Total financial assets	0	0	272,024	244,201	55,555	138,810	383,011
Non-financial assets	0	0	44,636	49,764	0	0	49,764
Total	0	0	316,660	293,965	55,555	138,810	432,774

	Non-Current Financial Liabilities						
	Borrowings		Creditors		Other Long-Term Liabilities		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2019 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2020 £000s	31 March 2021 £000s
Amortised cost	(1,424,516)	(1,366,546)	0	0	(8,324)	(313)	(1,366,859)
Amortised cost - PFI	0	0	0	0	(44,417)	(40,759)	(40,759)
Total financial liabilities	(1,424,516)	(1,366,546)	0	0	(52,741)	(41,072)	(1,407,618)
Non-financial liabilities	0	0	0	0	(73,141)	(81,095)	(2,815,236)
Total	(1,424,516)	(1,366,546)	0	0	(125,882)	(122,167)	(4,222,854)

	Current Financial Liabilities						
	Borrowings		Creditors		Other Short-Term Liabilities		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2021 £000s
Amortised cost	(130,058)	(130,280)	(231,594)	(193,794)	(12,673)	(9,579)	(333,653)
Amortised cost - PFI	0	0	0	0	(3,241)	(3,659)	(3,659)
Total financial liabilities	(130,058)	(130,280)	(231,594)	(193,794)	(15,914)	(13,238)	(337,312)
Non-financial liabilities	0	0	(39,735)	(69,182)	(62,805)	(180,519)	(249,701)
Total	(130,058)	(130,280)	(271,329)	(262,976)	(78,719)	(193,757)	(587,013)

The Authority has provided two loans to the Growth Company in 2020/21 at less than market rates of interest (these are known as soft loans).

A £1.5m loan for the Coronavirus Business Interruption Scheme (CBILS) and a £6m loan for the Bounceback Loan Scheme, where the Growth Company Business Finance division are administering financial support to businesses as an accredited loan provider.

Soft Loans made by the authority	31 March 2020 £000s	31 March 2021 £000s
Opening balance	0	0
Nominal value of new loans granted in the year	0	7,500
Fair value adjustment on initial recognition	0	(704)
Closing balance at end of year	0	6,796
Nominal value at 31 March	0	7,500

When the loans are made the amount of interest forgone over the life of the loan is charged to the CIES (debited to the appropriate service line) and the outstanding principal is reduced on the Balance Sheet. This represents the present value of the interest that will be forgone over the life of the loan agreement. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable in the year, so the amount of foregone interest is managed by a transfer from the Financial Instruments Adjustment Account to the Movement in Reserves Statement.

Income, Expenses, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are summarised in the table below:

	31 March 2020		31 March 2021	
	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income and Expenditure £000s	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income and Expenditure £000s
Net gains/losses on:				
Financial assets measured at amortised cost	5,137	0	2,493	0
Investments in equity instruments designated at fair value through other comprehensive income	0	(122)	0	(89)
Total net gains/losses	5,137	(122)	2,493	(89)
Interest revenue:				
Financial assets measured at amortised cost	(9,138)	0	(8,889)	0
Total interest revenue	(9,138)	0	(8,889)	0
Interest expense	63,865	0	63,218	0

Fair Value of Assets & Liabilities

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

Fair Value Hierarchy

Inputs to the valuation techniques in respect of the Authority's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

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

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

31 March 2020			31 March 2021	
Carrying Amount £000s	Fair Value £000s		Carrying Amount £000s	Fair Value £000s
		Financial Assets		
2,419	2,419	Equity Investments	7,501	7,501
349,106	354,467	Debtors	324,317	327,222
55,555	55,555	Cash	138,810	138,810
407,080	412,441	Total Financial Assets	470,628	473,533
		Financial Liabilities		
(588,501)	(947,375)	PWLB Debt	(567,494)	(847,445)
(966,073)	(1,495,918)	Non-PWLB debt	(929,332)	(1,259,424)
(47,658)	(47,658)	PFI Liability	(44,418)	(44,418)
(14,159)	(14,159)	Deferred Liabilities	(7,303)	(7,303)
(6,838)	(6,838)	Other Liabilities - Provisions (contractual based)	(2,590)	(2,590)
(231,594)	(231,594)	Creditors	(193,794)	(193,794)
(1,854,823)	(2,743,542)	Total Financial Liabilities	(1,744,930)	(2,354,974)

The fair values disclosed in the table above have been assessed using the following assumptions:

- The Authority holds £7.501m in equity investments for a number of businesses that previously held loans plus other direct investments in 2020/21. These shares are not traded in active markets. The shares are valued based on level 2 - observable input data from the companies, such as latest filed accounts and management accounting reports.

There have been no transfers between input levels or changes in valuation techniques during 2020/21 for this class of asset.

- The fair value of cash and cash equivalents, short-term debtors and short-term creditors is taken to be their carrying amount as this is deemed to provide a reasonable approximation in accordance with the CIPFA Code of Practice.
- The fair value of soft loan short-term and long-term debtors has been calculated using an interest rate arrived at by taking the Authority's prevailing cost of borrowing and adding an allowance for the risk that the loans might not be repaid.
- The fair value of other long-term debtors has been evaluated and where these relate to loan advances greater than £3m, prevailing benchmark market rates have been applied to provide the fair value. All other long-term debtors are included at their carrying value.
- Fair value for deferred liabilities in relation to the historical Greater Manchester Loan Fund is held at cost as this debt is not tradeable in any principal or alternative market.
- Fair value for PFI schemes cannot be obtained as there is no comparable information available, and these have therefore been shown at cost.

- PWLB loans – premature repayment loan rates from the PWLB have been applied to provide the fair value. In comparison, by applying PWLB new loan rates their fair value would be £758.110m.
- Non-PWLB loans – premature repayment loan rates from the PWLB have been applied to provide the fair value. In comparison, by applying PWLB new loan rates their fair value would be £1,088.517m.
- The valuation techniques used for PWLB and non-PWLB debt are level 2 – observable inputs. There have been no changes in valuation technique during the financial year.

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value, which includes accrued interest as at the balance sheet date. The Authority has therefore included accrued interest in the fair value calculation.

The discount rates used for the evaluation were obtained by the Authority from Link Asset Services. The Link Asset Group is a leading and independent provider of capital financing, treasury advisory and strategic advisory consulting services to the public sector.

Assumptions used, which do not have a material effect on the fair value evaluation are: interest is calculated using a 365 day basis; interest is paid on the maturity date; no adjustment is made to the interest value and date where a relevant date occurs on a non-working day.

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

Greater Manchester Combined Authority Draft Statement of Accounts 2020/21 (22/7/21)

Borrowings	Range of interest rates payable in 20/21		Average Interest 2019/20	Average Interest 2020/21	Total Outstanding 31 March 2020	Total Outstanding 31 March 2021
	from %	to %	%	%	£000s	£000s
a) Analysis of loans by type:						
Public Works Loans Board	1.44%	9.75%	4.52%	4.52%	(583,358)	(562,526)
Other Loans	0.00%	0.00%	2.68%	0.00%	(953,171)	(865,454)
TfGM - Interbank					(10,690)	(61,780)
Accrued Interest Payable:						
PWLB					(5,143)	(4,968)
Others					(2,211)	(2,098)
Total as at 31 March					(1,554,574)	(1,496,826)
b) Analysis of loans by maturity						
Maturing:						
Due within 1 year: accrued interest payable						
PWLB					(5,143)	(4,968)
Others					(2,211)	(2,098)
Due within 1 year: principal						
PWLB					(20,832)	(21,206)
Others					(91,182)	(40,227)
Due within 1 year: TfGM - Interbank					(10,690)	(61,780)
Due within 1 year					<u>(130,058)</u>	<u>(130,280)</u>
In 1 to 2 years					(60,836)	(30,679)
In 2 to 5 years					(115,852)	(129,288)
In 5 to 10 years					(395,613)	(396,139)
In over 10 years					(852,215)	(810,440)
Due over 1 year					<u>(1,424,516)</u>	<u>(1,366,546)</u>
Total as at 31 March					(1,554,574)	(1,496,826)

30 Nature and Extent of Risks Arising from Financial Instruments

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

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

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

The procedures for risk management are set out through a legal framework, based on the Local Government Act 2003 and associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act.

Overall these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- by approving annually in advance prudential indicators for the following three years limiting:
 - The Authority's overall borrowing;
 - Its maximum and minimum exposures in the maturity structure of its debt;
 - Its management of interest rate exposure;
 - Its maximum and minimum exposures to investments maturing beyond a year.

- by approving an investment strategy for the forthcoming year, setting out its criteria for both investing and selecting Investment counter parties in compliance with the Government Guidance.

These are required to be reported and approved at or before the Authority's annual setting of the budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy which incorporates the prudential indicators was approved by the Combined Authority on 29/05/2020 and is available on the Greater Manchester Combined Authority website.

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

Specified Investments

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

- Term deposits – Other local authorities: Credit Criteria high security;
- Term deposits – Banks and building societies; Credit Criteria Varied;
- Debt Management Agency Deposit Facility & UK Nationalised Banks – UK Government Backed;
- Certificates of deposits issued by banks and building societies covered by UK Government guarantees – UK Government explicit guarantee;
- Money Market Funds, credit criteria AAA;

- Non-UK Banks / Building Societies – Domiciled in a country which has a minimum sovereign Long Term rating of AAA;
- Treasury Bills – UK Government backed;
- Covered Bonds – Credit Criteria AAA.

Non-Specified Investments

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

Investment Limits

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

- Banks and Building Societies
 - Fitch AA+ and above AAAM £25m
 - Fitch AA+/AA- £15m
 - Fitch A+/A £15m
 - Fitch A- £10m
 - Fitch BBB+ £10m

The GMCA will only utilise institutions that have a short term rating of F2 or higher (Fitch or equivalent).

- Debt Management Office £200m
- Manchester City Council £50m
- Other local authorities £20m

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Ratings Services. The Annual

Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. All investments held as at 31 March 2021 were with the HM Treasury Debt Management Office, other local authorities or UK banks and building societies.

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

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

The following significant inputs, assumptions and estimation techniques have been used in calculating impairment loss allowances:

- The Authority assesses each loan it provides individually in terms of likelihood and quantum of recovery, taking a forward-looking approach to the assessment from two different aspects:
 - Performance - reviewing portfolio and management information to assess business risk from a performance perspective.
 - Security - reviewing the strength of the Authority's security in a loan recovery situation to allow this to be factored into the loss allowance assessment.

Loss Allowance by Asset Class: Amortised Cost				
	12 month expected credit loss	Lifetime expected credit losses - credit impaired	Purchased or originated credit impaired financial assets	Total
	£000s	£000s	£000s	£000s
Opening Balance as at 1 April 2020	294	12,332	48	12,673
New financial assets originated or purchased	45	0	1,839	1,883
Amounts written off	0	(1,533)	0	(1,533)
Financial assets that have been derecognised	0	(1,823)	0	(1,823)
Changes due to modifications that did not result in derecognition	0	0	0	0
Changes in models/risk parameters	0	3,461	0	3,461
Other changes	0	81	0	81
As at 31 March 2021	339	12,518	1,887	14,743

- The Authority's debtors relate primarily to claims on central and local government departments. Other non-trade debtors include HMRC and RGF/GPF, HIF, City Deal and Growth Deal loans.

The RGF/GPF, HIF, City Deal, Growth Deal and other stand-alone loans have had individual risk profiles assessed, resulting in a 'lifetime expected loss allowance' of £12,518m being included within the accounts, as per the table above.

Of the total debtors past their due date for payment, the estimated exposure to default for trade debtors is £0.1m.

- The Authority's trade creditors relate primarily to capital and revenue amounts payable in relation to Waste Disposal and Police Fund.

Credit Ratings Used:

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

- Long Term - Fitch BBB+
- Short Term - Fitch F2 or higher

Monitoring of credit ratings:

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

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

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

Liquidity Risk

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

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

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

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

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

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

Liquidity Risk	31 March 2020 £000s	31 March 2021 £000s
Less than one year	122,704	123,214
Between one and two years	60,836	30,679
Between two and five years	115,852	129,288
More Than 5 Years	395,613	396,139
More Than 10 years	852,215	810,440
	1,547,220	1,489,760

Refinancing and maturity risk

The Authority maintained a significant debt and investment portfolio. Whilst the cash flow procedures were considered against the refinancing risk procedures, longer term risk to

the Authority related to managing the exposure to replacing financial instruments as they mature.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved treasury and investment strategies address the main risks, these include:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of existing debt;
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs;
- All trade creditors are due to be paid in less than one year.

Market Risk

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

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

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Deficit / (Surplus) on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Deficit on the Provision of Services and effect the General Fund Reserve.

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

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

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

Market Risk - Interest Rate Risk - 0.5% movement	31 March 2020 £000s	31 March 2021 £000s
Increase in interest payable on variable rate borrowings	1,466	1,071
Increase in interest receivable on variable rate investments	(294)	(697)
Increase in LOBO risk (loans with call options within 12 months)	125	75
Impact on Surplus or Deficit on the Provision of Services	1,297	449

31 Related Party Transactions

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

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

Central Government

2019/20 £000s	Central Government	2020/21 £000s
(849,196)	Income	(1,353,483)
(115,804)	Creditors / Receipts in Advance	(234,170)
(186,291)	Borrowings	(189,767)
43,808	Debtors	40,797

Borrowings in 20/21 include Ministry of Housing, Communities and Local Government £161.19m and Homes England £28.57m.

Greater Manchester Authorities

2019/20 £000s	Greater Manchester	2020/21 £000s	Manchester £000s	Bolton £000s	Bury £000s	Oldham £000s	Rochdale £000s	Salford £000s	Stockport £000s	Tameside £000s	Trafford £000s	Wigan £000s
(619,488)	Income	(501,389)	(89,074)	(52,374)	(36,747)	(42,810)	(40,580)	(49,189)	(58,743)	(42,441)	(47,501)	(41,930)
185,292	Expenditure	269,635	60,832	15,393	14,706	18,665	24,365	34,099	34,826	23,579	16,339	26,831
73,134	Debtors	30,826	9,026	1,635	1,511	2,588	1,814	3,481	1,612	3,996	1,603	3,560
(104,487)	Creditors	(106,578)	(26,160)	(12,043)	(3,037)	(5,376)	(13,280)	(14,779)	(11,340)	(7,346)	(3,925)	(9,291)
0	Short Term Investments	0	0	0	0	0	0	0	0	0	0	0
(14,159)	Short Term Borrowings	(7,303)	0	0	0	0	0	0	0	(7,303)	0	0

Greater Manchester Pension Fund

2019/20 £000s	Greater Manchester Pension Fund	2020/21 £000s
(50,001)	Borrowings	0

The table above shows the short term borrowing that the Authority had with the Greater Manchester Pension Fund (GMPF) at 31 March 2021. Other transactions with the GMPF are disclosed in the Defined Benefit Pension Schemes Note.

Transport for Greater Manchester

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

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

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

2019/20 £000s	Transport for Greater Manchester	2020/21 £000s
294,160	Expenditure	289,305
(607)	Income	(554)
1,929	Debtors	1,119
(66,689)	Creditors	(48,552)
10,690	Borrowings	61,779

Members and Chief Officers

Members of the Authority (the Mayor and leaders of the GM Authorities) have direct control over the Authority's financial and operating policies.

No members allowances are payable; the remuneration of the Mayor and Deputy Mayor for Police and Crime are disclosed in Senior Employees Remuneration note.

Details of member's interest, both pecuniary and non-financial are recorded in the register of member's interest (available for public inspection).

During the year there were no reported material transactions with related parties advised by members or officers.

Chief Constable for Greater Manchester

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

32a Cash Flow Statement - Adjustments to Net Cash Flows from Operating Activities

2019/20 £000s	Operating Activities	2020/21 £000s
(24,151)	Finance Costs calculated in accordance with the code	4,177
(2,962)	Impairment of Equity Investment	(2,094)
250,241	Increase / (Decrease) in Debtors	(11,396)
(37,515)	Decrease / (Increase) in Creditors	(169,906)
3,475	Decrease / (Increase) in Provisions	2,599
894	Revaluation adjustment	18,372
515	Increase / (Decrease) in Stock	(250)
(1,554)	(Increase) in impairment of debt	(7,659)
(6,151)	Loss on sale of non current assets	(6,267)
(42,392)	Annual depreciation and amortisation charge	(53,524)
(31,245)	Pensions Liability	(23,683)
(4,712)	(Increase) / Decrease in Interest Debtors	(1,680)
(9,442)	Increase / (Decrease) in Interest Creditors	(288)
47	Other non-cash movements	(1,915)
95,048	Adjustments to net surplus / deficit on the provision of services for non-cash movements	(253,515)
73,307	Finance Costs Paid	63,506
(63,865)	Financing Expenditure	(63,218)
9,138	Financing Income	8,889
(4,426)	Interest Income Received	(7,209)
1,845	Capital grants and contributions receivable	3,375
16,000	Adjust for items included in the net deficit on the provision of services that are investing and financing activities	5,343

32b Cash Flow Statement - Investing Activities

2019/20 £000s	Investing Activities	2020/21 £000s
58,213	Purchase of Property, Plant and Equipment	32,653
12,723	Long and Short Term Loans paid out	106,254
(54,278)	Long Term Loans repaid / impaired	(68,812)
(864)	Proceeds from the sale of property plant and equipment	(601)
(1,845)	Capital grants and contributions received	(3,375)
13,949	Net Cash Inflow / (Outflow) from Investing Activities	66,120

32c Cash Flow Statement - Financing Activities

2019/20 £000s	Financing Activities	2020/21 £000s
6,520	Repayment of inherited debt	6,857
2,673	Reduction of the outstanding liability relating to a finance lease and on-balance sheet PFI contracts	3,241
(226,037)	Cash receipts of short and long term borrowing	(279,524)
206,204	Repayments of short and long term borrowing	340,457
(10,640)	Net Cash Inflow / (Outflow) from Financing Activities	71,030

32d Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

Financing Activities	1 April 2020	Financing cash flows	Non-cash changes		31 March 2021
			Acquisition	Other non-cash changes	
	£000s	£000s	£000s	£000s	£000s
Long term borrowing	(1,424,516)	32,023	0	25,947	(1,366,546)
Short term borrowing	(130,058)	28,910	0	(29,132)	(130,280)
On balance sheet PFI liabilities	(47,658)	3,241	0	0	(44,417)
Repayment of former GMC Debt	(14,159)	6,857	0	0	(7,302)
Total liabilities from financing activities	(1,616,391)	71,030	0	(3,185)	(1,548,546)

Financing Activities	1 April 2019	Financing cash flows	Non-cash changes		31 March 2020
			Acquisition	Other non-cash changes	
	£000s	£000s	£000s	£000s	£000s
Long term borrowing	(1,388,297)	(50,292)	0	14,073	(1,424,516)
Short term borrowing	(180,037)	30,459	0	19,520	(130,058)
On balance sheet PFI liabilities	(50,331)	2,673	0	0	(47,658)
Repayment of inherited debt	(20,679)	6,520	0	0	(14,159)
Total liabilities from financing activities	(1,639,344)	(10,640)	0	33,593	(1,616,391)

33 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority makes contributions towards the cost of post-employment benefits.

Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

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

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

The Local Government Pension Scheme for its other employees - this is a funded scheme, meaning that the Authority and employees pay its contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge we are required to make against grant and precept income is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Account in the Movement in Reserves Statement.

The Authority also has responsibility for the Police Pension Scheme for police officers although this scheme is administered by the Chief Constable (Greater Manchester Police) on behalf of the Authority. The entries related to this scheme are disclosed in the group accounts.

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

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

Employer Contribution Rates	2019/20	2020/21
Firefighters Pension Scheme		
1992 scheme	37.3%	37.3%
2006 scheme	27.4%	27.4%
2015 scheme	28.8%	28.8%
Modified scheme	21.7%	37.3%
Local Government Pension Scheme	21.2%	21.2%

The Local Government Pension Scheme

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

The liabilities of the Greater Manchester Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality

rates, employee turnover rates and projections of projected earnings for current employees.

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

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

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

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

1. **Current service cost** – the increase in liabilities as a result of years of service earned this year. This is allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
2. **Past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. This is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.
3. **Interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. This is debited to Financing and Investment Income and Expenditure Line in the Comprehensive Income and Expenditure Statement.
4. **Gains/losses on settlements and curtailments** – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees. This is debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.
5. **Interest on scheme assets** – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term

return. This is credited to Financing and Investment Line in the Comprehensive Income and Expenditure Statement.

6. **Actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve.
7. **Contributions paid to the pension fund** – cash paid as employer's contributions to the fund.

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

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

The McCloud / Sargeant Judgement

Firefighters scheme

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud / Sargeant legal case (referred to as “McCloud”) and the Court of Appeal handed down its judgement of this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes.

Past service costs were included in the 2018/19 and 2019/20 accounts and the 2020/21 service costs allow for the higher expected cost of accrual under McCloud.

In July 2020 HM Treasury consulted on changes to the transitional arrangements to the 2015 schemes as a result of this judgement and, at the same time, an update on the cost control element of 2016 valuations were published. In this update, Government announced that the pause should be lifted and the cost control element of the 2016 valuations could be completed. This update also set out that the McCloud costs would fall into the “member costs” category of the cost control element of the valuation process. It should be noted that by taking into account the increased value as a result of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

If a breach is confirmed, scheme benefits may be amended to rectify the breach, which would impact on the benefits to be valued for the 2020/21 Statement of Accounts. If there is no breach, there would be no change to scheme benefits.

Local Government Schemes

As the Authority made an allowance for McCloud last year, no further adjustments have been made this year. The previous allowance within the balance sheet has been rolled forward and included in the balance sheet.

No additional adjustment for McCloud has been added to the current service cost for 2020/21.

Comprehensive Income and Expenditure Statement

2019/20 LGPS £000s	2019/20 Fire £000s	2019/20 Total £000s		2020/21 LGPS £000s	2020/21 Fire £000s	2020/21 Total £000s
8,586	37,790	46,376	Cost of Services:			
(618)	660	42	Current service cost	8,255	36,600	44,855
			Past service cost (including curtailments)	123	0	123
7,968	38,450	46,418	Total Service Cost	8,378	36,600	44,978
			Financing and Investment Income & Expenditure:			
(4,286)	0	(4,286)	Interest income on plan assets	(3,879)	0	(3,879)
5,680	44,350	50,030	Interest cost on defined benefit obligation	5,064	37,880	42,944
1,394	44,350	45,744	Total Net Interest	1,185	37,880	39,065
9,362	82,800	92,162	Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services	9,563	74,480	84,043
			Remeasurements of the Net Defined Liability Comprising:			
14,517	0	14,517	Return on assets excluding amounts included in net interest	(32,183)	0	(32,183)
(7,579)	(56,750)	(64,329)	Actuarial gains/losses arising from changes in demographic assumptions	1,363	0	1,363
(22,131)	(78,210)	(100,341)	Actuarial gains/losses arising from changes in financial assumptions	63,802	174,880	238,682
4,618	(15,150)	(10,532)	Other	(2,559)	(13,890)	(16,449)
(10,575)	(150,110)	(160,685)	Total Remeasurements Recognised in Other in the CIES	30,423	160,990	191,413
(1,213)	(67,310)	(68,523)	Total Post Employment Benefit Charged to the CIES	39,986	235,470	275,456

Movement in Reserves Statement

2019/20 LGPS £000s	2019/20 Fire £000s	2019/20 Total £000s		2020/21 LGPS £000s	2020/21 Fire £000s	2020/21 Total £000s
(9,362)	(82,800)	(92,162)	Reversal of net charges made to the (surplus)/deficit on the provision of	(9,563)	(74,480)	(84,043)
4,657	0	4,657	Employers' contributions payable to the scheme	5,480	0	5,480
0	56,260	56,260	Retirement benefits payable to pensioners	0	54,880	54,880
(4,705)	(26,540)	(31,245)	Actual amount charged against the General Fund Balance for Pensions in the year	(4,083)	(19,600)	(23,683)

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

31 March 2020 LGPS £000s	31 March 2020 Fire £000s	31 March 2020 Total £000s		31 March 2021 LGPS £000s	31 March 2021 Fire £000s	31 March 2021 Total £000s
(218,208)	(1,692,510)	(1,910,718)	Present value of the defined benefit obligation	(290,108)	(1,873,100)	(2,163,208)
168,093	0	168,093	Fair value of employer assets	205,487	0	205,487
(50,115)	(1,692,510)	(1,742,625)	Net Liability Arising from the Defined Benefit Obligation	(84,621)	(1,873,100)	(1,957,721)

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

2019/20 LGPS £000s	2019/20 Fire £000s	2019/20 Total £000s		2020/21 LGPS £000s	2020/21 Fire £000s	2020/21 Total £000s
(234,104)	(1,816,080)	(2,050,184)	Opening fair value of continuing scheme liabilities	(218,208)	(1,692,510)	(1,910,718)
0	0	0	Opening fair value of liabilities transferred in	0	0	0
(8,586)	(37,790)	(46,376)	Current Service Cost	(8,255)	(36,600)	(44,855)
618	(660)	(42)	Past Service Costs	(123)	0	(123)
(5,680)	(44,350)	(50,030)	Interest Cost	(5,064)	(37,880)	(42,944)
(1,562)	0	(1,562)	Contributions from scheme participants	(1,859)	0	(1,859)
			Remeasurement gain			
7,579	56,750	64,329	Actuarial gains/losses arising from change in demographic assumptions	(1,363)	0	(1,363)
22,131	78,210	100,341	Actuarial gains/losses arising from change in financial assumptions	(63,802)	(174,880)	(238,682)
(4,618)	15,150	10,532	Other	2,559	13,890	16,449
6,014	56,260	62,274	Benefits Paid	6,007	54,880	60,887
(218,208)	(1,692,510)	(1,910,718)	Closing fair value of scheme liabilities	(290,108)	(1,873,100)	(2,163,208)

Reconciliation of movements in the fair value of the scheme assets

2019/20 LGPS £000s		2020/21 LGPS £000s
178,119	Opening fair value of continuing scheme assets	168,093
0	Opening fair value of assets transferred in	0
4,286	Interest Income	3,879
	Remeasurement gain	
(14,517)	Return on assets excluding amounts included in net interest	32,183
4,657	Contributions from employer	5,480
1,562	Contributions from employees into the scheme	1,859
(6,014)	Benefits Paid	(6,007)
168,093	Closing fair value of scheme assets	205,487

Local Government Pension Scheme assets comprised:

2019/20					2020/21			
Quoted prices in active markets £000s	Quoted prices not in active markets £000s	Total £000s	Percentage of Total Assets %		Quoted prices in active markets £000s	Quoted prices not in active markets £000s	Total £000s	Percentage of Total Assets %
12,730	0	12,730	8%	Equity Securities	18,031	0	18,031	9%
10,491	0	10,491	6%	Consumer	16,059	0	16,059	8%
8,335	0	8,335	5%	Manufacturing	9,965	0	9,965	5%
15,101	0	15,101	9%	Energy and Utilities	21,586	0	21,586	11%
7,809	0	7,809	5%	Financial Institutions	10,270	0	10,270	5%
6,916	0	6,916	4%	Health and Care	10,854	0	10,854	5%
3,453	0	3,453	2%	Information Technology	3,320	0	3,320	2%
				Other				
8,078	0	8,078	5%	Debt Securities	9,932	0	9,932	5%
0	0	0	0%	Corporate Bonds (investment grade)	0	0	0	0%
6,873	0	6,873	4%	UK Government	2,669	0	2,669	1%
				Other				
0	10,699	10,699	6%	Private Equity	0	12,230	12,230	6%
				All	0	0	0	0%
0	7,724	7,724	5%	Real Estate	0	7,678	7,678	4%
				UK Property				
15,728	0	15,728	9%	Investment Funds and Unit Trusts	18,463	0	18,463	9%
21,126	0	21,126	13%	Equities	26,041	0	26,041	13%
0	10,056	10,056	6%	Bonds	0	10,475	10,475	5%
4,016	17,062	21,078	13%	Infrastructure	4,454	19,540	23,994	12%
				Other				
0	0	0	0%	Derivatives	(165)	0	(165)	0%
				Other				
1,897	0	1,897	1%	Cash and Cash Equivalents	4,084	0	4,084	2%
				All				
122,552	45,541	168,093	100%	Totals	155,564	49,923	205,487	100%

Basis for Estimating Assets and Liabilities

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

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

The significant assumptions used by the actuary have been:

2019/20 LGPS	2019/20 Fire		2020/21 LGPS	2020/21 Fire
20.5 years 23.1 years	21.3 years 21.3 years	Longevity at 65 for current pensioners:* Male Female	20.5 years 23.3 years	21.4 years 21.4 years
22.0 years 25.0 years	23.0 years 23.0 years	Longevity at 65 for future pensioners:* Male Female	21.9 years 25.3 years	23.1 years 23.1 years
		Rate of Inflation (Price Increases)		
2.7%	4.00%	Rate of increase in salaries (Salary Increases)	3.60%	4.15%
1.9%	2.00%	Rate of increase in pensions (Pension Increases)	2.85%	2.40%
2.3%	2.25%	Rate of discounting scheme liabilities (Discount Rate)	2.00%	2.00%

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

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

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods

and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis

Local Government Pension Scheme	Approximate % increase to Employer Liability	Approximate monetary amount
Change in Assumption at 31 March 2020		£000s
0.5% decrease in Real Discount Rate	11%	31,474
0.5% increase in the Salary Increase Rate	1%	2,823
0.5% increase in the Pension Increase Rate	10%	28,001

Fire Fighters Pension Scheme	Approximate % increase to Employer Liability	Approximate monetary amount
Change in Assumption at 31 March 2020		£000s
0.5% decrease in Real Discount Rate	(9.00)%	(164,000)
1 year increase in member life expectancy	1.50%	26,000
0.5% increase in the Salary Increase Rate	7.50%	144,000
0.5% increase in the Pension Increase Rate	3.50%	67,000

As at the date of the most recent valuation, the duration of the Employer's funded liabilities is 21 years.

The weighted average duration of the defined benefit obligation for the firefighters' scheme members is approximately 20 years.

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

The objectives of the scheme are to keep employer's contributions at as constant a rate as possible and agree a funding strategy to ensure future employers contributions meet the Administering Authority's funding objectives. Following the latest triennial valuation completed on 31 March 2019, the LGPS was assessed as being 102% funded. Funding levels are monitored on an annual basis.

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

new career average revalued earnings schemes to pay pensions and other benefits has been established.

Authority contribution to pension schemes

The Authority expects to pay £12.196m to the Firefighters' Pension Scheme and £5.402m to the Local Government Pension Scheme in 2020/21.

34 Mayoral General Fund

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

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

The statements below set out the movements in the Mayoral General Fund and assets deployed for fire and rescue services for 2020/21:

Mayoral General Fund Income and Expenditure:

	Gross Expenditure 2020/21 £000s	Gross Income 2020/21 £000s	Net Expenditure 2020/21 £000s
Fire and Rescue Services	94,512	(19,627)	74,885
Mayor's Office	116,925	(101,170)	15,755
Net cost of services	211,436	(120,797)	90,640
(Gains) / losses on the disposal of non current assets	1	0	1
Other operating expenditure	1	0	1
Interest payable	117	0	117
Interest element of PFI unitary payments	140	0	140
Pensions Interest cost	39,238	0	39,238
Expected return on pensions assets	0	(1,040)	(1,040)
Financing and investment income and expenditure	39,495	(1,040)	38,454
Precepts	0	(68,151)	(68,151)
Non Domestic Rates Income	0	(45,311)	(45,311)
Taxation and non specific grant income	0	(113,463)	(113,463)
(Surplus) / deficit on provision of services	250,932	(235,299)	15,633
Items that will not be reclassified to the surplus/deficit on provision of services			
Revaluation gains and losses			(7,810)
Remeasurement of (gains)/losses on pension assets/liabilities			169,149
Other income and expenditure			161,338
Total income and expenditure			176,972

Movement in Mayoral General Fund Reserves:

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

Earmarked Reserves and Balances	1 April 2020	Transfers in/out	31 March 2021
	£000s	£000s	£000s
Mayoral General Fund			
Capital Reserve	(4,676)	(5,924)	(10,600)
Earmarked Budgets Reserve	(2,460)	(726)	(3,186)
Revenue Grants Unapplied	(4,775)	(7,688)	(12,463)
Insurance Reserve	(2,849)	0	(2,849)
Business Rates Reserve	(2,093)	488	(1,605)
Restructuring Reserve	(418)	0	(418)
Innovation and Partnership CYP	(127)	0	(127)
Projects Reserve	0	0	0
Transformation Fund	(3,604)	0	(3,604)
Total Earmarked Reserves	(21,002)	(13,850)	(34,852)
Mayoral General Fund Balance	(11,615)	(477)	(12,092)
Capital Grants Unapplied Reserve	0	(2,050)	(2,050)
Total Mayoral General Fund Reserves	(32,617)	(16,377)	(48,994)

Assets deployed in provision of Mayoral Fire and Rescue Services:

	Land and Buildings	Vehicles ,Plant, Furniture and Equipment	Assets Under Construction	Total Property Plant and Equipment	PFI in PPE
	£000s	£000s	£000s	£000s	£000s
Cost or Valuation					
Asset values brought forward at 1 April 2020	102,752	38,095	0	140,847	3,889
General Fund Adjustments between cost/value & depreciation/impairment - gross	(6,912)	0	0	(6,912)	0
Additions	743	1,985	648	2,728	0
Accumulated depreciation and impairment written off to cost or valuation	0	0	0	0	0
Revaluation increases/decreases recognised in the Revaluation Reserve	7,810	0	0	7,810	125
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	1,534	0	0	1,534	49
Derecognition - disposals	0	(1,780)	0	(1,780)	0
Derecognition - other	0	0	0	0	0
Cost or Valuation at 31 March 2021	105,927	38,300	648	144,227	4,063
Accumulated Depreciation & Impairment					
Accumulated depreciation values brought forward at 1 April 2020	(10,552)	(24,124)	0	(34,676)	503
Accumulated depreciation and impairment written off to cost or valuation	6,912	0	0	6,912	0
Depreciation Charge	(5,503)	(2,540)	0	(8,043)	(175)
Disposals depreciation	0	1,765	0	1,765	0
Accumulated depreciation and impairment written off to revaluation reserve	0	0	0	0	0
GF Closing value - depreciation	(9,143)	(24,899)	0	(34,042)	328
Net Book Value at 31 March 2020	92,200	13,971	0	106,171	4,392
Net Book Value at 31 March 2021	96,784	13,401	648	110,185	4,391

35 Mayoral Police Fund

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

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

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

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

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

Under the legislative framework and local arrangements, GMCA, under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The GMCA has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable’s officers and staff operate. The GMCA receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund. The movement on the Police Fund is disclosed in note 35.

In compliance with legislation, the Police Fund is accounted for in the group accounts of the GMCA. In the interests of transparency, the statements below set out how the Police Fund was spent and funded, movements in the Mayoral Police Fund reserves and assets deployed for policing in 2020/21.

Police Fund Income and Expenditure:

	Gross Expenditure 2020/21 £000s	Gross Income 2020/21 £000s	Net Expenditure 2020/21 £000s
Policing Services	733,144	(108,706)	624,438
Net cost of services	733,144	(108,706)	624,438
(Gains) / losses on the disposal of non current assets	6,117	(587)	5,530
Home Office grant payable towards the cost of retirement benefits	101,482	(101,482)	0
Other operating expenditure	107,599	(102,069)	5,530
Interest payable	2,486	0	2,486
Interest element of PFI unitary payments	7,433	0	7,433
Pensions interest cost	194,220	0	194,220
Expected return on pensions assets	0	(18,487)	(18,487)
Interest income	0	0	0
Financing and investment income and expenditure	204,139	(18,487)	185,652
Precepts	0	(156,587)	(156,587)
Police grant	0	(483,521)	(483,521)
Capital grants and contributions	0	(1,980)	(1,980)
Taxation and non specific grant income	0	(642,088)	(642,088)
(Surplus) / deficit on provision of services	1,044,882	(871,350)	173,532
Items that will not be reclassified to the surplus/deficit on provision of services			
Revaluation gains and losses	0	(7,065)	(7,065)
Remeasurement of (gains)/losses on pension assets/liabilities	0	745,051	745,051
Other income and expenditure	0	737,986	737,986
Total income and expenditure			911,518

Movement in Mayoral Police Fund Reserves:

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

Earmarked Reserves and Balances	1 April 2020 £000s	Transfers £000s	31 March 2021 £000s
Mayoral Police Fund			
Revenue Expenditure Reserve	(15,170)	3,848	(11,322)
Insurance Reserve	(15,881)	648	(15,233)
Police and Crime Commissioner Earmarked	(27,693)	(20,299)	(47,992)
PFI Reserve	(11,227)	621	(10,606)
Mayoral Police Fund Balances	(15,375)	(209)	(15,585)
Total Mayoral Police Fund	(85,346)	(15,391)	(100,737)

Assets deployed in the provision of Policing Services:

	Land and Buildings	Vehicles ,Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment	PFI in PPE
	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation						
Asset values brought forward at 1 April 2020	257,797	184,151	2,566	15,903	460,417	74,543
Additions	1,505	1,893	0	13,071	16,469	0
Accumulated depreciation and impairment written off to cost or valuation	(3,510)	0	(1)	0	(3,511)	(1,777)
Revaluation increases/decreases recognised in the Revaluation Reserve	5,803	0	1,262	0	7,065	2,706
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	1,445	0	179	0	1,624	298
Derecognition - disposals	0	(2,745)	(525)	0	(3,270)	0
Derecognition - other	(4,794)	0	0	0	(4,794)	0
Assets reclassified to/from held for sale	0	0	0	0	0	0
Assets reclassified to/from assets under construction	3,289	1,713	0	(5,002)	0	0
Other movements in cost or valuation	0	0	0	0	0	0
Cost or Valuation at 31 March 2021	261,535	185,012	3,481	23,972	474,000	75,770
Accumulated Depreciation & Impairment						
Accumulated depreciation values brought forward at 1 April 2020	(11,942)	(118,928)	(33)	0	(130,903)	(3,313)
Accumulated depreciation and impairment written off to cost or valuation	3,510	0	1	0	3,511	1,777
Depreciation Charge	(6,469)	(16,343)	(15)	0	(22,827)	(1,931)
Derecognition - disposals	0	1,934	13	0	1,947	0
Other movements in depreciation and impairment	0	0	0	0	0	0
GF Closing value - depreciation	(14,901)	(133,337)	(34)	0	(148,272)	(3,467)
Net Book Value at 31 March 2020	245,855	65,223	2,533	15,903	329,514	71,230
Net Book Value at 31 March 2021	246,634	51,675	3,447	23,972	325,728	72,303

Police Fund Intangible Assets:

2019/20 Intangible operational £000s	2019/20 Intangible Assets Under Constructio £000s	2019/20 Intangible total £000s		2020/21 Intangible operationa l £000s	2020/21 Intangible Assets Under Constructio £000s	2020/21 Intangible total £000s
			Balance at 1 April:			
2,756	26,979	29,735	Gross carrying amounts	31,934	0	31,934
(2,215)	0	(2,215)	Accumulated amortisation	(5,100)	0	(5,100)
541	26,979	27,520	Net carrying amount at 1 April	26,834	0	26,834
			Additions:			
202	1,997	2,200	Purchases	79	235	314
0	0	0	Additions to assets under construction	0	0	0
28,977	(28,977)	0	Reclassified to operational from assets under construction	0	0	0
0	0	0	Disposals	0	0	0
(2,886)	0	(2,886)	Amortisation for the period	(4,890)	0	(4,890)
26,834	0	26,834	Net carrying amount at 31 March	22,024	235	22,258
			Comprising:			
31,934	0	31,934	Gross carrying amounts	32,014	235	32,248
(5,100)	0	(5,100)	Accumulated amortisation	(9,990)	0	(9,990)
26,834	0	26,834	Balance at 31 March	22,024	235	22,258

Firefighters' Pension Fund

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

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

2019/20 £000s	Firefighters' Pension Fund Account	2020/21 £000s
0	Opening balance at 1 April	0
	Contributions Receivable	
(12,698)	From Employer	(12,954)
(5,538)	From Employee	(5,662)
(352)	Ill Health Retirements	(295)
	Transfers In	
(999)	Individual transfers in from other schemes	(352)
	Benefits Payable	
45,197	Pensions	46,138
8,609	Commutations and lump sum retirement benefits	6,992
	Payments to and on account of leavers	
283	Individual transfers out to other schemes	0
34,501	Net Amount Payable for the year	33,867
(34,501)	Top-up grant receivable from the Government	(33,867)
0	Closing balance at 31 March	0

Net asset statement

31 March 2020 £000s	Net Assets Statement	31 March 2021 £000s
5,008	Pension Top-Up Grant receivable from the Home Office	4,484
0	Payments in Advance	0
0	Creditor	0
0	Debtor	0
(5,008)	Amount due from the Mayoral General Fund	(4,484)
0	Net Assets	0

The funding arrangements for the Firefighters' Pension Scheme in England changed on 1 April 2006. Before 1 April 2006 these schemes did not have a percentage of

pensionable pay type of employer's contribution - rather each authority was responsible for paying the pensions of its own former employees on a pay as you go basis. Under the new arrangements the schemes remain unfunded but Authorities will pay an employer's pension contribution based on a percentage of pay into the Pension Fund. Each authority in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the Fund are specified by regulation under the Firefighters' Pension Scheme (Amendment) (England) Order 2006.

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

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

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

The Fund's financial statements do not take into account liabilities to pay pensions after 31 March 2021. Liabilities to pay future payments are included in the IAS19 charges and notes to the Financial Statements.

Greater Manchester Combined Authority

Group Accounts

Introduction

Group Accounts
Introduction

Background

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

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

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

The Greater Manchester Combined Authority Group:

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

Bodies Consolidated:**Chief Constable of Greater Manchester Police (GMP)**

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

Under the legislative framework and local arrangements, the Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into

contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund. Details of the Mayoral Police Fund are disclosed in the notes to the single entity statements.

Transport for Greater Manchester (TfGM)

TfGM is to continue to be included in the Authority's group accounts. The Authority and/or the Mayor sets local public transport policy and is responsible for deciding how funds are spent on supporting and improving Greater Manchester's public transport network. The decisions of the Authority and/or the Mayor are implemented by TfGM and TfGM is responsible for implementing the policies of the Authority.

TfGM's net expenditure after taking into account all sources of income and expenditure is financed by way of a Revenue Grant from the Authority. TfGM's corporate objectives are derived from the Authority's policy priorities, stakeholder consultation and its principal statutory obligations. Strategic objectives and targets are set out in the Authority/TfGM Business and Performance Plan.

Although transport related borrowing sits on the GMCA balance sheet, all the transport assets sit on TFGM's balance sheet. GMCA carries sufficient reserves in respect of each of its functions to provide resilience in the event of volatility in its various funding sources. Details of transactions with TfGM are included in the related parties note.

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

NW Evergreen Holdings Limited Partnership (NWEH)

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

properties in the North West of England. The accounts included in the 20/21 group accounts are for the year 1 January 2020 to 31 December 2020.

Greater Manchester Fund of Funds Limited Partnership (FoFLP)

In November 2016 the Authority established FoFLP to act as a holding fund for ERDF funding. FoFLP will invest in sub funds that seek to support the shift towards a low carbon economy and for research and innovation. The accounts included in the 20/21 group accounts are for the year 1 January 2020 to 31 December 2020.

All intra-group trading, balances and unrealised gains and losses as at the end of the period are eliminated in full.

Basis of Preparation of the Group Accounts

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

Statement of Compliance with IFRS

In accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, TfGM has adopted all aspects of the Code other than as follows:

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

Greater Manchester Combined Authority

Group Accounts

Group Financial Statements

Comprehensive Income and Expenditure Statement

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

Group Comprehensive Income and Expenditure Statement

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

Gross Expenditure 2019/20 £000s	Gross Income 2019/20 £000s	Net Expenditure 2019/20 £000s	Comprehensive Income and Expenditure Statement		Gross Expenditure 2020/21 £000s	Gross Income 2020/21 £000s	Net Expenditure 2020/21 £000s
				Note			
			Transport, Waste, Economic Development and Regeneration				
427,477	(138,118)	289,359	Highways and Transport Services		332,453	(58,597)	273,857
145,664	(148,088)	(2,424)	Economic Development and Regeneration Services		417,494	(253,129)	164,365
134,688	(2,595)	132,093	Waste Disposal		128,420	(5,247)	123,172
707,829	(288,801)	419,028	Total		878,367	(316,973)	561,394
			Mayoral General Fund Services				
94,665	(12,739)	81,926	Fire and Rescue Services		94,512	(19,627)	74,885
26,480	(14,156)	12,324	Other Functions		116,925	(101,170)	15,755
121,145	(26,895)	94,250	Total		211,436	(120,797)	90,640
			Mayoral Police Fund Services				
678,410	(107,510)	570,900	Policing Services		733,145	(108,706)	624,439
1,507,384	(423,206)	1,084,178	Total Cost of Group Operations		1,822,949	(546,475)	1,276,473
5,767	0	5,767	Loss on Disposal of Non Current Assets		6,301	0	6,301
81	0	81	Other Operating Income and Expenditure		0	0	0
348,585	(51,609)	296,976	Financing and Investment Income and Expenditure	42	305,985	(33,089)	272,896
0	(1,241,648)	(1,241,648)	Taxation and Non Specific Grant Income	43	0	(1,316,369)	(1,316,369)
107,284	(107,284)	0	Home Office grant payable towards the cost of retirement benefits		101,482	(101,482)	0
1,969,101	(1,823,747)	145,354	(Surplus) / Deficit on Provision of Services		2,236,716	(1,997,415)	239,301
			Items that will not be subsequently classified in deficit on provision of services				
		(1,049,061)	Re-measurement of the net defined benefit liability				995,710
		2,591	(Surplus) / Deficit on revaluation of non current assets				(38,842)
		(1,046,470)	Other Comprehensive (Income) & Expenditure				956,868
		(901,116)	Total Comprehensive (Income) and Expenditure				1,196,169



Steve Wilson

Greater Manchester Combined Authority Treasurer

Date: 22 July 2021

Group Movement in Reserves Statement

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

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

Movement in Reserves	Authority General Fund Balances	Authority Capital Grants Unapplied Reserve	Authority Capital Receipts Reserve	Total Authority Usable Reserves	Authority Share of Group Usable Reserves	Total Usable Group Reserves	Authority Unusable Reserves	Authority Share of Group Unusable Reserves	Total Unusable Group Reserves	Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance as at 31 March 2019	(459,073)	0	(41,169)	(500,242)	(120,280)	(620,523)	3,331,732	6,624,395	9,956,126	9,335,603
(Surplus) or Deficit on the provision of services	10,277	0	0	10,277	135,078	145,354	0	0	0	145,354
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(158,094)	(888,376)	(1,046,470)	(1,046,470)
Adjustments between accounting basis & funding basis under regulations	(24,024)	0	(41,555)	(65,579)	(151,378)	(216,957)	65,579	151,378	216,957	0
Transfers to or from Earmarked Reserves	0	0	0	0	1,313	1,313	0	(1,313)	(1,313)	0
(Increase) / Decrease in year	(13,748)	0	(41,555)	(55,302)	(14,987)	(70,290)	(92,515)	(738,311)	(830,826)	(901,117)
Balance as at 31 March 2020	(472,820)	0	(82,724)	(555,545)	(135,267)	(690,813)	3,239,216	5,886,084	9,125,301	8,434,486
(Surplus) or Deficit on the provision of services	27,766	0	0	27,766	211,535	239,301	0	0	0	239,301
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	152,571	804,297	956,868	956,868
Adjustments between accounting basis & funding basis under regulations	(1,768)	(27,037)	37,442	8,638	(214,965)	(206,327)	(8,638)	214,965	206,327	0
Transfers to or from Earmarked Reserves	0	0	0	0	1,314	1,314	0	(1,314)	(1,314)	0
(Increase) / Decrease in year	25,998	(27,037)	37,442	36,404	(2,116)	34,288	143,933	1,017,948	1,161,881	1,196,169
Balance as at 31 March 2021	(446,822)	(27,037)	(45,282)	(519,141)	(137,383)	(656,525)	3,383,149	6,904,032	10,287,181	9,630,655

Group Balance Sheet

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

31 March 2020 £000s	Balance Sheet	Note	31 March 2021 £000s
	Non Current Assets		
2,660,819	Property, Plant & Equipment	47	2,642,405
83	Heritage Assets		83
1,523	Investment Property		1,523
38,667	Intangible Assets	48	31,490
142,060	Long Term Debtors and Payments in Advance	49	144,917
6,744	Long Term Investments		11,917
2,849,896	Total Non Current Assets		2,832,335
	Current Assets		
3,014	Inventories and Stock		2,730
333,867	Short Term Debtors and Payments in Advance	49	305,743
80,507	Cash and Cash Equivalents	50	163,998
12,621	Short Term Investments		14,473
0	Assets Held For Sale		0
430,009	Total Current Assets		486,944
	Current Liabilities		
(120,612)	Short Term Borrowing	56	(77,242)
(277,989)	Short Term Creditors and Receipts in Advance	51	(302,225)
(41,234)	Capital Grants Receipts in Advance		(153,402)
(17,723)	Revenue Grants Receipts in Advance		(23,632)
(9,975)	Short Term Provisions	52	(17,500)
(3,240)	Short Term Lease Liability		(3,659)
(6,857)	Short Term Deferred Liability		(7,303)
(477,630)	Total Current Liabilities		(584,963)
	Long Term Liabilities		
(1,490,433)	Long Term Borrowing	56	(1,424,934)
(10,407)	Long Term Provisions	52	(13,128)
(44,418)	Long Term Lease Liability		(40,759)
(7,302)	Long Term Deferred Liability		0
(65,024)	Long Term Grant Receipts in Advance		(72,262)
(9,619,178)	Pensions Liability	60	(10,813,889)
(11,236,762)	Total Long Term Liabilities		(12,364,972)
(8,434,486)	Net Assets		(9,630,655)
	Financed By:		
(690,814)	Usable Reserves	39	(656,526)
9,125,300	Unusable Reserves	53	10,287,181
8,434,486	Total Reserves		9,630,655



Steve Wilson

Greater Manchester Combined Authority Treasurer

Date: 22 July 2021

Group Cash Flow Statement

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

2019/20 Intangible operational £000s	2019/20 Intangible Assets Under Constructio £000s	2019/20 Intangible total £000s		2020/21 Intangible operationa l £000s	2020/21 Intangible Assets Under Constructio £000s	2020/21 Intangible total £000s
			Balance at 1 April:			
2,756	26,979	29,735	Gross carrying amounts	31,934	0	31,934
(2,215)	0	(2,215)	Accumulated amortisation	(5,100)	0	(5,100)
541	26,979	27,520	Net carrying amount at 1 April	26,834	0	26,834
			Additions:			
202	1,997	2,200	Purchases	79	235	314
0	0	0	Additions to assets under construction	0	0	0
28,977	(28,977)	0	Reclassified to operational from assets under construction	0	0	0
0	0	0	Disposals	0	0	0
(2,886)	0	(2,886)	Amortisation for the period	(4,890)	0	(4,890)
26,834	0	26,834	Net carrying amount at 31 March	22,024	235	22,258
			Comprising:			
31,934	0	31,934	Gross carrying amounts	32,014	235	32,248
(5,100)	0	(5,100)	Accumulated amortisation	(9,990)	0	(9,990)
26,834	0	26,834	Balance at 31 March	22,024	235	22,258

Greater Manchester Combined Authority

Group Accounts

Notes to the Group Financial Statements

36 Group Accounting Policies and Material Valuation Uncertainty

36.1 Consolidation Method

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

The accounting policies of the group entities are consistent with the Authority, except where stated below. The accounting period for FoFLP and NWEH cover the 12 months to 31 December 2020; where material transactions have occurred during the period 1 January 2021 to 31 March 2021 these have been accounted for in the group accounts.

The following accounting policies are in addition to the single entity policies detailed in note 1 of these statements.

36.2 Intangible assets

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

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no intangible asset held by the Group meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an

intangible asset is amortised over its useful life to operational costs in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the operating expenditure line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

36.3 Inventories

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

36.4 Passenger Transport Facilities

As part of its statutory duties, the Group is responsible for meeting the costs of upgrading public passenger transport facilities in the Greater Manchester area, including railway and highways infrastructure. The expenditure incurred is offset by equivalent grants received from the Authority and other parties, which for the year ended 31 March 2021 amounted to £12.2m (2019/20: £2.7m).

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

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

36.5 Lease Income

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

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

36.6 Lease Expenditure

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

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

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

36.7 Agency Services

Transactions are excluded from the Group's financial statements for all agency relationships. As stipulated by the Code, the Group is acting as an agent in situations when the Group does not control the specified goods or services being provided by another party, before they are transferred to the customer.

All services are reviewed to determine who controls the right to the underlying goods or services and when this is not deemed to be the Group, the transactions have been excluded from the financial statements.

36.8 Benefits Payable during Employment

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

entitlements are charged to revenue in the financial year in which the holiday absence occurs.

The group accumulated absences are entirely attributable to Greater Manchester Police. The single entity accounts do not include an adjustment for employee benefits for reasons of materiality. The Greater Manchester Police accrual was material to their accounts and has therefore been included in the group figures.

36.9 Post-Employment Benefits – Pensions

Employees of the Group and police officers are members of three separate pension schemes:

- The Firefighters' Pension Scheme administered by the Greater Manchester Combined Authority;
- The Police Pension Scheme administered by XPS Administration on behalf of the Chief Constable; and
- The Local Government Pension Scheme administered by Tameside Metropolitan Borough Council.

All schemes provide defined benefits to members (retirement lump sums and pensions) earned as an employee of the group or a police officer.

36.10 The Firefighters' Pension Scheme and the Police Pension Scheme

These schemes are completely separate under legislation but share many common characteristics. They are defined benefit schemes, the rules of which are set out in separate Firefighters and Police Pension Regulations. The schemes are wholly unfunded. No investment assets have been built up to meet liabilities and cash had to be generated from employee and employer contributions to meet actual pension payments as they fall due.

The Combined Authority and Chief Constable as employers, and firefighters and police officers as members, pay pension contribution based on a percentage of pensionable pay into the separate Firefighter and Police Pension Fund Accounts. Pension benefits are paid out of the Pension Fund Accounts.

The amounts payable into and out of the Pension Fund Accounts are specified by separate regulations. Any surplus or deficit on the Pension Fund Accounts must be transferred to or from the Combined Authority and ultimately repaid to or received from the Home Office.

Injury awards are not part of either pension scheme and are charged directly to the Comprehensive Income and Expenditure Statement. However, liabilities in respect of injury awards are disclosed as part of the overall pensions liability.

Other than references to assets, these schemes are accounted for in the same way as the Local Government Pension Scheme set out below.

36.11 The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme. Both employer and employees pay pension contribution based on a percentage of pensionable pay into the scheme.

- The liabilities of the Greater Manchester Pension Fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projected earnings for current employees
- Liabilities are discounted to their value at current prices, using a discount rate based on the rate of return on high quality corporate bonds constructed on the constituents of the iBoxx AA corporate bond index. The discount rate reflects the weighted average duration of the benefit obligation
- The assets of Greater Manchester Pension Fund pension fund attributable to the Authority are included in the balance sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.

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

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the comprehensive income and expenditure statement to the services for which the employees worked;
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement;
- Net interest on the net defined benefit liability (i.e. net interest expense for the Authority) – the change during the period in the net defined benefit liability that arises from the passage of time charged to the financing and investment income and expenditure line of the comprehensive income and expenditure statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the pensions reserve as other comprehensive income and expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
- Contributions paid to the Greater Manchester Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the group to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the general fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

36.12 Discretionary benefits

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

36.13 Material valuation uncertainty – pensions

The GMCA Group’s Local Government net pension liability of £646.069m includes a share of the overall Greater Manchester Pension Fund investment assets as

disclosed in Note 60. The Pension Fund in their financial statements for 2020/21 have disclosed a material uncertainty in accordance with VPS 3 and VPGA 10 of the RICS Red Book Global due to the impact of COVID-19, in respect of the valuation of the investments they hold in 'Direct Investment Property'. Consequently, less certainty, and a higher degree of caution should be attached to the valuation of those assets than would normally be the case. In Note 60 the Group has have disclosed that its share of the total property assets held by the Pension Fund is valued at £49.657m. The valuation of the Authority's share of the property assets is subject to the same material valuation uncertainty as applies to the Pension Fund financial statements and as such less certainty can be applied to the valuations than would typically be the case.

37a Group Expenditure and Funding Analysis

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

2019/20				2020/21		
Net expenditure chargeable to the General Fund Balance	Adjustments between Funding and Accounting Basis	Net expenditure in the Comprehensive Income and Expenditure		Net expenditure chargeable to the General Fund Balance	Adjustments between Funding and Accounting Basis	Net expenditure in the Comprehensive Income and Expenditure
£000s	£000s	£000s		£000s	£000s	£000s
175,190	114,169	289,359	Continuing Services	207,463	66,394	273,857
23,779	(26,203)	(2,424)	Highways and Transport Services	160,534	3,832	164,365
156,781	(24,688)	132,093	Economic Development and Regeneration	151,463	(28,291)	123,172
111,180	(16,930)	94,250	Waste Disposal Services	97,920	(7,280)	90,640
576,224	(5,324)	570,900	Mayoral General Fund Services	616,008	8,431	624,439
1,043,154	41,024	1,084,178	Mayoral Police Fund Services	1,233,388	43,086	1,276,473
(1,073,233)	134,409	(938,824)	Cost of Services	(1,210,708)	173,536	(1,037,172)
(30,079)	175,433	145,354	Other Income and Expenditure	22,679	216,622	239,301
578,789			(Surplus) / Deficit	607,555		
30,079			Opening General Fund Balance and Earmarked Reserves Continuing Services	(22,679)		
(1,313)			Surplus / (Deficit) on General Fund Balance in year	(1,314)		
607,555			Transfers between reserves	583,561		
			Closing General Fund Balance at 31 March			

37b Note to the Group Expenditure and Funding Analysis

2019/20					2020/21			
Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s		Adjustments for Capital Purposes (a) £000s	Pension Adjustments (b) £000s	Other Adjustments (c) £000s	Total Adjustments £000s
106,122	8,047	0	114,169	Continuing Services				
(28,109)	1,906	0	(26,203)	Highways and Transport Services	60,858	5,536	0	66,394
(24,855)	167	0	(24,688)	Economic Development and Regeneration	1,978	1,853	0	3,832
(221)	(16,709)	0	(16,930)	Waste Disposal Services	(28,430)	139	0	(28,291)
8,246	(15,630)	2,060	(5,324)	Mayoral General Fund Services	10,223	(17,503)	0	(7,280)
				Mayoral Police Fund Services	12,789	(7,432)	3,074	8,431
61,184	(22,220)	2,060	41,024	Net Cost of Services	57,418	(17,406)	3,074	43,086
(127,752)	255,928	6,232	134,409	Other Income and Expenditure	(48,988)	216,407	6,117	173,536
(66,567)	233,708	8,292	175,433	Difference between General Fund Surplus and CIES Deficit on the Provision of Services	8,430	199,001	9,191	216,622

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

38 Group Adjustments between Accounting Basis and Funding Basis under Regulations

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

2019/20					2020/21			
General Fund Balance £000s	Capital Receipts Reserve £000s	Capital Grants Unapplied £000s	Movement in Unusable Reserves £000s		General Fund Balance £000s	Capital Receipts Reserve £000s	Capital Grants Unapplied £000s	Movement in Unusable Reserves £000s
				Adjustments to the Revenue Resources				
				Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
(233,708)	0	0	233,708	Pension cost (transferred to (or from) the Pensions Reserve)	(199,001)	0	0	199,001
24,151	0	0	(24,151)	Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(4,177)	0	0	4,177
(3,722)	0	0	3,722	Council tax and NDR (transfers to or from the Collection Fund)	(13,052)	0	0	13,052
(2,060)	0	0	2,060	Holiday pay (transferred to the Accumulated Absences reserve)	(3,074)	0	0	3,074
(100,965)	0	0	100,965	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)	(162,150)	0	0	162,150
(316,305)	0	0	316,305	Total Adjustments to Revenue Resources	(381,454)	0	0	381,454
				Adjustments between Revenue and Capital Resources				
384	(54,278)	0	53,894	Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	(68,812)	0	68,812
1,964	0	0	(1,964)	Movement in Capital Bad Debt Provision	2,041	0	0	(2,041)
80,357	0	0	(80,357)	Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	92,389	0	0	(92,389)
0	0	0	0	Capital receipts applied (transfer to the Capital Adjustment Account)	601	0	0	(601)
58,197	0	0	(58,197)	Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	42,653	0	0	(42,653)
140,903	(54,278)	0	(86,625)	Total Adjustments between Revenue and Capital Resources	137,684	(68,812)	0	(68,872)
				Adjustments to Capital Resources				
0	12,723	0	(12,723)	Use of the Capital Receipts Reserve to finance capital expenditure	0	106,254	0	(106,254)
(31)	0	31	0	Application of capital grants to finance capital expenditure	27,149	0	(27,149)	0
(31)	12,723	31	(12,723)	Total Adjustments to Capital Resources	27,149	106,254	(27,149)	(106,254)
0	0	0	0	Other adjustments	0	0	0	0
(175,433)	(41,555)	31	216,957	Total Adjustments	(216,622)	37,442	(27,149)	206,328

39a Transfers (to)/from Group Earmarked Reserves

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

Earmarked Reserves and Balances	31 March 2019 £000s	Transfers (in)/out £000s	31 March 2020 £000s	Transfers (in)/out £000s	31 March 2021 £000s
Transport, Economic Development and Regeneration & Waste					
Earn-back Revenue	(10,180)	140	(10,040)	(12,320)	(22,359)
Life Chances	(5,000)	285	(4,715)	0	(4,715)
Clean Air Plan	(4,227)	(10,034)	(14,261)	11,341	(2,920)
Reform and Investment Fund	(2,786)	900	(1,886)	1,496	(390)
Youth Contract	(2,411)	166	(2,245)	377	(1,868)
City Deal	(1,886)	326	(1,560)	432	(1,128)
GM Trailblazer	(1,734)	1,734	0	(38)	(38)
Growing Places Fund	(1,554)	0	(1,554)	0	(1,554)
Housing First	(1,105)	680	(425)	(41)	(465)
One Public Estate	(655)	123	(532)	165	(367)
Creative Scale Up Project	(650)	(650)	(1,300)	935	(365)
Manchester Western Loop	(599)	44	(555)	223	(332)
LEP Strategic Plans Funding (LEP)	(581)	19	(562)	166	(396)
Working Well-Care and Support	0	(577)	(577)	394	(183)
Planning & Delivery Fund	(544)	0	(544)	97	(447)
Business Rates Top Up	(54,390)	17,261	(37,129)	1,646	(35,483)
RGF/GPF Interest and Arrangement Fees	(8,916)	(1,205)	(10,121)	1,229	(8,892)
GM Connect	(1,123)	243	(880)	186	(694)
Churchgate House Accommodation	(700)	0	(700)	0	(700)
Adult Education Budget Devolution	0	(3,024)	(3,024)	(1,421)	(4,445)
Integrated Ticketing Reserve	(12,500)	0	(12,500)	797	(11,703)
Capital Programme Reserve	(99,996)	8,252	(91,744)	2,853	(88,891)
Business Rates Growth Pilot & Levy	(52,178)	(35,800)	(87,978)	54,786	(33,192)
HIF Interest and Arrangement Fees	0	(7,921)	(7,921)	(3,066)	(10,987)
Our Pass Reserve	0	0	0	(5,688)	(5,688)
A Bed Every Night	0	0	0	(2,000)	(2,000)
Brownfield Fund	0	0	0	(1,551)	(1,551)
Active Travel Fund	0	0	0	(2,759)	(2,759)
Ageing Well Programme	0	0	0	(830)	(830)
GM Covid Fund	0	0	0	(589)	(589)
Other Transport and ED&R Reserves	(2,687)	367	(2,320)	(1,372)	(3,692)
Waste Engagement Activities Reserve	(102)	(256)	(358)	(395)	(753)
Waste Disposal Insurance Reserve	(12,694)	0	(12,694)	0	(12,694)
Waste Interest Rate Reserve	(2,000)	0	(2,000)	0	(2,000)
Waste pension Deficit Funding Reserve	(812)	0	(812)	0	(812)
Waste MTFP Funding Reserve	(36,360)	18,810	(17,550)	5,664	(11,885)
Waste Optimisation and Efficiency	(5,000)	0	(5,000)	5,000	0
Waste Composition Analysis	(186)	186	0	0	0
Waste Lifecycle Reserve	(3,911)	0	(3,911)	0	(3,911)
Revenue Grants Unapplied Reserve - TfGM	(314)	0	(314)	0	(314)
Property Reserve - TfGM	(12,157)	573	(11,584)	321	(11,263)
Metrolink Reserve - TfGM	(2,093)	0	(2,093)	(303)	(2,396)
Joint Road Safety Group Reserve - TfGM	(3,793)	(500)	(4,293)	(909)	(5,202)
Concessionary Fares Reserve - TfGM	(9,283)	1,294	(7,989)	0	(7,989)
NW Evergreen Holding Fund	(66,014)	(1,968)	(67,982)	(1,679)	(69,661)
Greater Manchester Fund of Funds	(15,072)	(15,080)	(30,152)	592	(29,560)
Total Earmarked Reserves	(436,190)	(25,612)	(461,802)	53,738	(408,064)
Transport and ED&R General Fund Balances	(7,845)	2,515	(5,330)	0	(5,330)
Waste General Fund Balance	(12,132)	(0)	(12,132)	0	(12,132)
TfGM General Balances	(10,989)	665	(10,324)	(27)	(10,351)
Total General Fund Balances	(30,966)	3,180	(27,786)	(27)	(27,813)
Usable Capital Receipts Reserve	(41,169)	(41,555)	(82,724)	37,442	(45,282)
Capital Grants Unapplied Reserve	0	0	0	(24,987)	(24,987)
Capital Grants Unapplied Reserve - TfGM	(569)	31	(538)	(112)	(650)
Total Transport, ED&R and Waste Reserves	(508,894)	(63,957)	(572,851)	66,055	(506,796)

39 Transfers (to)/from Group Earmarked Reserves (Continued)

Earmarked Reserves and Balances	31 March 2019	Transfers (in)/out	31 March 2020	Transfers (in)/out	31 March 2021
	£000s	£000s	£000s	£000s	£000s
Mayoral General Fund					
Capital Reserve	(8,951)	4,275	(4,676)	(5,924)	(10,600)
Earmarked Budgets Reserve	(1,958)	(502)	(2,460)	(726)	(3,186)
Revenue Grants Unapplied	(2,745)	(2,030)	(4,775)	(7,688)	(12,463)
Insurance Reserve	(2,849)	0	(2,849)	0	(2,849)
Business Rates Reserve	(2,123)	30	(2,093)	488	(1,605)
Restructuring Reserve	(418)	0	(418)	0	(418)
Innovation and Partnership CYP	(127)	0	(127)	0	(127)
Projects Reserve	0	0	0	0	0
Transformation Fund	(3,604)	0	(3,604)	0	(3,604)
Total Earmarked Reserves	(22,775)	1,773	(21,002)	(13,850)	(34,852)
Mayoral General Fund Balances	(12,775)	1,160	(11,615)	(477)	(12,092)
Capital Grants Unapplied Reserve	0	0	0	(2,050)	(2,050)
Total Mayoral General Fund Reserves	(35,550)	2,933	(32,617)	(16,377)	(48,994)

Earmarked Reserves and Balances	31 March 2019	Transfers (in)/out	31 March 2020	Transfers (in)/out	31 March 2021
	£000s	£000s	£000s	£000s	£000s
Mayoral Police Fund					
Revenue Expenditure Reserve	(7,833)	(7,337)	(15,170)	3,848	(11,322)
Insurance Reserve	(14,169)	(1,712)	(15,881)	648	(15,232)
PCC Earmarked Reserves	(29,194)	1,501	(27,693)	(20,299)	(47,992)
Capital Expenditure	0	0	0	0	0
PFI Reserve	(11,826)	599	(11,227)	621	(10,606)
Total Earmarked Reserves	(63,022)	(6,949)	(69,971)	(15,182)	(85,152)
Mayoral Police Fund Balances	(13,061)	(2,314)	(15,375)	(209)	(15,584)
Total Mayoral Police Fund	(76,082)	(9,263)	(85,346)	(15,391)	(100,737)

Earmarked Reserves and Balances	31 March 2019	Transfers (in)/out	31 March 2020	Transfers (in)/out	31 March 2021
	£000s	£000s	£000s	£000s	£000s
Combined					
Earmarked Reserves	(521,987)	(30,788)	(552,775)	24,707	(528,068)
General Fund Balances	(56,802)	2,025	(54,777)	(714)	(55,490)
Usable Capital Receipts Reserve	(41,169)	(41,555)	(82,724)	37,442	(45,282)
Capital Grants Unapplied Reserve	(569)	31	(538)	(27,037)	(27,687)
Total Usable Reserves	(620,523)	(70,287)	(690,814)	34,398	(656,526)

40 Purpose of Group Earmarked Reserves

The purpose of the Authority's earmarked reserves is set out in the notes to the single entity accounts. The purpose of other group reserves is set out below:

Transport for Greater Manchester Reserves

- Revenue Grants Unapplied Reserve – Manchester Airport Contribution to the Metrolink extension to the airport;

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

NW Evergreen Holdings Reserve

- Includes grant monies novated to NW Evergreen for investment in city areas.

Fund of Funds Reserve

- Includes funding from European Regional Development Fund held for investment in low carbon and energy efficiency initiatives.

41 Group Nature of Income and Expenditure

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

2019/20 *Restated £000s	Nature of Expenditure and Income	2020/21 £000s
	Expenditure	
679,813	Employee Costs	722,657
280,727	Pension Interest Costs*	238,601
107,284	Cost of Police Officer retirement benefits	101,482
254,697	Grants Expenditure	362,615
234,938	Other Service Expenditure	312,119
124,607	Capital Charges including Depreciation and Impairment	140,125
67,858	Financing and Investment Expenditure*	67,384
213,329	Revenue Expenditure Funded from Capital Under Statute	285,483
5,848	Loss on Disposal of Non-current Assets	6,301
1,969,101	Total Expenditure	2,236,716
	Income	
(51,609)	Financing and Investment Income	(33,089)
(167,586)	Fees, charges and other service income	(184,433)
(107,284)	Home Office grant payable towards the cost of retirement benefits	(101,482)
(297,032)	Income from Council Tax and NNDR	(270,017)
(329,926)	Levy Income	(251,302)
(870,310)	Government Grants and Contributions	(1,157,093)
(1,823,748)	Total Income	(1,997,415)
145,354	Deficit / (Surplus) on the Provision of Services	239,301

*The prior year single entity has been restated to split out pension interest costs from financing and investment expenditure, £50.030m.

42 Group Financing and Investment Expenditure and Income

2019/20 £000s	Financing and Investment Expenditure	2020/21 £000s
27,671	PWLB	26,872
21,533	European Investment Bank	21,061
9,867	Other	10,952
1,159	Former Greater Manchester Council Debt	927
7,628	Interest Element of PFI Unitary Charge	7,572
280,727	Interest on Plan Liabilities	238,601
348,585	Total Financing and Investment Expenditure	305,985

2019/20 £000s	Financing and Investment Income	2020/21 £000s
(1,519)	Interest receivable on investments and deposits	(1,207)
(7,925)	Interest receivable on loans	(8,087)
(24,799)	Interest on Plan Assets	(22,194)
(17,366)	Other income	(1,601)
(51,609)	Total Financing and Investment Income	(33,089)

43 Group Taxation and Non-Specific Grant Income

2019/20 £000s	Taxation and Non Specific Grant Income	2020/21 £000s
	Income from Levies	
(187,473)	Transport Levy from the GM Authorities	(105,773)
(142,453)	Waste levy from the GM Authorities	(145,529)
	Income from Council Tax and Business Rates	
(149,827)	Council Tax Police Precept Income	(156,587)
(58,317)	Council Tax Fire Precept Income	(68,151)
(88,889)	Non Domestic Rates Income	(45,280)
	Income from Revenue Grants	
(43,377)	Business Rates Top up Grant	(43,377)
0	Revenue Support Grant	0
(443,851)	Police Grant	(483,521)
(500)	Growth Deal Grant (LEP)	(500)
(15,000)	Earnback Grant	(20,000)
	Income from Capital Grants	
(1,845)	Capital Contributions Receivable for Traffic Signal Schemes	(3,375)
(47,904)	Growth Deal	(77,808)
(15,000)	Earnback	(10,000)
(23,262)	Transforming Cities	(50,223)
(11,637)	Pot Hole National Productivity Investment Fund	(20,899)
(6,818)	Stockport Town Centre Access Programme	(3,445)
(1,558)	Cycle City Ambition Grant	(5,361)
0	Getting Building Fund	(27,100)
0	Brownfield Land Fund	(16,286)
0	Emergency Active Travel Fund	(14,583)
0	Full Fibre	(9,824)
0	Clean Bus Technology Grant	(3,923)
0	Watching Watch Relief Fund	(2,050)
(2,371)	Police Capital Grants	(1,980)
(1,566)	Other capital grants and contributions	(794)
(1,241,648)	Total Taxation and Non Specific Grant Income	(1,316,369)

44 Group External Audit Fees

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

2019/20 £000s	External Audit Fees	2020/21 £000s
20	Fees payable to Mazars with regard to external audit services carried out by the appointed auditor for the previous year	49
(9)	Surplus Fee refund received from Public Sector Audit Appointments (PSAA) with regard to external audit services undertaken in prior years under transitional arrangements by the Secretary of State	0
146	Fees payable to Mazars with regard to external audit services carried out by the appointed auditor for the year	163
0	Fees payable to Mazars for the certification of grant claims and returns for the year	0
157	Total External Audit Fees	212

45 Group Officer Remuneration

Officers Remuneration above £50,000

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

Total 2019/20	Salary Range		Total 2020/21
707	£50,000	to £54,999	823
504	£55,000	to £59,999	587
149	£60,000	to £64,999	226
90	£65,000	to £69,999	95
40	£70,000	to £74,999	47
27	£75,000	to £79,999	36
36	£80,000	to £84,999	37
25	£85,000	to £89,999	38
12	£90,000	to £94,999	18
1	£95,000	to £99,999	15
3	£100,000	to £104,999	3
4	£105,000	to £109,999	3
6	£110,000	to £114,999	6
2	£115,000	to £119,999	5
2	£120,000	to £124,999	5
6	£125,000	to £129,999	1
1	£130,000	to £134,999	3
2	£135,000	to £139,999	1
0	£140,000	to £144,999	1
1	£145,000	to £149,999	0
1	£150,000	to £154,999	2
0	£155,000	to £159,999	0
0	£160,000	to £164,999	0
1	£165,000	to £169,999	2
0	£170,000	to £174,999	0
1	£175,000	to £179,999	0
1	£180,000	to £184,999	1
0	£185,000	to £189,999	1
1	£190,000	to £194,999	0
0	£195,000	to £199,999	0
0	£200,000	to £204,999	0
1	£205,000	to £209,999	0
0	£210,000	to £214,999	1
1	£215,000	to £219,999	0
0	£220,000	to £224,999	0
0	£225,000	to £229,999	1
0	£230,000	to £234,999	0
1,625			1,958

Senior Officers Remuneration

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

Note	Post Title	2019/20				2020/21			
		Salary (including fees and allowances) £000s	Expenses and Other Allowances £000s	Employer's Pensions Contribution £000s	Total Remuneration £000s	Salary (including fees and allowances) £000s	Expenses and Other Allowances £000s	Employer's Pensions Contribution £000s	Total Remuneration £000s
	Mayor of Greater Manchester (Andy Burnham)	110	1	0	111	110	0	0	110
	Deputy Mayor for Police and Crime (Baroness Beverley Hughes)	78	0	0	78	80	0	0	80
	Director - Mayor's Office	78	0	17	95	80	0	17	97
A	Chief Executive (Eamonn Boylan)	219	0	0	219	226	0	0	226
B	Interim Chief Fire Officer (Dawn Docx)	0	0	0	0	73	1	0	73
C	Chief Fire Officer (James Wallace)	166	1	0	167	93	2	27	121
D	Treasurer (Richard Paver)	123	1	0	124	0	0	0	0
E	Treasurer	45	0	0	45	166	0	0	166
F	Chief Investment Officer (William Enevoldson)	73	1	0	74	67	0	9	77
	Deputy Chief Executive	137	0	29	166	140	0	30	170
	Solicitor and Monitoring Officer	110	0	23	133	113	0	24	137
	Executive Director - Waste and Resources	104	0	22	126	107	0	23	130
	Transport for Greater Manchester								
G	Chief Executive - (Eamonn Boylan)	0	0	0	0	0	0	0	0
	Chief Operating Officer (Bob Morris)	181	34	0	215	186	0	38	224
	Finance and Corporate Services Director (Steve Warrenner)	179	34	0	213	184	0	38	222
	Greater Manchester Police								
H	Chief Constable (Ian Hopkins)	208	1	0	209	213	0	0	213
I	Chief Constable (Ian Pilling)	0	0	0	0	50	0	0	50
I	Deputy Chief Constable (Ian Pilling)	154	0	29	183	118	0	0	118
J	Deputy Chief Constable - Mabs Hussain					26	0	8	34
J	Assistant Chief Constable - Mabs Hussain	105	1	33	139	95	2	29	126
	Assistant Chief Constable	118	8	36	162	121	8	37	166
	Assistant Chief Constable	115	0	35	150	119	0	37	156
K	Assistant Chief Constable	22	3	7	32	0	0	0	0
	Assistant Chief Constable	111	1	33	145	118	0	37	155
L	Assistant Chief Constable	89	0	1	90	121	0	0	121
M	Assistant Chief Constable	-	-	-	-	95	1	28	124
	Assistant Chief Officer Resources	115	7	22	144	118	6	23	147

- A The GMCA received a contribution of £113,025 (2019: £109,251) for the Chief Executive also performing the duties of Chief Executive at Transport for Greater Manchester during 2020/21. With effect from 26 November 2018 the annual salary was increased to £220,000 for this dual role.
- B Post Holder left 31 August 2020 (2020/21: FTE salary £164,020.63)
- C Post Holder commenced 7 September 2020. (2020/21: FTE salary £164,020.63)
- D Post Holder left 31 December 2019 (2019: FTE salary £164,412)
- E Post Holder commenced 2 December 2019 (2019: FTE salary £136,000). The GMCA received a contribution of £60,000 for the Treasurer performing duties of Executive lead for finance and investment at Greater Manchester Health and Social Care Partnership during 2020/21
- F Post in 2019/20 is 0.41 FTE, Annual salary for 1.0 FTE would be £157,621. Post in 2020/21 is also 0.41 FTE, Annual Salary for 1.0 FTE would be
- G Post now performed by Chief Executive of the Authority. The full costs are paid by GMCA and are disclosed in their financial statements. Recharge of 50% of the salary costs to TfGM (2020/21: £113,025)
- H Chief Constable stepped down in December 2020
- I Acting Chief Constable from January 2021
- J Acting Deputy Chief Constable from February 2021
- K Assistant Chief Constable from July 2018 until June 2019 (Chief Superintendent until June 2018)
- L Assistant Chief Constable appointed in July 2019
- M Acting Assistant Chief Constable from January 2021

Exit Costs

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

Exit package cost band	Number of compulsory		Number of other departures		Total number of exit package by cost band		Total cost of exits	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20 £000s	2020/21 £000s
£0 - £20,000	3	17	26	28	29	34	322	334
£20,001 - £40,000	1	14	11	3	12	17	323	488
£40,001 -£60,000	2	19	5	2	7	21	346	1,081
£60,001 - £80,000	1	8	2	2	3	10	214	690
£80,001 - £100,000	0	4	5	2	5	6	446	539
£100,001 - £150,000	0	5	3	4	3	9	370	1,094
£150,001 - £200,000	0	1	0	0	0	1	0	177
Total	7	68	52	41	59	98	2,021	4,402

46 Group Capital and Lease Commitments

2019/20 £000s	Capital Commitments	2020/21 £000s
1,409	Traffic Signals	1,048
1,633	Fire Programme related	683
16,640	Police Programme related	10,519
0	Waste Programme related	11,210
46,862	Transport for Greater Manchester Programme related	33,798
66,544	Total Capital Commitments	57,259

The key commitments for 2020/21 are in relation to the Transport for Greater Manchester Programme and the following projects:

- Metrolink Capacity Improvement Programme (MCIP) £16.8 million (2019/20: £33.25 million). This project is for the purchase of 27 additional trams and associated infrastructure; and
- Metrolink Communications Network £6.3 million (2019/20 £0.08m). This project is to enhance network resilience.

2019/20 £000s	Lease Commitments	2020/21 £000s
	PFI Arrangements	
3,241	Payments due within 1 year	3,659
15,773	Later than 1 year and not later than 5 years	16,812
28,644	Later than 5 years	23,947
47,658		44,418
	Operating Lease Arrangements Land and Buildings	
576	Payments due within 1 year	415
931	Later than 1 year and not later than 5 years	648
6,929	Later than 5 years	6,883
8,436		7,946
56,094	Total Capital Commitments	52,364

47 Group Property, Plant and Equipment Including Disposals

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

Property, Plant and Equipment	Infrastructure assets	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Long Term Surplus Assets	Assets under Construction	Total Property Plant and Equipment	PFI in PPE
Entity headings - check match group	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
Asset values brought forward at 1 April 2020	2,569,744	493,146	312,241	3,321	105,397	3,483,849	78,432
General Fund Adjustments between cost/value & depreciation/impairment - gross	0	(15,400)	(5,070)	0	0	(20,470)	0
Additions	5,371	7,399	3,879	0	59,709	76,358	0
Accumulated depreciation and impairment written off to cost or valuation	0	(3,510)	0	(1)	0	(3,511)	(1,777)
Revaluation increases/decreases recognised in the Revaluation Reserve	0	27,139	10,441	1,262	0	38,842	2,831
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	0	2,427	(1,517)	179	0	1,089	347
Derecognition - disposals	(1,090)	0	(7,571)	(525)	0	(9,186)	0
Derecognition - other	0	(4,794)	0	0	0	(4,794)	0
Assets reclassified to/from held for sale	0	0	0	0	0	0	0
Assets reclassified to/from assets under construction	52,646	7,395	2,046	0	(62,088)	(1)	0
Other movements in cost or valuation	0	0	0	0	0	0	0
Cost or Valuation at 31 March 2021	2,626,671	513,802	314,449	4,236	103,018	3,562,176	79,833
Accumulated Depreciation & Impairment							
Accumulated depreciation values brought forward at 1 April 2020	(609,701)	(26,690)	(186,606)	(33)	0	(823,030)	(2,811)
Accumulated depreciation and impairment written off to cost or valuation	0	18,909	5,070	1	0	23,980	1,777
Depreciation Charge	(78,627)	(18,768)	(30,350)	(15)	0	(127,760)	(2,106)
Depreciation recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition - disposals	716	0	6,309	13	0	7,038	0
Derecognition - other	0	0	0	0	0	0	0
Depreciation eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0
Reclassifications & Transfers - depreciation	0	0	0	0	0	0	0
Other adjustment - depreciation	0	0	0	0	0	0	0
Closing value - depreciation	(687,612)	(26,549)	(205,577)	(34)	0	(919,772)	(3,140)
Net Book Value at 31 March 2020	1,960,043	466,456	125,635	3,288	105,397	2,660,819	75,621
Net Book Value at 31 March 2021	1,939,059	487,253	108,872	4,202	103,018	2,642,405	76,693
Net Book Value Split at 31 March 2021							
Assets deployed for GMCA activity	1,939,059	11,525	17,681	755	73,055	2,042,075	0
Assets deployed for Mayoral General activity	0	96,785	13,400	0	648	110,833	4,391
Assets deployed for Mayoral Police activity	0	246,630	51,677	3,447	23,974	325,728	72,302
Assets deployed for Waste activity	0	132,312	26,114	0	5,341	163,767	0
	1,939,059	487,253	108,872	4,202	103,018	2,642,405	76,693

Property, Plant and Equipment	Infrastructure Assets	*Restated Land and Building	*Restated Vehicles, Plant Furniture & Equipment	Long Term Surplus Assets	*Restated Assets under Construction	Total Property Plant and Equipment	PFI in PPE
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
Asset values brought forward at 1 April 2019	2,266,865	548,045	299,003	2,866	298,371	3,415,150	81,056
Additions	4,759	4,845	21,761	0	146,572	177,937	0
Accumulated depreciation and impairment written off to cost or valuation	0	(53,201)	(26,139)	0	0	(79,339)	(2,655)
Revaluation increases/decreases recognised in the Revaluation Reserve	0	(5,066)	2,500	(25)	0	(2,591)	4,060
Revaluation increases/decreases recognised in the surplus or deficit on the provision of services	0	288	(3,138)	0	0	(2,850)	546
Derecognition - disposals	(708)	(1,006)	(21,495)	0	0	(23,209)	(4,575)
Derecognition - other	0	(1,499)	0	0	0	(1,499)	0
Assets reclassified to/from held for sale	0	0	0	250	0	250	0
Assets reclassified to/from assets under construction	298,828	969	39,747	0	(339,546)	0	0
Other movements in cost or valuation	0	(230)	0	230	0	0	0
Cost or valuation as at 31 March 2020	2,569,744	493,145	312,239	3,321	105,397	3,483,849	78,432
Accumulated Depreciation & Impairment							
Accumulated depreciation values brought forward at 1 April 2019	(539,435)	(63,965)	(206,678)	(13)	0	(810,091)	(8,401)
Accumulated depreciation and impairment written off to cost or valuation	0	53,201	26,139	0	0	79,339	2,655
Depreciation Charge	(70,759)	(16,783)	(22,962)	(16)	0	(110,521)	(2,064)
Depreciation recognised in the Revaluation Reserve	0	(0)	0	0	0	(0)	862
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	19
Derecognition - disposals	493	854	16,895	0	0	18,242	4,118
Derecognition - other	0	0	0	0	0	0	0
Impairment losses / (reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	0	0	0	0	0	0	0
Assets reclassified to/from held for sale	0	4	0	(4)	0	0	0
Closing value - depreciation	(609,701)	(26,690)	(186,606)	(33)	0	(823,030)	(2,811)
Net Book Value at 31 March 2019	1,727,430	484,080	92,325	2,853	298,371	2,605,059	72,655
Net Book Value at 31 March 2020	1,960,043	466,456	125,635	3,288	105,397	2,660,819	75,621
Net Book Value Split at 31 March 2020							
Assets deployed for GMCA activity	1,960,043	11,974	21,437	755	82,176	2,076,385	0
Assets deployed for Mayoral General activity	0	92,200	13,970	0	0	106,170	4,391
Assets deployed for Mayoral Police activity	0	245,854	65,223	2,533	15,903	329,513	71,230
Assets deployed for Waste activity	0	116,428	25,005	0	7,318	148,751	0
	1,960,043	466,456	125,635	3,288	105,397	2,660,819	75,621

47 Group Property, Plant and Equipment Valuations

Within the Group TfGM carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The current values for these properties have been based on existing use values and these were re-valued as at 31 March 2017.

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

In estimating the fair value of TfGM's surplus properties, the highest and best use of the properties is their current use. Due to the value of the properties and the changes in market conditions these have not been re-valued in 2020/21.

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

COVID-19 has impacted global financial markets and has led to an unprecedented set of circumstances on which the valuations have been based due to the restrictions imposed. Due to the unknown future impact that COVID-19 will have on the real estate market, the valuations will be kept under regular review. The latest valuation was undertaken 31 March 2021 and there was no material impact on the accounts.

48 Group Intangible Assets

The Authority 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 are purchased licenses.

All software is given a finite useful life, based on assessments of the period that the software is expected to be used by the Authority. The useful lives assigned to the major software suites used by the Authority are:

Assets attributable to the Fire and Rescue Service	3 to 10 years
Assets attributable to the Policing Service	5 years
Assets attributable to the Waste Disposal Service	5 years
Assets attributable to TfGM	4 to 5 years

The carrying amounts of intangible assets is amortised on a straight-line basis.

Amortisation has been charged to service headings in the cost of services as follows:

Amortisation	£000s
Fire and Rescue Service	(71)
Policing Service	(4,890)
Waste Disposal Service	0
TfGM	(3,828)
Total	(8,789)

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

2019/20 Internally generated £000s	2019/20 *Restated Other £000s	2019/20 *Restated Total £000s		2020/21 Internally generated £000s	2020/21 Other £000s	2020/21 Total £000s
13,838	4,719	18,557	Gross carrying amounts	17,139	33,917	51,056
(2,626)	(3,508)	(6,134)	Accumulated amortisation	(5,784)	(6,605)	(12,389)
0	26,979	26,979	Assets under construction	0	0	0
11,212	28,190	39,402	Net carrying amount at start of year	11,355	27,312	38,667
			Additions:			
3,301	0	3,301	Internal development	1,250	0	1,250
0	238	238	Purchases	0	128	128
0	1,998	1,998	Additions to assets under construction	0	235	235
0	0	0	Acquired through business combinations	0	0	0
0	(28,977)	(28,977)	Reclassified from assets under construction	0	0	0
0	28,977	28,977	Reclassified to operational from assets under construction	0	0	0
0	(17)	(17)	Disposals	0	0	0
0	0	0	Amortisation acquired through business combinations	0	0	0
(3,158)	(3,097)	(6,255)	Amortisation for the period	(3,662)	(5,128)	(8,790)
11,355	27,312	38,667	Net carrying amount at end of year	8,943	22,547	31,490
			Comprising:			
17,139	33,917	51,056	Gross carrying amounts	18,389	34,045	52,434
(5,784)	(6,605)	(12,389)	Accumulated amortisation	(9,446)	(11,733)	(21,179)
0	0	0	Assets under construction	0	235	235
11,355	27,312	38,667	Balance at 31 March	8,943	22,547	31,490

*The amounts in respect of gross carrying amount and assets under construction as at 31 March 2020 have been restated to correct an error between the two of £28.977m.

There is one capitalised software suite that is individually material to the financial statements: The Information Services Transformation Programme had a carrying amount of £26.560m at 31 March 2021 and remaining amortisation period of 3.5 years.

Internally generated assets relate to TFGM and for 2020/21 include a new Asset Management System and Smart Contactless Self-Service System.

49 Group Short and Long Term Debtors and Payments in Advance

31 March 2020 £000s	Long Term Debtors	31 March 2021 £000s
	Other entities and individuals	
147,376	Gross Book Value	149,811
(5,316)	Impairment Allowance	(4,894)
142,060	Total Long Term Debtors	144,917

31 March 2020 £000s	Short Term Debtors	31 March 2021 £000s
80,484	Central Government Bodies	68,002
100,424	Other Local Authorities and Police and Crime Commissioners	15,442
1,779	NHS Bodies	5,951
4,420	Public Corporations	205
9,668	Payments in Advance	13,692
172,637	Other entities and individuals	246,081
(35,546)	Impairment Allowance	(43,629)
333,867	Total Short Term Debtors	305,743

50 Group Cash and Cash Equivalents

2019/20 £000s	Cash and Cash Equivalents	2020/21 £000s
21,072	Bank current accounts	24,044
14,867	Bank call accounts	89,377
567	Cash held by the Authority	565
44,001	Cash - deposits for up to 3 months	50,012
80,507	Total Cash and Cash Equivalents	163,998

51 Group Short Term Creditors

31 March 2020 £000s	Creditors	31 March 2021 £000s
(17,279)	Central Government Bodies	(21,615)
(35,094)	Other Local Authorities and Police and Crime Commissioners	(52,946)
(1,612)	NHS Bodies	(769)
(60,805)	Public Corporations	(47,520)
(135,025)	Other entities and individuals	(154,273)
(20,570)	Prepaid Income / Receipt in Advance	(13,875)
(7,605)	Siezed Cash	(11,227)
(277,989)	Total Creditors	(302,225)

52 Group Short and Long Term Provisions

Provisions are established to meet liabilities or losses which are likely or certain to be incurred, but the amounts or timings are uncertain. Provisions provided as at 31 March 2021 relate to (a) capital works, and (b) others, including insurance excesses, contractual obligations, contracted maintenance and an onerous lease.

Provisions	Balances brought forward 1 April 2020	Top Up of Provision in year	Amounts released in year	Use of Provision in year	Balances carried forward 31 March 2021	Short Term Provision within 12 months	Long Term Provision more than 12 months	Balances carried forward 31 March 2021
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
GMCA								
Trafford Park Metrolink Line Land Provision	4,116	15,243	(450)	(11,464)	11,560	9,470	2,090	11,560
Metrolink Compensation Provision	1,184	0	(51)	(1,324)	993	267	726	993
Quay West Parking Provision	76	28	0	(90)	90	90	0	90
Landcare Provision	1,245	0	(476)	0	770	455	314	770
LSM - Leigh to Ellenbrook Provision	844	0	(5)	0	839	215	624	839
Insurance Provision	539	0	(31)	(14)	494	148	346	494
Onerous Leases	197	0	0	(1)	197	1	196	197
Employment related	0	252	0	0	252	252	0	252
	8,200	15,523	(1,013)	(12,893)	15,195	10,898	4,296	15,195
Mayoral General Fund								
Insurance Provision	664	0	0	0	664	110	554	664
NNDR Appeals Provision	2,208	365	0	0	2,573	2,573	0	2,573
Bear Scotland 'v' Fulton Provision	1,100	335	0	0	1,438	1,438	0	1,438
Fire Roster Provision	0	0	0	0	0	0	0	0
	3,972	700	0	0	4,676	4,122	554	4,676
Mayoral Police Fund								
Insurance Provision	7,908	14,118	0	(11,649)	10,376	2,097	8,279	10,376
Police Pension Lump Sum Provision	224	0	0	0	224	224	0	224
Capital Project Retentions Provision	77	692	0	(611)	158	158	0	158
	8,209	14,810	0	(12,260)	10,758	2,480	8,279	10,759
Total	20,382	31,033	(1,013)	(25,153)	30,628	17,500	13,128	30,628

53 Group Unusable Reserves

31 March 2020 £000s	Unusable Reserves	31 March 2021 £000s
(367,782)	Capital Adjustment Account	(384,622)
(23,946)	Financial Instruments Adjustment Account	(19,769)
9,619,178	Pensions Reserve	10,813,889
(144,523)	Revaluation Reserve	(179,500)
(725)	Financial Instruments Revaluation Reserve	(814)
(3,705)	Collection Fund Adjustment Account	9,347
6,911	Accumulated Absences Reserve	9,985
(302)	Deferred Capital Receipts Reserve	(134)
(2,461)	Capital Reserve	(2,461)
42,656	Deregulation Reserve	41,260
9,125,300	Total Unusable Reserves	10,287,181

Capital Adjustment Account

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

31 March 2020 £000s	Capital Adjustment Account	31 March 2021 £000s
(362,350)	Balance brought forward 1 April	(367,782)
39,459	Charges for depreciation and impairment of non-current assets	48,563
2,850	Revaluation losses on non-current assets	(1,089)
2,933	Amortisation of intangible assets	4,961
213,329	Revenue expenditure funded from capital under statute	285,483
(1,964)	Capital bad debt provision movement	(2,041)
2,514	Revaluation and impairment of capital financial assets	2,094
(261)	Loan Novations	0
6,151	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	6,267
265,010	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	344,237
(7,003)	Adjusting Amounts written out of the Revaluation Reserve	(3,783)
258,006	Net written out amount of the cost of non-current assets consumed in the year	340,454
(12,723)	Use of Capital Receipts Reserve to finance new capital expenditure	(106,255)
(168)	Use of Capital Receipts applied in year to finance new capital expenditure	(769)
(165,887)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(184,041)
(73,836)	Statutory provision for the financing of capital investment charged against the General Fund	(85,529)
(6,522)	Repayment of inherited debt	(6,860)
(58,197)	Capital expenditure charged against the General Fund balances	(42,653)
(317,332)	Capital financing applied in year	(426,106)
53,894	Capital Receipts debited to the Capital Adjustment Account on Repayment of loans	68,812
(367,782)	Balance 31 March	(384,622)

Pensions Reserve

This relates to the net pension asset as at 31 March 2021 in accordance with the actuary's report. Further details are shown in note 60.

31 March 2020 £000s	Pension Reserve	31 March 2021 £000s
10,434,531	Balance brought forward for continuing operations	9,619,178
0	Balance transferred in from GMWDA	0
10,434,531	Balance brought forward for all operations	9,619,178
(1,049,061)	Remeasurements of the net defined benefit liability / (asset)	995,710
(307,433)	Employer's pension contributions and direct payments to pensioners payable in the year	(311,984)
541,141	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.	510,985
9,619,178	Balance carried forward	10,813,889

Revaluation Reserve

31 March 2020 £000s	Revaluation Reserve	31 March 2021 £000s
(154,199)	Balance b/f for continuing operations	(144,523)
0	Balance transferred in from GMWDA	0
(154,199)	Balance b/f for all operations	(144,523)
(21,295)	Upward revaluation of assets	(48,966)
23,886	Impairment losses not charged to the Surplus/Deficit on the Provision of Services	10,124
2,591	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(38,842)
2,807	Difference between fair value depreciation and historical cost depreciation	3,291
4,196	Accumulated gains on assets sold or scrapped	492
7,003	Amount written off to the Capital Adjustment Account	3,783
0	Upward revaluation of investments charged to the Surplus/Deficit on the Provision of Services	0
82	Transfer of accumulated gains on revaluation of investments to the Financial Instruments Revaluation Reserve on implementation of IFRS9	82
(144,523)	Balance carried forward	(179,500)

Accumulated Absences Reserve

31 March 2020 £000s	Accumulated Absence Account	31 March 2021 £000s
4,850	Balance brought forward	6,911
(4,850)	Settlement or cancellation of accrual made at the end of the preceding year	(6,911)
6,911	Amounts accrued at the end of the current year	9,985
2,061	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,074
6,911	Balance carried forward	9,985

Deregulation Reserve

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

31 March 2020 £000s	Deregulation Reserve	31 March 2021 £000s
44,051	Balance brought forward	42,656
(1,395)	Amortisation during the year	(1,396)
42,656	Total Deregulation Reserve	41,260

54 Group Collaborations

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

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

Joint Operation	Lead force	Contribution 2020/21 £000s
TITAN - Partners are Greater Manchester, Cheshire, Merseyside, Lancashire, Cumbria and North Wales. Staff are drawn from these forces with net costs apportioned between partners based on government grant allocations.	Merseyside	5,864
NATIONAL POLICE AIR SERVICE - National collaboration agreement providing air support from regional bases across England and Wales. Net costs of the collaboration are apportioned between the partners based on actioned calls for air support.	West Yorkshire	1,638
UNDERWATER SEARCH - Partners are Greater Manchester, Cheshire, Merseyside, Lancashire, Cumbria and North Wales. Net costs are apportioned between partners based on government grant allocations.	Cheshire	342
NORTH WEST MOTORWAY POLICE GROUP - Partners are Greater Manchester, Cheshire, Merseyside and Lancashire. Costs are apportioned based on a Service Level Agreement.	Cheshire	385

55 Group Contingent Liabilities

McCloud / Sargeant Compensation Claims

Claimants have lodged claims within GMP for compensation. Test cases for these claims are due to be heard by the Employment Tribunal in December 2021. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response. As at 31 March 2021, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in the group accounts.

56 Group Financial Instruments

Categories of Financial Instruments

The tables below show the categories of financial instruments which are carried in the Balance Sheet:

	Non Current Financial Assets				
	Investments		Debtors		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2021 £000s
Fair value through profit and loss	0	0	0	0	0
Amortised cost - soft loans	0	0	0	6,604	6,604
Amortised cost - other	0	0	136,551	132,981	132,981
Fair value through other comprehensive income - designated equity instruments	6,744	11,917	0	0	11,917
Total financial assets	6,744	11,917	136,551	139,586	151,502
Non financial assets	0	0	5,509	5,332	5,332
Total	6,744	11,917	142,060	144,918	156,835

	Current Financial Assets						
	Investments		Debtors		Cash		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2021 £000s
Amortised cost - soft loans	0	0	0	191	0	0	191
Amortised cost - other	12,621	14,473	280,507	250,595	80,507	163,998	429,065
Total financial assets	12,621	14,473	280,507	250,786	80,507	163,998	429,257
Non-financial assets	0	0	53,360	54,957	0	0	54,957
Total	12,621	14,473	333,867	305,743	80,507	163,998	484,213

	Non-Current Financial Liabilities						
	Borrowings		Creditors		Other long term liabilities		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2021 £000s
Fair value through profit and loss	0	0	0	0	0	0	0
Amortised cost	(1,490,433)	(1,424,934)	0	0	(9,154)	(3,948)	(1,428,882)
Amortised cost - PFI	0	0	0	0	(44,417)	(40,759)	(40,759)
Total financial liabilities	(1,490,433)	(1,424,934)	0	0	(53,571)	(44,707)	(1,469,641)
Non financial liabilities	0	0	0	0	(73,580)	(81,441)	(81,441)
Total	(1,490,433)	(1,424,934)	0	0	(127,151)	(126,149)	(1,551,083)

	Current Financial Liabilities						
	Borrowings		Creditors		Other Short-Term Liabilities		Total
	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2020 £000s	31 March 2021 £000s	31 March 2021 £000s
Fair value through profit and loss	0	0	0	0	0	0	0
Amortised cost	(120,612)	(77,242)	(237,263)	(231,835)	(12,882)	(19,875)	(328,952)
Amortised cost - PFI	0	0	0	0	(3,241)	(3,659)	(3,659)
Total financial liabilities	(120,612)	(77,242)	(237,263)	(231,835)	(16,123)	(23,534)	(332,611)
Non-financial liabilities	0	0	(40,726)	(70,389)	(62,906)	(181,963)	(252,352)
Total	(120,612)	(77,242)	(277,989)	(302,225)	(79,029)	(205,496)	(584,963)

Income, Expenses, Gains and Losses

The gains and losses recognised in the Group Comprehensive Income and Expenditure Statement in relation to financial instruments are summarised in the table below:

	31 March 2020		31 March 2021	
	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income and Expenditure £000s	Surplus or Deficit on the Provision of Services £000s	Other Comprehensive Income and Expenditure £000s
Net gains/losses on:				
Financial assets measured at amortised cost	6,321	0	2,650	0
Investments in equity instruments designated at fair value through other comprehensive income	0	(122)	0	(89)
Total net gains/losses	6,321	(122)	2,650	(89)
Interest revenue:				
Financial assets measured at amortised cost	(10,984)	0	(9,294)	0
Total interest revenue	(10,984)	0	(9,294)	0
Interest expense	67,539	0	66,870	0

Fair Value of Assets and Liabilities

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

31 March 2020			31 March 2021	
Carrying Amount £000s	Fair Value £000s		Carrying Amount £000s	Fair Value £000s
		Financial Assets		
6,744	6,744	Equity Investments	11,917	11,917
12,621	12,621	Other Investments	14,473	14,473
417,058	422,419	Debtors	390,370	393,275
80,507	80,507	Cash	163,998	163,998
516,930	522,291	Total Financial Assets	580,758	583,663
		Financial Liabilities		
(606,701)	(969,526)	PWLB Debt	(585,179)	(867,728)
(1,004,344)	(1,551,851)	Non- PWLB debt	(916,995)	(1,261,988)
(47,658)	(47,658)	PFI Liabilities	(44,418)	(44,418)
(14,159)	(14,159)	Deferred Liabilities	(7,303)	(7,303)
(7,877)	(7,877)	Other Liabilities - Provisions (contractual based)	(16,521)	(16,521)
(237,263)	(237,263)	Creditors	(231,836)	(231,836)
(1,918,002)	(2,828,334)	Total Financial Liabilities	(1,802,252)	(2,429,793)

The Authority holds £11.917m in equity investments:

£7.501m within the single entity accounts relates to a number of businesses that either previously held loans with the Authority and which have converted to equity investments or are a direct equity investment. These shares are not traded in active markets. The shares are valued based on level 2 - observable input data from the companies, such as latest filed accounts and management accounting reports. There have been no transfers between input levels or changes in valuation techniques during 2020/21 for this class of asset.

£4.416m of TfGM long-term investments evaluated based on level 2 – significant observable inputs from the companies and included at their carrying value. There have been no transfers between input levels or changes in valuation techniques during 2020/21 for this class of asset.

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

- The fair value of cash and cash equivalents (which includes other investments), short-term debtors and short-term creditors is taken to be their carrying amount as this is deemed to provide a reasonable approximation in accordance with the CIPFA Code of Practice.
- The fair value of long-term debtors within the single entity accounts has been evaluated and where these relate to loan advances greater than £3m, prevailing benchmark market rates have been applied to provide the fair value. All other long-term debtors are included at their carrying value.
- Fair value for deferred liabilities in the single entity accounts in relation to the historical Greater Manchester Loan Fund is held at cost as this debt is not tradeable in any principal or alternative market.

- Fair value for PFI schemes cannot be obtained as there is no comparable information available, and these have therefore been shown at cost.
- For loans from the PWLB, premature repayment rates from the PWLB have been applied to provide the fair value; by applying new loan rates their fair value would be £777.525m.
- For non-PWLB loans payable, premature repayment rates have been applied to provide the fair value; by applying new loan rates their fair value would be £1,148.055m.
- The valuation techniques used for PWLB and non-PWLB debt are level 2 – observable inputs. There have been no changes in valuation technique during the financial year.

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value, which includes accrued interest as at the balance sheet date. The Authority has therefore included accrued interest in the fair value calculation.

The discount rates used for the evaluation were obtained by the Authority from Link Asset Services. The Link Asset Group is a leading and independent provider of capital financing, treasury advisory and strategic advisory consulting services to the public sector.

Assumptions used, which do not have a material effect on the fair value evaluation are; interest is calculated using a 365-day basis; interest is paid on the maturity date; no adjustment is made to the interest value and date where a relevant date occurs on a non-working day.

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

Borrowings	Range of interest rates payable in 20/21		Average Interest 2019/20	Average Interest 2020/21	Total Outstanding 31 March 2020	Total Outstanding 31 March 2021
	from	to	%	%	£000s	£000s
	%	%	%	%		
a) Analysis of loans by type:						
Public Works Loans Board	0.00%	0.00%	0.00%		(600,680)	(579,848)
Other Loans	0.00%	0.00%	0.00%		(1,001,766)	(914,019)
Accrued Interest Payable:						
PWLB					(6,021)	(5,332)
Others					(2,577)	(2,976)
Total as at 31 March					(1,611,045)	(1,502,174)
b) Analysis of loans by maturity						
Maturing:						
Due within 1 year: accrued interest payable						
PWLB					(6,021)	(5,332)
Others					(2,577)	(2,976)
Due within 1 year: principal						
PWLB					(20,832)	(21,206)
Others					(91,182)	(47,727)
Due within 1 year					<u>(120,612)</u>	<u>(77,241)</u>
In 1 to 2 years					(60,836)	(42,679)
In 2 to 5 years					(152,674)	(146,610)
In 5 to 10 years					(395,613)	(396,139)
In over 10 years					(881,310)	(839,505)
Due over 1 year					<u>(1,490,433)</u>	<u>(1,424,933)</u>
Total as at 31 March					(1,611,045)	(1,502,174)

57 Group Nature and Extent of Risks arising from Financial Instruments

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

Risk Factors

TfGM

TfGM has a credit risk management policy that establishes guidelines and processes for credit risk assessments conducted on customer accounts, via a licence to Companywatch. Assessments consider historic financial information and an overall financial health score based on cashflow, balance sheet liquidity, and income and expenditure analysis.

As at 31 March 2021, a substantial proportion of the total debtors relate to central government and local authority bodies which are deemed to be low credit risk.

The remaining £10.597m of debtors relate to other entities and individuals, including 20% of trade debtors which are past due.

A prudent view is taken in respect of impairment of trade debtors.

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

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

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

Risks are managed in accordance with the Annual Governance Statement. Management of TfGM's cash balances and funding requirements is undertaken by the daily assessment of available funds for short-term deposits; and the regular preparation of detailed treasury and cash flow forecasts which are reviewed by the Head of Finance and the Director of Finance and Corporate Services. Where necessary, mitigating

actions are taken and agreement is sought from GMCA officers if further funding is required to cover, for example, short term cash flow requirements arising from the timing difference between expenditure and grant monies being applied for and received.

NWEH and FoFLP (LPs)

The LPs' principal risks are liquidity, credit and capital management, for which risk management programmes are in place to limit the adverse effect of such risks in their financial position.

Liquidity risk

Liquidity risk is the risk that the LPs will have difficulty in meeting their obligations as and when they fall due. The LPs' approach to liquidity is to utilise cash flow forecasting to ensure that they will always have sufficient liquidity to meet liabilities as and when they fall due without incurring unacceptable credit risk or risking damage to the LPs' reputations.

Credit risk

Credit risk arises for the funds from both deposits with banks and credit exposures to borrowers.

The LPs' credit risk in relation to bank deposits is minimised by following the GMCA's Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined in Note 30. All investments held as at 31 March 2021 were with the HM Treasury Debt Management Office, other local authorities or UK banks and building societies.

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

The Authority has not used any non-credit rated institutions (for instance smaller building societies or bank subsidiaries where the parent has a satisfactory rating).

The purpose of the LPs is to provide short term funding into urban development projects in the North-West via their sub-funds. This provides credit risk in relation to each borrower and project. The LPs manage this risk by setting agreed investment parameters under the Contingent Loan Agreements and the Investment Adviser and Operator Agreements in place, with detailed due diligence undertaken for all borrowers and projects.

Each investment is subject to approval by the investments funds' board, in addition to CBRE's investment board as Investment Adviser to the funds. These are predominantly senior loans and as such carry prudent loan to values secured on tangible real estate assets. CBRE, in its capacity as Investment Adviser and Operator, monitor the projects throughout the loan term, reporting progress to the board and providing recommendations as appropriate. No defaults have been suffered by the funds to date, and none of the loans as at 31 March 2021 were in default.

Capital management

The LPs' finance their operations through the management of working capital and ultimately from the support of their partners if required.

Hedging Instruments

Neither TfGM, NWEH nor FoFLP hold any financial instruments that could be classified as hedging instruments.

58 Group Related Party Transactions

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

Transactions and balances between the Authority and its related parties are disclosed in note 31.

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

59a Group Cash Flow Statement - Adjustments to Net Cash Flows from Operating Activities

The cash flows for operating activities include the following items:

2019/20 £000s	Operating Activities	2020/21 £000s
(24,151)	Finance Costs calculated in accordance with the SORP	4,177
(2,962)	Impairment of investments	(2,094)
253,372	Increase / (Decrease) in Debtors	(9,728)
(37,573)	Increase / (Decrease) in Inventories	(169,940)
7,147	Decrease / (Increase) in Creditors	(11,928)
894	Decrease / (Increase) in Provisions	18,372
515	Revaluation adjustment	(250)
(1,554)	Increase in bad debt provision	(7,659)
(6,232)	Loss on sale of non current assets	(6,902)
(116,775)	Annual depreciation charge	(136,549)
(233,855)	IAS19 adjustments	(200,414)
(4,712)	(Increase) / Decrease in Interest Debtors	(1,680)
(9,442)	Increase / (Decrease) in Interest Creditors	(288)
158	Other non-cash movements	(1,917)
(175,170)	Adjustments to net deficit on the provision of services for non cash movements	(526,800)
76,976	Finance Costs Paid	59,854
(67,539)	Financing Expenditure	(59,563)
9,138	Financing Income	8,889
(4,426)	Interest Income Received	(7,209)
(1,913)	IAS 19 pension finance interest	(1,661)
127,053	Capital grants and contributions receivable	48,305
139,289	Adjust for items included in the net deficit on the provision of services that are investing and financing activities	48,615

59b Group Cash Flow Statement - Investing Activities

2019/20 £000s	Investing Activities	2020/21 £000s
160,173	Purchase of property, plant and equipment	68,879
2,325	Purchase of long term investments	91
23,256	Long Term Loans paid out	108,105
(54,278)	Long Term Loans repaid	(68,812)
(114,086)	Capital grants and contributions received	(74,364)
(864)	Proceeds from sale of property, plant and equipment	(656)
16,526	Net Cash Inflow / (Outflow) from Investing Activities	33,244

59c Group Cash Flow Statement - Financing Activities

2019/20 £000s	Financing Activities	2020/21 £000s
6,548	Repayment of inherited debt	6,886
2,673	Reduction of the outstanding liability relating to a finance lease and on-balance sheet PFI contracts	3,241
(221,139)	Receipts of short and long term borrowing	(228,434)
206,204	Repayments of short and long term borrowing	340,457
(5,714)	Net Cash Inflow / (Outflow) from Financing Activities	122,149

59d Group Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

Financing Activities	1 April 2020	Financing cash flows	Non-cash changes		31 March 2021
	£000s		£000s	Acquisition £000s	Other non-cash changes £000s
Long term borrowing	(1,490,433)	39,552	0	25,947	(1,424,934)
Short term borrowing	(120,613)	72,500	0	(29,129)	(77,242)
On balance sheet PFI liabilities	(47,658)	3,241	0	0	(44,417)
Deferred liabilities	(14,159)	6,857	0	0	(7,302)
Total liabilities from financing activities	(1,672,863)	122,149	0	(3,182)	(1,553,896)

Financing Activities	1 April 2019	Financing cash flows	Non-cash changes		31 March 2020
	£000s		£000s	Acquisition £000s	Other non-cash changes £000s
Long term borrowing	(1,454,244)	(50,262)	0	14,073	(1,490,433)
Short term borrowing	(175,483)	35,355	0	19,515	(120,613)
On balance sheet PFI liabilities	(50,331)	2,673	0	0	(47,658)
Deferred liabilities	(20,679)	6,520	0	0	(14,159)
Total liabilities from financing activities	(1,700,737)	(5,714)	0	33,588	(1,672,863)

60 Group Defined Benefit Pension Schemes

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

The Fire Service Pension Scheme and the Police Service Pension Scheme for its uniformed firefighters and police officers – these are separate but similar unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

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

McCloud / Sargeant Judgement

Firefighters and Police Officers schemes

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred to as "McCloud") and the Court of Appeal handed down its judgement on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the

cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes.

Past service costs were included in the 2018/19 and 2019/20 accounts and the 2020/21 service cost allows for the higher expected cost of accrual under McCloud.

In July 2020, HM Treasury consulted on changes to the transitional arrangements to the 2015 schemes as a result of this judgement and, at the same time, an update on the Cost Control Element of the 2016 valuations were published. In this update, the Government announced that the pause should be lifted and the cost control element of the 2016 valuations could be completed. This update also set out that the McCloud costs would fall into the "member costs" category of the cost control element of the valuations process. It should be noted that by taking into account the increased value as a result of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

HM Treasury will set out in the Directions how these costs should be taken into account. The actuary will then be able to complete the 2016 valuation calculations and will liaise with scheme managers and Scheme Advisory Boards to agree the underlying valuation assumptions and corresponding results. This will confirm whether there is a breach of the cost control element of the 2016 valuation for each of the public service pension schemes and the actuary expects that these results will be available by Summer 2021. If a breach is confirmed, scheme benefits may be amended to rectify the breach, which would impact on the benefits to be valued for the 2020/21 Statement of Accounts. If there is no breach, there would be no change to scheme benefits.

Local Government Scheme

As the Authority made an allowance for McCloud in 2019/20, no further adjustments have been made in 2020/21. The previous allowance within the balance sheet has been rolled forward and included in the balance sheet. No additional adjustment for McCloud has been added to the current service cost for 2020/21.

Group Comprehensive Income and Expenditure Statement

2019/20 LGPS £000s	2019/20 Fire £000s	2019/20 Police £000s	2019/20 Total £000s		2020/21 LGPS £000s	2020/21 Fire £000s	2020/21 Police £000s	2020/21 Total £000s
71,035	37,790	204,660	313,485	Cost of Services:				
(4,382)	660	(24,550)	(28,272)	Current service cost	59,676	36,600	197,380	293,656
66,653	38,450	180,110	285,213	Past service cost (including curtailments and settlements)	922	0	0	922
				Total Service Cost	60,598	36,600	197,380	294,578
				Financing and Investment Income & Expenditure:				
(33,542)	0	0	(33,542)	Interest income on plan assets	(29,837)	0	0	(29,837)
45,060	44,350	200,060	289,470	Interest cost on defined benefit obligation	37,844	37,880	170,520	246,244
11,518	44,350	200,060	255,928	Total Net Interest	8,007	37,880	170,520	216,407
78,171	82,800	380,170	541,141	Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services	68,605	74,480	367,900	510,985
				Remeasurements of the Net Defined Liability Comprising:				
133,292	0	0	133,292	Return on assets excluding amounts included in net interest	(221,936)	0	0	(221,936)
(69,874)	(78,210)	(243,250)	(391,334)	Actuarial gains/losses arising from changes in demographic assumptions	9,982	0	0	9,982
(160,340)	(56,750)	(322,950)	(540,040)	Actuarial gains/losses arising from changes in financial assumptions	506,476	174,880	879,230	1,560,586
(72,349)	(15,150)	(163,480)	(250,979)	Other	(16,972)	(13,890)	(322,060)	(352,922)
(169,271)	(150,110)	(729,680)	(1,049,061)	Total Remeasurements Recognised in Other in	277,550	160,990	557,170	995,710
(91,100)	(67,310)	(349,510)	(507,920)	Total Post Employment Benefit Charged to the	346,155	235,470	925,070	1,506,695

Group Movement in Reserves Statement

2019/20 LGPS £000s	2019/20 Fire £000s	2019/20 Police £000s	2019/20 Total £000s		2020/21 LGPS £000s	2020/21 Fire £000s	2020/21 Police £000s	2020/21 Total £000s
(78,171)	(82,800)	(380,170)	(541,141)	Reversal of net charges made to the (surplus)/deficit on the provision of service	(68,605)	(74,480)	(367,900)	(510,985)
31,770	0	0	31,770	Employer's contributions payable to the scheme	0	0	0	0
(82)	56,260	218,980	275,158	Retirement benefits payable to pensioners	0	54,880	220,760	275,640
(46,483)	(26,540)	(161,190)	(234,213)	Actual amount charged against the General Fund Balance for Pensions in the year	(32,261)	(19,600)	(147,140)	(199,001)

Group Pensions Assets and Liabilities Recognised in the Balance Sheet

31 March 2020 LGPS £000s	31 March 2020 Fire £000s	31 March 2020 Police £000s	31 March 2020 Total £000s		31 March 2021 LGPS £000s	31 March 2021 Fire £000s	31 March 2021 Police £000s	31 March 2021 Total £000s
(1,631,622)	(1,692,510)	(7,590,410)	(10,914,542)	Present value of the defined benefit obligation	(2,198,359)	(1,873,100)	(8,294,720)	(12,366,179)
1,295,364	0	0	1,295,364	Fair value of employer assets	1,552,290	0	0	1,552,290
(336,258)	(1,692,510)	(7,590,410)	(9,619,178)	Net liability arising from the Defined Benefit Obligation	(646,069)	(1,873,100)	(8,294,720)	(10,813,889)

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

2019/20 LGPS £000s	2019/20 Fire £000s	2019/20 Police £000s	2019/20 Total £000s		2020/21 LGPS £000s	2020/21 Fire £000s	2020/21 Police £000s	2020/21 Total £000s
(1,855,262)	(1,816,080)	(8,158,900)	(11,830,242)	Opening fair value of continuing scheme liabilities	(1,631,622)	(1,692,510)	(7,590,410)	(10,914,542)
0	0	0	0	Opening fair value of liabilities transferred in				0
(71,035)	(37,790)	(204,660)	(313,485)	Current Service Cost	(59,676)	(36,600)	(197,380)	(293,656)
4,382	(660)	24,550	28,272	Past Service Costs (including curtailment and settlement)	(922)	0	0	(922)
(45,060)	(44,350)	(200,060)	(289,470)	Interest Cost	(37,844)	(37,880)	(170,520)	(246,244)
(11,414)	0	0	(11,414)	Contributions from scheme participants	(12,221)	0	0	(12,221)
				Remeasurement gain				
69,874	78,210	243,250	391,334	Actuarial gains/losses arising from change in demographic assumptions	(9,982)	0	0	(9,982)
160,340	56,750	322,950	540,040	Actuarial gains/losses arising from change in financial assumptions	(506,476)	(174,880)	(879,230)	(1,560,586)
72,349	15,150	163,480	250,979	Other	16,972	13,890	322,060	352,922
44,204	56,260	218,980	319,444	Benefits Paid	43,412	54,880	220,760	319,052
(1,631,622)	(1,692,510)	(7,590,410)	(10,914,542)	Closing fair value of scheme liabilities	(2,198,359)	(1,873,100)	(8,294,720)	(12,366,179)

Reconciliation of movements in the fair value of the scheme assets

2019/20 LGPS £000s		2020/21 LGPS £000s
1,395,711	Opening fair value of continuing scheme assets	1,295,364
0	Opening fair value of assets transferred in	0
33,542	Interest Income	29,837
0	Effect of settlements	0
	Remeasurement gain	
(133,292)	Return on assets excluding amounts included in net interest	221,936
32,193	Contributions from employer	36,344
11,414	Contributions from employees into the scheme	12,221
(44,204)	Benefits Paid	(43,412)
1,295,364	Closing fair value of scheme assets	1,552,290

Local Government Pension Scheme assets comprised:

2019/20				2020/21				
Quoted prices in active markets £000s	Quoted prices not in active markets £000s	Total £000s	Percentage of total assets %		Quoted prices in active markets £000s	Quoted prices not in active markets £000s	Total £000s	Percentage of total assets %
83,296	0	83,296	6%	Equity securities:	116,617	0	116,617	8%
68,878	0	68,878	5%	Consumer	103,859	0	103,859	7%
54,313	0	54,313	4%	Manufacturing	64,446	0	64,446	4%
99,217	0	99,217	8%	Energy and utilities	139,604	0	139,604	9%
49,856	0	49,856	4%	Financial institutions	66,423	0	66,423	4%
44,175	0	44,175	3%	Health and care	70,196	0	70,196	5%
22,150	0	22,150	2%	Information technology	21,471	0	21,471	1%
				Other				
247,841	0	247,841	19%	Debt securities:	256,788	0	256,788	17%
0	0	0	0%	Corporate bonds (investment grade)	0	0	0	0%
43,007	0	43,007	3%	UK Government bonds	17,264	0	17,264	1%
				Other				
0	67,116	67,116	5%	Private equity:	0	79,099	79,099	5%
				All				
0	49,021	49,021	4%	Real Estate:	0	49,657	49,657	3%
				UK property				
101,529	0	101,529	8%	Investment Funds and Unit Trusts	119,409	0	119,409	8%
134,108	0	134,108	10%	Equities	168,419	0	168,419	11%
0	63,082	63,082	5%	Bonds	0	67,747	67,747	4%
52,437	107,766	160,203	12%	Infrastructure	60,056	126,372	186,428	12%
				Other				
0	0	0	0%	Derivatives:	(1,067)	0	(1,067)	0%
				Other				
7,572	0	7,572	1%	Cash and cash equivalents:	25,929	0	25,929	2%
				All				
1,008,378	286,986	1,295,364	100%	Total	1,229,415	322,875	1,552,290	100%

Assumptions

2019/20 LGPS	2019/20 Fire	2019/20 Police		2020/21 LGPS	2020/21 Fire	2020/21 Police
20.5 years 23.1 years	21.3 years 21.3 years	21.9 years 23.6 years	Longevity at 65 for current pensioners: Male Female	20.5 years 23.3 years	21.4 years 21.4 years	22.0 years 23.7 years
22.0 years 25.0 years	23.0 years 23.0 years	23.6 years 25.2 years	Longevity at 65 for future pensioners: Male Female	21.9 years 25.3 years	23.1 years 23.1 years	23.7 years 25.3 years
2.6% to 2.7%	4.00%	4.00%	Rate of Inflation (Price Increases)	3.55% to 3.60%	4.15%	4.15%
1.8% to 1.9%	2.00%	2.00%	Rate of increase in salaries (Salary Increases)	2.80% to 2.85%	2.40%	2.40%
2.30%	2.25%	2.25%	Rate of increase in pensions (Pension Increases)	2.00% to 2.05%	2.00%	2.00%
			Rate of discounting scheme liabilities (Discount Rate)			

Sensitivity Analysis

Local Government Pension Scheme	Approximate % increase to Employer Liability	Approximate monetary amount
Change in Assumption at 31 March 2021		£000s
0.5% decrease in Real Discount Rate	10% to 12%	251,390
0.5% increase in the Salary Increase Rate	1% to 2%	29,233
0.5% increase in the Pension Increase Rate	9% to 10%	216,605

Fire Fighters Pension Scheme	Approximate % increase to Employer Liability	Approximate monetary amount
Change in Assumption at 31 March 2021		£000s
0.5% decrease in Real Discount Rate	(9.00)%	(164,000)
1 year increase in member life expectancy	1.50%	26,000
0.5% increase in the Salary Increase Rate	7.50%	144,000
0.5% increase in the Pension Increase Rate	3.50%	67,000

Police Pension Scheme	Approximate % increase to Employer Liability	Approximate monetary amount
Change in Assumption at 31 March 2021		£000s
0.5% decrease in Real Discount Rate	(9.50)%	(788,000)
1 year increase in member life expectancy	1.00%	89,000
0.5% increase in the Salary Increase Rate	9.00%	744,000
0.5% increase in the Pension Increase Rate	3.50%	285,000

Police Pension Fund

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

Police Pension Fund Account

2019/20 £000s	Police Pension Fund Account	2020/21 £000s
0	Opening balance at 1 April	0
	Contributions Receivable	
(70,762)	Contributions at 21.3% of pensionable pay from employer	(75,508)
(1,762)	Early retirements	(1,776)
(16)	Other (contributions from the Territorial Army)	(13)
(30,638)	Officers' contributions	(32,589)
	Transfers In	
(1,132)	Transfers in from other schemes	(833)
	Benefits Payable	
171,990	Pensions	176,791
38,777	Commutations and lump sum retirement benefits	34,480
	Payments to and on account of leavers	
274	Individual transfers out to other schemes	128
237	Refunds of contributions	171
316	Other (tax and interest)	630
107,284	Net Amount Payable for the year	101,482
0	Additional 2.9% funding payable by the Local Policing Body to meet the deficit for the year	0
(107,284)	Additional contribution from the Local Policing Body	(101,482)
0	Closing balance at 31 March	0

Net asset statement

31 March 2020 £000s	Net Asset Statement	31 March 2021 £000s
0	Unpaid pensions due	0
0	Amount owing to General Fund Balance	0
0	Net Assets	0

Contribution rates

2019/20 %	Contribution Rates	2020/21 %
31.0%	Employer	31.00%
14.25% to 15.05%	Employee: Old schemes	14.25% to 15.05%
11.00% to 12.75%	2006 scheme	11.00% to 12.75%
12.44% to 13.78%	2015 scheme	12.44% to 13.78%

Notes to the Police Pension Fund Account and Net Assets Statement

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

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

Employer and employee contributions are paid into the Fund based on a percentage of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary Department. (See the contribution rates table above).

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

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

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

The amount of Home Office grant outstanding at 31 March 2021 has been accrued and is shown in Greater Manchester Combined Authority's Consolidated Balance Sheet.

The Fund's financial statements do not take into account liabilities to pay pensions after 31 March 2021. Liabilities to pay future payments are included in the IAS19 charges and notes to the Financial Statements.

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

Glossary of Financial Terms

Accounting Policies

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

Accruals

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

Actuarial Gains and Losses

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

Agency Services

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

Amortisation

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

Assets

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

Assets Held for Sale

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

Bad (and doubtful) debts

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

Balances

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

Balance sheet

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

Budget

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

Capital Adjustment Account

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

Capital Expenditure

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

Capital Financing Costs

Each service is charged with an annual capital charge to reflect the cost of non-current assets used in the provision of services.

Capital Financing Requirements

This measures the underlying need to borrow to finance capital expenditure.

Capital Grants

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

Capital Grants Unapplied

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

Capital Receipts

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

Carrying Amount

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

Cash and Cash Equivalents

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

CIPFA (The Chartered Institute of Public Finance and Accountancy)

CIPFA is the leading professional accountancy body for public services.

Consolidated

Added together with adjustments to avoid double counting of income, expenditure or to avoid exaggeration.

Contingent Assets

Sums due from individuals or organisations that may arise in the future but which cannot be determined in advance.

Contingent Liabilities

Sums due to individuals or organisations that may arise in the future but which cannot be determined in advance.

Creditors

Amounts owed by the Authority and Group for goods and services provided by the balance sheet date, where payment has not been made at that date.

Current Assets

An asset where the value changes because the volume held varies from day to day, for example, stock. It is reasonable to expect that these assets will either be consumed or realised during the next accounting period.

Current Liabilities

An amount which will become payable or could be called in within the next accounting period.

Current Service Cost

The increase in present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current financial year.

Curtailments

For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces the accrual of defined benefits for a number of employees for some or all of their future service.

Debtors

Sums of money owed to the Authority and Group at the balance sheet date but not received at that date.

Deferred Capital Receipts

Amounts derived from asset sales, which will be received in instalments over a period of years.

Defined Benefit Pension Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Defined Benefit Contribution Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient

assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of property, plant and equipment.

Exceptional Items

Material items which derive from effects or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Remeasurement of the Net Defined Benefit Liability

Remeasurement of the Net Defined Benefit Liability (asset) comprises:

- a) actuarial gains and losses
- b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
- c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Expenditure

Amounts paid by the Authority and Group for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment - expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

External Audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

Fees and Charges

Income arising from the provision of services, e.g. the use of premises.

Finance Lease

A finance lease is one that transfers substantially all the risks and rewards of ownership of items of property, plant and equipment to a lessee.

Financial Instruments

This is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another. The term covers both financial assets (e.g. loans receivable) and financial liabilities (e.g. borrowings).

Historical Cost

The actual cost of assets, goods or services, at the time of their acquisition.

Impairment

A reduction in the value of a property, plant and equipment below its carrying amount in the balance sheet.

Income

Amounts due to the Authority and Group for goods supplied or services rendered of either a capital or revenue nature. This does not necessarily involve cash being received - income is deemed to have been earned once the goods or services have been supplied even if the cash has not been received.

Infrastructure Assets

These are inalienable assets, expenditure on which is recoverable only by continued use of the asset created. Examples of such assets are traffic signals.

Intangible Assets

These are assets that have no physical substance, for example, the purchase of computer software licences.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

International Financial Reporting Standards (IFRS)

These are statements prepared by the International Accounting Standards Board to ensure consistency in accountancy matters. Many of these standards now apply to local authorities and any departure from these must be disclosed in the published accounts.

Inventory

Raw materials and consumable items the Authority's Group has purchased to use on a continuing basis and has not used by the end of the financial year.

Investment Properties

These are property or land that is held solely to earn rentals or for capital appreciation or both.

Investments

Items such as company shares, other securities and money deposited with financial institutions (other than bank current accounts).

Liabilities

Amounts due to individuals or organisations that will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Long-term Contracts

A contract entered into for the design, manufacture or construction of a single substantial asset or service where the time taken to complete the contract is such that the contract activity falls into different accounting periods.

Material

The concept that any omission from or inaccuracy in the statements of account should not be large enough to affect the understanding of those statements by a reader.

Minimum Revenue Provision (MRP)

This is the amount that is charged to the Authority's Movement in Reserves Statement each year and set aside as a provision for credit liabilities.

Net Book Value

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current cost less the cumulative depreciation.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-Current Assets

Assets which have value to the Authority for more than one year. These can be tangible (e.g. land, buildings, equipment) or intangible (e.g. Software or licences) assets.

Non-Operational Assets

Non-current assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements pending sale or redevelopment.

Non-Domestic Rate (NDR)

These are often referred to as Business Rates, and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines that national rate poundage, local authorities collect the sums due, with distribution made in accordance with rules governing the Business Rates retention scheme.

Operating Lease

A lease other than a finance lease.

Past Service Cost

For a defined benefit pension scheme, the increase in present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Payments in Advance

Amounts actually paid in an accounting period prior to the period in which they are due

Pension Funds

The Authority is required to set up a separate fund from the rest of its operation for transactions relating to firefighters' and police pension arrangements. The funds are balanced to nil each year by the receipt of a pensions top-up grant from the Department for Communities and Local Government.

Precept

An amount of money levied by one authority (the precepting authority) which is collected by another authority (the collecting authority) as part of the council tax. The Authority is the precepting authority and the GM Authorities are the collecting authorities.

Prior Year Adjustments

Material adjustments to the accounts of earlier years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Private Finance Initiative (PFI)

A partnership between the private and public sectors that uses private sector financing to provide public sector assets. The partnership has to meet certain criteria to qualify for Central Government subsidy.

Provisions

These are sums set aside to meet liabilities or losses that have been incurred but where the amount and/or timing of such costs are uncertain.

Public Works Loan Board (PWLB)

A Government agency that lends money to local authorities. Local authorities are able to borrow some or all of their requirements to finance capital expenditure from this source.

Receipts in Advance

Amounts actually received in an accounting period prior to the period in which they are due.

Residual Value

The net realisable value of property, plant or equipment at the end of its useful life.

Reserves

These are sums set aside to meet possible future costs where there is no certainty about whether or not these costs will be incurred.

Revenue Contributions

The method of financing capital expenditure directly from revenue.

Revenue Expenditure

Expenditure incurred on the day-to-day running of the Authority and Group. This mainly includes staff recharge costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

These are items of capital expenditure that do not result in, or remain matched by, the Authority's property, plant and equipment.

Settlement

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligations and the assets used to effect the settlement

Unfunded Pension Scheme

This is one in which liabilities for pension benefits are charged to the employer's revenue account in the year in which they arise and are not financed from investments held. The Authority operates such a scheme for its firefighters.