

Oldham Council

**Draft Statement of Accounts
2025/26**

	Contents	Page
1.0	Introduction to the 2025/26 Draft Statement of Accounts	3
1.1	Narrative Report	5
1.2	Annual Governance Statement 2025/26	25
2.0	Statements to the Accounts	54
2.1	Statement of Responsibilities for the Statement of Accounts	54
2.2	Auditors Report	55
3.1	Comprehensive Income and Expenditure Statement (CIES)	57
3.2	Movement in Reserves Statement	58
3.3	Balance Sheet	60
3.4	Cash Flow Statement	61
3.5	Index of Explanatory Notes to the Accounts	62
3.6	Explanatory Notes to the Financial Statements	63
4.1	Housing Revenue Account (HRA)	157
4.2	Collection Fund	161
5.0	Group Accounts	164
6.0	Glossary of Terms	175

1.0 Introduction to the 2025/26 Draft Statement of Accounts

Message from the Director of Finance and Section 151 Officer – Lee Walsh, BA (Hons), CPFA



Welcome to the 2025/26 Statement of Accounts. As we reflect on the 2025/26 financial year and look toward to the future, it is clear that the Council is on an important journey of improvement for the borough, despite continued social and economic challenges. This set of accounts demonstrates how the Council has managed its resources during a demanding year, while maintaining a clear focus on financial sustainability and improved outcomes for residents.

My personal priority during the year has been to strengthen relationships with neighbouring local authorities and Central Government, ensuring Oldham is well positioned, influential, and engaged in decision making that affects our communities. These relationships are increasingly important as expectations on local government continue to grow.

The operating environment remains challenging. Central Government and the public are demanding more from local authorities at a time when financial resources are constrained, demand led services continue to rise, and technology is rapidly reshaping the way we work. While this transformation brings opportunities for greater transparency, efficiency and service improvement, it also introduces new risks. Responding effectively to this pace of change is a key test of the Council's resilience and capability.

Against this backdrop, the Council's financial outturn for 2025/26 is an overspend of £3.845m. This represents a significantly improved position compared to earlier projections, reflecting active financial management throughout the year. The main drivers of this variance are explained further within the Narrative Report.

The Council maintained its commitment to borough investment via the Capital Programme, highlighted by several town centre development schemes. With many of these projects nearing completion, it is rewarding to see both new and restored buildings opening to the public. These investments are vital for driving regeneration and economic growth, ensuring long-term resilience in line with the Council's strategic priorities.

Looking ahead, the Council set a balanced budget for 2026/27 focused on stability, protecting key services and supporting long term investment. Additional funding has been directed towards priority areas including adult and children's social care, youth services, local infrastructure and improving health and wellbeing. Importantly, this is the second

consecutive year that the budget has been balanced without the use of reserves, allowing progress to be made in rebuilding those reserves and strengthening the Council's financial position.

The following financial statements provide an overview of the Council's financial performance and position for the 2025/26 financial year and should be read alongside the Narrative Report. Together, they demonstrate both the challenges faced and the progress being made in securing a sustainable financial future for Oldham.

I look forward to the year ahead with confidence and a continued commitment to sound financial stewardship and improvement.

DRAFT

1.1 Narrative Report

This Narrative Report provides an overview of the financial and operational performance of Oldham Council for the financial year ended 31 March 2026. It aims to offer a clear and accessible summary of the Council's financial position, key achievements, and future outlook.

About Oldham



- Oldham is 1 of 10 Local Authorities in Greater Manchester
- Winston Churchill began his political career in Oldham being elected as MP in 1900
- The world's first test tube baby was born in Oldham on 25 July 1978
- We are the gateway to the Saddleworth Moors and Yorkshire
- Oldham is the home of Colin the Caterpillar
- Oldham Athletic FC were founder members of the English Premier League in 1992

On the edge of stunning Pennine landscapes, yet only a short tram journey from Manchester city centre, Oldham is a fantastic place to live, work and enjoy.

Ours is a borough of contrasts. A quarter of Oldham lies within the spectacular Peak District National Park, with picturesque Saddleworth villages offering the best of rural life. Meanwhile, our town centre's dramatic transformation will create new homes, new shops, new jobs, new culture and a new sense of optimism.

The Industrial Revolution saw Oldham transform from a small Pennine settlement into one of the leading industrial bases in the country, and that strong manufacturing heritage continues to this day – though industries such as engineering and food production have taken over where the cotton trade once thrived.

We're proud to have one of the most diverse populations in the country, with around 150 different languages spoken by our community. This is a place where people from all cultures play, learn and work together.



Total population

The population of Oldham is **251,560** (ONS 2024 Mid Year Estimates).

- **25.5%** aged under 18
- **58.8%** aged 18-64
- **15.7%** aged 65+

The age structure of Oldham is relatively youthful with a high proportion of residents aged under 18 (**25.5%**). Since 2001, the population across Oldham and England has aged, with more people aged over 65 and fewer under 18s. This change has been influenced by a decrease in the birth rate and an increase in the average life expectancy. *Source: ONS Mid Year Estimates 2024.*

Population projections 2025-2035

Oldham's population is projected to increase from around **248,000** in 2025 to around **254,000** in 2035. An increase of **2.4%**. (Source: ONS Sub-National Population Projections, 2022-based)

There will be over the next ten years:

- A **0.3%** increase in those aged under 64.
- A **9.9%** increase in those aged 65-84.
- A **39.1%** increase in those aged over 85.



Given the growth in Oldham's over 85 population over the next ten years there will be significant changes in demand of adult social care and health provision. *Source: ONS Subnational population projections for England: 2022-based.*



Life expectancy 2021-2023

Life Expectancy

Oldham's life expectancy is significantly lower than the average in England.

- For men it's 76.6 years compared to the national average of 79.1
- For women it's 80.5 years compared to the national average of 83.1

Healthy Life Expectancy

Oldham's healthy life expectancy is also significantly lower than the average in England.

- For men it's 56.6 years v national average of 63.1
- For women it's 58.2 years v national average of 63.9

Source: ONS, calculated by OHID

Deprivation & Inequality

On average, those living in the most deprived areas of Oldham can expect to live shorter lives than those in the least deprived.

Between Alexandra (Most deprived) and Saddleworth South (Least deprived) the difference is:

- **12.7** years for males.
- **12.8** years for females.



Source: Local Health

About the Council - Political Structure

The Council is made up of 60 Councillors from the 20 wards across the borough. Following the May 2024 election, the Council was in a position of no overall control, with Labour having the largest administration with 27 of the 60 seats. 2025/26 was a fallow year whereby no local elections were held.

At the beginning of the 2025/26 financial year the composition of the Council was:

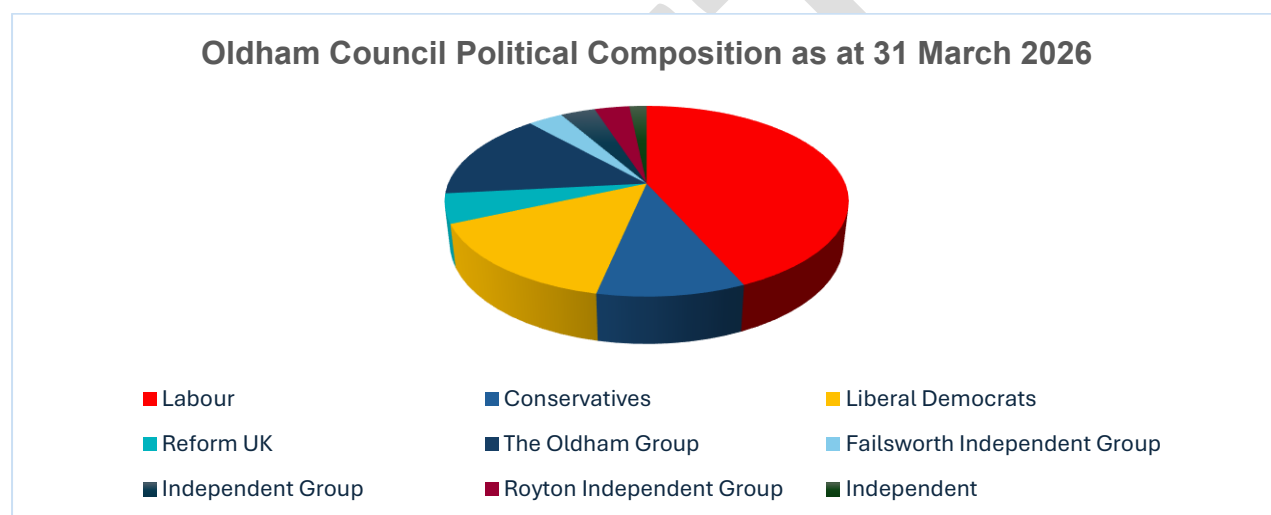
(i)	The Labour Group	27	Members
(ii)	The Liberal Democrat Group	9	Members
(iii)	The Oldham Group	9	Members
(iv)	The Conservative Group	5	Members
(v)	Failsworth Independent Party	2	Members
(vi)	Royton Independents	2	Members
(vii)	The Independent Group	2	Members
(viii)	Royton Local Group	2	Members
(ix)	Independent members not aligned to a political group	2	Members

During the financial year, there were a number of changes with Councillors moving between parties and in some cases becoming an independent member not aligned to a group. Therefore the composition at the end of the 2025/26 financial year was:

(i)	The Labour Group	26	Members
(ii)	The Liberal Democrat Group	9	Members
(iii)	The Oldham Group	9	Members
(iv)	The Conservative Group	6	Members
(v)	Reform UK	3	Members
(vi)	Failsworth Independent Party	2	Members
(vii)	Royton Independents	2	Members
(viii)	The Independent Group	2	Members
(ix)	Independent members not aligned to a political group	1	Members

This is diagrammatically represented below:

Oldham Councillors – as at the 2025/26 financial year end



The Council operates a Leader and Cabinet model. The Full Council elects a Leader who, in turn, appoints members of the Cabinet, and allocates specific areas of responsibility to Cabinet Members.

The Cabinet comprises the Leader and eight Councillors, exercising responsibility for strategic decision making, implementation of agreed policies, providing political leadership and recommending proposals for approval by the full Council on the budget, Council Tax levels and the Council's policy framework.

Cabinet Portfolios are broadly aligned to the Council's key service Directorates, enabling the joint sharing of priorities. Effective working relationships exist between officers and Elected Members, with Cabinet Members regularly meeting with their respective senior officer leads to monitor the progress of business plans, consider key service developments and improvements, performance and financial management.

Cabinet Members are held to account by a system of scrutiny which is set out in the Constitution. Scrutiny arrangements are as follows:

- Governance, Strategy and Resources Scrutiny Board
- Adults Social Care and Health Scrutiny Board
- Place, Economic Growth and Environment Scrutiny Board

- Children and Young People Scrutiny Board

The scrutiny function is central to the Council's corporate governance and provides the opportunity to shape key policy matters at an early stage, prior to decisions being made by the Cabinet. Scrutiny has the power to call-in decisions for review before they are implemented, and is a key democratic tool to hold the Cabinet to account.

About the Council - Senior Management Team

Supporting the work of Elected Members is the organisational structure of the Council headed by the Chief Executive, Shelley Kipling. The Chief Executive leads the management of the Council with Executive Directors who form the Executive Team, and the Management Board comprising of all senior officers at Director level and above.

The Chief Executive and the members of Management Board provide managerial leadership of the Council and support Elected Members in:

- Developing and delivering the strategic plans and priorities set by the Council;
- Identifying and planning resources;
- Managing the Council's budget, assets and financial planning;
- Delivering value for money for the residents of Oldham;
- Ensuring legal compliance and responsible financial stewardship;
- Leading and supporting the wider Council workforce;
- Promoting good management, staff development and workforce wellbeing;
- Monitoring and mitigating risks that could affect services or residents;
- Oversight and management of performance to ensure delivery of priorities;
- Delivering effective services for the borough's diverse communities; and
- Ensuring that Oldham plays a full part in national, regional and sub-regional activities.

Director Leadership Team structure as at 31 March 2026

The diagram below shows the Director Leadership structure at the 31 March 2026.

DIRECTOR LEADERSHIP STRUCTURE



About the Council - Strategies

The Oldham Plan / The Corporate Plan

The Oldham Plan 2024 – 2030; Pride, Progress, Partnership sets the direction for the borough as a whole, based on extensive consultation with residents and partners. It shows what the Council is trying to achieve overall, and specifically the minimum standards every resident should have by 2030. The three missions outlined in this plan are:

- **Healthier, Happier Lives**

- People in Oldham will live healthier and longer lives.
- Our children and young people will have the chance to reach their full potential.
- Everyone will get the right health and care support, in the right place, when they need it.
- More people will feel involved and connected to their communities.
- Residents of all ages will see improvements in their mental health and wellbeing.

- **Great Place to Live**

- More people will have access to good, affordable homes that suit their needs.
- Residents will feel proud of where they live and more connected to their community.
- Our neighbourhoods will be safer, more welcoming, and better connected.
- Everyone will have the chance to enjoy great arts and culture right here in Oldham.
- Oldham will be a fairer place where those who need help can easily get it.

- **Green and Growing**

- Our town centres and high streets will be lively places where people want to visit and shop.
- More local businesses will start, grow, and succeed, creating good jobs for residents.
- Every resident will see the benefit of Oldham's growing economy.
- Oldham will lead the way on green projects across the country.
- We'll support the growth of tech, green industries, and advanced manufacturing in the borough.

Each of these is supported by a set of metrics to hold the Partnership accountable for progress on these priorities.

The Corporate Plan 2024 – 2027; Ready for the Future, is the Council's contribution to the Oldham Plan. It sets out our values and behaviours, which define how we, as an organisation, will operate and shape our culture, our decisions, and inspire us to deliver on our commitments for the people of Oldham. This plan also outlines our four pillars of change;

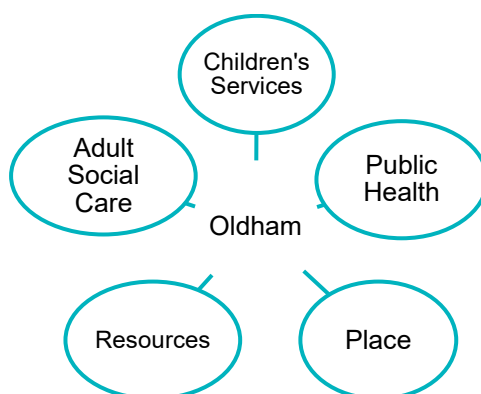
- Efficiency and value for money,
- Capacity building,
- Prevention and early help, and
- Digital.

These are crucial to the successful delivery of the Corporate Plan. Finally, the Corporate Plan has three missions (as mentioned above). The priorities in this plan are aligned to service areas and business planning, ensuring that our resources, actions, and initiatives drive meaningful and sustainable change across the borough.

Revenue Budget Monitoring

The Council's operations are divided into directorates. Each directorate has an approved budget which is updated throughout the year as additional funding is made available to the Council. Monitoring of actual expenditure against the revised budget takes place frequently, with monitoring reports progressing to Cabinet throughout the financial year. The final outturn position for 2025/26, which is considered in more detail over the following pages, is taken to Cabinet for approval. In addition, the Council's Governance, Strategy and Resources Board considers Cabinet's budget monitoring reports throughout the year.

Directorates



Revenue Outturn – General Fund

For the financial year 2025/26, the Council approved a General Fund net revenue budget of £322.928m at its meeting on 6 March 2025. During the year, a number of amendments were approved to the budget to reflect additional grant receipts such that by the year end the approved net revenue controllable budget was £331.045m. Controllable budgets exclude those costs for depreciation and impairment, central support service recharges and technical accounting adjustments that are outside of individual directorate control.

Since the start of the financial year, the Council has seen significant pressures on the Revenue Budget. At the end of Qtr 1, the forecast revenue outturn for 2025/26 was an adverse variance of £20.822m. This forecast overspend was due to the continued pressures being reported across three directorate areas in particular:

- Adult Social Care (£10.165m)
- Children's Services (£5.011m)
- Place (£5.789m)

The increasing need for use of the Council's services from residents and businesses, the complexity of the support needed, and inflationary costs continued to put pressure on service budgets and was the largest factor in the forecast revenue position. These pressures, in the main driven by escalating costs in essential statutory services supporting the most vulnerable residents, reflected the broader challenges the Council and numerous Councils across the country have and continue to face. This is particularly acute in statutory and heavily inspected services where there is little flexibility to mitigate rising costs, for example increasing pressures on social care budgets due to the support needs of vulnerable children and complexity in the needs of adults requiring support. There has also been an increasing need to support children with Special Educational Needs and Disabilities (SEND) and whilst significant work had taken place, homelessness presentations and use of temporary accommodation was still a concern.

This significant adverse forecast position was an early warning sign for the Council and one that required significant management actions to mitigate the forecast position.

A number of management actions that had been put into place in the previous financial year were continued into 2025/26 and these are listed below:

- Rigorous management review and challenge of all planned expenditure and to maximise income;
- Service panels in Adult Social Care and Children's Services to review high-cost placements and care packages and step-down costs where appropriate;
- Specific task and finish groups to look at reducing the cost in high demand service areas to create efficiencies and reduce cost;
- Reviewing existing budgetary contingencies and the ability to repurpose/ reposition some of these towards meeting the in-year challenge;
- Developing action plans to bring spend and savings back in line with budget projections;
- Acceleration of the transformation programme in-year to try to reduce the forecast overspend position; and
- Any previously approved Budget reduction proposals for 2025/26 to be accelerated where possible to relieve the in-year pressure.

As a result of the Qtr1 forecast position, Elected Members and the Management Board worked collaboratively to enhance the controls already in place, whilst looking for other

opportunities to mitigate wherever possible. These controls included:

- Enhanced spending controls with all expenditure being approved by Directors or Executive Directors;
- Recruitment freeze with limited exemptions for critical areas such as social work staff, front line staff or those roles that contribute to the delivery of a saving;
- Escalation of service reviews; and
- Reviewing opportunities to maximise income through utilising external funding in a different way to still meet required outcomes or via additional income generation.

The frequency of budget monitoring reports to Cabinet for 2025/26 followed that of the previous financial year with the next monitoring report presented providing details as at the end of Month 5. At this stage, the adverse forecast outturn position had increased with the projected adverse position rising by £2.387m to £23.209m. Whilst this increase between reporting periods was significant, the implementation of the management actions put in place after the Qtr 1 report were expected to reduce this unfavourable variance by the end of Qtr 2.

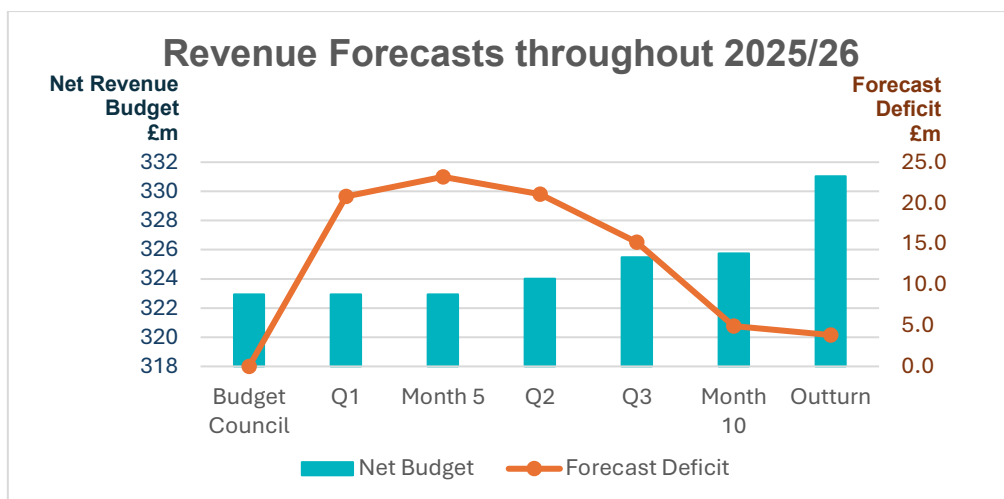
At the end of Qtr 2 the forecast adverse position reduced to £21.094m, a favourable change of £2.115m from that previously reported. Whilst this position was improved from that presented at the end of Month 5, it was still significant and further mitigations and the acceleration of current mitigations across every area of the Council were explored to reduce the position by the end of the financial year.

The Quarter 3 monitor was presented alongside the revenue budget report and Medium Term Financial Strategy (MTFS) which reflected the latest information from the Government. The adverse position reported at a value of £15.199m was a reduction of £5.894m from that presented at the end of Qtr 2. Consideration of the ongoing revenue impacts of the increased expenditure that was included in the Qtr 3 report was incorporated within the revenue budget and MTFS for 2026/27 to 2028/29. Furthermore, the report contained the ongoing work that the Council was exploring with opportunities around the capitalisation of interest costs for assets under construction with its Treasury Management Advisors. An early indication of this work would be included within the Month 10 Revenue and Capital monitor report which was subsequently presented to Cabinet on 23 March 2026.

The final formal reporting period of the year at Month 10 saw a further positive movement in the projected outturn position with a forecast favourable movement of £10.253m to an adverse forecast outturn for the financial year of £4.946m. The largest contributing factor in this positive change was the outcome of the review on capitalisation of interest for assets under construction. Subject to the final outturn position this indicated that a potential one-off benefit of £10.096m could be realised by the end of the 2025/26 financial year.

Annual controllable spend against the approved net revenue budget was £345.760m with an additional shortfall of financing income of £0.806m, there was an overall adverse variance against budget £3.845m after the application of the one-off benefit for capitalisation of interest based on actuals incurred which amounted to £11.676m. To address the financial position, an unbudgeted contribution from Reserves of £3.845m was made to cover the overspend.

The graph below, highlights the controllable budget movement together with the forecast adverse position throughout 2025/26.



The Council's 2025/26 outturn position is shown in the following table:

Directorate	Annual Controllable Budget £000	Annual Controllable Expenditure £000	Annual Variance £000
Adult Social Care	82,742	90,972	8,230
Children's Services	88,581	93,835	5,253
Public Health	25,111	24,686	(424)
Place	71,543	75,202	3,659
Resources	34,939	33,399	(1,540)
Capital, Treasury and Technical Accounting	28,129	27,667	(463)
NET EXPENDITURE	331,045	345,760	14,715
Financed By:			
Locally Generated Income	(181,158)	(181,158)	-
Government Grants	(150,917)	(150,111)	806
Collection Fund Deficit	1,030	1,030	-
TOTAL FINANCING	(331,045)	(330,239)	806
OVERALL PROJECTED VARIANCE	-	15,521	15,521
Capitalisation of interest costs	-	(11,676)	(11,676)
General Revenue Usable Reserves	-	(3,845)	(3,845)
REVISED PROJECTED VARIANCE	-	-	-

Analysis of Directorate Revenue Outturn

The following details the key variances across the directorates:

Adult Social Care (ASC)

The Adult Social Care directorate closed the financial year with an adverse variance of £8.230m primarily attributed to the cost and change in complexity of care placements. Supported Living costs continues to be the largest driver of cost with additional costs of £4.828m, followed by Home Care at £3.868m.

Children's Services

The Children's Services outturn position was an unfavourable position of £5.253m. Much of the overspend related to pressures within the Children's Social Care service area for placements including high-cost external residential packages (£7.632m). The continual review of external placement packages in 2025/26 yielded cost reductions of £2.776m however, new placements cost £6.599m removing any financial benefit.

Pressures in permanent recruitment seen in recent years continued throughout 2025/26 with the use of agency staff in the Fieldwork and Family Support service creating further overspends. These pressures were in part offset by vacant posts and additional income across the whole of the directorate.

Place

The Place directorate has ended the 2025/26 financial year with an adverse position of £3.659m. Within the Growth division the largest contributing budget pressure at £3.502m relates to the Town Centre service area due to a reduction in income collected for rental properties alongside additional costs being incurred from voids, service charges and foregone rent. Furthermore, additional adverse variances relate to assets assumed to have been disposed of that have been retained, resulting in costs continuing to be incurred creating an ongoing budget variance.

Additional external staffing costs within the waste service, alongside fleet pressures and under recovery of income resulted in the Environment division ending the 2025/26 financial year with an unfavourable position of £1.374m.

These adverse variances have been mitigated by a favourable position of £1.748m within the Communities Division. The falling number of placements alongside the sourcing of alternative placements at a lower cost for those in Temporary Accommodation is the largest contributing factor to this position.

Overall, overspends in the areas highlighted above were offset by underspends in the Resources, Public Health and Capital, Treasury and Technical Accounting directorate areas.

Transfers from Reserves have been used to mitigate the impact of the overspend on the General Fund resulting in a nil change to the overall General Fund balance. The use of General Revenue Usable Reserves to combat overspends is a short-term measure and is one that cannot be used indefinitely. Significant work was done throughout the financial year to limit the use of reserves to balance the position and protect wherever possible the organisation's financial resilience.

Capital Spending

On 6 March 2025, the Council approved a five -year Capital Strategy of £180.037m. Of this £108.501m was forecast to be spent during 2025/26.

A review of the programme in late summer 2025 reduced the expected spend for 2025/26 to £68.463m. This was due to updated project timelines, changes in delivery plans, and delays where some projects had not progressed as quickly as originally expected.

During the year, capital monitoring reports were produced every month from Month 3 through to Month 10. Updates on the Capital Programme were reported to Cabinet periodically alongside the revenue monitoring reports. These reports highlighted changes to the Programme, slippage from timing differences and asked for approval for movements in

spending between the years. The table below shows the actual capital spending for the year compared to the final forecast reported at Month 10.

Directorate	2025/26 Original Budget £000	2025/26 Budget M10 £000	2025/26 Actual £000	Variance To Revised Budget £000
Adult Social Care	4,106	3,902	3,296	(606)
Children's Services	10,482	4,370	3,064	(1,306)
Communities	338	-	-	-
Heritage, Libraries and Arts Place	-	561	557	(4)
Housing Revenue Account	80,617	56,852	60,941	4,089
Resources/Information Technology	3,193	250	212	(38)
Capital, Treasury & Technical Accounting	3,165	1,283	1,455	172
Funding for Emerging Priorities	3,600	3,600	2,600	(1,000)
Funding for Emerging Priorities	3,000	-	-	-
Total Expenditure	108,501	70,818	72,125	1,307

By the end of the year, the Council had spent £72.125m compared to the Month 10 budget of £70.818m, resulting in an increased spend of £1.307m against the forecast position at Month 10. This is mainly due to £1.975m of capitalised interest on development projects. This was partly offset by delays in starting some projects, particularly in Adult Social Care and school-related schemes.

The table below details the financing of the 2025/26 capital expenditure. As can be seen from the table, Government grants and capital receipts were higher than forecast. This has meant the Council being able to apply more on external funding which has reduced the amount of borrowing needed during the year.

Financing	2025/26 Original Budget £000	2025/26 Budget M10 £000	2025/26 Actual £000	Variance To Revised Budget £000
Government Grants & Contributions	(60,800)	(41,811)	(44,744)	(2,933)
Prudential Borrowing	(39,855)	(23,983)	(20,333)	3,650
Capital Receipts	(4,653)	(4,714)	(6,994)	(2,280)
Revenue Contributions	(3,193)	(310)	(54)	256
Total Financing	(108,501)	(70,818)	(72,125)	(1,307)

Medium Term Financial Strategy (MTFS)

The Council presented its budget for 2026/27, together with its forward estimates to Full Council for approval on 4 March 2026.

During the summer of 2025, the Government consulted upon the Fair Funding Review 2.0 with the outcomes of this consultation resulting in the first multi-year financial settlement in ten years, which covered the 2026/27 financial year with indicative allocations for 2027/28 and 2028/29. The Local Government Finance Settlement (LGFS) also included the simplification of the grants system, rolling in 36 grants into the settlement, with other grants being combined into four specific grants. The receipt of a multi-year settlement was welcomed by the Council and allowed the organisation to plan over the longer term rather than being limited by the one-off funding allocations it had been receiving.

At the same time the Government carried out a national Business Rates Reset. This aimed to share business rates growth from local areas more evenly across the country. As Oldham is part of the Greater Manchester Business Rates Retention Scheme, the city region kept £23m of this growth, with the remaining growth redistributed across the country.

Early work began on setting the revenue budget for 2026/27 during 2025 having regard to the 2024/25 outturn, the forecast adverse position for 2025/26 and the budget gap for 2026/27. The key principles used in the approach to setting the 2026/27 revenue budget were:

- Review of key demand areas and the delivery of statutory services
- Updating the underlying assumptions used for budget estimates including demand and price
- Review of those areas where costs are greater than budgetary provision
- Delivery / non-delivery of current approved budget reductions, the mitigations in place and the established procedures for scrutiny of these budget reductions
- The availability of base budget provision for in year volatility to remove the risk of in year overspends
- Management actions implemented during the financial year and the impact of these actions upon the Council's financial position
- Renewed focus of the Council's Transformation Programme and the relevant investment required to ensure delivery of long term financial efficiencies
- Any emerging issues and any associated financial impact
- Review of all revenue resources, outcomes and current delivery
- The Council's overall financial resilience

Whilst presenting a balanced budget for 2026/27 without the support of reserves, the MTFS highlighted major challenges facing the Council which included:

- The continued pressure on Children's Services due to demand for, and the costs associated with external placements.
- Adults Social Care demand and demographic pressures.
- The numbers of individuals and families presenting as homeless and requiring accommodation, a trend that is exacerbated by a current lack of housing supply.

The pressures facing the Council reflect nationwide issues affecting the Local Government sector as a whole. There is no indication that these trends will curtail in the future meaning the Council must continue to make difficult decisions to maintain financial resilience and continue to provide effective services in the future. In light of these ongoing pressures,

growth was built into the revenue base to address the ongoing financial impacts of delivering these key services to our residents.

After the review of all areas as detailed above, a revenue budget gap of £20.301m was identified for 2026/27. To address this, the Council reviewed and realigned its revenue grant resources to utilise them differently whilst still maximising outcomes in line with grant requirements. This resulted in a budget adjustment of £10.196m.

During 2025, the Council also commissioned an external strategic partner to support the organisation in a piece of discovery work aimed at reducing overall operating costs across the three highest overspending areas; Adults Social Care, Children's Services and Housing. Through an intensive programme of data analysis, significant transformation savings were identified and reflected in the Council's MTFS, with £2.000m to be achieved for the 2026/27 financial year.

Furthermore, revenue budget savings of £8.105m were agreed by Budget Council which resulted in a balanced revenue budget for 2026/27 without the need of general revenue usable reserves to support it. This is the second financial year for some time that the revenue budget was set without the use of reserves and therefore protecting the organisation's financial resilience; the key theme of the MTFS for 2026/27 to 2028/29.

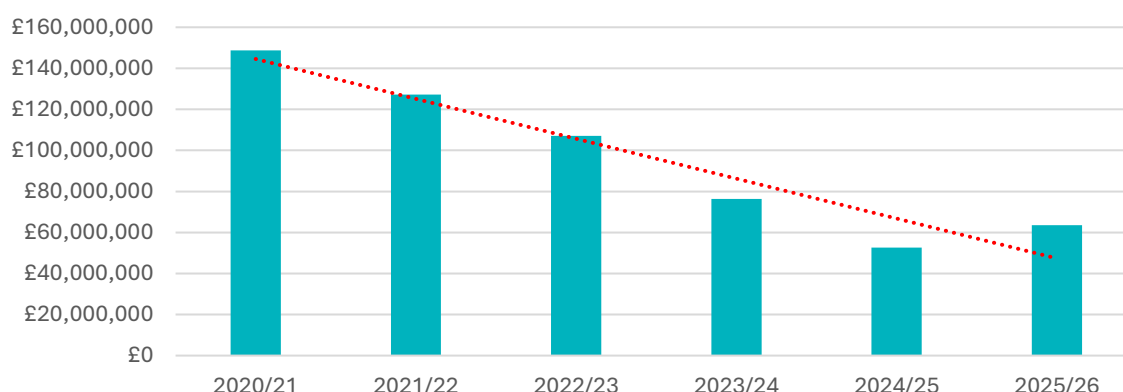
It is acknowledged that the Council has again drawn on general revenue usable reserves to manage its in year position. Going forward, it will be important to maintain the controls introduced during 2025/26 into 2026/27 to help ensure spending remains within the Council's available resources. Alongside these strengthened controls, the Council will need to continue working towards delivering the agreed budget reductions with the aim of avoiding the need to use reserves to support the 2026/27 position.

There remains budget challenges over the coming years, however the Council's Transformation Programme is expected to generate substantial savings over the period of the MTFS. Further information is set out in the approved MTFS which is available on the Council's website.

Revenue Account Earmarked Reserves General Fund balances

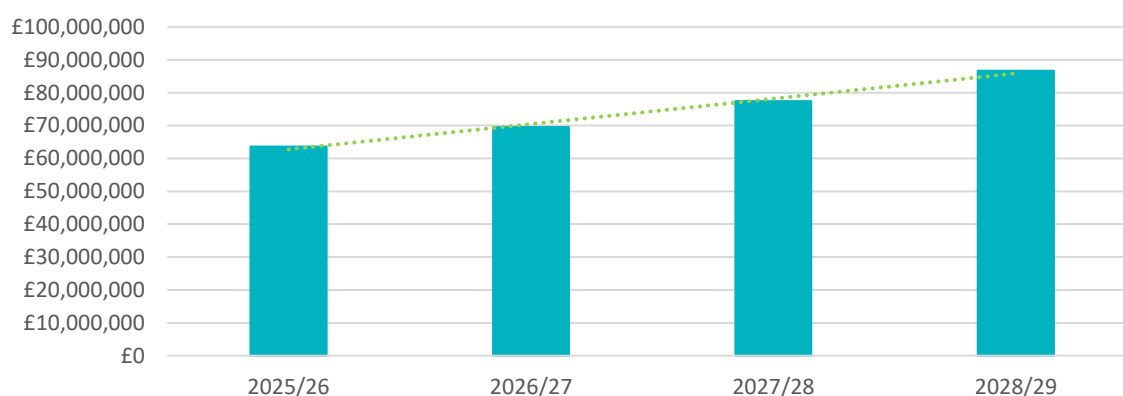
In previous years, the Council has used reserves to manage funding pressures. The following graph shows the level of General Fund Revenue Earmarked Reserves balances since 2020/21. Overall, there has been a general decline in balances over this period with a notable reduction up to 2024/25. However, reflecting the Council's focus to rebuild reserves and strengthen financial resilience, as a budget strategy, there has been an increase in balance by the end of 2025/26, as illustrated below:

General Revenue Usable Reserves balances since 2020/21



To support the Council in achieving financial sustainability over the medium term, it is important that reliance on reserves to balance the budget is reduced. As outlined earlier in the narrative report, and within the Council's MTFS, a key priority is to rebuild reserves that have been drawn upon in recent years. This is highlighted in the graph below which shows the forecast reserves position over the MTFS period.

General Revenue Usable Reserves MTFS Forecast



Ongoing financial resilience will be strengthened by reducing the need to rely on reserves to balance the budget. For example, the financing of the revenue budget for 2025/26 and 2026/27 without the need to use reserves. The Council's approach to rebuilding reserves where possible will also help ensure it is better prepared to respond to future challenges.

Capital Strategy

The Capital Strategy for the 5-year period from 2026/27 to 2030/31 was approved by Cabinet and subsequently Full Council alongside the MTFS on 4 March 2026.

The Capital Strategy was influenced by the principles which shaped the overarching budget process for the Council and is driven by the ethos of a Co-operative Council. The areas of expenditure and sources of funding as reported to Budget Council are summarised below.

This programme will be updated with the final Outturn position and reviewed across the Capital Strategy period as part of the ongoing capital monitoring process.

Directorate	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Adult Social Care	6,495	3,870	-	-	-
Children's Services	9,657	6,481	2,209	10	-
Communities	125	-	-	-	-
Place	72,953	25,636	6,016	362	-
Housing Revenue Account (HRA)	6,151	3,849	-	-	-
Resources /Information	3,843	3,336	1,092	-	-
Technology					
Capital, Treasury & Technical	3,240	4,973	3,100	5,600	-
Accounting					
Funding for Emerging Priorities	-	902	2,506	-	1,592
Total Expenditure	102,464	49,047	14,923	5,972	1,592

Funding	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Ringfenced Grants	(49,882)	(27,360)	(4,180)	-	-
Un-ringfenced Grants	(12,695)	(4,356)	(1,169)	(256)	-
Other Contributions	(87)	(831)	-	-	-
Capital Receipts	(3,751)	(2,900)	(2,600)	(2,600)	-
Prudential Borrowing	(33,039)	(13,600)	(6,974)	(3,116)	(1,592)
Revenue (HRA & GF)	(3,010)	-	-	-	-
Total Funding	(102,464)	(49,047)	(14,923)	(5,972)	(1,592)

Potential projects are appraised via the Council's established existing Gateway process with the outcomes being reported to Capital Investment Programme Board (CIPB). This helps ensure capital investment is focused on delivering meaningful and positive benefits directed to make a real and demonstrable impact for Oldham.

As part of the Capital Strategy for 2026/27 to 2030/31, there is an ongoing need to continue funding a number of existing programmes including:

- Corporate Landlord Function
- Town Centre Housing Projects
- Social Care

Alongside these established programmes, a range of further and emerging projects may also require funding. These are grouped under the key strategies that support the overall programme:

1) Creating a Better Place

- Housing
- Town Centre and Borough-Wide Regeneration (incorporating Spindles and Town Square Shopping Centres, wider Town Centre Redevelopment, Coliseum Refurbishment, Northern Roots, Heritage Town Centre Assets, and Other Regeneration schemes including Prudential Building, Tommyfield Park and Greenway, and George Square)

- Asset Management (including Medium Term Property Strategy, Surplus Sites and Working with NHS Partners)
- Green Initiatives and Decarbonisation

2) Highways and Transport

- City Region Sustainable Transport Settlement (CRSTS) annual Highways Maintenance allocation
- GM Mayor's Cycling and Walking Challenge Fund
- Department for Transport Highway Maintenance Challenge Fund
- Active Travel Funding
- CRSTS - 'Streets for All' highways schemes
- QBT – Quality Bus Transit Schemes

3) Other Programmes and Schemes

- Housing Initiatives (funded by the Housing Revenue Account Resources) including working with the Councils Private Finance Initiative (PFI) partners to ensure the condition of the housing stock is maintained
- Social Care (including the Better Care Fund (Disabled Facilities Grant)) and responding to the Adult Social Care provision and reform agenda and Children's Social Care provision
- Fleet Replacement
- GM Investment Fund Loans
- GM Devolution and Related Initiatives
- Opportunities arising from Central Government Funding
- Capital Grants to Third Sector Organisations
- Matched Funding for Grant Bids
- Funding for Emerging Priorities

The table above indicates that approximately £58.321m (33.52%) of the approved Capital Programme is currently planned to be funded by prudential borrowing. This position may change over time as the Council continues to explore alternative funding options and pursues grant opportunities where appropriate. The overall borrowing requirement will be kept under regular review, taking into account the Council's forecast revenue position. Where necessary, projects that are not yet contractually committed and rely on borrowing may be rescheduled or reconsidered. The Council also keeps its borrowing levels under ongoing review to ensure it achieves Value for Money for the residents of the Borough.

Further detail is set out in the Capital Strategy report which is available on the Council's website.

Non-Financial Achievements linked to the Corporate Plan

Happier, Healthier Lives

- We have delivered significant improvements across the education, health and care area with progress recognised positively by the Secretary of State.
- We have secured funding from the National Lottery Heritage Fund for the restoration of the Grade II listed Foxdenton Hall in Foxdenton Park, Chadderton for use by the community.

- Family Hubs continue to have a positive impact across all districts, providing joined-up support for parents, carers, and children.

Great Place to Live

- We have delivered the first major phase of Oldham's town centre regeneration, including the brand-new Spindles office space, setting the foundation for a thriving, modern business and retail hub.
- 'The Loom', Oldham's brand new event space standing proudly in Parliament square has opened which has been delivered as part of our ambitious town centre transformation programme.
- Ushered in the next chapter of the town's proud market history with the opening of a vibrant new market space, 'The Market'.
- The Communities Board has been established to provide a forum for the Council, voluntary, community and faith sectors to improve the lives of our communities and respond to community issues.

Green and Growing

- Northern Roots is transforming 160 acres of underused green space into the UK's largest urban eco-park, right in the heart of Oldham.
- Supported 'The Hub' at Alexandra Park, Oldham's Community Food Growing Project where volunteers grow fruit and vegetables to share with the community.
- Atom Valley is transforming the region into a global leader in advanced manufacturing, clean energy, and digital innovation – and Oldham is right at its heart.

Corporate Risks

The Council has an embedded process to manage risks and assist in the achievement of its objectives, alongside national and local performance targets. Risk Management is incorporated into the Business Planning Process with all risks reviewed in Directorates and escalated corporately as required.

The Corporate Risk Register plays an integral role in supporting production of the Corporate Plan and is subject to review by the Audit Committee.

This encompasses:

- Changes to the Council's financial resilience due to uncertainty and matters outside of the Council's control such as the pressures to provide statutory functions meaning that the Council could not set a legal budget;
- The impact of changes in the delivery of Health and Care Services in Oldham which creates uncertainty and disrupts integration plans;
- The internal control environment including Adult Social Care systems;
- Cyber and information risks;
- The key regeneration projects planned for the future; and
- Workforce resilience, retention, skills and capability.

The Annual Governance Statement (included within this document) outlines the arrangements through which the Council manages risks. It identifies the future risks and challenges the Council faces and actions required to mitigate those risks to a reasonable level. Significant issues identified include:

- The need to control expenditure and reduce the reliance on reserves;
- Political instability following the elections in May 2026;
- Increasing demand pressures in children's social care, special educational needs and disabilities, adults services and housing
- Financial sustainability;
- Cyber crime and digital threats;
- Digital transformation; and
- Delivery of regeneration and development.

Main Changes to the Statements and Significant Transactions

The Council has followed the guidance in the CIPFA Code of Practice on Local Authority Accounting 2025/26 and subsequent Bulletin 23 for the closure of the 2025/26 Financial Statements. However, the Council has continued its policy of diverging from the Code in relation to the accounting treatment for the depreciation charge against Housing Revenue Account (HRA) dwellings. Details are provided in Section 4.1 of the Accounts. The Council's management believes that this alternative treatment is required in order to present a true and fair view of the financial position of the Council's HRA.

Basis of Preparation and Presentation of the Accounts

The Council prepares its Statement of Accounts on a going concern basis, on the assumption that it will continue in existence into the foreseeable future. Disclosures are included within the Statement of Accounts based on an assessment of their materiality. A disclosure is considered material if through an omission or a misstatement, the decisions made by users of the accounts would be influenced. This could be due to the value or the nature of the disclosure.

The Council considers disclosures against an internally calculated materiality threshold which is reviewed each year. However individual items of income and expenditure over £6.000m which are not disclosed on the face of the Comprehensive Income and Expenditure Statement (CIES) are considered to be significant and are disclosed in Note 7. Some disclosures are included due to their nature even if the value of transactions is not over the materiality threshold, an example of this is Note 9 Officers' Remuneration.

The assessment of materiality also influences the Council's decision to produce Group Accounts. Each year the Council assesses the entities it exerts control or significant influence over to identify which fall within the Group boundary. If the value of transactions for the Group as a whole is material, Group Accounts are produced. The accounts for 2025/26 therefore consolidate the MioCare Community Interest Company.

Explanation of the Statements to the Accounts

The Accounts and Audit (Amendment) Regulations 2024 require the Council to produce a Statement of Accounts for each financial year. These statements contain several different elements which are explained below:

Statement of Responsibilities for the Statement of Accounts sets out the respective responsibilities of the Authority and the Chief Financial Officer (Director of Finance and Section 151 Officer).

Auditor's Report gives the External Auditor's opinion of the financial statements and of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources (this report is not included in the draft accounts).

Financial Statements

- **Comprehensive Income and Expenditure Statement (CIES)** shows the cost of providing services in the year in accordance with International Financial Reporting Standards. The top part of the CIES provides an analysis by Directorate and reflects the Council's local reporting format. The bottom half of the statement deals with corporate transactions and funding.
- **Movement in Reserves Statement** is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "usable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific purposes.
- **Balance Sheet** shows the value of the Council's assets, liabilities and reserves at a point in time.
- **Cash Flow Statement** shows the changes in the Council's cash and cash equivalents during the year and quantifies the movements in balances attributable to the day to day running of the Council (operating activities), investing activities or financing activities.
- **Housing Revenue Account (HRA)** shows the in-year economic cost of providing housing services in accordance with generally accepted accounting practices.
- **Collection Fund Statement** shows the transactions of the Billing Authority in relation to the collection from taxpayers of Council Tax and Business Rates and its distribution to precepting bodies. For Oldham, the Council Tax precepts payable are for the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire & Rescue Services).
- **Group Accounts** show the Group position of the Council and its material subsidiaries. The Council considers the Group Statements to be of equal prominence to the single entity statements.

Receipt of Further Information

If you would like to receive further information about these accounts, please do not hesitate to contact Lee Walsh, Director of Finance and Section 151 Officer, Oldham Council, The JR Clynes Building, Cultural Quarter, Greaves Street, Oldham, OL1 1AL.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptional hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, who have assisted in the preparation of this document.



Lee Walsh, BA (Hons), CPFA
Director of Finance and Section 151 Officer
29 May 2026

DRAFT

1.2 Annual Governance Statement 2025/26

1. Introduction

1.1 Purpose of the Annual Governance Statement (AGS)

Oldham Council is accountable to the residents of the Borough and other stakeholders for ensuring a sound system of governance is in place. Good governance underpins realisation of the Council's vision and objectives and provides confidence that decisions are well made. It supports ethical working, public accountability and a continued focus on the Council's values of Proud, Ambitious and Together.

The AGS, informed by the annual review, is structured to provide:

- An Executive Summary (section 2) providing the key messages of the AGS and an overall opinion as to whether governance arrangements at the Council are fit for purpose.
- An Assessment of Effectiveness (section 3) outlining how the review of effectiveness was conducted and the key findings.
- Improvements to Governance Arrangements (section 4), identifying those areas of governance requiring improvement and how these are being addressed, and how we have improved our governance arrangements based on issues identified in last year's AGS and other significant steps taken to improve governance during the year.
- A Forward Look on Governance (section 5) identifying where governance needs to change or develop to meet the future needs of the Council.

The Council is committed to continuous improvement and review of its operations to deliver best value in accordance with the Local Government Act 1999. This AGS covers the period 1 April 2025 to 31 March 2026 and reflects governance arrangements in place up to the approval of the Statement of Accounts, ensuring that it accurately reflects the Council's current governance arrangements and issues in accordance with the Good Governance Framework.

Preparing the AGS is an opportunity for the Council to undertake a rigorous annual assessment of governance and consider whether it truly is fit for purpose. The review takes into account not just current demands but also anticipated challenges to ensure that the Council is resilient and sustainable in its governance.

1.2 Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and provides value for money. The Council also has a duty under the Local Government Act 1999 to plan to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Council must put in place proper arrangements for the governance of its affairs, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

Elected members have overall responsibility for the governance of the Council and for the fulfilment of accountabilities to residents of Oldham and other stakeholders. Approval of core

governance arrangements such as the Council Constitution is made by full Council whereas other aspects of governance are approved through delegated authority.

The Council has delegated authority for approval of the AGS to the Audit Committee. The Council has three key statutory officers with specific governance responsibilities, being the Chief Executive (Head of Paid Service), Director of Finance (Chief Financial Officer), and the Director of Legal (Monitoring Officer). Officers with governance roles are responsible for supporting the statutory officers to put in place and maintain the appropriate arrangements for governance and provide assurance on its effectiveness in their service or corporate specialist area. All members of the Executive Team and Management Board share responsibility for the accuracy of the AGS.

The Annual Governance Statement (AGS) is required to be prepared and published by the Council in accordance with the Accounts and Audit Regulations 2015. It provides assurance on the effectiveness of the Council's governance arrangements, based on a robust and evidence-based review of those arrangements.

The review is aligned to the principles set out in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) and the 2025 Addendum (referred to in this document as 'the Addendum' and collectively as the Good Governance Framework), which strengthens expectations in relation to assurance, effectiveness reviews, and forward-looking governance planning.

The Council has adopted a Local Code of Corporate Governance, which was approved by the Standards Committee on 27 June 2024.

A copy of the [Local Code of Corporate Governance is available on the Council's website.](#)

1.3 Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture, values, and behaviours, by which the Council's activities are directed and controlled, and through which it accounts to, engages with, and leads the community and residents. Key components of the framework include:

- Strategic vision and community leadership articulated through partnership's Oldham Plan which the Council's Corporate Plan is aligned.
- The Constitution of the Council that sets out how the Council operates, makes decisions, and ensures accountability through its governance, rules and procedures. It is the primary governance document of the Council and includes codes of conduct and core financial rules that must be followed.
- Scrutiny arrangements, and openness such as through public access to meetings and published agendas, consultation and community engagement and publication of Council information, that support challenge, transparency and accountability.
- Corporate policies covering expected behaviours including for equality, counter fraud and anti-bribery, whistleblowing and information governance.
- Arrangements in place for the discharge of statutory officer functions.
- Robust financial management including the Medium-Term Financial Strategy (MTFS) and regular monitoring and oversight arrangements. Financial planning is aligned with strategic objectives to provide long-term sustainability. The Council publishes its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting.
- Sustainable service planning and performance management translating strategic priorities into deliverable plans and measurable objectives.

- Risk management arrangements overseen by the Council's Executive Team and the Audit Committee.

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

2. Executive Summary

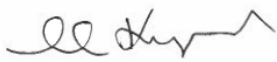
The Council has made good progress in developing and improving its overall governance framework during the year. Key achievements have included:

- The Council approved £26.584m of revenue savings covering the 2025/26 financial year making significant progress towards its target to reduce reliance on using general revenue usable reserves to finance day to day expenditure, build strategic and tactical reserves and continuing to invest in enhanced governance and financial resilience.
- Strengthened visible leadership on governance and accountability. The Chief Executive, Executive Directors, the Leader and Cabinet Members, and other senior officers have regularly attended the Council's Audit Committee throughout 2025/26 to provide written and verbal updates to members so that the Committee can hold them to account.
- Ongoing investment to support improved capability and capacity in key governance functions, resulting in senior appointments to key posts including the Director of Finance, the Director of Legal and the Assistant Director of Governance to strengthen the Council's governance capability and co-ordination.
- Key governance boards including the continuation of the Financial Sustainability Steering Group, chaired by the Leader, to hold Directors to account in respect of the savings proposals and to monitor and manage the MTFP and MTFS processes to deliver a balanced budget; and the establishment of the Senior Information Risk Owner (SIRO) Board comprising senior officers with responsibility for governance.
- In 2024/2025 Internal Audit identified a number of control weaknesses and provided limited assurance opinions in certain areas. In response, the Council has undertaken significant work during 2025/26 to strengthen the control environment, with good progress made in implementing agreed recommendations. Progress against these improvements has been reported regularly to the Audit Committee Reviewing our Local Code of Governance adopted in 2024.
- Establishing cross party working groups to review the constitution, and to review the impact and effectiveness of overview and scrutiny.

We also recognise that more needs to be done in key areas of governance improvement. Our priorities for 2026/2027 include:

- Implement actions identified in the 2025/2026 review of the impact and effectiveness of the Council's Overview and Scrutiny function.
- Ensuring that the Senior Information Risk Owner (SIRO) Board which was developed during 2025/2026 builds on its work of having clear oversight of governance matters across the Council.

- Refresh of the Council's Corporate Risk Register and Directorate Risk Registers.
- Continued focus on stability, security and resilience of IT systems.
- Development and implementation of enhanced budget reduction monitoring.
- Embedding of clear and robust governance for the use and returns on the Transformation Fund investment to drive further transformational financial savings to be included within the Council's MTFS.
- Improve procurement compliance in line with the Procurement Act 2023 and NHS PSR Contract Procedure Rules Update.
- Review the Council's Social Value eco-system and plan changes for 2027.
- Improve oversight and reporting on contractor performance.
- Conclusion of the work to review the Constitution.



Shelley Kipling
Chief Executive

3. Assurance

3.1 Key sources

In assessing the effectiveness of arrangements, consideration has been given to a range of sources through which the Council gains assurances.

Area	Sources of governance / assurances received
Internal Audit	• Annual Head of Internal Audit Opinion • Internal Audit reports • Public Sector Internal Audit Standards compliance
External Audit	• Annual Statement of Accounts audit • Value for Money opinion • Grant certification
Information Governance (IG)	• IG policies and procedures • Annual SIRO reporting • IG performance measures
Counter fraud	• Counter fraud policies • Annual report
Risk Management	• Corporate Risk Register • Service Risk Registers • Internal audit reviews • SIRO Board
Resident Satisfaction / Complaints	• Internal complaints procedure • Internal complaints monitoring and reporting • Ombudsman • Customer satisfaction
External Reviews	• Ofsted Children's Service Inspection • Local Government Association (LGA) Awards • Care Quality Commission (CQC) inspection of Adults Social Care • Local Government & Social Care Ombudsman Annual Review Letter
Management and Statutory Officers	• Monitoring Officer (legal assurances and ethics) • Chief Finance Officer role compliance • Financial Sustainability Steering Group • SIRO Board
Decision making	• Council, Cabinet, Committees • Scrutiny • Standards reports • Audit Committee self-assessment • Constitution • Scheme of delegation
Transformation	• Project and programme management • Transformation Board
Members and Officers	• Codes of Conduct • HR policies and procedures • Staff and Member training

3.2 Assurance Statements

As part of the Annual Governance Statement, CIPFA guidance identifies the Monitoring Officer and Section 151 Officer as a key source of assurance that the 'Council's systems and procedures of internal control which are in operation are effective, efficient and being complied with'. In this context, the Monitoring Officer is responsible for ensuring that the Council and its officers act lawfully and do not give rise to maladministration or injustice. In addition, the Chief Financial Officer (S151 Officer) is responsible for ensuring proper financial administration, including budgetary and policy framework, the setting and monitoring of the budget and maintenance of appropriate standards of financial stewardship across the Council.

3.2.1 Monitoring Officer Assurance Statement

As the Council's Director of Legal and designated Monitoring Officer under Section 5 of the Local Government and Housing Act 1989, it is incumbent upon me that the Council operates lawfully and in accordance with all applicable legislation and that the Council's constitution is effective and adhered to. Where there is evidence of any potential unlawfulness or maladministration, this may give rise to circumstances leading to a report being prepared that would seek to stop a proposal or decision being implemented until the report is fully considered.

The Role of the Council's Monitoring Officer also includes providing assurance that the Council operates other key functions to a high standard, including having an effective and secure document sealing process, an accurate whistleblowing policy, ensuring that all legal proceedings and settlements are conducted in an accurate and effective manner and there is a suitable standards framework and investigation process.

Standards:

The Council has a challenging and complex political makeup. There are 60 Councillors with 6 separate groups. The Labour Group has 18 members, Reform UK Group has 16 members. The other Groups include The Oldham Group with 10 members, the Liberal Democrats have 6 members, the Conservative Group have 4 members, the Royton Independent Group have 2 members and there are a further 4 independent members who are not in a political Group. The large number of political groups with differing political ideologies has led to at times a fractious environment where challenging member behaviour is not uncommon both towards officers and in particular towards each other. There are currently 24 active standards complaints that have been received. These complaints include officer complaints towards members, member to member complaints and members of the public complaining about members.

The Standards Committee met in June 2025 and again in March 2026 and all members in attendance accepted that while the standards framework nationally is wholly ineffective and absent of any ability to effectively sanction offending members, all looked forward to more robust legislation being provided in due course, there were still improvements that could be made. The current code of conduct was approved but a request that the following recommendations be progressed with a view to being resolved at full Council and implementing into the current member code of conduct:

1. There should be mandatory training that occurs twice a year regarding the members code of conduct.
2. That training should be interactive possibly in the format of a workshop with an ability for members to work together in groups including some scenario-based examples.
3. Committee members felt that there needed to be more around publicity and transparency, members should be required to have their public profiles updated to indicate if they had completed the latest standards training, members that refused to

complete the training could then also be named, possibly in full Council, there should also be more publicity about a member when a breach of the code is found.

4. Members also wanted it to be investigated if each Council member could be asked to sign a behaviour code of conduct contract and the Mayor would remind them of this contract at the start of each Council meeting. While a contract would not be enforceable, The Mayor's script does have a paragraph included which is read out to members each meeting reminding all members of the importance of members behaviour while in the Chamber. Unfortunately, this has not made any noticeable impact.

Conclusion:

While the standards situation has been a point of difficulty for the Council, it is positive that all members of the Standards Committee have recognised this at meetings and positively wanted to improve matters. There was an update of the Member Officer protocol presented to members of the committee which was agreed to be accepted and adopted and a questionnaire to be sent to officers and members to monitor how the new protocol was working and whether there were any other themes that were of concern. I will continue to work with members and officers to work to improve the standards framework within the Council.

Considering the current position, I am satisfied that the Council is legally compliant and has sufficiently robust processes in place to ensure effective decision making and legal compliance. I will continue to work with all to improve the processes we have.

Alex Bougatef Borough Solicitor / Monitoring Officer
26 May 2026

3.2.2 S151 Officer Assurance Statement

As the Council's Chief Financial Officer and designated Section 151 Officer under the Local Government Act 1972, I am responsible for ensuring the proper administration of the Council's financial affairs. This includes providing assurance on the robustness of the Council's financial management and internal control environment.

1. Financial Management and Governance

I confirm that the Council has maintained a sound system of financial management throughout the financial year. This includes:

- Compliance with the CIPFA Financial Management Code;
- Effective budget setting and monitoring processes;
- Clear accountability for financial performance across departments;
- Regular and transparent reporting to Members and the Senior Leadership team.

2. Internal Control and Risk Management

The Council has in place a comprehensive framework of internal controls and risk management, which has been reviewed and updated during the year. This framework supports the achievement of the Council's objectives while safeguarding public funds. Internal Audit identified a number of control weaknesses during 2024/25 and provided limited assurance opinions in certain areas. In response, the Council has undertaken significant work during 2025/26 to strengthen the control environment, with good progress made in implementing agreed recommendations. Progress against these improvements has been reported regularly to the Audit Committee and the Chief Executive Strategy meetings throughout the 2025/26 and will continue to be reported during 2026/27.

3. Resilience and Sustainability

In my professional opinion:

- The Council's budget position remains challenging with ongoing pressures in delivering statutory services within the financial envelope; and
- The level of reserves must continue to be strengthened in line with the Medium Term Financial Strategy and with reliance on reserves to support ongoing revenue expenditure minimised.

This opinion is based on an assessment of:

- The Council's overall financial position and Medium-Term Financial Strategy
- The adequacy of reserves, contingencies and financial resilience planning
- The findings and opinions of Internal audit and External audit

4. Conclusion

Based on the information available to me and the assurances provided from both internal and external sources, I am satisfied that the Council has appropriate arrangements in place to ensure effective financial governance and stewardship of public resources.

I will continue to work with Elected Members and Senior Officers to strengthen financial resilience and ensure that the Council remains well positioned to respond to future financial challenges.

Lee Walsh
Section 151 Officer / Chief Financial Officer
29 May 2026

3.2.3 Head of Audit and Counter Fraud Statement

Following on from the Limited assurance opinion received by the Council for 2024/25, senior leaders implemented a robust system of senior level management and oversight of progress against the issues raised in the Head of Audit's Annual Report and Opinion for that year.

This involved detailed, regular progress reporting to the Council's Chief Executive and Executive Directors, to the Leader of the Council and Portfolio Holder, and to the Council's Audit Committee.

Self-reporting of progress by Services has been at a granular level, on a recommendation by recommendation basis, with reasons for programme slippage required where this has been the case.

The Chief Executive, Executive Directors, Leader, Portfolio Holder and other responsible Officers have regularly attended the Council's Audit Committee throughout 2025/26 to provide written and verbal updates to members and answer Member questions on progress.

Progress against the areas and recommendations outstanding from 2024/25, and findings in connection with additional areas of Risk Management and Partnership Governance are provided below.

1. Financial Control and Resilience

In 2024/25, internal control arrangements in connection with five of the Council's Fundamental Financial Systems received Limited assurance opinions and had done for successive years. Three of these systems, in connection with Adult's and Children's Social

care services support areas of delivery which provide the bulk of the expenditure budget challenges for the Council for 2025/26 and prior years.

In 2025/26, whilst there has been progress in addressing audit recommendations across these three areas, in many instances implementation has either come later in 2025/26 or remains outstanding pending further ICT development actions to support improvements. Improved outcomes from work completed and ongoing are expected to arise throughout 2026/27 and the direction of travel is positive.

Debt Recovery has also seen progress in the year, but again, much has been later in 2025/26, with positive outcomes from this work anticipated going forward into 2026/27.

In terms of overall financial outcomes against budget for the year 2025/26, the unaudited financial results shows that the Council exceeded its annual budget by £3.845m. (2024/25 c£10m) This overspend was funded from the Council's earmarked reserve balances available for this purpose and also a one-off facility available to capitalise capital project interest charges and reduce the 2025/26 in-year overspend position by approximately £11m. In addition, the Council has increased earmarked reserves and revenue grant reserves for the purposes of providing future revenue budget support should this be required. In summary, whilst a call on reserves to fund unplanned revenue budget overspends should be avoided where possible, the Council has taken steps in year, and for future periods, to mitigate future financial risks.

2. ICT

Three of the four specialist ICT reviews which reported during 2024/25 provided Limited assurance over the controls in place in connection with IT Supplier Management, Cloud Service Management and Physical Security & Environmental Controls. Secure and reliable ICT is fundamental to both front line operational services and corporate support services throughout the Council. Without functioning and reliable systems in place no modern organisation can operate either effectively, or in some cases at all.

The Service has reported steady progress against the recommendations in these audit reports over the course of 2025/26 and, as at the date of the last report to the Audit Committee in March 2026, reported that all recommendations were now complete.

ICT audit is a specialist audit area, and the Council engages Salford Technical Audit Service (STAS) to conduct these reviews on our behalf. A programme of follow up work to provide independent confirmation of the progress reported has been agreed and will take place over the course of 2026/27. However, in the absence of this independent confirmation, we cannot yet revise our opinion in these areas for this current AGS in 2025/26.

We are pleased to note that that in connection with their review of the Council's arrangements for Security Incident Detection and Response in 2025/26, STAS found the control environment to provide Reasonable assurance.

3. Procurement

Work in connection with the compilation of the Council's own internal Contracts Register continued into 2025/26, having initially been raised as an area for improvement in previous years.

At their last progress update to the Audit Committee in March 2026, the Service reported mixed progress against the outstanding audit recommendations. However, as noted in other areas above, much of the progress reported in this area was either commenced or completed later in 2025/26, with outcomes expected to arise during 2026/27. We have not yet revisited this area to independently verify the reported progress and will liaise with the Service to conduct further testing at the earliest appropriate opportunity. Therefore, our opinion in this area remains that the controls in place for 2025/26 provided Limited assurance.

4. Decision Making

Findings from our review of the Council's Delegated Decision Recording System in 2024/25 reflected a risk that the Council was not ensuring openness and accountability in its decision making and recording processes; that sensitive information may be shared inadvertently, and in some cases, decisions may be progressed in the absence of complete and accurate information.

We have completed our follow up testing in this area and are pleased to report that the results show that the majority of the audit recommendations have now been implemented during 2025/26, with no significant issues identified in the Delegated Decision Reports sampled at follow up stage. As a result, our opinion is that controls in connection with the Council's Delegated Decision Recording System provide Reasonable assurance on the transparency and accountability of the Council's decision making processes and records.

Further work remains to fully implement the ModernGov system to provide a full audit trail within the system, and we will monitor this going forward.

5. Corporate Performance Management

Findings from our review of the Council's Corporate Performance Management Systems in 2024/25 reflected a risk that the Council may not be able to measure performance in a way which is open, accountable, comparable, or in line with the Council's corporate and service objectives and identified risks. The Service reports limited progress against our previous recommendations in this area and, as a result, our opinion is that controls in connection with Council's Corporate Performance Management continued to provide Limited assurance during 2025/26.

6. Corporate Risk Management

The most recent update on the Corporate Risk Register was reported to the Council's Audit Committee in March 2025. There has been oversight by the Executive Team and Management Board, as risk management is a key component of effective governance within any organisation. The Council will look to strengthen its approach by reintroducing regular monitoring and oversight of corporate-level risks to the appropriate committee, alongside timely action to manage and mitigate these where appropriate.

7. Partnership Governance

Oldham Total Care was acquired by Oldham Council following the previous provider, formerly known as Chadderton Total Care, entering administration. This created a significant risk to continuity of care and putting approximately 100 residents, many with complex needs, as well as uncertainty for around 200 staff.

Our review of the governance and financial administration arrangements at Oldham Total Care identified a number of areas where structures, systems and processes would benefit from further strengthening to fully support the effective governance of the organisation.

While this work is still ongoing, since the Council acquired the business, the current level of assurance is assessed as Weak, with improvements required across a number of the areas identified. However, these findings also provide a clear basis for continued development and enhancement of governance arrangements going forward which will be required to be addressed.

8. Conclusion and Annual Audit Opinion

Following on from the Limited assurance opinion received by the Council for the financial year 2024/25, senior leaders and Members have focussed substantial management and oversight resources to ensure that progress against the areas highlighted in the 2024/25 AGS.

Significant progress has been reported by Services across the majority of areas highlighted in the Head of Internal Audit's Annual Report and Opinion for 2024/25. Which reflects the clear organisational commitment to strengthening governance, risk management and internal control arrangements.

However:

- While some of these improvements and progress has been realised towards the latter part of the 2025/26 financial year, the benefits and improvements in outcomes are expected to become fully embedded and evident during 2026/27 and future years.
- Independent validation of service reported progress has been undertaken where possible. In some areas full assurance is still being established, mainly as a result of the timing of the implementation of the audit recommendations during the later part of the year.
- A number of services are continuing to develop with further progress linked to enabling improvements, including those associated with further work in connection with the development of ICT.

As a result, the overall conclusion and Annual Audit Opinion is that the Council's systems of governance and internal control during 2025/26 continued to provide Limited assurance. However, there is a clear implementation plan in place and a positive trajectory of improvement and, should the current momentum be sustained throughout 2026/27, there is an expectation that assurance levels will improve in coming years.

John Miller
Head of Internal Audit and Counter Fraud

3.3 Local Code of Corporate Governance

The Council's Local Code of Corporate Governance adopts the seven core principles in the CIPFA/SOLACE Good Governance framework.

Set out below is how the Council has specifically complied with the Good Governance framework during 2025/2026.

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

<i>Local authorities should uphold integrity, transparency, and ethical standards in decision-making and service delivery. They must comply with legal requirements and promote a culture of accountability.</i>
--

We have a clear set of values in our [Corporate Plan](#) that outline who we are and how we operate. They shape our culture, inform our decisions, and inspire us to deliver on our commitments to the people of Oldham. They are the standards we hold ourselves to, day in and day out. Alongside these values, a set of key behaviours guides how we work, ensuring consistency and focus across all areas of the council. We use the values and behaviours in our annual Let's Talks with staff where we set objectives for the year and appraise performance of the previous year.

Work commenced with a cross-party group of Elected Members to review the constitution. Whilst some progress was made, this work will continue into 2026/27. The Council's Constitution was submitted for approval by the full Council on 20 May 2026. The Constitution includes terms of references, defines decision making powers and describes roles and functions.

The Code of Conduct which was adopted by the Council in 2024, was reviewed on 24 June 2025 by the Standards Committee.

Reminders are provided by the Mayor at the start of each Council meeting in respect of adherence to the Members' Code of Conduct and the expected standards.

Throughout the year the conduct of Elected Members is overseen by the Monitoring Officer who reports annually on the outcome of complaints reported through to the Standards Committee. The last update was on 5 March 2026.

Registers of declarations of interests, gifts and hospitality are held for both employees and Elected Members. Elected Members' register of interests are published on the Council's website.

Council and Committee minutes show any declarations made at meetings and are recorded against each individual Councillor's record on the website.

Training is provided for regulatory committees on a regular basis.

Training was provided to members of the Audit Committee on 3rd and 5th November 2025.

The Director of Legal (Monitoring Officer) and the Assistant Director of Governance delivered Employee Code of Conduct refresher training to the Council's Extended Leadership Team on 10 February 2026.

The Employee Code of Conduct is available to all staff on the intranet. There is also a summary document which explains the standards expected of officers. The Code of Conduct training forms part of the mandatory eLearning programme and officers are expected to complete this training course every two years.

The Council has a comprehensive suite of e-learning for staff which includes 12 mandatory modules. The system allows managers to monitor employees completion and

compliance with policies. The mandatory training modules are approved by the senior leadership team and annual completion reports are shared with senior leadership and further reports are shared with services to support with compliance and completion.

The Head of Internal Audit maintains a comprehensive suite of counter fraud and anti-corruption policies. An annual fraud and loss assessment is undertaken which feeds into the annual audit and counter fraud plan which is reported regularly to Audit Committee. This work aligns with the annual report on the adequacy and effectiveness of internal controls.

The Director of Legal Services is the Council's Monitoring Officer and maintains the Council's Whistleblowing Policy and receives allegations on behalf of the Council.

Legal advice is sought where required. All legal challenges are recorded in a legal risk register, which is reviewed by the Monitoring Officer. Cases with significant implications for the Council are discussed with the Chief Executive and where appropriate referred to Management Board for consideration.

The Head of Paid Service, the Monitoring Officer and the Chief Financial Officer (Section 151 Officer) meet regularly as the statutory officer group, often referred to as the "Golden Triangle". These meetings support effective communication, shared oversight, and a coordinated understanding of key issues across the Council.

The Council uses its Equality Impact Assessment (EIA) tool to ensure that impact on disadvantaged or vulnerable residents is considered when introducing new policies and decisions and consideration of EIA implications is a mandatory requirement for all formal reports, and when developing budget options.

A development session was delivered to the Council's Extended Leadership Team, which includes Heads of Service in respect of pre-election period arrangements, and a briefing note was provided to all Elected Members to remind them of the requirements of the pre-election period, including some practical examples to support them.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Authorities should communicate openly, involve stakeholders in decision-making, and ensure public participation in governance processes to build trust and accountability.

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 contains two self-assessment questionnaires for the Audit Committee to complete each year to assist the Committee in conducting a self-assessment of its own effectiveness. This supports a culture of internal challenge and the [report considered by the Audit Committee](#) highlighted high levels of adherence to best practice and also areas where potential improvements had been identified.

The annual review of complaints was considered by Overview and Scrutiny on 9 October 2025 and noted that Oldham had seen a decrease in the number of complaints and was performing significantly better than the national and regional average, with 100% compliance with the Ombudsman's recommendations.

Agendas, reports, and decision records are published online, with improved navigability and searchability through the Mod-Gov system.

All key decisions are proactively published, with confidentiality applied only where clearly justified by legal or commercial sensitivity.

Full Council, Cabinet and Committee meetings are held in public unless exempt information is to be considered, in which case, public reports are published for openness, with the exempt information withheld. All meeting dates, agendas and minutes have been published in accordance with legislation.

The responses to questions submitted to the full Council are published on the Council's website, together with the questions asked from Elected Members to the Leader and Cabinet. The Council publishes all key decisions on its website.

The Council also live-streams Full Council and Cabinet meetings. The Council encourages public questions at meetings and has procedures for speaking at meetings, for example, full Council and planning committee. Electronic voting was introduced to full Council meetings, with individual votes of Elected Members live streamed for openness, so that residents can see how their ward Councillor has voted on a matter.

Full Council provides an opportunity for members of the Youth Council to present motions on topics of importance to young people to the council.

The Council's Overview and Scrutiny arrangements support and monitor the work of the Executive (Cabinet). A "call-in" procedure allows Scrutiny to review Executive decisions before they are implemented, presenting challenge and the opportunity for a decision to be reconsidered.

The Council publishes information on the website including spend over £500, it's contract register, pay policy statement, election results and performance information.

The Oldham Plan was adopted by the Leading Oldham Partnership in 2024. The Leading Oldham Partnership brings together business, community and public sector leaders from across Oldham. An [impact report of the Leading Oldham Partnership](#) was considered by the full Council to capture the progress made in the first year of delivering the Oldham Plan and the three missions – Healthier, Happier Lives, a Great Place to Live, and a Green and Growing Borough. Case studies highlight progress in delivering the missions.

The full Council adopted the [Children, Young People and Families plan](#) which was developed in collaboration with the Children's Achieving Excellence Board, the Oldham Safeguarding Children Partnership and the Children and Young People Scrutiny Board.

The Council has a Joint Health Overview and Scrutiny Committee to scrutinise services provided by the NHS Northern Care Alliance.

E-Petitions are part of the Council's ongoing commitment to listening to and acting on the views of the public. An e-Petition is a petition which collects signatures online. This allows petitions and supporting information to be made available to a potentially much wider audience than a traditional paper based petition. Anyone who lives, works or studies in the area can submit or sign an e-Petition.

The Big Oldham Conversation is another way we engage with residents. Residents can register online to explore a range of topics that affect Oldham and for people to have their say.

A magazine/newspaper is issued to all households in Oldham called [Working For You](#) to update residents on council services, regeneration projects, events, and housing, as a way to engage with residents, including those who do not access digital media.

The Council continues to engage with all sectors of the community through Partnership and Community Engagement, District Partnership engagement and Scrutiny Committees, and through targeted consultation and engagement.

In addition to corporate consultation exercises, directorates conduct specific consultation. A key consultation during 2025/26 related to the introduction of an Article 4 Direction for Houses of Multiple Occupation, of which 314 responses had been received, with 53% supportive of the introduction of the Article 4 Direction which would result in applications needing to be considered by the Planning Committee.

The Council [publishes details of how we perform in responding to Freedom of Information requests](#). This performance data provides an overview of the number of requests received and how many are responded to within the statutory time period, if information was disclosed and the number of requests referred for an internal review.

In relation to staff engagement, the Council introduced The Get Together to bring staff from all Directorates together in a conference to discuss the Council's priorities, values and behaviours and future plans. World café style groups were held, giving staff an opportunity to choose which topic was of interest to them, for example, they could join a small group asking the Chief Executive any question.

A new intranet site was launched in 2025/26, which included the Viva Engage platform to support staff in having a digital workplace social network for announcements, updates, asking questions and sharing ideas and to promote events or share key messages.

Peer support groups are a key part of creating an inclusive and supportive workplace. The Council celebrated the National Day for Staff Networks, recognising the important role the peer support groups play in driving positive change across the Council. Each peer support group has a senior Executive Team member as a sponsor, and they are actively engaged in the groups. For example, a panel of the young persons' peer group heard from Executive Directors about their career journeys.

Regular Team Briefings are distributed to staff via an e-newsletter. This briefing includes important service updates, upcoming events and a range of initiatives that staff can get involved with.

There is also an a 'Ask the Chief' email address, which staff can use at any time to provide direct feedback or ideas to the Chief Executive.

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

Governance should focus on achieving long-term benefits for communities, balancing economic growth, social well-being, and environmental sustainability.

The Council was recognised as the Most Improved Council in the Local Government Association awards which was a significant milestone following numerous measures of improvement which had been undertaken since the LGA Peer Review in 2023.

The Council's Corporate Plan: Ready for the Future – covering 2024 to 2027 provides the core of the Council's contribution to delivering the Oldham Plan. The Corporate Plan also sets out our organisational values and behaviours. Our values – Proud, Ambitious, Together – define who we are and how we operate. They shape our culture, inform our decisions, and inspire us to deliver on our commitments to the people of Oldham. They are the standards we hold ourselves to, day in and day out. Alongside these values, a set of key behaviours guides how we work, ensuring consistency and focus across all areas of the Council.

In November 2025, the full Council reflected on the progress made since the launch of the Corporate Plan. The report features case studies that bring the progress to life, including the development of Family Hubs which provide joined up support for children and families, recognising the Council's Children's Services as Good by Ofsted.

An internal audit review of the Council's decision making arrangements highlighted areas of strength and improvement. The action plan updates are regularly presented to the Audit Committee.

The Overview and Scrutiny Annual Report demonstrates the impact of the work of the four scrutiny boards:

- Governance Strategy and Resources Scrutiny Board
- Place, Economic Growth and Environment Scrutiny Board
- Adults, Social Care and Health Scrutiny Board
- Children and Young People Scrutiny Board

Collaboration between the Audit Committee and the Scrutiny Boards saw a request from the Audit Committee for Scrutiny to review its impact and effectiveness. A small cross-party working group was established, and this looked at best practice, together with seeking feedback from all Elected Members and council officers who attend scrutiny to inform an action plan which will be considered by scrutiny in the new municipal year.

The Council publishes on the website a forward plan of key decisions it intends to make, so that residents are informed of what decisions are being made and how they can be involved.

A cross party Constitution Working Group was established in 2025/26 to review the constitution, and this work will continue in the new municipal year.

To achieve fair access to services the Council uses its Equality Impact Assessment (EIA) tool to ensure that impact on disadvantaged or vulnerable residents is considered when introducing new policies and decisions and consideration of EIA implications is a mandatory requirement for all formal reports, and when developing budget options.

In respect of the Council's strategic approach, proposals are approved through the Council's governance arrangements prior to publication on the Procurement Portal, The Chest, to ensure transparency. Once a tender is live, all communication is published via The Chest to ensure all potential providers have access to the same information. Elected

Members need to declare if they hold positions on any providers Board. All tenders are evaluated by a panel following Corporate Procurement Rules to ensure compliancy. Decisions to award are made and published in the public domain.

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

Authorities should make informed decisions based on evidence, risk assessment, and stakeholder input to ensure effective service delivery and resource allocation.

All decision reports (including Cabinet, Council and Delegated decisions) include a section on compliance with legal and financial requirements, and risk. Human Resource and Procurement implications are also required where relevant.

Regular Member and Officer briefings take place for more complex areas of decision making, through portfolio meetings and informal Cabinet meetings.

The Audit Committee, working alongside officers, provides independent assurance to the Council that its overall governance arrangements are working effectively and reviews the arrangements that exist to safeguard the Council's money and assets and to provide proper value for money; manage the Council's exposure to risk having regard to its control environment including potential exposure to fraud and corruption and ensure the adequacy of the Council's financial reporting processes.

Each of the Council's Directorates develop annual business plans. Plans focus on contributions to the corporate plan, performance, key activities for the coming year, challenges/risks covering changes affecting the service and the service's finance/budget.

The Council actively consults with stakeholders and service users when making decisions about service improvements, changes to service delivery or proposing any reductions to service delivery. This is supported by effective service planning, budget planning and performance planning processes, all of which are underpinned by the Medium-Term Financial Strategy.

The Council's performance management arrangements ensure continued alignment to its objectives. Each Overview and Scrutiny Board receives performance information to hold Cabinet Members to account.

In respect of the arrangements for the achievement of social value in commissioning, procurement and contracting, contractors with whom the Council spends significant amounts with to provide goods and services are required to deliver and evidence the delivery of social value.

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

Governance should support leadership development, workforce training, and organisational capacity-building to enhance service effectiveness and resilience.

The Constitution sets out a range of member and officer protocols, providing clarity on roles and responsibilities and delegation of decisions. Schemes of delegation are in place for each Directorate.

In 2021/22, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued its guidance on the CIPFA Financial Management Code (FM Code). The FM Code sets out the principles by which Authorities should be guided in managing their finances and the specific standards that they should,

as a minimum, seek to achieve. There are six underlying principles of the code designed to focus on robust financial management. The authority complies with the FM Code and an update report will be presented to Members during 2026/27.

The Head of Paid Service, the Monitoring Officer and the Chief Financial Officer (Section 151 Officer) meet regularly as the statutory officer group, often referred to as the “Golden Triangle”. These meetings support effective communication, shared oversight, and a coordinated understanding of key issues across the Council.

The Head of Paid Service ensures the Council has appropriate management structures, staffing arrangements and governance systems in place to deliver statutory functions effectively. A review of the senior management structure was approved by the Appointments Committee in May 2025 to establish four directorates and for the permanent recruitment of a number of senior roles including the Executive Director of Resources, the Director of Finance, the Director of Legal and the Director of Digital.

The CFO is suitably qualified and experienced and is also a member of the Management Board (the current officer Leadership Team) with a status at least equivalent to other members. The CFO is not a member of the Executive Management Team but regularly attends meeting of the Executive Management Team.

The Council's Monitoring Officer is the Director of Legal. The Monitoring Officer is responsible for ensuring that the decisions and actions of the council are lawful and in accordance with the adopted policy frameworks. The guidance on decision making was refreshed on the intranet in response to feedback from officers to make it clearer on decision making thresholds.

The Monitoring Officer is required to report to the Full Council in any case where it appears that any proposal, decision or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989. No reports have been made this year.

The Council provides a programme of learning and development for Councillors, which includes an induction for new Councillors. The content of the programme changes annually but the emphasis is to support members in the variety of roles they have including advocacy skills to support members in their community leadership role, regulatory specific training for members serving on the Licensing Committee and Planning Committee, support for members in their scrutiny role and mandatory training for all members in relation to safeguarding. Cabinet Members are supported through role descriptions and regular briefings on their areas of responsibility. Newly Elected Members receive training on the code of conduct and related governance matters. The programme ensures that feedback is captured, and adaptations are made ensuring that the learning requirements elected members are met. Attendance is captured and added to members learning records to ensure completion. Additional resources are also shared with members which include podcasts, videos & articles ensuring all learning needs are met.

To support the achievement of the Council's strategic priorities, the Council reviews the organisational framework annually to ensure that it has the right people with the right skills. To support this, the Council has an agreed People (workforce) Strategy, which is currently under review to ensure it addresses recruitment and retention challenges across a number of services and is brought up to date to align with the Council's new Corporate Plan and Transformation ambitions.

All officers are supported with regular performance conversations through the appraisal system, Let's Talk, with targeted, relevant training identified to meet agreed objectives.

The Council's Learning Needs Analysis ensures appropriate spend of the General Training Budget to build capability across the workforce.

Using psychometric profiling, an extensive training programme is being rolled out to upskill staff in self-awareness and self-management, increasing leadership capability at all levels and promoting the benefits of strong relationship building, communication, and collaboration, aligned to our values and behaviours.

A new manager's induction and management development programme was rolled out, ensuring a bespoke offer which is aligned to addressing skills gaps and future-proofing the workforce with a strengthened leadership pipeline.

All human resources policies and procedures are available to staff on the Council's intranet site, together with an Employee Handbook and a Manager's Handbook. There are targeted programmes, often using e-learning, within the Organisational Development Team supporting these policies and helping ensure appropriate consideration is given to the future capacity of the organisation. The training courses are aligned to strategic ambitions and underpinned by the Council's values and behaviours.

Staff are required to complete a programme of mandatory training every one to three years. Progress is recorded centrally, and service managers are informed of non-compliance. Staff also have access to a catalogue of e-learning training to support with continuous professional development. Embedding e-learning into our development offer supports the culture of growth and curiosity whilst also building a baseline of shared knowledge supporting consistency and collaboration.

Health and wellbeing is a central strand of the Let's Talk conversations, which are driven by the staff themselves. A wellbeing tool is available for staff and managers to have conversations. These are employee led and encourage open and honest conversations. A comprehensive wellbeing offer including access to an employee assistance programme, occupation health, keep in touch meetings, and resources related to lifestyle, mental and physical health are available on the intranet. Oldham Active gym membership is available for staff and Members at competitive rates for staff to access all leisure sites across Oldham.

Up to 3 days volunteering time is available for staff, so that they can use their time and skills to support local charities, community groups and voluntary organisations.

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

Authorities must implement risk management strategies, maintain financial integrity, and ensure effective internal controls to safeguard public resources.

In 2025/2026 the Senior Information Risk Owner (SIRO) Board comprising senior officers with responsibility for governance.

Decision making is supported by risk management arrangements. All Council and Committee reports include a risk management section.

Service Business Plans contain risk matrices and significant risks are captured in the Corporate Risk Register.

The Corporate Risk Register is updated from the risks highlighted in the business plans alongside corporate risks identified separately.

Management Board receive regular in-year updates, at least quarterly on the management of risks within the Corporate Risk Register and the updated Corporate Risk

Register is shared with Audit Committee.

There are robust policies, guidance and systems in place to ensure that data is as secure as possible. Annual mandatory data protection and cyber awareness training is in place for all staff.

The Information Governance team, led by the statutory Data Protection Officer provide a corporate approach to information governance processes and procedures ensuring they are met and implemented. The Council's Senior Information Risk Owner (SIRO) is the role of Executive Director of Resources and reports through to Management Board and Audit Committee annually on security breaches, information risk issues and other data issues.

Progress against the audit plan and the outcomes of all audits are reported through to Audit Committee throughout the year and follow ups are routinely revisited as part of the following year's audit plan.

Internal controls have been strengthened in relation to members' allowances, following a review where incorrect payment rates had been applied.

The Head of Internal Audit also provides an Annual Report and Opinion to the Audit Committee on the adequacy of the Council's Internal Control Environment for the year. A summary statement on the outcomes of the work of the Internal Audit and Counter Fraud Service is included earlier in this statement. The Head of Internal Audit's opinion is that the Council's control environment during 2025/26 provided **Limited** assurance that the Council's systems of governance and internal control met its needs in monitoring and controlling its performance and resources.

The Council's compliance with the CIPFA Financial Management Code was reported to the Audit Committee on 5 September 2023 and advised Members that the Council complied with the key requirements of the Code. A further update on this will be presented to Audit Committee during 2026/27.

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

Governance should promote transparency, regular reporting, and independent audit processes to ensure accountability and continuous improvement.

The Care Quality Commission (CQC) inspected Adults Services and in 2025 and gave an overall assessment of Good. In the final report the CQC praised Oldham for its strong leadership, positive culture, and person-centred approach. Partnership working was also identified as a key strength, with Oldham commended for working closely with health services, care providers and community organisations to deliver joined up, coordinated support. The CQC also praised Oldham's safeguarding arrangements, noting strong leadership oversight, effective systems, and a well-coordinated multi-agency approach to keeping people safe. The report also identified some areas where improvement was required. These included mixed feedback from unpaid carers relating to the support they received and the availability of respite care and more work to be done on reducing waiting times for care reviews and financial assessments.

The Council publishes a wide range of information on its website, with the aim of increasing transparency and accountability, and to comply with the local government transparency code.

We seek to publish all committee items in the public part of the agenda unless there is the need to preserve confidentiality where it is proper and appropriate to do so, and in those cases we aim to produce a public summary paper for increased transparency.

The Council has a clear process for dealing with Freedom of Information (FOI) requests from the public. These are logged onto a central system and the Council's Information Governance team co-ordinate and track progress on all requests to ensure responses are properly co-ordinated and to the right quality, standard and timescales.

Performance measures on compliance with statutory timescales are published on the Council's website.

The Council complies with the requirements of the Local Government Transparency Code 2015. This information can be found on the Council's website at https://www.oldham.gov.uk/info/100004/about_the_council/1429/open_data/3

Work has been undertaken to ensure commissioning procurement is fair, transparent, ethical and based on the needs of the community and an understanding of the marketplace. Training was provided to improve compliance with the Public Contracts Regulations 2015 and the Procurement Act 23 supporting the rules and principles of fair and transparent procurement. A more focused category management approach supports the emphasis on the needs of the community and marketplace. The Social Value Portal is used for all procurements over £100k requiring suitable measures to be put in place in contracts for suppliers to deliver against. To ensure a consistency of approach, decision making, and a full audit trail of procurement processes over £30k an e-procurement system (the Chest), is used to support procurement activity. Oldham Council is fully signed up to the new Government Central Digital Platform which is where all mandatory notices are published ensuring public knowledge of procurement activity and also the sharing of data of suppliers including a debarment list of suppliers.

The Audit Committee is chaired by an independent member and the Committee oversees the work of Internal and External Audit. A second independent member was appointed in 2025/26 and holds the role of vice-chair. External training is provided to Members of the Audit Committee to help them dispense with their responsibilities.

We continue to develop an effective overview and scrutiny function which encourages constructive challenge and enhances the Council's performance overall.

We maintain an effective Audit Committee which is independent of the Cabinet and the Scrutiny Boards.

The Council has a comprehensive annual audit and counter fraud plan which takes a risk based approach to identifying an organisational wide internal audit plan. The plan is developed in conjunction with Directors and Management Board. The Council's fundamental financial systems are reviewed annually and the output from these audits provides significant input into the Head of Internal Audit's annual opinion.

It is a requirement of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 that, "Where an authority is in a group relationship with other entities and undertakes significant activities through the group, the review of the effectiveness of the system of internal control should include its group activities". This was undertaken via the development of a Partnership Dashboard, that sets out the key financial risks associated with the Council's subsidiaries and other related parties. During the year a report was presented to the Governance, Strategy & Resources Scrutiny Board highlighting the risks.

To further enhance governance arrangements, the Council recruited for an Executive Director of Resources to give further core assurance and bring all the Governance functions under one Directorate to give greater Senior Management oversight and

ownership. A new Assistant Director of Governance commenced during 2025/2026 with responsibility for democratic, electoral, civic and political functions and information governance, and during the year the portfolio of responsibility increased to include performance and risk.

In June 2025, Oldham Council was proud to be named LGC Most Improved Council, a significant national recognition of our progress and commitment to transformation. This award reflects the impact of our renewed focus on leadership, governance, resident engagement, and financial resilience. It highlights how we have worked collaboratively across political, corporate, and community boundaries to improve outcomes, strengthen trust, and deliver better services for the people of Oldham. While challenges remain, the award provides independent validation of the strides we have made in creating a more responsive, inclusive, and resident focused organisation.

3.4 Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. This provides an open and honest assessment of the Council's governance arrangements. In line with the Good Governance framework, the review draws on a broad range of assurances to evaluate whether governance arrangements are fit for purpose, operating effectively, and to identify areas for improvement including developments to best meet future demands and anticipated change.

3.4.1 How Governance Has Improved

There were two actions carried forward from the 2024/2025 AGS, and updates are provided below:

2024/25 Action	Responsible Officer	Progress during 2025/2026
1) Reviewing and refreshing the transformation and change programme to identify options for acceleration of schemes that will drive financial savings.	Assistant Director of Transformation & Change	Complete. We have established a new transformation governance structure that provides a clear framework for directing, overseeing, and assuring the transformation programme by linking strategic leadership, programme control, project delivery, and support functions in a single coordinated model. This provides stronger accountability, faster and better-informed decision-making, improved confidence that projects will achieve their intended outcomes, tighter financial control, and more joined-up working across services, all of which help the Council deliver transformation and change in a more consistent, transparent, and sustainable way.
2) Ensuring that all income and debts due to the Council are collected efficiently and effectively. All debt management activity will be centralised under the Assistant Director for Revenues and Benefits with new consistent debt management policies.	Assistant Director of Revenues & Benefits	Complete. A Customer Experience review of Council Tax has led to significant improvements. Our Income and Debt Management Plan was approved leading to the advertising for 5 temporary debt recovery officers, and the approval to procure a third party debt recovery partner. The Recovery Plan for Client Finance team has brought down work to business as usual levels, which will help with debt collection. The Revenues Debt and Adult Social Care Debt panels have met regularly resulting in cases being referred for charging orders and CCJ obtained against debtors Approval to appoint 5 temporary debt collection officers was given which will enable us to increase debt collection in 2026/27.

		A restructure of the Revenues and Benefits service will be completed in 2026/27 which will enable more resources to be directed to Revenue collection and identifying debts that should be written off. The backlog in ASC Financial Assessments has been significantly reduced, and the annual uprating exercise was completed several months earlier than previous years. A review of the way that we communicate with residents and collect debt will deliver improvements in 2026/27.
--	--	--

Updates on the actions identified in the 2024/25 AGS for the 2025/26 financial year are provided below:

2025/26 Action	Responsible Officer	Progress
1) Implementation of budget saving delivery plan documents to hold directors to account on the delivery of budget reductions including mitigations for approved plans.	Director of Finance	Complete. During 2025/26 revised budget delivery templates were implemented which highlighted details on approved plans and required mitigations. For the 2026/27 budget setting process revised budget delivery plan documents were implemented for each budget reduction proposed to Budget Council
2) Continuation of the Financial Sustainability Steering Group, chaired by the Leader, to hold directors to account in respect of the savings proposals and to monitor and manage the MTFP and MTFS processes to deliver a balanced budget.	Chief Executive	Complete. The Financial Sustainability Steering Group met regularly throughout 2025/2026. This Group ensured an organisational wide view and challenge on budget performance, savings trajectories and sustainability measures, whilst driving the delivery of organisational change, improvements and transformation. It also ensured the development and officer sign-off of options for a financially sustainable budget. Additionally, it provided assurance to the elected member led Financial Sustainability Delivery Board on the Council's change, improvements and transformation

		efforts and the delivery of budget savings and a balanced budget.
3) Development of budget monitoring information to include further analysis of any variances split by non delivery of savings, expenditure or income pressures with mitigations.	Director of Finance	Complete. Included within the revenue budget monitoring reports presented to Cabinet during the 2025/26 financial year were details on the split of variances. This will continue into 2026/27.
4) Working with our approved strategic partner to develop a robust transformation and change programme to drive financial savings over the MTFS period.	Assistant Director of Transformation & Change	Complete. Work was carried out with a strategic partner to develop a specific transformation programme in adult services. The wider transformation and change programme will be supported by the internal Transformation and Change team. The Council have agreed a transformation fund to build internal capacity and capability, with funding available for external expertise when required to deliver specific packages of transformation work.
5) Development of the Council's Medium Term Financial Strategy to include the impacts of the Fair Funding Review and Business Rates Reset from 2026/27.	Director of Finance	Complete. The Council's MTFS for 2026/27 to 2028/29 was refreshed to include the outcomes of the Fair Funding Review 2.0 and the National Business Rates Reset.
6) Completion of a comprehensive review of Revenues and Benefits, including, processes, customer experience and technology usage with the aim to build a resilient service model.	Assistant Director of Revenues & Benefits	Ongoing. Approval to appoint 5 temporary debt collection officers was given which will enable us to increase debt collection in 2026/27. A restructure of the Revenues and Benefits service will be completed in 2026/27 which will enable more resources to be directed to Revenue collection and identifying debts that should be written off. The backlog in ASC Financial Assessments has been significantly reduced, and the annual uprating exercise was completed several months earlier than previous years. A review of the way that we communicate with residents and

		collect debt will deliver improvements in 2026/27.
7) Develop a mandatory training Programme for elected Members in relations to the Members Code of Conduct	Monitoring Officer	Complete. There is currently a training programme that the Council has that is offered to members. The induction session also covers the Members Code of Conduct, register of interests and gifts and hospitality.
8) Explore options to review the Members Code of Conduct to improve compliance.	Monitoring Officer	Complete. A new more detailed Member / Officer Protocol has been developed and considered by the scrutiny committee and adopted by the Council. This will further demonstrate the lengths the Council is going to create a better working environment for members and officers, so that members feel supported by officers of the Council. Ultimately it is not a case that members do not understand or are not aware of the code of conduct. It has historically been a case where there are no sanctions that can be imposed that provides a deterrent. After any standards hearing that finds a breach of the code of conduct, a report is submitted to full council that publicises the breach and the punishment order.

4. Forward Look

4.1 Where Governance Needs to Improve

Based on the work undertaken to complete this AGS, the most significant governance issue facing the Council continues to relate to its financial position and its financial resilience.

The Council's External Auditor (Forvis Mazars LLP) concluded in its 2024/25 report that there is a serious weakness in the Council's arrangements for securing economy, efficiency and effectiveness. This reflects ongoing overspending and a continued reliance on reserves to support day to day revenue expenditure.

While this position is a concern, the Auditor recognised that the Council had taken positive steps for 2025/26 by setting a balanced revenue budget that did not initially rely on the use of reserves. Whilst the revenue outturn for 2025/26 required the draw down of reserves to manage the position this was substantially reduced from the previous year. The Council also ended the end of the financial year with a net increase of general revenue usable reserves which has improved its financial resilience.

The Auditor made a series of recommendations to strengthen financial resilience and management. These include improving the budget setting process to better reflect demand led pressures, ensuring that planned savings are sufficient, realistic and deliverable, strengthening monitoring arrangements to enable early corrective action where savings are

at risk, and reviewing the Medium Term Financial Strategy and Reserves Policy to increase reserves over time.

The Council has responded to these findings, and the recommendations have been incorporated into the 2026/27 Revenue Budget setting process and supporting financial strategies.

As highlighted in the Monitoring Officer's Statement of Assurance, political instability remains a serious concern for the Council. At the time of drafting this Statement, the Council's Annual Meeting had to be adjourned and reconvened at a later date as members failed to elect a Mayor and were subsequently prevented from attempting to elect a Leader of the Council and appoint a Cabinet, the reconvened meeting is scheduled for Monday the 15th of June 2026.

4.2 Action Plan

Further work has been identified to strengthen governance during 2026/2027, as detailed below.

Governance Issue	2026/27 Proposed Action	Responsible Officer	Timeline
Political balance	To be reviewed following the May elections	Assistant Director of Governance	May 2026
Risk Management	Refresh of the Council's Corporate Risk Register and Directorate Risk Registers	Strategic Risk Lead	December 2026
Council Meetings and Decision Making	Concluding the work of the review of the effectiveness of the Constitution	Director of Legal / Assistant Director of Governance	March 2027
Impact of national Government policy	Consider governance and constitutional arrangements relating to Government plans to introduce guidance on any adopted provision for hybrid meetings and proxy voting or required amendments to the Member Code of Conduct, and also address the governance implications of any new councillor standards and conduct framework which may be introduced under the English Devolution and Community Empowerment Bill	Assistant Director of Governance	Following legislative changes

Governance Issue	2026/27 Proposed Action	Responsible Officer	Timeline
Code of Conduct	Evaluate impact and effectiveness of the Code by seeking views of members and officers on areas of strength or concern	Director of Legal	December 2027
Procurement	a) Improve procurement compliance in line with the Procurement Act 2023 and NHS PSR b) Contract Procedure Rules Update c) Review the Council's Social Value eco-system and plan changes for 2027 d) Improve oversight and reporting on contractor performance	Head of Procurement	March 2027
Overview and Scrutiny	Implementing the recommendations from the scrutiny review to strengthen impact and effectiveness	Assistant Director of Governance	December 2026
Stakeholder engagement	Strengthen stakeholder engagement in the Annual Governance Statement, with all Directorates completing a self-evaluation to inform future actions	Assistant Director of Governance	March 2027
Business continuity	Review approach to business continuity management	Strategic Risk Lead	December 2026
Cyber resilience	Continued focus on stability, security and resilience of IT systems	Director of Digital	Ongoing throughout 2026/2027
Budget Monitoring	Development and implementation of enhanced budget reduction monitoring for the Transformation & Improvement Executive Board and the Revenue	Director of Finance	Ongoing throughout 2026/27

Governance Issue	2026/27 Proposed Action	Responsible Officer	Timeline
	Budget Monitoring reports for Cabinet.		
Transformation & Improvement	Embedding of clear and robust governance for the use and returns on the Transformation Fund investment to drive further transformational financial savings to be included within the Council's MTFS	Director of Finance	Ongoing throughout 2026/27
Budget & MTFS Review	Review and update of the Council's Revenue & Capital Budgets for 2026/27 and Medium Term Financial Strategy to reflect any changes to the Administration's priorities and reflecting any fluctuations in local, national or global economies.	Director of Finance	Ongoing throughout 2026/27

2.0 Statements to the Accounts

2.1 Statement of Responsibilities for the Statement of Accounts

2.1.1 The Council's Responsibilities

The Council is required to:

- i. 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 Oldham Council, that officer is the Director of Finance.
- ii. Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- iii. Approve the Statement of Accounts.

2.1.2 The Section 151 (S151) Officer Responsibilities

The Section 151 Officer is responsible for the preparation of Oldham Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy 2025/26 Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Section 151 Officer has:

- i. Selected suitable accounting policies and then applied them consistently.
- ii. Made judgements and estimates that were reasonable and prudent.
- iii. Complied with the Code of Practice on Local Authority Accounting.
- iv. Kept proper accounting records which were up to date.
- v. Taken reasonable steps for the prevention and detection of fraud and other irregularities.

2.1.3 Certification of Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of Oldham Council at 31 March 2026 and its income and expenditure for the year then ended.



Lee Walsh, BA (Hons), CPFA

Section 151 Officer

Dated: 29 May 2026

2.2 Auditors Report

This page is left blank intentionally and will be updated once the accounts have been audited.

DRAFT

Financial Statements and Explanatory Notes

3.1 Comprehensive Income and Expenditure Statement (CIES)

2024/25				Note	2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
71,491	(58,913)	12,578	Resources		62,250	(49,474)	12,776
360,117	(247,590)	112,528	Children's Services		345,518	(215,552)	129,966
158,189	(61,984)	96,206	Adult Social Care		159,606	(62,321)	97,285
22,818	(3,333)	19,485	Capital, Treasury and Technical Accounting		12,037	(4,357)	7,681
127,697	(45,248)	82,448	Place		234,643	(48,586)	186,057
37,624	(3,254)	34,370	Public Health		38,190	(3,791)	34,400
45,074	(31,441)	13,633	Housing Revenue Account		26,332	(31,042)	(4,710)
823,010	(451,762)	371,248	Cost of Services		878,577	(415,123)	463,454
			Other Operating Expenditure				
		354	Parish Council precepts				380
		246	Payments to Housing capital receipts to government pool				-
		35,069	Levies	12			36,108
		9,577	(Gains)/losses on the disposal of non-current assets				47,284
		45,246	Total Other Operating Expenditure				83,772
		19,334	Financing and Investment Income and Expenditure	3			9,996
	(344,787)		Taxation and Non-Specific Grant Income	4			(381,453)
		91,041	(Surplus) or Deficit on Provision of Services				175,769
			Other Comprehensive Income and Expenditure				
	(52,913)		Revaluation (gains)/losses non-current assets	16a			(70,068)
		13	Impairment losses on non-current assets	16a			(78)
		2,615	(Surplus) or deficit on Financial Assets measured at Fair Value through Other Comprehensive Income				6,410
	(5,859)		Remeasurement of net defined benefit liability	31			(9,157)
	(56,144)		Total Other Comprehensive Income and Expenditure				(72,894)
		34,897	Total Comprehensive Income and Expenditure				102,875

3.2 Movement in Reserves Statement

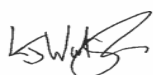
2025/26		Usable Reserves								Unusable Reserves	Total Reserves
		General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserve		
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April Brought Forward		(18,865)	(44,930)	(63,795)	(24,447)	-	(1,343)	(45,653)	(135,237)	(521,495)	(656,732)
Movement in reserves during 2025/26				-					-		-
Total Comprehensive Income and Expenditure		172,054	-	172,054	3,715	-	-	-	175,769	(72,894)	102,875
Adjustments between accounting basis and funding basis under regulations	14	(176,797)	-	(176,797)	(5,777)	-	(134)	(8,914)	(191,623)	191,623	-
Net (increase)/decrease before transfers to Earmarked Reserves		(4,743)	-	(4,743)	(2,061)	-	(134)	(8,914)	(15,854)	118,729	102,875
Transfers to/from Earmarked Reserves	15	4,743	(9,470)	(4,727)	4,726	-	-	-	-	-	-
(Increase)/Decrease in Year		-	(9,470)	(9,469)	2,665	-	(134)	(8,914)	(15,854)	118,729	102,875
Balance at 31 March carried forward		(18,865)	(54,399)	(73,265)	(21,782)	-	(1,477)	(54,567)	(151,091)	(402,766)	(553,857)

2024/25		Usable Reserves								Unusable Reserves	Total Reserves
		General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Housing Revenue Account	Usable Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserve		
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April Brought Forward		(18,865)	(72,540)	(91,405)	(21,106)	-	(1,222)	(28,306)	(142,039)	(549,590)	(691,629)
Movement in reserves during 2024/25				-					-		-
Total Comprehensive Income and Expenditure		68,019	-	68,019	23,022	-	-	-	91,041	(56,144)	34,897
Adjustments between accounting basis and funding basis under regulations	14	(40,409)	-	(40,409)	(26,363)	-	(121)	(17,346)	(84,239)	84,239	-
Net (increase)/decrease before transfers to Earmarked Reserves		27,610	-	27,610	(3,341)	-	(121)	(17,346)	6,802	28,095	34,897
Transfers to/from Earmarked Reserves	15	(27,610)	27,610	-	-	-	-	-	-	-	-
(Increase)/Decrease in Year		-	27,610	27,610	(3,341)	-	(121)	(17,346)	6,802	28,095	34,897
Balance at 31 March carried forward		(18,865)	(44,930)	(63,795)	(24,447)	-	(1,343)	(45,653)	(135,237)	(521,495)	(656,732)

3.3 Balance Sheet

31 March 2025 £000		Note	31 March 2026 £000
832,993	Property Plant & Equipment	17	727,124
170,874	Infrastructure Assets	18	171,319
21,141	Heritage Assets	19	21,141
20,487	Investment Property	20	20,929
4,894	Intangible Assets		2,712
68,066	Long Term Investments	22	61,648
45,074	Long Term Debtors	23	44,798
1,163,529	Long Term Assets		1,049,671
0	Short Term Investments	22	0
708	Inventories		699
67,052	Short Term Debtors	23	68,966
35,538	Cash & Cash Equivalents	24	42,837
782	Assets Held For Sale (less than 1 year)		13,074
104,080	Current Assets		125,576
(27,468)	Short Term Borrowing	22	(32,668)
(107,878)	Short Term Creditors	25	(107,031)
(7,057)	Short Term Provisions	26	(9,159)
	Short Term Liabilities		
(12,557)	- Private Finance Initiatives	22, 29	(12,507)
(765)	- Finance Leases	13	(613)
(6)	- Transferred Debt	22	(6)
(155,731)	Current Liabilities		(161,984)
(7,642)	Long Term Provisions	26	(7,149)
(210,291)	Long Term Borrowing	22	(230,272)
	Other Long Term Liabilities		
(32,300)	- Net Pension Liabilities	31	(23,523)
(201,293)	- Private Finance Initiatives	22, 29	(196,143)
(3,164)	- Leases	13	(2,059)
(22)	- Transferred Debt	22	(16)
(16)	- Deferred Credits		(16)
(418)	Capital Grants Receipts In Advance		(228)
(455,146)	Long Term Liabilities		(459,406)
656,732	Net Assets		553,857
(135,237)	Usable Reserves	MiRS	(151,091)
(521,495)	Unusable Reserves	MiRS, 16	(402,766)
(656,732)	Total Reserves		(553,857)

These draft financial statements were authorised for issue by the S151 Officer on 29 May 2026.



Lee Walsh, BA (Hons), CPFA
Director of Finance and Section 151 Officer

3.4 Cash Flow Statement

	Notes	2024/25 £000	2025/26 £000
Net deficit on the provision of services		(91,041)	(175,769)
Adjustment to surplus or deficit on the provision of services for non-cash movements	32	137,605	238,590
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	32	(49,788)	(60,652)
Net cash flows from operating activities		(3,224)	2,169
Net Cash flows from Investing Activities	33	(10,049)	(4,240)
Net Cash flows from Financing Activities	34	41,159	9,370
Net increase or (decrease) in cash and cash equivalents		27,886	7,299
Cash and cash equivalents at the beginning of the reporting period		7,652	35,538
Cash and cash equivalents at the end of the reporting period	24	35,538	42,837

3.5 Index of Explanatory Notes to the Accounts

Note No.	Note	Page
1	Expenditure and Funding Analysis	63
2	Expenditure and Income Analysed by Nature	70
3	Financing and Investment Income and Expenditure	70
4	Taxation and Non Specific Grant Income	71
5	Grant Income credited to Services	72
6	Dedicated Schools Grant (DSG)	73
7	Material items of Income and Expenditure	75
8	Members' Allowances	75
9	Officers' Remuneration	76
10	External Audit Costs	79
11	Pooled Budget	79
12	Related Parties	80
13	Leases	82
14	Adjustments between Accounting Basis and Funding Basis under Regulations	84
15	Earmarked Reserves	87
16	Unusable Reserves	89
17	Property, Plant and Equipment	95
18	Highways Infrastructure Assets	99
19	Heritage Assets	100
20	Investment Properties	101
21	Capital Expenditure and Capital Financing	103
22	Financial Instruments	104
23	Debtors	117
24	Cash and Cash Equivalents	117
25	Creditors	118
26	Provisions	118
27	Contingent Assets	119
28	Contingent Liabilities	119
29	Public Finance Initiatives (PFI) and Similar Contracts	121
30	Pension Schemes Accounted for as Defined Contribution Schemes	126
31	Defined Benefit Pension Schemes	126
32	Cash Flow Statement – Operating Activities	131
33	Cash Flow Statement – Investing Activities	132
34	Cash Flow Statement – Financing Activities	132
35	Accounting Policies	134
36	Accounting Standards Issued, Not Adopted	152
37	Critical Judgements in Applying Accounting Policies	153
38	Assumptions made about the Future and other Sources of Estimation Uncertainty	155
39	Events after the Reporting Period	156
H1	Housing Revenue Account Housing Stock Numbers and Valuations	159
H2	Housing Revenue Account Depreciation and Impairment of Assets	159
C1	Collection Fund - General	162
C2	Collection Fund - Council Tax	162
C3	Collection Fund - Business Rates	163
G1	Group Accounting Policies	169
G2	Bodies Not Consolidated	170
G3	Bodies Consolidated	170
G4	Group Defined Benefit Pension Schemes	170
G5	Fees payable to the Group External Auditor	174

3.6 Explanatory Notes to the Financial Statements

Introduction

The financial statements have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) and the Accounting Policies set out in Note 35. The Notes that follow (1 to 39) set out explanatory information for readers of the accounts.

1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the Council for the year 2025/26 (i.e. Government grants, rents, Council Tax and Business Rates) has been used to provide services in comparison with those resources consumed or earned under generally accepted accounting practice (GAAP). The Expenditure and Funding analysis also shows how this expenditure is allocated for decision making purposes between the Council's Directorates. Income and expenditure accounted for under GAAP is presented more fully in the Comprehensive Income and Expenditure Statement.

1a. Expenditure and Funding Analysis

2025/26					
	As reported for resource management (including HRA)	Adjustment to arrive at the net amount chargeable to the General Fund and HRA balances	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Directorate	£000	£000	£000	£000	£000
Resources	33,399	(49,591)	(16,192)	28,968	12,776
Children's Services	93,835	26,317	120,151	9,815	129,966
Adult Social Care	90,972	(131,547)	(40,574)	137,860	97,285
Capital, Treasury and Technical Accounting	27,667	(8,394)	19,273	(11,592)	7,681
Place	75,202	107,321	182,522	3,534	186,057
Public Health	24,686	6,817	31,503	2,896	34,400
Housing Revenue Account	0	(10,487)	(10,487)	5,777	(4,710)
Net cost of services	345,761	(59,565)	286,196	177,258	463,454
Other income and expenditure	(341,916)	48,915	(293,001)	5,316	(287,685)
Deficit	3,845	(10,650)	(6,805)	182,575	175,769

The table below shows the comparative information for 2024/25.

2024/25	As reported for resource management (including HRA)	Adjustment to arrive at the net amount chargeable to the General Fund and HRA balances	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Directorate	£000	£000	£000	£000	£000
Corporate Services	33,539	(24,866)	8,673	3,906	12,578
Children's Services	81,408	4,924	86,332	26,195	112,528
Community Health and Adult Social Care	87,571	6,371	93,942	2,264	96,206
Capital, Treasury and Technical Accounting	19,363	35,920	55,283	(35,798)	19,485
Place and Economic Growth	72,084	(19,634)	52,450	29,998	82,448
Public Health	21,552	1,194	22,746	11,624	34,370
Housing Revenue Account	(0)	(12,730)	(12,730)	26,363	13,633
Net cost of services	315,518	(8,821)	306,696	64,551	371,248
Other income and expenditure	(305,363)	22,936	(282,427)	2,220	(280,207)
Deficit	10,155	14,115	24,269	66,772	91,041

The table below reconciles between the opening and closing balances of the General Fund (including earmarked reserves) and Housing Revenue Account (HRA) balances.

Additional information on the movements in General Fund and HRA balances can be found on the Movement in Reserves Statement.

Movement in General Fund and HRA Balance	2024/25 £000	2025/26 £000
Opening General Fund and HRA Balance as at 1 April	(112,510)	(88,242)
Add (Surplus)/Deficit on General Fund and HRA Balance in Year	24,268	(6,805)
Closing General Fund and HRA Balance as at 31 March	(88,242)	(95,047)

1b. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund and HRA balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Movement in Reserves	Other adjustments	Total to arrive at amount charged to the general fund & HRA	Adjustments between Accounting Basis and Funding Basis 2025/26			
				Adjustment for capital purposes £000 (Note 1)	Net change for pension adjustment £000 (Note 2)	Other Differences £000 (Note 3)	Total Adjustments £000
Resources	4,801	(54,393)	(49,591)	30,618	(1,650)	-	28,968
Children's Services	161	26,156	26,317	9,857	(43)	-	9,815
Adult Social Care	(1,339)	(130,208)	(131,547)	139,157	(1,298)	-	137,860
Capital, Treasury and Technical Accounting	(9,261)	866	(8,394)	(15,813)	4,510	(289)	(11,592)
Place	355	106,966	107,321	4,318	(783)	-	3,534
Public Health	539	6,279	6,817	3,252	(356)	-	2,896
Housing Revenue Account	(2,061)	(8,425)	(10,487)	5,911	-	(134)	5,777
Net cost of services	(6,805)	(52,760)	(59,565)	177,301	380	(423)	177,258
Other income and expenditure from the Expenditure and Funding Analysis	-	52,760	52,760	-	-	5,316	5,316
Difference between General Fund surplus/deficit and Comprehensive Income and Expenditure Statement surplus/deficit	(6,805)	-	(6,805)	177,301	380	4,892	182,575

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Movement in Reserves	Other adjustments	Total to arrive at amount charged to the general fund & HRA	Adjustments between Accounting Basis and Funding Basis 2024/25			
				Adjustment for capital purposes £000 (Note 1)	Net change for pension adjustment £000 (Note 2)	Other Differences £000 (Note 3)	Total Adjustments £000
Corporate Services	51	(3,124)	(3,073)	5,013	(1,108)	-	3,905
Children's Services	4,600	(37,226)	(32,626)	28,173	(1,978)	-	26,195
Community Health and Adult Social Care	3,281	(2,264)	1,017	2,759	(496)	-	2,263
Capital, Treasury and Technical Accounting	19,174	52,210	71,384	(40,532)	5,285	(551)	(35,798)
Place and Economic Growth	175	(60,183)	(60,008)	31,864	(1,865)	-	29,999
Public Health	329	(12,270)	(11,941)	11,683	(59)	-	11,624
Housing Revenue Account	(3,341)	(9,389)	(12,730)	26,484	-	(121)	26,363
Net cost of services	24,269	(72,246)	(47,977)	65,445	(221)	(672)	64,551
Other income and expenditure from the Expenditure and Funding Analysis	-	72,246	72,246	-	-	2,220	2,220
Difference between General Fund surplus/deficit and Comprehensive Income and Expenditure Statement surplus/deficit	24,269	-	24,269	65,445	(221)	1,548	66,772

(i) Adjustments for Depreciation/Rental Income

For resource management purposes, the Council includes depreciation in its reporting at Directorate level. However, these charges are removed as they are not included in the net expenditure chargeable to the General Fund and HRA balances. Also, the Council includes rental income from investment properties in the Place and Economic Growth Directorate. However, this is reported in the financial statements below the cost of services line and, therefore the table above shows the item being reallocated.

(ii) Adjustments for Capital Purposes

Depreciation, impairment charges and revaluation gains and losses are included within the net cost of services. In addition:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Finance and investment income and expenditure** – the statutory charges for capital financing, i.e. Minimum Revenue Provision (MRP) and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under GAAP.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under GAAP. Revenue grants are adjusted from those receivable during 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 within the year.

(iii) Net Change for Pension Adjustments

The removal of pension contributions and the addition of the International Accounting Standard (IAS) 19 Employee Benefits pension related expenditure and income are reflected as follows:

- **For the net cost of services** – the removal of the employer pension contributions made by the Council as determined by statute and their 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.

(iv) Other Differences

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute are set out below:

- **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 for Long Term Borrowing.
- **For taxation and non-specific grant income** - the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates to that which was forecast to be received at the start of the year, and the income recognised under GAAP. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.

2. Expenditure and Income Analysed by Nature

	2024/25 £000	2025/26 £000
Expenditure		
Employee Benefit Expenses	245,046	213,648
Other services expenses	475,745	487,019
Asset revaluations, depreciation, amortisation and impairment	105,766	182,868
Interest Payments	28,095	15,868
Precepts and levies	35,424	36,489
Payments to the housing capital receipts pool	246	-
Loss on transfer to academy status	13,036	51,344
Movement on Pooled Investments	-	1
Total expenditure	903,358	987,238
Income		
Fees, charges and other service income	(107,778)	(104,031)
Interest and investment income	(9,374)	(7,982)
Income from Council Tax and Business Rates	(171,072)	(177,683)
Government grants and contributions	(483,990)	(476,826)
(Gain)/Loss on the Disposal of assets	(3,459)	(4,060)
Movement on Pooled Investments	(257)	
Other revenue receipts	(36,387)	(40,887)
Total income	(812,317)	(811,469)
(Surplus)/Deficit on the Provision of Services	91,041	175,769

3. Financing and Investment Income and Expenditure

	2024/25 £000	2025/26 £000
Interest payable and similar charges	26,274	13,889
Net interest on the net defined benefit liability	1,821	1,979
Interest receivable and similar income	(7,632)	(6,905)
Income and expenditure in relation to investment properties and changes in their fair value	(2,732)	(2,266)
Other investment income	(1,742)	(1,077)
Expected Credit Loss	3,602	4,375
Fair Value movement on Pooled Investment Funds	(257)	1
Total	19,334	9,996

4. Taxation and Non-Specific Grant Income

The Council raises Council Tax, Business Rates and receives non-specific unringfenced grants from Central Government each year to finance revenue expenditure. This income is not attributable to specific services. The Council Tax and Retained Business Rates income together with non-specific unringfenced Government Grants underpin the overall expenditure of the Council. The Grants are set out below:

	2024/25 £000	2025/26 £000
Council Tax Income - General Purposes	(98,343)	(102,267)
Council Tax Income - Adult Social Care Precept	(17,311)	(19,673)
Retained Business Rates	(55,418)	(55,743)
Business Rates Top Up Grant	(47,944)	(49,699)
Grants in Lieu of Business Rates	(29,342)	(27,080)
Capital Grants and Contributions	(45,120)	(53,659)
Private Finance Initiative (PFI) Grant	(6,674)	(3,836)
Improved Better Care Fund Grant	(11,188)	(13,802)
Social Care Support Grant	(27,500)	(32,202)
Housing and Council Tax Benefit Administration Grants	(748)	(690)
New Homes Bonus Grant	(205)	(402)
Services Grant	(452)	-
Family Hubs and Start for Life Programme Grant	(1,177)	(1,296)
Other Non-Ringfenced Government Grants	(3,365)	(4,359)
Recovery Grant	-	(8,010)
Childrens Prevention Grant	-	(2,242)
Childrens and Families Grant	-	(2,625)
National Insurance Grant	-	(2,075)
eProducer Responsibility Grant	-	(1,793)
Total	(344,787)	(381,453)

5. Grant Income Credited to Services

The Council credited the following grants and contributions to the CIES:

	2024/25 £000	2025/26 £000
Government Grants		
Dedicated Schools Grant (DSG)	(184,849)	(164,382)
Housing Benefit Subsidy - Rent Allowances	(35,447)	(28,793)
Housing Benefit Subsidy - Rent Rebates	(7,053)	(6,056)
Private Finance Initiative (PFI) Credit	(25,394)	(28,232)
Household Support Fund	(4,999)	(4,264)
Pupil Premium	(9,408)	(7,611)
Discretionary Housing Payments	(422)	(425)
Education and Skills Funding Agency (ESFA) - Adult and Community Learning Income	(2,734)	(3,055)
Holiday Activities and Food Grant	(1,273)	(1,010)
Other Government Grants	(34,566)	(25,987)
Other Grants	(4,130)	(3,242)
Total	(310,275)	(273,057)

6. Dedicated School's Grant (DSG)

The Council's expenditure on schools is financed primarily by Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring-fenced and can only be used to finance expenditure that is included in the School's Budget, as defined in the Schools and Early Years Finance and Childcare (England) Regulations 2025. The School's Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each Council maintained school.

Details of the deployment of the DSG receivable for 2025/26 are as follows:

Note		2025/26		
		Central Expenditure	Individual Schools Budget	Total
		£000	£000	£000
A	Final DSG for 2025/26 before academy and high needs recoupment			387,042
B	Academy and high needs figure recouped for 2025/26			(222,033)
C	Total DSG after academy and high needs recoupment for 2025/26			165,009
D	Plus: Brought forward from 2024/25			3,996
E	Less: Carry-forward to 2026/27 agreed in advance			(147)
F	Agreed initial budgeted distribution in 2025/26	86,607	82,251	168,858
G	In year adjustments	(758)	131	(627)
H	Final budget distribution for 2025/26	85,849	82,382	168,231
I	Less: Actual central expenditure	(90,261)		(90,261)
J	Less: Actual ISB deployed to schools		(82,252)	(82,252)
K	Plus: Local authority contribution for 2025/26			-
L	In Year Carry-forward to 2026/27	(4,412)	130	(4,282)
M	Plus: Carry-forward to 2026/27 agreed in advance			147
N	Carry-forward to 2026/27			-
O	DSG unusable reserve at the end of 2024/25			(2,814)
P	Addition to DSG unusable reserve at the end of 2025/26			(4,135)
Q	Total of DSG unusable reserve at the end of 2025/26			(6,949)
R	Net DSG position at the end of 2025/26			(6,949)

- A Final DSG figure before any amount has been recouped from the Authority as published in March 2025, excluding the adjustment to the 2024/25 DSG for Early Years made during 2025/26.
- B Figure recouped from the Authority in 2025/26 by the DfE for the conversion of maintained schools into academies and for high needs payments made by the ESFA.
- C Total DSG figure after academy and high needs recoupment for 2025/26, as published March 2026.
- D Balance brought forward (where in surplus) from 2024/25.
- E The amount which the Authority decided after consultation with the School's Forum to carry forward to 2026/27 rather than distribute in 2025/26.

- F Budgeted distribution of DSG as agreed with the School's Forum.
G Changes to the initial distribution, for the final Early years Block adjustment re 2024/25.
H Budgeted distribution of DSG as at the end of the financial year.
I Actual amount of central expenditure items in 2025/26.
J Amount of ISB distributed to schools in 2025/26.
K Any Local Authority contribution for 2025/26 - there was no contribution from Oldham Council in 2025/26.
L In year position at end of 2025/26, carried forward into 2026/27.
M Carry-forward to 2026/27 already agreed.
N Carry-forward to 2026/27 (before any unusable reserve brought forward).
O DSG unusable reserve at the end of 2024/25
P Addition to DSG unusable reserve at the end of 2025/26.
Q Total of DSG unusable reserve at the end of 2025/26.
R Net DSG position at the end of 2025/26.

At the end of 2025/26 the DSG position is a deficit of £6.949m an adverse movement of £8.131m when compared to the 2024/25 surplus of £1.182m.

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

		2024/25		
		Central Expenditure	Individual Schools Budget	Total
Note		£000	£000	£000
A	Final DSG for 2024/25 before academy and high needs recoupment			351,177
B	Academy and high needs figure recouped for 2024/25			(166,110)
C	Total DSG after academy and high needs recoupment for 2024/25			185,067
D	Plus: Brought forward from 2023/24			6,516
E	Less: Carry-forward to 2025/26 agreed in advance			(1,380)
F	Agreed initial budgeted distribution in 2024/25	75,648	114,555	190,203
G	In year adjustments	(77)	(141)	(218)
H	Final budget distribution for 2024/25	75,571	114,414	189,985
I	Less: Actual central expenditure	(73,277)		(73,277)
J	Less: Actual ISB deployed to schools		(114,092)	(114,092)
K	Plus: Local authority contribution for 2024/25			-
L	In Year Carry-forward to 2025/26	2,294	322	2,616
M	Plus: Carry-forward to 2025/26 agreed in advance			1,380
N	Carry-forward to 2025/26			3,996
O	DSG unusable reserve at the end of 2023/24			(2,814)
P	Addition to DSG unusable reserve at the end of 2024/25			-
Q	Total of DSG unusable reserve at the end of 2024/25			(2,814)
R	Net DSG position at the end of 2024/25			1,182

7. Material Items of Income and Expenditure

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement. For the purposes of this note the Council considers material items to be those greater than £6.000m.

Saddleworth School was derecognised on the Council's Balance Sheet as it transferred to academy status in 2025/26. The value of the disposal is £52.842m (Net Book Value).

8. Members' Allowances

The Council paid the following amounts to Members during the year:

	2024/25 £000	2025/26 £000
Allowances	1,285	1,370
Expenses	0	0
Total	1,285	1,370

In accordance with the requirements of the Accounts and Audit Regulations 2015 and guidance set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, the Council is required to disclose the total amount of allowances and expenses paid to Members during the financial year under the Members' Allowance Scheme.

The amounts disclosed in this note represent the gross allowances and expenses properly payable to Members in respect of the year, in accordance with the approved scheme, and are shown on an accruals basis. The figures disclosed are not reduced for any amounts overpaid in error during the year, nor for repayments made by Members in respect of such overpayments.

Historical Member allowance overpayments have been identified, and recovery payments are in place.

9. Officers' Remuneration

The remuneration of senior employees is detailed below.

	2024/25				2025/26				Note
	Salary, Fees and Allowances £000	Compensation for Loss of Office £000	Pension Contribution £000	Total £000	Salary, Fees and Allowances £000	Compensation for Loss of Office £000	Pension Contribution £000	Total £000	
H Catherall Chief Executive Oldham Council, Head of Paid Service	160	-	-	160	112	-	-	112	A
S Kipling, Chief Executive Oldham Council, Head of Paid Service	15	-	3	18	181	-	34	215	B
S Kipling, Acting Chief Executive	58	-	11	69	-	-	-	-	
Assistant Chief Executive	62	-	12	74	-	-	-	-	C
Deputy Chief Executive: People Services	12	99	2	113	-	-	-	-	D
Deputy Chief Executive: Place	145	-	27	172	144	-	27	171	
Executive Director of Resources	-	-	-	-	87	-	-	87	E
Managing Director Children and Young People (Director of Children's Services)	70	24	13	107	-	-	-	-	F
Strategic Director of Children's Services (Director of Children's Services)	70	-	13	83	148	-	28	176	G
Director of Adult Social Care Services (Director of Adult Social Services)	119	-	23	142	123	-	23	146	
Director of Education, Skills and Lifelong Learning (Chief Education Officer)	105	-	20	125	-	-	-	-	H
Director of Education, Skills and Early Years (Chief Education Officer)	-	-	-	-	72	-	14	86	
Interim Director of Education, Skills and Early Years (Chief Education Officer)	-	-	-	-	52	-	-	52	I
Director of Finance and Chief Financial Officer (Section 151 Officer)	105	-	20	125	97	-	-	97	J
Director of Finance and Chief Financial Officer (Section 151 Officer)	-	-	-	-	76	-	14	90	K
Director of Legal Services and Monitoring Officer	72	151	11	234	-	-	-	-	L
Interim Borough Solicitor and Monitoring Officer	48	-	9	57	28	-	5	33	M
Director of Legal (Monitoring Officer)	-	-	-	-	77	-	15	92	N
Director of Public Health	106	-	20	126	109	-	21	130	

Senior Officers served for the whole of 2024/25 and 2025/26 unless stated below:

- A The Chief Executive and Head of Paid Services: was seconded to Tameside Council on 1 April 2025 to 26 October 2025. The contribution to the salary cost paid by Tameside Council was £128,717.
- B The Acting Chief Executive: was appointed on 1 October 2024 to 6 March 2025. The appointment to the post of Chief Executive and Head of Paid Service was confirmed at the Council meeting on 6 March 2025 with effect from 7 March 2025.
- C The Assistant Chief Executive: was appointed Acting Chief Executive on 1 October 2024.
- D The Deputy Chief Executive People: left the Council on 30 April 2024.
- E The Executive Director of Resources: was appointed on 14 July 2025.
- F The Managing Director Children and Young People (Director of Children's Services): left the Council on 30 September 2024.
- G The Strategic Director Children's Services (Director of Children's Services): was appointed 1 October 2024.
- H The Director of Education, Skills and Lifelong Learning (Chief Education Officer): was appointed 1 June 2023. The role was subsequently renamed Director of Education, Skills and Early Years on 1 April 2025. The Director of Education, Skills and Early Years was appointed to a new role on 2 December 2025.
- I The Interim Director of Education, Skills and Early Years: was appointed in December 2025 and was appointed to the post of Director of Education, Skills and Early Years (Chief Education Officer) on 5 February 2026.
- J The Director of Finance and Chief Financial Officer (Section 151 Officer): left the Council on 2 February 2025. From the 5 March 2025 the Director of Finance and Chief Financial Officer (Section 151 Officer) post was covered on an interim basis until 17 July 2025.
- K The Director of Finance and Chief Financial Officer (Section 151 Officer): was appointed 18 July 2025.
- L The Director of Legal and Monitoring Officer: left the Council on 30 September 2024. Compensation for loss of office in 2024/25 was a lump sum payment to Greater Manchester Pension Fund (GMPF) in relation to pension fund contribution.
- M The Interim Borough Solicitor and Monitoring Officer: was appointed on 1 October 2024 until 13 July 2025.
- N The Interim Borough Solicitor and Monitoring Officer: was appointed Director of Legal (Monitoring Officer) on 11 July 2025.

All of the Council's employees (excluding the Chief Executive, other Executive Management Team members and statutory officers) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	2024/25 Number of Employees Including Severance or Other Related Payments	2025/26 Number of Employees Including Severance or Other Related Payments
£50,000 - £55,000	233	237
£55,001 - £60,000	132	107
£60,001 - £65,000	74	67
£65,001 - £70,000	44	31
£70,001 - £75,000	37	26
£75,001 - £80,000	20	19
£80,001 - £85,000	12	9
£85,001 - £90,000	15	19
£90,001 - £95,000	14	5
£95,001 - £100,000	4	3
£100,001 - £105,000	1	1
£105,001 - £110,000	2	3
£110,001 - £115,000	3	-
£115,001 - £120,000	2	-
£120,001 - £125,000	2	1
£125,001 - £130,000	-	-
£130,001 - £135,000	1	1
	596	529

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit Package Cost band (including special payments)	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
							£	£
£0 - £20,000	5	2	28	14	33	16	254,191	120,349
£20,001- £40,000	3	-	20	6	23	6	623,691	170,500
£40,001- £60,000	-	2	5	4	5	6	246,102	265,454
£60,001- £80,000	1	-	4	1	5	1	347,676	62,681
£80,001- £100,000	-	2	2	-	2	2	190,384	178,420
£100,001- £150,000	-	-	4	1	4	1	450,641	136,516
£150,001- £200,000	-	-	1	-	1	-	186,574	-
	9	6	64	26	73	32	2,299,259	933,920

10. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts by the Council's External Auditors, which for 2024/25 and 2025/26 was Forvis Mazars LLP.

	2024/25 £000	2025/26 £000
Fees payable to Mazars LLP with regard to external audit services carried out by the appointed auditor for the year	399	396

The 2024/25 amount has increased to £434k due to additional fee notifications in relation to the 2024/25 audit received in the 2025/26 financial year.

11. Pooled Budget

Section 75 Agreement

Since April 2016, Greater Manchester has been working to deliver its own sustainable Health and Social Care system. Oldham Council and NHS Greater Manchester Integrated Care Board (ICB); previously Oldham CCG, have worked closely together and for a number of years have entered into a pooled funding agreement under the powers of the NHS Act 2006 to facilitate a whole system approach to delivering care to the citizens of Oldham.

The Oldham Integrated Care Partnership Committee is responsible for the governance and oversight of health and social care integration services and developments within the Oldham locality, accordingly the Section 75 agreement for 2025/26 was approved by the Partnership Committee on 22 May 2025.

The agreement for 2025/26 retains the principles and the designations of Pooled and Non-Pooled Budgets that were introduced in 2024/25. As in previous years, there are no risk sharing arrangements within the agreement, the resolution of any overspends being the responsibility of the relevant organisation.

As shown in the table below the Council spent pooled funds of £32.859m and Oldham NHS Integrated Care Board - Oldham Locality spent £9.517m; a total pooled fund of £42.376m. Each of the partner organisations accounts for their own contributions and details are contained within the respective organisation's annual accounts.

The variance between funding provided to the pool and met from the pool by the respective partners is due to funds being transferred from one partner to facilitate expenditure by the other partner.

Section 75 incorporating Better Care Fund & Improved Better Care Fund	2024/25 £000	2025/26 £000
Funding provided to the pooled funds:		
Council	(18,542)	(16,280)
NHS GM Integrated Care Board - Oldham Locality	(25,537)	(26,096)
	(44,079)	(42,376)
Expenditure met from the pooled funds:		
Council	34,666	32,859
NHS GM Integrated Care Board - Oldham Locality	9,413	9,517
	44,079	42,376
Net surplus arising on the pooled budget during the year	-	-

12. Related Parties

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

Central Government

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax billing, Housing Benefit administration). Grants received from Government Departments are disclosed in Notes 4 and 5.

Elected Members of the Council

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2025/26 is disclosed in Note 8.

The Register of Members' Interests is open to public inspection at the Civic Centre during office hours, on application, and is also available on the Council's website. The Council is compliant in this regard with the requirements of the Localism Act 2012.

Any material transactions with entities disclosed by Members have been incorporated into the Related Party Transactions table below.

Officers

There are no material related party transactions identified between the entities disclosed by Chief Officers as interests/related parties during both the 2024/25 and 2025/26 financial years.

Other Public Bodies (subject to common control by Central Government)

The Council has a pooled fund (Section 75) arrangement. The agreement encompasses a range of Council services as follows, for further details see Note 11 Pooled Budget.

The Council also pays levies towards the services provided by the Greater Manchester Combined Authority (GMCA) for Waste Disposal and for Transport services (plus a statutory charge for Transport) and also to the Environment Agency. The levies payable are shown in the following table.

Levying Body/Statutory Charging Body	31 March 2025 £000	31 March 2026 £000
Greater Manchester Combined Authority - Waste Disposal	17,680	18,262
Greater Manchester Combined Authority - Transport (Levy and Statutory Charge)	17,271	17,726
Environment Agency	118	120
Total	35,069	36,108

The following table shows the income and expenditure and balances attributable to the Council's subsidiaries, associate companies, joint ventures and non-group entities where appropriate.

Related Party Transactions	Details of Arrangement	2024/25			2025/26		
		Receipts	Payments	Outstanding Balances / Commitments	Receipts	Payments	Outstanding Balances / Commitments
		£000	£000	£000	£000	£000	£000
Subsidiaries							
MioCare Group Community Interest Company (formerly Oldham Care Services Limited)	MioCare Group CIC is a care and support provider and is wholly owned by the Council. It delivers services through two subsidiaries: Oldham Care and Support Ltd (OCS); and MioCare Services Ltd (formerly Oldham Care and Support at Home (OCSH)).	(870)	21,192	50	(995)	20,739	35
Unity Partnership Limited (Unity)	On 2 July 2018 the ownership of Unity Partnership Ltd transferred to Oldham Council and Unity Partnership became a 100% wholly owned Council subsidiary company providing a variety of services within the Council and to residents. On 1 April 2022, the staff of the Unity Partnership Ltd were transferred back into the Council and the Company's functions were taken over by the Council.	-	8	11	-	394	11
Oldham Economic Development Association Limited (OEDA)	OEDA is a company without share capital which is wholly owned by the Council and was set up to aid economic development and regeneration across the Borough. The company has remained inactive in the past year because of the restrictions which apply to companies wholly owned by a Local Authority.	-	-	-	-	-	-
Southlink Developments Limited	The principal activity of the company is that of a property developer. However, the development land now owned by the company is reduced to a few acres located on Southlink Business Park. The continued inactivity of the company is the result of the restrictions which apply to companies wholly owned by a Local Authority.	-	-	-	-	-	-
Meridian Group (Interurban)	The Meridian Group is comprised of the Meridian Development Company Ltd and its subsidiary, Interurban, was created to enable the purchase and development of key sites in Oldham. In 2021/22, the Council became the sole shareholder of the Company.	-	60	-	-	63	-
Northern Roots (Oldham) Ltd	Northern Roots (Oldham) Ltd is a Charity limited by shares and a wholly owned Council company incorporated to develop and operate a new Urban Park in the Snipe Clough area of Oldham. The Council is the sole shareholder.	-	49	-	-	-	-
Oldham Total Care	Oldham Total Care, formerly Chadderton Total Care, is a company wholly owned by Oldham Council that provides 24-hour residential care services to adults in the borough of Oldham. The company was incorporated on 11 July 2023 following the failure of the previous independent provider.	(18)	3,055	4,923	(68)	3,202	50
Associates							
Joint Ventures							
Community 1st Oldham (Chadderton) Ltd	Community 1st Oldham (Chadderton) Ltd was incorporated on 29 March 2008 and commenced trading on 30 April 2008. The principal activity of the company is the development and property management of a Multi-Purpose Health and Wellbeing Centre in Chadderton.	(153)	1,671	-	(153)	2,121	-
FO Development LLP	This joint venture was formed to deliver the development of the Foxdenton employment area in order to create a premium business location, new jobs and housing. The Council has a 20% shareholding.	(1,646)	-	-	-	-	-
Non-Group Entities							
Positive Steps Oldham	The Council has a number of contracts with Positive Steps which is a charitable trust that delivers a range of targeted and integrated services for young people, adults and families. It is a not for profit company for which Council Members occupy 4 of the 12 Trustee positions.	(18)	3,843	-	(2)	2,950	-
	Total	(2,705)	29,879	4,984	(1,219)	29,468	96

13. Leases

The Council's as lessee:

The Council leases in property, vehicles and equipment from third parties under operating leases, to include but not limited to provision of service delivery.

The Council adopted IFRS 16 from 1 April 2024. Properties, vehicles, plant and equipment that fall under the scope of IFRS16 are classified as right of use assets on the balance sheet with a corresponding lease liability and are recognised at commencement of the lease. The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the PWLB annuity rate specific to the term and the start date of the lease.

The lease liability is subsequently measured the Net Present Value (NPV) of the remaining lease payments. There are currently no leases where there is a requirement to re-measure as a result in changes in future lease payments and/or rent reviews. This will be reviewed annually and if applicable will be re-measured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost comprising the initial lease liability; less any lease payments made at or before the commencement date, less any lease incentives received. The right of use asset is subsequently depreciated on a straight-line bases over the shorter of the lease term or the useful life of the underlying asset.

The Council applies recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have;

- a term of 12 months or less;
- a lease term greater than 12 months but less than 12 months remaining at the balance sheet date; and
- low value assets (less than £10,000).

The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under these operating leases the Council is committed to paying the following sums and the maturity analysis of lease liabilities as illustrated below.

Right of Use lease liability	2024/25 £000	2025/26 £000
Value at 1 April	747	3,928
Right of Use Assets Created	3,033	-
Additions during the year	1,429	1,319
Principal repaid	-	(890)
Disposal / Derecognition	(1,281)	(1,685)
Value at 31 March	3,928	2,672
Vehicles, plant, equipment and furniture	3,928	2,672
Value at 31 March	3,928	2,672

Maturity analysis of Lease Liabilities	2024/25 £000	2025/26 £000
Within 1 year	765	613
Between 2 and 5 years	2,613	1,779
Over 5 years	550	280
Total liabilities	3,928	2,672

Right of Use Assets

Properties, vehicles, plant and equipment where they fall within the scope of IFRS16 have been reclassified as right of use assets and are shown in the table below, which form part of the balances for the respective asset classes in Note 17 - Property Plant and Equipment.

Right To Use Assets	Land & Buildings	Vehicle Plant & Equipment	Total
	£000	£000	£000
Cost or Valuation			
As at 1 April 2025	1,808	4,998	6,806
Additions	629	1,190	1,818
Derecognition - disposals	(678)	(1,670)	(2,347)
As at 31 March 2026	1,759	4,518	6,277
Accumulated Depreciation & Impairment			
As at 1 April 2025	-	(1,679)	(1,679)
Depreciation charge	(296)	(866)	(1,162)
Derecognition - disposals	8	-	8
As at 31 March 2026	(288)	(2,545)	(2,833)
Net Book Value at 31 March 2025	1,808	3,318	5,126
Net Book Value at 31 March 2026	2,047	1,972	3,444

The Council's as lessor:

Operating Leases

The Council leases out property to third parties under operating leases, to include but not limited to, the following purposes:

- for the provision of community services such as community centres; and
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2024/25 £000	2025/26 £000
No later than 1 year	3,657	2,771
2 years	3,253	2,374
3 years	2,818	1,911
4 years	2,352	1,640
5 years	2,053	1,564
Later than 5 years	120,013	96,389
Total	134,145	106,650

The only material leased out asset is the Spindles Shopping centre. The Council, through its managing agent, leases retail units to individual retailers. The lease payments are generally fixed for the period of the lease, although, some tenants are subject to rents based wholly or partially on the tenant's turnover. Lease periods are typically between 5 to 15 years for individual tenants. There were 39 individual leases in operation during the 2025/26 financial year.

14. Adjustments Between Accounting Basis and Funding Basis Under Regulations

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

	2024/25						2025/26					
	Usable Reserves					Movements in Unusable Reserves	Usable Reserves					Movements in Unusable Reserves
	General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000		General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	
Adjustments primarily involving the Capital Adjustment Account:												
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:												
Charges for depreciation of non-current assets	(47,754)	(6,312)	-	-	-	54,065	(51,956)	(6,773)	-	-	-	58,729
Charges for impairment of non-current assets	(4,127)	(24,336)	-	-	-	28,463	(2,594)	(4,272)	-	-	-	6,867
Revaluation losses on Property, Plant and Equipment	(20,653)	(11)	-	-	-	20,663	(115,366)	(2)	-	-	-	115,368
Movements in the fair value of Investment Properties	968	-	(105)	-	-	(863)	459	-	(191)	-	-	(267)
Amortisation of intangible assets	(2,574)	-	-	-	-	2,574	(1,904)	-	-	-	-	1,904
Capital grants and contributions applied	21,514	-	-	-	-	(21,514)	20,978	-	-	-	-	(20,978)
Revenue expenditure funded from capital under statute	(8,986)	-	-	-	-	8,986	(17,228)	-	-	-	-	17,228
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	(3,349)	-	-	-	-	3,349	(2,090)	(652)	-	-	-	2,742
Amounts written off on disposal of Academy Schools to the Comprehensive Income and Expenditure Statement	(13,036)	-	-	-	-	13,036	(51,344)	-	-	-	-	51,344
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:												
Statutory provision for the financing of capital investment	8,880	4,148	-	-	-	(13,027)	11,569	4,338	-	-	-	(15,908)
Voluntary provision for the financing of capital investment	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure charged against the General Fund and HRA balances	12	1	-	-	-	(13)	54	-	-	-	-	(54)
Adjustments primarily involving the Capital Grants Unapplied Account:												
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	23,606	-	-	-	(23,606)	-	32,680	-	-	-	(32,680)	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	6,260	(6,260)	-	-	-	-	23,766	(23,766)
Adjustments primarily involving the Capital Receipts Reserve:												
Transfer of cash sales proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	6,783	25	(6,808)	-	-	-	5,352	1,450	(6,802)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	6,667	-	-	(6,667)	-	-	6,994	-	-	(6,994)
Contributions to the Capital Receipts Pool	(246)	-	246	-	-	-	-	-	-	-	-	-
Repayment of Long Term Loans												

	2024/25						2025/26					
	Usable Reserves					Movements in Unusable Reserves	Usable Reserves					Movements in Unusable Reserves
	General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000		General Fund Balance £000	Housing Revenue Account (HRA) £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	
Adjustments primarily involving the Major Repairs Reserve (MRR):												
Transfer of Excess of Depreciation over Notional MRA to MRR	-	121	-	(121)	-	-	-	134	-	(134)	-	-
Credit MRR with a sum equal to HRA Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments primarily involving the Financial Instruments Adjustment Account:												
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	294	-	-	-	-	(294)	290	-	-	-	-	(290)
Adjustments primarily involving the Financial Instruments Revaluation Reserve:												
Amount by which Financial Instruments held under Fair Value through Profit & Loss are subject to MHCLG statutory over-ride.	257	-	-	-	-	(257)	(1)	-	-	-	-	1
Adjustments primarily involving the Pensions Reserve:												
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 31)	(24,367)	-	-	-	-	24,367	(23,365)	-	-	-	-	23,365
Employer's pension contributions and direct payments to pensioners payable in the year	24,588	-	-	-	-	(24,588)	22,985	-	-	-	-	(22,985)
Adjustments primarily involving the Collection Fund Adjustment Account:												
Amount by which Council Tax and Business Rates income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(2,470)	-	-	-	-	2,470	(2,446)	-	-	-	-	2,446
Adjustments primarily involving the Accumulated Absences Account:												
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	249	-	-	-	-	(249)	1,266	-	-	-	-	(1,266)
Adjustments primarily involving the Dedicated Schools Grant Adjustment Account												
Transfer of Dedicated Schools Grant (DSG) overspend to the DSG Adjustment Account	-	-	-	-	-	-	(4,135)	-	-	-	-	4,135
Total Adjustments	(40,409)	(26,363)	-	(121)	(17,346)	84,240	(176,797)	(5,777)	-	(134)	(8,914)	191,623

15. Earmarked Reserves

This note discloses the amounts set aside from the General Fund as Earmarked Reserves to provide financing for future expenditure plans. The note also discloses the value of transfers to or from General Fund Earmarked Reserves during 2024/25 and 2025/26. All Earmarked Reserves are managed in accordance with the Council's reserves policy which was agreed by Council on 4 March 2026.

	Balance as at 31 March 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance as at 31 March 2025 £000	Transfers Out 2025/26 £000	Transfers In 2025/26 £000	Balance as at 31 March 2026 £000
Integrated Working Reserve	(9,430)	9,430	-	-	-	-	-
Transformation Reserve	(5,211)	5,211	-	-	-	-	-
Adverse Weather Reserve	(1,000)	1,000	-	-	-	-	-
Regeneration Reserve	(836)	836	-	-	-	-	-
Emergency and External Events Reserve	(2,000)	2,000	-	-	-	-	-
Council Initiatives Reserve	(1,723)	1,722	-	-	-	-	-
Fiscal Mitigation Reserve	(10,236)	12,322	(2,086)	-	-	-	-
Life Cycle Costs Reserve	(1,300)	1,300	-	-	-	-	-
Insurance Reserve	(2,405)	2,405	-	-	-	-	-
Directorate Reserve	(2,775)	268	(876)	(3,384)	-	(794)	(4,178)
Balancing Budget Reserve	(12,185)	12,185	-	-	-	-	-
District Partnership Reserve	(545)	545	-	-	-	-	-
Corporate Budget Strategy Reserve	-	8,421	(24,501)	(16,080)	3,845	(11,074)	(23,310)
Corporate Other Reserve	-	4,943	(12,487)	(7,544)	387	(3,251)	(10,408)
Joint Fund Reserve	-	1,345	(5,900)	(4,555)	1,557	-	(2,998)
Total General Fund Revenue Account Earmarked Reserves	(49,646)	63,934	(45,850)	(31,563)	5,788	(15,119)	(40,894)
Housing Revenue Account Earmarked Reserve	-	-	-	-	-	(4,726)	(4,726)
Total Earmarked Reserves	(49,646)	63,934	(45,850)	(31,563)	5,788	(19,845)	(45,620)
Other Earmarked Reserves							
Revenue Grants Reserve	(7,800)	6,227	(638)	(2,211)	14	(1,645)	(3,843)
Schools Reserve	(8,578)	8,578	(7,160)	(7,160)	7,160	(4,937)	(4,936)
Dedicated Schools Grant Surplus Reserve	(6,516)	-	2,520	(3,996)	3,996	-	0
Total Other Earmarked Reserves	(22,894)	14,806	(5,278)	(13,367)	11,170	(6,582)	(8,779)
Total Earmarked Reserves	(72,540)	78,738	(51,128)	(44,929)	16,958	(26,428)	(54,399)

General Fund Revenue Account Earmarked Reserves

The Council's reserves policy was approved by Council on 4 March 2026. Earmarked Reserves are held in four distinct categories which are reflected within the 2025/26 accounts, with details of each category as follows:

Corporate Budget Strategy Reserve - This reserve represents resources that have been set aside to support the corporate budget strategy of the Council.

Corporate Other Reserve - This reserve holds resources set aside to provide for any costs of other corporate areas that are required to be held for a specific purpose or support the delivery of corporate priorities.

General Directorate Reserves - There are a range of Directorate initiatives which span more than one financial year or for which funds have been budgeted but not yet utilised. This reserve will ensure that such initiatives can be completed.

Joint Fund Reserve - This reserve is hosted by the Council and is held to provide resources to support further integration between health and social care providers in line with Government policy and the local direction of travel.

Housing Revenue Account Earmarked Reserves

Housing Revenue Account Earmarked Reserve – this represents balances held with regard to future HRA Private Financial Initiative (PFI) financial obligations.

Other Earmarked Reserves

In addition to the reserves detailed above there are three Earmarked Reserves held in the Council's General Fund which have to be itemised separately given the nature of the funds held. These are:

- **Revenue Grants Reserve** - this represents income from grants received which have no conditions attached or where the conditions have been met but no expenditure has yet been incurred.
- **Schools Reserve** - this includes the balances held by Schools under the scheme of delegation.
- **Dedicated Schools Grant Surplus Reserve** – this reserve contains any surpluses in the DSG and offsets the DSG unusable reserve deficit position which is shown under unusable reserves within the MiRS.

16. Unusable Reserves

All unusable reserves are described below. The movements in year for all reserves with a material balance are also disclosed.

	Note	31 March 2025 £000	31 March 2026 £000
Revaluation Reserve	16a	(457,951)	(483,220)
Financial Instruments Revaluation Reserve	16b	(35,766)	(29,356)
Capital Adjustment Account	16c	(76,886)	64,452
Financial Instruments Adjustment Account	16d	7,049	6,760
Deferred Capital Receipts	16e	(523)	(523)
Pensions Reserve	16f	32,300	23,523
Collection Fund Adjustment Account	16g	1,501	3,947
DSG Adjustment Account	16h	2,814	6,949
Accumulated Absences	16i	5,967	4,702
Total Unusable Reserves		(521,495)	(402,766)

(16a) Revaluation Reserve

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

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

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

	2024/25 £000	2025/26 £000
Balance at 1 April	(442,438)	(457,951)
Upward revaluation of assets	(52,913)	(70,068)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	13	(78)
Difference between fair value depreciation and historic cost depreciation	25,754	28,673
Accumulated gains on non-current assets sold or decommissioned (excluding Academies)	1,162	743
Accumulated gains on Academy assets sold or decommissioned	10,470	15,461
Balance at 31 March	(457,951)	(483,220)

(16b) Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the 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 the gains are lost; and
- disposed of and the gains are realised.

	2024/25 £000	2025/26 £000
Balance at 1 April	(40,369)	(35,766)
Transfer from AFS		
Revaluation of Shareholding in Manchester Airport	2,900	6,400
Reversal of Pooled Investment Funds	(1,646)	(1,389)
	1,254	5,011
Other movements	1,960	10
Financial Instruments held under Fair Value through Profit & Loss subject to MHCLG Statutory override*	1,389	1,390
Balance at 31 March	(35,766)	(29,356)

* The Ministry for Housing, Communities and Local Government introduced a statutory override to protect the General Fund balance from any fluctuations in fair value movements in quoted investment funds. In the Council's case this relates to its investments in the Churches, Charities and Local Authorities (CCLA) Property Fund. The override has been extended to 31 March 2029 for investments in place as at 1 April 2024.

(16c) 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 element of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 14 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25 £000	2025/26 £000
Balance at 1 April	(120,046)	(76,886)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation of non-current assets	54,065	58,729
Charges for impairment of non-current assets	28,463	6,867
Revaluation (gains)/losses on non-current assets	20,663	115,368
Amortisation of intangible assets	2,574	1,904
Revenue expenditure funded from capital under statute	8,986	17,228
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 (excluding Academies)	1,104	2,742
Amounts written off on disposal or sale as part of the gain/loss on disposal of Academies to the Comprehensive Income and Expenditure Statement	2,566	35,883
Adjusting amounts written out of the Revaluation Reserve	(26,917)	(29,416)
Repayment of Long-Term Debtors	-	-
Capital financing applied in the year:		
Use of the Capital Receipts reserve to finance new capital expenditure	(6,667)	(6,994)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(21,514)	(20,978)
Application of grants to capital financing from the Capital Grants Unapplied Account	(6,260)	(23,766)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(13,027)	(15,909)
Capital expenditure charged against the General Fund and HRA balances	(13)	(54)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(863)	(267)
Balance at 31 March	(76,886)	64,452

(16d) Financial Instrument Adjustment Account

The Financial Instrument Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions. The Council uses the Account to manage premiums paid and discounts received on the early redemption of loans. Premiums are debited and discounts are credited to the CIES when they are incurred but reversed out of the General Fund Balance to the Account in the MiRS. Over time, the net expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on Council Taxpayers. In the Council's case this period is the unexpired term that was outstanding on loans when they were redeemed.

	2024/25 £000	2025/26 £000
Balance as 1 April	7,343	7,049
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(329)	(324)
Proportion of discounts received in previous financial years to be transferred to the General Fund Balance in accordance with statutory requirements	34	34
Balance at 31 March	7,049	6,760

(16e) Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place. Under statutory arrangements the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve. The balance of this reserve was £0.523m for the year end of 2023/24, 2024/25 and 2025/26.

(16f) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible.

	2024/25 £000	2025/26 £000
Balance at 1 April	38,380	32,300
Remeasurement of net defined benefit liability	(5,859)	(9,157)
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	24,367	23,365
Employer's pension contributions and direct payments to pensioners payable in the year	(24,588)	(22,985)
Balance at 31 March	32,300	23,523

(16g) Collection Fund Adjustment Account

The Collection Fund Adjustment Account is used to manage the differences arising from the recognition of Council Tax and Business Rates income in the CIES as it falls due from Council Tax and Business Rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

(16h) Dedicated Schools Grant (DSG) Adjustment Account

On 6 November 2020, the Secretary of State for the Department of Levelling Up, Housing and Communities (now Ministry for Housing, Communities & Local Government) laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The statutory override came into effect from 29 November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools' budget relating to its accounts for a financial year beginning on 1 April 2020, 1 April 2021 or 1 April 2022, it must not charge the amount of that deficit to a revenue account. The requirement being that the Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget, thereby separating schools budget deficits from the Councils' General Fund. The accounting treatment introduced by this regulation was initially for a period of three financial years and was applicable to the financial reporting periods 2020/21, 2021/22 and 2022/23 to provide time for Government and Councils to look at budgetary and financial management strategies to reduce the deficit.

The provision was due to expire at the end of March 2023, however the Local Government Finance Policy Statement 2023/24 to 2024/25, published on 12 December 2022, confirmed that the override for the Dedicated Schools Grant will be extended for the next three years from 2023/24 to 2025/26. Subsequently, on 20 June 2025, it was indicated that the DSG statutory override will be further extended for two years to March 2028.

Dedicated Schools Grant Adjustment Account	2024/25 £000	2025/26 £000
Balance as 1 April	2,814	2,814
In year DSG over/(under) spend	-	4,135
Balance at 31 March	2,814	6,949

(16i) Accumulated Absences Reserve

The Short-term Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

DRAFT

17. Property, Plant and Equipment

Movements on Balances

2025/26	Property, Plant and Equipment (PPE)						
	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	PPE Under Construction £000	Total PPE £000
Cost or Valuation							
At 1 April 2025	116,526	739,943	52,457	3,262	4,367	3,256	919,815
At 1 April 2025	116,526	739,943	52,457	3,262	4,367	3,256	919,815
Additions	4,918	47,385	1,354	1	87	7,962	61,707
Revaluation							
Increases/(decreases) to Revaluation Reserve	5,146	12,685	-	14	81	-	17,926
Revaluation							
Increases/(decreases) to Surplus/Deficit on the Provision of Services	1	(119,895)	-	-	225	-	(119,669)
Derecognition - Disposals	(700)	(53,850)	(467)	-	(0)	-	(55,017)
Derecognition - Other	-	-	-	-	-	-	-
Reclassified to/from Held for Sale	-	(13,009)	-	-	(15)	-	(13,024)
Other Reclassifications	-	-	-	-	-	-	-
At 31 March 2026	125,890	613,260	53,344	3,277	4,745	11,218	811,736
Accumulated Depreciation and Impairment							
At 1 April 2025	30,597	14,845	37,709	3,248	-	422	86,822
Depreciation Charge	6,650	39,551	4,279	-	-	-	50,481
Depreciation written out on revaluation	(6,155)	(35,286)	-	-	-	-	(41,440)
Depreciation written out to Surplus/Deficit on the Provision of Services	-	(4,369)	-	-	-	-	(4,369)
Impairment losses/reversals to Revaluation Reserve	-	(10,780)	-	-	-	-	(10,780)
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	4,272	1,997	(37)	1	-	-	6,234
Derecognition - Disposals	(48)	(1,818)	(467)	-	-	(1)	(2,335)
Derecognition - Other	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-
Other Reclassifications	-	-	-	-	-	-	-
At 31 March 2026	35,316	4,141	41,485	3,249	-	421	84,612
Net Book Value							
At 31 March 2026	90,575	609,121	11,859	28	4,745	10,796	727,124
At 31 March 2025	85,931	725,098	14,748	14	4,367	2,834	832,993

Comparative Movements in 2024/25

2024/25	Property, Plant and Equipment (PPE)						
	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	PPE Under Construction	Total PPE
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2024	87,286	706,990	47,188	3,230	4,590	-	849,284
IFRS 16 Leases Adjustments	-	1,808	929	-	-	-	2,737
IFRS 16 PFI Adjustments	24,336	8,359	-	-	-	-	32,695
Additions	-	55,437	5,694	33	22	2,083	63,270
Revaluation							
Increases/(decreases) to Revaluation Reserve	5,000	6,252	-	-	(99)	-	11,153
Revaluation							
Increases/(decreases) to Surplus/Deficit on the Provision of Services	(44)	(22,769)	-	-	(22)	-	(22,836)
Derecognition – Disposals	-	(14,966)	(1,354)	-	-	-	(16,320)
Reclassified to/from Held for Sale	(50)	(1,169)	-	-	(122)	1,173	(168)
Other Reclassifications	-	-	-	-	-	-	-
At 31 March 2025	116,526	739,943	52,457	3,262	4,367	3,256	919,815
Accumulated Depreciation and Impairment							
At 1 April 2024	5,878	12,719	36,261	3,225	-	-	58,082
Depreciation Charge	6,199	36,926	3,024	-	-	-	46,148
Depreciation written out on revaluation	(5,782)	(35,680)	-	-	-	-	(41,462)
Depreciation written out to Surplus/Deficit on the Provision of Services	(33)	(2,139)	-	-	-	-	(2,172)
Impairment losses/reversals to Revaluation Reserve	-	(285)	-	-	-	-	(285)
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	24,336	4,331	-	24	-	-	28,691
Derecognition – Disposals	-	(604)	(1,576)	-	-	-	(2,180)
Derecognition - Other							
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-
Other Reclassifications	-	(422)	-	-	-	422	-
At 31 March 2025	30,597	14,845	37,709	3,248	-	422	86,822
Net Book Value							
At 31 March 2025	85,931	725,098	14,748	14	4,367	2,834	832,993
At 31 March 2024	81,408	694,271	10,927	5	4,590	-	791,202

Depreciation

The following asset lives have been used in the calculation of depreciation:

Council Dwellings	Up to 50 years
Other Land and Buildings and Community Assets	Up to 50 years
Vehicles, Plant, Furniture, and Equipment	Between 3 and 20 years

Assets in the course of construction are not depreciated until they are brought into use.

Capital Commitments

As at 31 March 2026, the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment with outstanding contractual commitments of £7.239m (similar commitments were £18.297m at 31 March 2025). The major commitments are:

Scheme	Commitment
	£000
Manchester Viaduct	3,762
Wrigley Head Solar Farm	1,600
Northern Roots	1,000
Coliseum	877
Total	7,239

Effects of Changes in Estimates

In 2025/26, the Council made no material changes to its accounting estimates for Property, Plant and Equipment.

Revaluations

The Council undertakes a rolling programme of valuation that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years, or when it is anticipated that there has been significant movement in the value of the asset. All valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations are carried out internally by a team of suitably qualified professionals.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Property, Plant, and Equipment assets must now be revalued every five years with annual indexation applied to assets during the four intervening years. Where appropriate indices cannot be obtained without undue cost or effort, authorities can revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

The revaluation programme was carried out throughout the year and the effective date of each revaluation is the date that the valuation was carried out. Assets valued by Depreciated

Replacement Cost (DRC) that were not valued in year were subject to indexation at 31 March 2026.

With regard to the assets where indexation has not been applied this is because appropriate indices could not be obtained without undue cost or effort. For land assets and assets valued on an EUV basis, these are valued using the comparable method and indices are not an appropriate way of assessing value. Where no suitable indices are available, the Code allows a quinquennial revaluation with a desktop valuation to be carried out in year 3, and as such the Authority has taken the decision to adopt this approach and as such will not materially affect any estimates.

The significant assumptions applied in estimating current values (fair value for Surplus Assets) are that:

- good title can be shown, and all valid planning permissions and statutory approvals are in place;
- the property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted;
- an inspection of those parts not inspected would not reveal defects that would affect the valuation;
- the testing of electrical or other services would not reveal defects that would cause the valuation to alter; and
- there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.

Gross Valuations by Valuation Date

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	-	-	53,344	3,277	-	11,218	67,839
Valued at fair value as at:							
31 March 2026	71,845	84,431			4,227		160,504
31 March 2025	51,885	253,643			34		305,563
31 March 2024	-	49,612			484		50,098
31 March 2023	-	218,153			-		218,153
31 March 2022	2,160	7,419			-		9,579
Total Cost or Valuation	125,890	613,260	53,344	3,277	4,745	11,218	811,736

18. Highways Infrastructure Assets

Movements on balances

Highways Infrastructure Assets	2024/25 £000	2025/26 £000
Net book value (modified historical cost)		
At 1 April	169,298	170,874
IFRS Adjustment	(310)	632
Additions	9,502	8,694
Impairment	302	(632)
Depreciation	(7,918)	(8,248)
Net Book Value at 31 March	170,874	171,319

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

The Council has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

The Council has an individual asset life for each of the components of its Highways Network. All asset life estimates have been calculated with the methodology and basis for estimation in consultation with the Council's internal Highways department and external highways partners. The following table indicates the asset life for each component of the network. Further information can be found in the Council's Accounting Policies in Note 35.

Category of the Highway Network	Useful Life (Years)
Carriageways	27
Footways and Cycle Tracks	45
Structures	107
Street Lighting	40
Street Furniture	40
Traffic Management Systems	15

19. Heritage Assets

Tangible and Intangible Heritage Assets

The three principal collections of heritage assets held in Gallery Oldham include:

- **Natural History** - Gallery Oldham holds an extensive natural history collection, made up of over 110,000 items of invertebrate, vertebrate and geological specimens.
- **Social History** - This collection consists of around 22,000 items and is of significant value as material evidence of the social history of Oldham and its people. The collections relate to the area's industrial history, archaeology, textiles and ephemera representing the everyday life of the Borough.
- **Fine and Decorative Art** - This collection consists of over 450 oil paintings, 500 watercolours and around 1,400 prints. Of particular interest are the Charles Lees collection of oil paintings, watercolours, drawings and engravings and 55 watercolours and drawings from the S. C. Turner Collection. A valuation in 2020 (see paragraph below) identified three paintings in the collection each with a market value in excess of £1.000m. These are works by J. W. Waterhouse, Alfred Munnings and William Orpen. There are also a small number of assorted photographic prints, drawings and mixed media works, sculptures, and decorative arts.

The Gallery Oldham collections were valued by external valuer, James Glennie (Arts & Antiques Appraisals) on a market value basis and assessed at £18.295m in March 2020.

In addition to the above three collections, the Council also has Civic Regalia which is either stored or displayed at the Civic Centre, statues and other heritage assets.

- **Civic Regalia** - The Council's Civic Regalia is reported in the Balance Sheet at the insurance valuation, and at 31 March 2026, the value was £1.521m.
- **Statues/Other** - Council owned statues are held on the Balance Sheet at their nominal value, and at 31 March 2026, the value was £1.325m.

Regularly, the Council's Gallery Team use their expert knowledge and understanding to determine if a change in insurance valuation is needed. This is based on the valuations given to items when agreeing loans to other museums and galleries as required. The 2020 valuation was based on wide research into sale prices at auctions around the world. This valuation was commissioned from Arts & Antiques Appraisals for the Gallery Oldham Collection, and this has been updated accordingly. It is the view of the Council that the most recent valuation is still relevant and there are no events which would materially change the financial statements.

Heritage assets are deemed to have indeterminate lives; hence the Council does not consider it as appropriate to charge depreciation.

The following table summarises balances relating to Heritage Assets and the movements during the year:

	Art Collection £000	Civic Regalia £000	Statues / Other £000	Total Assets £000
Cost or Valuation				
1 April 2024	18,295	1,521	1,325	21,141
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	-	-	-
Additions	-	-	24	24
Impairment to CIES	-	-	(24)	(24)
31 March 2025	18,295	1,521	1,325	21,141
Cost or Valuation				
1 April 2025	18,295	1,521	1,325	21,141
Revaluation Gains/(Losses) Recognised in the Revaluation Reserve	-	-	(67)	(67)
Additions	-	-	67	67
31 March 2026	18,295	1,521	1,325	21,141

20. Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line of the CIES:

	2024/25 £000	2025/26 £000
Rental Income from Investment Properties	(2,572)	(2,645)
Direct Operating Expenses (including repairs and maintenance)	808	838
Net Gain	(1,764)	(1,807)
Fair value movements on investment properties	(863)	(267)
(Profit)/Loss on disposal	(105)	(191)
Total Income and Expenditure on relation to investment properties and changes in their fair value	(2,732)	(2,266)

The movement in the value of investment properties is disclosed below:

	2024/25 £000	2025/26 £000
Balance as at 1 April	19,624	20,487
Additions: Subsequent Expenditure	0	175
Disposals	(14)	(28)
Net (Loss)/Gain from Fair Value Adjustments	877	296
Transfers (to)/from Other Land and Buildings	-	-
Balance at 31 March	20,487	20,929

Fair Value Hierarchy

All the Council's investment properties have been valued as Level 2 on the fair value hierarchy for valuation purposes (see Note 35 Accounting Policy Section 1.23 for an explanation of the fair value levels).

Valuation Techniques Used to Determine Level 2 Fair Values for Investment Properties

The fair value of investment properties has been measured using a market approach, which considers quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's Investment Property Portfolio. 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 as Level 2 on the fair value hierarchy. There has been no change in the valuation techniques used during the year for investment properties.

Highest and Best Use

In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

21. Capital Expenditure and Capital Financing

The total value of capital expenditure incurred during the year is disclosed in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Council, the expenditure results in a decrease in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

	2024/25 £000	2025/26 £000
Opening capital financing requirement	488,980	559,840
Capital Investment		
Property Plant and Equipment	98,702	61,707
Infrastructure Assets	9,192	9,326
Heritage Assets	24	67
Revenue Expenditure Funded from Capital Under Statute	8,986	17,228
Intangible Assets	1,436	394
Investment Assets	-	175
Sources of Finance		
Capital Receipts	(6,667)	(6,994)
Government Grants and Other Contributions	(27,774)	(44,744)
Sums Set aside from Revenue	(13,040)	(15,962)
Closing Capital Financing Requirement	559,840	581,037
Explanation of movements in year		
Decrease in Need to Borrow Supported by Government Financial Assistance	(806)	(805)
(Decrease)/Increase in Need to Borrow Unsupported by Government Financial Assistance	35,115	15,394
Assets Acquired Under Finance Leases	4,165	(367)
IFRS 16 PFI Adjustments	32,385	6,976
Increase/(Decrease) in Capital Financing Requirement	70,859	21,197

22. Financial Instruments

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

Financial Liabilities

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

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

- long-term loans from the Public Works Loan Board and commercial lenders;
- short-term loans from other Local Authorities;
- transferred debt; and
- trade payables for goods and services received.

Financial Assets

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

- Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:
 - cash in hand;
 - bank current and deposit accounts with banks;
 - fixed term deposits with banks and building societies;
 - loans to other Local Authorities;
 - certificates of deposit and covered bonds issued by banks and building societies;
 - treasury bills and gilts issued by the UK Government;
 - loans to strategic partners made for service purposes;
 - lease receivables; and
 - trade receivables for goods and services provided.
- Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) consisting of equity investments in Manchester Airport Group, Community 1st Oldham and Meridian Developments held for service and strategic purposes.
- Fair value through profit and loss (all other financial assets) consists of pooled bond, equity and property funds managed by CCLA.

Financial assets held at amortised cost and some assets held at fair value through other comprehensive income are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council for general debt. Individual significant debtors are examined on a case by case basis.

Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

* The total short-term borrowing includes £2.406m (2024/25: £2.211m) representing accrued interest and principal repayments due within 12 months on long-term borrowing.

** The creditors lines on the Balance Sheet include £46.568mm (2024/25: £39.071m) short-term creditors that do not meet the definition of a financial liability as they relate to non-exchange transactions.

Financial Liabilities	Long Term		Short Term	
	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Loans at Amortised Cost				
Principal sum borrowed	(209,560)	(229,697)	(25,257)	(30,262)
Accrued Interest	-		(2,211)	(2,406)
Effective Interest Rate (EIR) Adjustment	(731)	(575)	-	
Total Borrowing *	(210,291)	(230,272)	(27,468)	(32,668)
Liabilities at Amortised Cost				
Transferred Debt	(22)	(16)	(6)	(6)
Trade Payables included in creditors**	-		(68,807)	(60,463)
Total	(210,313)	(230,288)	(96,280)	(93,137)

The financial assets disclosed in the Balance Sheet are analysed across the following categories

* The debtors lines on the Balance Sheet include £43.649m (2024/25: £42.688m) short-term debtors that do not meet the definition of a financial asset as they relate to non-exchange transactions or payments in advance.

Financial Assets	Long Term		Short Term	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000	£000	£000	£000
At Amortised Cost				
Principal	165	158	-	-
Accrued Interest	-	-	-	-
At Fair Value Through Other Comprehensive Income				
Equity Investments elected FVOCI	54,290	47,880	-	-
At Fair Value Through Profit and Loss				
Fair Value	13,611	13,610	-	-
Total Investments	68,066	61,648	-	-
At Amortised Cost				
Principal	-	-	35,423	35,340
Accrued Interest	-	-	113	97
Total Cash and Cash Equivalents	-	-	35,536	35,437
At Amortised Cost				
Trade Receivables included in debtors*	-	-	24,365	25,317
Loans made for service purposes	35,571	35,831	-	-
Accrued Interest	9,503	8,966	-	-
Total	45,074	44,797	24,365	25,317
Grand Total	113,140	106,445	59,901	60,753

Equity Instruments Elected to Fair Value through Other Comprehensive Income

The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

	Fair Value Level	Valuation technique used to measure Fair Value	Fair Value	
			2024/25 £000	2025/26 £000
Manchester Airport Shares	2	Earnings Based	43,400	37,500
Manchester Airport Car Park (1) Shares	2	Earnings Based	4,400	3,900
Meridian Developments	2	Earnings Based	3,996	3,911
Community 1st Oldham (Chadderton) Ltd	2	Earnings Based	2,494	2,569
Total			54,290	47,880

The Council holds 3.22% shares in Manchester Airport Holdings Ltd, the shareholding is a strategic investment and not held for trading and therefore the Council has opted to designate it as fair value through Other Comprehensive Income. This means that there is no impact on the revenue budget and the decision to designate to fair value through other comprehensive income is irrevocable. Any gains or losses on the valuation of the shareholding will therefore be transferred to a Financial Instruments Revaluation Reserve.

The Council along with the other nine Greater Manchester District Councils holds an equity investment in Manchester Airport Car Park (1) Limited. The Council's total original investment of £5.610m was to assist in funding the capital build of a car park in return for the issue of 3 C Shares in Manchester Airport Car Park (1) Limited. The valuation of the Council's shareholding was undertaken by BDO. The value Fair Value has reduced by £0.500m as can be seen in the above table. As in prior years, the shareholding is classed as a financial instrument and held at fair value on the Council's Balance Sheet. Under IFRS 9 the shareholding (investment) is designated as a strategic investment and not held for trading therefore the Council has opted to designate it as fair value through Other Comprehensive Income. This means that there is no impact on the revenue budget and the Council's decision to designate to fair value through other comprehensive income is irrevocable.

The Council also holds shares in both Meridian Developments and Community 1st Oldham (Chadderton) Limited which have been elected to be accounted as fair value through other comprehensive income. For further information see note 37 Critical Judgements in Applying Accounting Policies.

Financial Instruments Gains and losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities at Amortised Cost £000	Financial Assets					
		Amortised Cost £000	Fair Value through OCI £000	Elected to Fair Value through OCI £000	Fair Value through Profit & Loss £000	2025/26 Total £000	2024/25 Total £000
Interest Expense	27,027	-	-	-	-	27,027	27,027
Capitalised Interest	(13,138)	-	-	-	-	(13,138)	-
Losses on de- recognition	-	-	-	-	-	-	2,245
Losses from changes in fair value	-	-	-	6,484	1	6,485	3,066
Interest Payable and similar charges	13,889	-	-	6,484	1	20,374	31,585
Interest Income	-	(3,153)	-	(3,752)	-	(6,905)	(7,631)
Dividend Income	-	-	-	(452)	(626)	(1,078)	(1,743)
Gains from changes in fair value	-	-	-	(74)	-	(74)	(708)
Interest and investment income	-	(3,153)	-	(4,278)	(626)	(8,057)	(10,082)
Expected Credit Loss Movement	-	3,676	-	-	-	3,676	3,602
Net Impact on (surplus)/deficit on provision of services	13,889	523	-	2,206	(625)	15,993	25,104

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms-length transaction. Where liabilities are held as an asset by another party, such as the Council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price. The fair value of shares in Meridian Developments and Community 1st Oldham (Chadderton) Limited, have been calculated from the company's balance sheet net assets.

Financial instruments classified at amortised cost are carried in the Balance Sheet at their amortised cost. Their fair values disclosed below have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2026, using the following methods and assumptions:

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

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

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

The Council holds a 3.22% share in Manchester Airports Holdings Limited (MAHL) and 10% of the issued C Shares in Manchester Airport Car Park (1) Limited which represents a minority holding and does not confer any voting rights. The shares in both these companies are not traded in an active market; however, the fair value in MAHL shown above is based on a high degree of comparability to listed company data including any movement in share prices. The earnings-based method has been employed which takes as its basis the profitability of the company, assessing its historic earnings and arriving at a view of “maintainable” or “prospective” earnings.

The method involves the application of a price earnings ratio to maintainable or prospective earnings or post tax profits and draws on data from comparable quoted companies. The data is then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights. These unobservable inputs have been developed using the best information about the assumptions that the market participants would use when pricing the asset.

The valuation has been made using the audited accounts of MAHL for the annual periods between 2023/24 and 2024/25 along with an interim 6-month report for the period ending 30 September 2025. These shares are subject to an annual valuation. In 2025/26 this has seen a reduction in value of £6.4m (MAHL £5.9m and MACP £0.5m). The valuation of the shareholdings was undertaken by independent valuers, BDO, on behalf of the Council.

The 10% holding in Manchester Airport Car Park (1) Limited is valued on the updated financial forecast and taking into account the Council valuation of its shareholding in MAHL. The data is

then adjusted by discount factors to allow for the fact that the shares are not publicly traded and that the Council holds a minority interest with no voting rights.

The Council also holds units within the CCLA Property Fund. The fair value has been calculated using quoted share prices.

The valuation treatment used for Meridian Developments and Community 1st Oldham (Chadderton) Limited, is to fair value and the Council has elected to charge the movements on value of the investments through other comprehensive income. In line with IFRS 9 the shareholding investment is designated as a strategic investment and not held for trading, the Council's decision to designate Fair Value through Other Comprehensive Income (FVOCI) is irrevocable.

All other long-term investments are carried at historic cost, as these are the Council's investments in subsidiaries and associates. The total value of the other long-term investments at 31 March 2026 is £0.158m.

	Fair Value Level	31 March 2025		31 March 2026	
		Balance sheet £000	Fair Value £000	Balance sheet £000	Fair Value £000
Financial Liabilities held at amortised cost:					
Long-term loans from PWLB	2	(84,515)	(72,099)	(115,044)	(67,299)
Long-term LOBO loans	2	(87,132)	(95,987)	(76,873)	(89,148)
Other long-term loans	2	(40,404)	(29,342)	(40,405)	(28,658)
TOTAL FINANCIAL LIABILITIES		(212,051)	(197,429)	(232,322)	(185,105)
Recorded on balance sheet as:					
Short-term creditors		(68,807)	(68,807)	(60,463)	(60,463)
Short-term borrowing		(25,707)	(25,864)	(30,620)	(30,620)
TOTAL FINANCIAL LIABILITIES		(306,565)	(292,099)	(323,405)	(276,188)

	Fair Value Level	31 March 2025		31 March 2026	
		Balance sheet £000	Fair Value £000	Balance sheet £000	Fair Value £000
Financial Assets held at Fair Value:					
Property funds	2	13,611	13,403	13,610	13,402
Strategic Partner Loans	2	39,168	50,348	38,631	50,284
TOTAL FINANCIAL Assets		52,779	63,751	52,241	63,686
Recorded on balance sheet as:					
Short-term debtors		28,668	28,668	34,517	34,517
Short-term investments		0	0	0	0
Cash and cash equivalents		35,423	35,423	35,340	35,340
Long-term debtors		5,906	5,906	6,166	6,166
Long-term investments		54,455	54,455	48,038	48,038
TOTAL FINANCIAL Assets		124,452	124,452	124,061	124,061

Financial Instruments - Risks

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year, for the year 2025/26 this was approved at full Council 06 February 2025. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. This Strategy was set using Arlingclose as the Council's Treasury Management advisors.

The Treasury Management Strategy includes an Investment Strategy in compliance with Central Government guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- *Credit Risk*: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- *Liquidity Risk*: The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Overview

The Council is exposed to credit risk on the following categories of financial assets and commitments:

Exposure Category	31 March 2025 £000	31 March 2026 £000
Treasury Investments	48,975	50,340
Treasury Loans	45,074	44,798
Trade Receivables	28,668	34,517
Total Credit Risk Exposure	122,717	129,654

Credit Risk: Treasury Investments and Commitments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities, the UK Government, other Local Authorities and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made unless they meet the minimum requirements of the investment criteria outlined above and detailed below.

Oldham Council used the creditworthiness service provided by Arlingclose for the financial year ending 31 March 2026. This service used a sophisticated modelling approach with credit ratings from all three rating agencies forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

Institutions are split into colour bandings to determine the maximum level and duration of the investment.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating	31 March 2025		31 March 2026	
	Long - term	Short - term	Long - term	Short - term
	£000	£000	£000	£000
AAA	0	30,885	0	35,340
A +	0	3,090	0	0
A -	0	0	0	0
Unrated Local Authorities	0	0	0	0
Total Credit Risk Investments	0	33,975	0	35,340

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies, multiplied by 110% (2025: 52%) to adjust for current and forecast economic conditions. A delay in cashflows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by [three] or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating.

The Council has not incurred any amounts of loss allowances related to treasury investments in the year to 31 March 2026 or the previous financial year.

The table above does not include the Council's CCLA Property Fund investment which is detailed in the Price Risk Section below.

Credit Risk: Trade Receivables

The Council does not generally allow credit for customers. The following analysis summarises the Council's trade and lease receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

Credit Rating	2024/25	2025/26
	Trade Receivables	Trade Receivables
	£000	£000
Neither past due nor impaired	9,245	9,808
Past due < 3 months	1,759	2,584
Past due 3 - 6 months	619	2,605
Past due 6 - 12 months	4,364	3,715
Past due 12 + months	12,681	15,805
Total Receivables	28,668	34,517

As at 31 March 2026, the Council had a balance of short-term debtors of £139.174m. A review of significant balances suggested that an expected credit loss of £70.208m was appropriate and sufficient (£127.260m short term debtors with and expected credit loss of £60.208m as at 31 March 2025). The calculation is based on the life-time expected credit losses for trade receivables, and they have been collectively assessed according to the groupings shown in the Note 23, for the purposes of calculating expected credit losses. Write offs occur only when all possible debt recovery procedures have been unable to secure payment. The Council's Long-Term Debtors have been reviewed and assessed for an Expected Credit Loss. This review has not identified that any impairment is required.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Credit Risk: Service Loans and Loan Commitments

Of the £44.798m Treasury Loans disclosed above, in furtherance of the Council's service objectives, it has lent money to a strategic partner at market rates. The amounts recognised on the balance sheet, and the Council's total exposure to credit risk from these instruments are:

Exposure Type	31 March 2025		31 March 2026	
	Balance Sheet	Risk Exposure	Balance Sheet	Risk Exposure
	£000	£000	£000	£000
Loans at market rates	29,665	29,665	29,665	29,665
	29,665	29,665	29,665	29,665

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other Local Authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing

at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans.

The Council holds £35.340m (2024/25: £33.975m) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

The maturity analysis of financial liabilities is as follows.

31/03/2026	< 1 yr	1 - 2 yrs	2 - 5 yrs	5- 10 yrs	10 20 yrs	20 - 30 yrs	30 - 40 yrs	> 40 yrs	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	(84,126)	(27,364)	(41,091)	(27,377)	(5,000)	(10,000)	(5,000)	(41,225)	(241,183)
Trade Payables	(60,463)	-	-	-	-	-	-	-	(60,463)
Financial Liabilities	(144,588)	(27,364)	(41,091)	(27,377)	(5,000)	(10,000)	(5,000)	(41,225)	(301,646)
Liquid financial assets	35,340								35,340
Net Liquidity Risk	(109,248)	(27,364)	(41,091)	(27,377)	(5,000)	(10,000)	(5,000)	(41,225)	(266,305)

31/03/2024	< 1 yr	1 - 2 yrs	2 - 5 yrs	5- 10 yrs	10 20 yrs	20 - 30 yrs	30 - 40 yrs	> 40 yrs	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	(69,121)	(19,864)	(53,591)	(31,559)	(5,682)	(5,000)	(5,000)	(45,001)	(234,817)
Trade Payables	(68,807)	-	-	-	-	-	-	-	(68,807)
Financial Liabilities	(137,927)	(19,864)	(53,591)	(31,559)	(5,682)	(5,000)	(5,000)	(45,001)	(303,624)
Liquid financial assets	33,975								33,975
Net Liquidity Risk	(103,953)	(19,864)	(53,591)	(31,559)	(682)	(5,000)	(5,000)	(45,001)	(269,649)

The Council has £75.500m (2024/25: £85.500m) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option on set dates to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. The lender therefore has the effective right to demand repayment and these loans are therefore shown in the tables above as maturing on the next option date.

Market Risk – Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise;
- borrowings at fixed rates – the fair value of the liabilities will fall;

- investments at variable rates – the interest income will rise; and
- investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	31 March 2025 £'000	31 March 2026 £'000
Increase in interest payable on variable rate borrowings	327	311
Increase in interest receivable on variable rate investments	(267)	(307)
Impact on Surplus or Deficit on the Provision of Services	60	4
Decrease in fair value of loans and investments at amortised cost	(4,143)	(4,083)
Decrease in fair value of fixed rate borrowing	(22,530)	(21,203)

The Council's variable rate borrowings for the calculation are any LOBO investments with a call-date due and any loan principal that is due to become repayable in the 2026/27 financial year. The approximate impact of a 1% fall in interest rates would be a reduction in interest payable of £51k rather than £307k as it is assumed that any LOBO's would remain at their existing rates following the call date.

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed for variable rate investments.

The Council has £75.500m (2024/25: £85.500m) of "Lender's option, borrower's option" (LOBO) loans with maturity dates between 2053 and 2078 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty.

Market Risks: Price Risk

The market prices of the Council's units in pooled bond funds are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk as described above.

The Council does not generally invest in equity shares or marketable bonds but does have shareholdings to the value of £61.490m in a number of joint ventures and in local companies. Whilst these holdings are generally illiquid, the Council is consequently exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for 'open book' arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

Of the shares mentioned above £47.880m have been elected as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) may occur, which would have resulted in a £2.394m gain or loss being recognised in the Financial Instrument Revaluation Reserve for 2025/26.

The Council holds investment units within the CCLA Property Fund that have been classified as Fair Value through Profit and Loss, however the Council has chosen to use the override as allowed by DLUHC that provides a statutory override which allows the Fair Value movements during the year (any gain or loss in price) to be taken to the Financial Instrument Revaluation Reserve. A loss of £1.080m was recognised in 2025/26 in relation to the Council's holding in the CCLA Property Fund valued at £13.610m as at 31 March 2026.

In 2025/26 the Council's holding in Manchester Airport, was re-valued resulting in a loss of £5.900m, which was recognised in the Financial Instruments Revaluation Reserve. The shareholding in Manchester Airport Car Park (1) Limited was re-valued resulting in a loss of £0.500m, which was recognised in the Financial Instruments Revaluation Reserve

The Council also holds shares in both, Meridian Developments, and Community 1st Oldham (Chadderton) limited which have been elected to be accounted as fair value through other comprehensive income. Meridian Developments experience a loss of £0.084m and Community First Oldham (Chadderton) increased in value by £0.075m.

Market Risks: Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movement in exchange rates.

23. Debtors

The Council's short-term debtors (net of the expected credit loss) are as follows:

	31 March 2025 £000	31 March 2026 £000
Central Government Bodies	14,298	11,890
Other Local Authorities	1,759	1,911
NHS Bodies	4,837	6,306
Capital Debtors	3,623	5,341
Other entities and individuals	95,280	105,687
Payments in Advance	7,463	8,039
Impairment Allowance for doubtful debts	(60,208)	(70,208)
Total	67,052	68,966

The Council's long-term debtors (net of the expected credit loss) are as follows:

	31 March 2025 £000	31 March 2026 £000
Mortgages	6	6
Loans to Trusts, Community Interest Groups & Third Sector Organisations	301	301
Manchester Airport Debt	39,168	38,631
Other Capital Loans & Advances	5,599	5,859
Total	45,074	44,798

The Council's past due but not impaired amount for local taxation (Council Tax and Non-Domestic Rates) can be analysed by age as follows:

	31 March 2025 £000	31 March 2026 £000
Less than three months	1,279	1,574
Three to six months	1,918	2,362
Six months to one year	4,476	5,510
More than one year	14,469	15,631
Total	22,141	25,078

24. Cash and Cash Equivalents

	31 March 2025 £000	31 March 2026 £000
Cash held by the Authority	97	88
Bank Current Accounts	39,643	42,749
Bank Overdraft	(4,202)	-
Total	35,538	42,837

25. Creditors

The Council's creditors are as follows:

	31 March 2025 £000	31 March 2026 £000
Central Government Bodies	(8,699)	(13,341)
Other Local Authorities	(2,515)	(2,330)
NHS Bodies	(465)	(304)
Capital Creditors	(8,238)	(7,479)
Other entities and individuals	(69,813)	(65,541)
Accumulated Absences	(5,966)	(4,700)
Receipts in Advance	(12,184)	(13,336)
Total	(107,880)	(107,031)

26. Provisions

The Council's provisions are as follows:

	Short Term		
	Insurance Provision £000	Other Provisions £000	Total £000
Balance at 1 April 2025	(250)	(6,807)	(7,057)
Provisions released in 2025/26	-	1,682	1,682
Increase in Provision 2025/26	(211)	(3,573)	(3,784)
Balance at 31 March 2026	(461)	(8,698)	(9,159)

	Long Term		
	Insurance Provision £000	Other Provisions £000	Total £000
Balance at 1 April 2025	(5,142)	(2,500)	(7,642)
Provisions released in 2025/26	493	-	493
Increase in Provision 2025/26	-	-	-
Balance at 31 March 2026	(4,649)	(2,500)	(7,149)

The Insurance Provision covers all historic legal liability claims including risks to employees whilst carrying out their duties, risks to the public and all other liability claims.

The Other Provisions represent amounts set aside to meet potential future liabilities; this includes a provision for Business Rates Appeals and changes in legislation.

27. Contingent Assets

A contingent asset is an asset that may be received but only if a future event occurs that is not under the control of the Council. The Council has identified the following contingent assets at 31 March 2026.

Housing Stock Transfer

The Housing Stock Transfer has resulted in two remaining contingent assets to the Council.

a) Right to Buy Sharing Agreement

As with other agreed housing stock transfers, the Council entered into an agreement with First Choice Homes Oldham (FCHO) and the Council's Housing PFI partners relating to the future sales under the Prescribed Right to Buy (PRTB) regulations. This relates to any future sales of the transferred stock to existing tenants.

The Council will receive capital receipts at the end of each financial year for any properties sold within the year. The value of the receipt is calculated using a formula that takes the net income forgone by FCHO/Housing PFI from the total proceeds from the sale of dwellings for that year. The amount anticipated to be received in 2025/26 was £3.587m with £1.951m received in 2024/25 and £0.210 in 2023/24.

Special Educational Needs and Disabilities (SEND): Dedicated Schools Grant (DSG) Deficits

In February 2026, the Government committed to supporting local authorities with their DSG deficits as they transition to a reformed SEND system. It introduces support for local authorities in phases. The first phase will address historic deficits accrued up to the end of 2025/26. All local authorities with a SEND deficit will be eligible in 2026/27 to receive a High Needs Stability Grant covering 90% of their High Needs-related DSG deficit accrued up to the end of 2025/26.

The estimated total DSG deficit at the end of 2025/26 is £6,949,400. On the basis of current information, applying the 90% funding factor to this figure results in an estimated additional funding allocation of up to £6,254,460.

The Government will confirm the detail on further support for deficits arising in 2026/27 and 2027/28 before the accounting override set out in Regulation 30L of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 ("the Statutory Override") ends from 1 April 2028. From 2028/29, SEND spending will be covered by the overall Government DEL budget, meaning local authorities are not expected to fund future SEND costs from general funds, once the Statutory Override ends at the end of 2027/28.

28. Contingent Liabilities

A contingent liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events, as a result the Council cannot reliably estimate the total financial impact of the Contingent Liabilities. The Council has identified the following contingent liabilities at 31 March 2026.

1) Stock Transfer Warranties

The Council agreed to a number of warranties under the stock transfer agreements with First Choice Homes Oldham (FCHO) and other housing providers. Such arrangements give rise to a possible obligation of the Council, which will be confirmed upon the occurrence or non-occurrence of the invocation of the warranties.

2) Historical Disputes

There are potential liabilities arising from an education setting where a former employee has been convicted of criminal offences. As some of the former pupils who secured convictions have yet to pursue claims for compensation, there is uncertainty about the potential implications or the amounts being claimed.

DRAFT

29. PFI and Similar Contracts

Overview of PFI and Similar Contract

Scheme	Library and Lifelong Learning Centre	Sheltered Housing	Gateways to Oldham Housing	Chadderton Wellbeing Centre	Street Lighting	Schools	Building Schools for the Future
Type of Contract	PFI	PFI	PFI	Local Improvement Finance Trust Lease Plus Agreement	PFI	PFI	PFI
Year of Operation of Contract	21st	20th	15th	17th	15th	19th	14th
Contract Length (Years)	25	30	25	30	25	25	25
Description of Arrangement	Construction, Maintenance and operation of Information Technology and Facilities Management Services at Oldham Library and Lifelong Learning Centre	Demolition, build and refurbishment and provision of management and maintenance services to sheltered and warden supported HRA Properties	Demolition, build or refurbishment and the provision of management and maintenance services to 620 HRA Properties	Build contract and the provision of Facility Management services to the centre, which incorporates a library, sports centre, café and community rooms	Joint Arrangement with Rochdale for the replacement of circa 23,000 streetlights and ongoing management and maintenance of streetlights	Construction and maintenance of Radclyffe and Failsworth Secondary schools including the provision of Facilities Management and Information Technology services	Construction and maintenance of the Saint John Henry Newman RC Secondary School, along with provision of Facilities Management services.
Council Rights under the contract	Right to specify the opening times of the Centre	Right to specify arrangements around the demolition, build and refurbishment of dwellings and tenancy management services	Right to specify arrangements around the demolition, build and refurbishment of dwellings and tenancy management services	Right to specify the opening times of the Centre	Rights to detail the specification of the streetlights	Right to specify the opening times of the schools	Right to specify the opening times of the school
Minimum standards specified by the contract with deductions from the fee payable if facilities are unavailable or performance is below minimum standards	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Assets to transfer to the Council at the end of the contract for nil consideration (Governing Body for schools)	Yes	Yes	Yes	The Council has the option to purchase at the end of the contract. Purchase costs have been incorporated into the expected lease payments	Yes	Yes	Yes
The Council only has rights to terminate contract if it compensates the contractor in full for costs incurred, including the repayment of any of the contractors' outstanding debt attributable to the contract	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Changes to the contract during the financial year	None	None	None	None	None	None	None

Analysis of Payments due to be made under PFI and similar Contracts

The following table shows payments due to be made under PFI and similar Contracts in future financial years from 2026/27 onwards. All the payments under PFI and similar Contracts are linked in full or in part to Retail Price Index inflation and can be reduced if the contractor fails to meet availability and performance standards in any given financial year but are otherwise fixed. Lifecycle replacement costs have been included in the Service Charges element detailed in the table below:

		Library and Lifelong Learning Centre £000	Sheltered Housing £000	Gateways to Oldham Housing £000	Chadderton Wellbeing Centre £000	Street Lighting £000	Schools £000	Building Schools for the Future £000	Total £000
2026/27	Repayment of Liability	1,016	4,226	1,931	85	270	3,071	1,909	12,507
	Interest	609	5,689	3,325	1,107	1,386	1,783	2,050	15,949
	Service Charges	1,662	8,627	4,898	614	3,651	5,098	2,085	26,634
	Total	3,287	18,541	10,154	1,806	5,307	9,952	6,044	55,090
2027/28 to 2030/31	Repayment of Liability	5,562	18,549	12,645	1,417	1,874	12,640	7,386	60,072
	Interest	1,339	19,688	11,693	4,276	5,279	5,027	6,551	53,854
	Service Charges	6,647	39,826	18,440	2,302	15,187	24,296	11,395	118,094
	Total	13,548	78,064	42,778	7,995	22,340	41,964	25,332	232,020
2031/32 to 2035/36	Repayment of Liability	0	45,534	28,941	5,213	12,374	6,537	10,295	108,894
	Interest	0	13,465	8,131	4,462	3,988	703	4,563	35,312
	Service Charges	0	47,979	21,956	2,307	14,238	13,197	19,778	119,455
	Total	0	106,978	59,028	11,981	30,600	20,437	34,636	263,661
2036/37 to 2040/41	Repayment of Liability	0	6,567	5,350	10,343	811	0	4,104	27,176
	Interest	0	499	364	2,123	73	0	469	3,528
	Service Charges	0	4,302	2,719	2,604	785	0	8,446	18,856
	Total	0	11,368	8,432	15,071	1,670	0	13,019	49,560
	Repayment of Liability- Total	6,578	74,876	48,866	17,058	15,329	22,248	23,694	208,649
	Interest- Total	1,948	39,341	23,513	11,967	10,727	7,514	13,633	108,644
	Service Charges- Total	8,309	100,734	48,012	7,827	33,862	42,591	41,704	283,039
	Grand total	16,834	214,951	120,391	36,853	59,918	72,353	79,031	600,332

Analysis of Liabilities as a result of PFI and Similar Contracts

The payments to the contractor are described as Unitary Charges. They have been calculated to compensate the contractor for the fair value of the services the contractor provides, the capital expenditure incurred and the interest payable whilst the capital expenditure remains to be reimbursed. The liability to pay the contractors for capital expenditure incurred is as follows:

The Council has adopted the IFRS 16 accounting standard since the 2024/25 financial year. This requires the nominal lease within the PFI contracts to be re-calculated to reflect appropriate changes in the index-linked inflation within the contract. The Lease component of each PFI contract is linked to inflation. The lease liability was re-measured based on the relevant Retail Prices Index rates, noting that there was no change to past or future projected Unitary Charges. The increase in the overall liability has been offset by an equal increase in the value of the PFI assets.

Scheme	Liability 31 March 2024 £000	IFRS 16 Opening Liability Adjustment £000	Repayments £000	Liability 31 March 2025 £000	IFRS 16 Opening Liability Adjustment £000	Repayments £000	Liability 31 March 2026 £000
Library and Lifelong Learning Centre	7,793	352	(816)	7,329	38	(789)	6,578
Sheltered Housing	62,355	18,851	(4,623)	76,582	2,954	(4,660)	74,876
Gateways to Oldham	45,764	5,485	(1,839)	49,410	1,319	(1,862)	48,866
Chadderton Wellbeing Centre	7,695	7,391	(46)	15,039	2,055	(36)	17,058
Street Lighting	15,329	(310)	(110)	14,909	632	(212)	15,329
Schools	28,013	52	(2,894)	25,171	30	(2,953)	22,248
Building Schools for the Future	26,161	564	(1,317)	25,408	(52)	(1,662)	23,694
Total	193,108	32,384	(11,644)	213,848	6,976	(12,175)	208,649

Assets as result of PFI and Similar Contracts

	Library and Lifelong Learning Centre	Sheltered Housing	Gateways to Oldham Housing	Chadderton Wellbeing Centre	Street Lighting	Schools	Building Schools for the Future	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
As at 1 April 2025	19,441	65,128	34,260	21,209	24,147	106,019	51,973	322,177
IFRS 16 Adjustment	38	2,954	1,319	2,075	632	30	(52)	6,996
Additions		25	454			41	200	720
Revaluations recognised in Revaluation Reserve	562	1,066	4,309	(9,201)	-	(565)	450	(3,380)
Derecognition-disposals			(660)					(660)
As at 31 March 2026	20,041	69,172	39,682	14,082	24,779	105,525	52,571	325,853
Accumulated Depreciation & Impairment								
As at 1 April 2025	352	22,846	7,557	7,391	6,020	52	564	44,782
Depreciation Charge	1,171	4,088	2,421	756	504	10,416	3,195	22,550
Depreciation Written out to Revaluation Reserve	(1,171)	(3,994)	(2,073)	(756)	-	(10,416)	(3,195)	(21,604)
Impairment Losses/(reversals) recognised in the Revaluation Reserve	(391)	-	-	(9,445)	-		-	(9,836)
Impairment Losses/(reversals) recognised in the (Surplus)/Deficit on the Provision of Services	38	2,954	1,319	2,055	632	(52)	(564)	6,382
Derecognition -disposals			(49)					(49)
As at 31 March 2026	0	25,894	9,176	0	7,155	-	0	42,226
Net Book Value at 31 March 2025	19,089	42,282	26,703	13,818	18,127	105,967	51,409	277,395
Net Book Value at 31 March 2026	20,041	43,278	30,506	14,082	17,623	105,525	52,571	283,627

	Library and Lifelong Learning Centre	Sheltered Housing	Gateways to Oldham Housing	Chadderton Wellbeing Centre	Street Lighting	Schools	Building Schools for the Future	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
As at 1 April 2024	19,878	45,296	24,860	14,022	24,457	103,661	49,320	281,494
IFRS 16 Adjustment	352	18,851	5,485	7,391	(310)	52	564	32,385
Additions				11				11
Revaluations recognised in Revaluation Reserve	(789)	981	3,915	(215)	-	2,306	2,089	8,287
As at 31 March 2025	19,441	65,128	34,260	21,209	24,147	106,019	51,973	322,177
Accumulated Depreciation & Impairment								
As at 1 April 2024	-	3,910	1,789	-	5,826	-	-	11,525
Depreciation Charge	1,255	3,994	2,073	831	504	8,410	3,494	20,561
Depreciation Written out to Revaluation Reserve	(1,255)	(3,909)	(1,790)	(831)	-	(8,410)	(3,494)	(19,689)
Impairment Losses/(reversals) recognised in the (Surplus)/Deficit on the Provision of Services	352	18,851	5,485	7,391	(310)	52	564	32,385
As at 31 March 2025	352	22,846	7,557	7,391	6,020	52	564	44,782
Net Book Value at 31 March 2024	19,878	41,386	23,071	14,022	18,631	103,661	49,320	269,969
Net Book Value at 31 March 2025	19,089	42,282	26,703	13,818	18,127	105,967	51,409	277,395

30. Pension Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members' pensionable salaries.

The Scheme is a defined benefit scheme; however, the scheme is unfunded. The Department for Education uses a notional fund as the basis for calculating the employer's contribution rate paid by Local Authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2025/26, the Council paid £8.253m (£12.525m in 2024/25) to the Teachers Pensions Scheme in respect of teachers' retirement benefits, representing 27.09% (27.00% in 2024/25) of pensionable pay. The expected payments in 2026/27 are circa £8m - £9m.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the Teachers' Scheme. These costs are accounted for on a defined benefits basis and are detailed in Note 31.

31. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of the employment of its Officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employees retire, the Council has a commitment to make the payments that need to be disclosed at the time the employees earn their future entitlement. The Council participates in the Local Government Pension Scheme (LGPS) which is administered locally by Tameside Metropolitan Borough Council. This is a funded defined benefit final salary pension scheme, meaning that the Council and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by the employees rather than when they are eventually paid as pensions. However, the charge made against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund through the MiRS. The following transactions have been made in the CIES and the General Fund Balance through the MiRS during the year:

	2024/25 £000	2025/26 £000
Service Cost		
Current service cost	(18,673)	(12,851)
Past service cost (including curtailments)	(3,464)	(2,531)
Effect of Settlements	(409)	(6,004)
Total service cost	(22,546)	(21,386)
Financing and Investment Income and Expenditure		
Interest income on scheme assets	67,774	81,930
Interest cost on defined benefit obligation	(55,774)	(57,089)
Interest on the effect of the asset ceiling	(13,821)	(26,820)
Total net interest	(1,821)	(1,979)
Total Post Employment Benefits Charged to the Deficit on the Provision of Services	(24,367)	(23,365)
Remeasurements of the Net Defined Liability Comprising:		
Return on plan assets excluding amounts included in net interest	(13,217)	59,941
Changed in demographic assumptions	2,029	(1,404)
Actuarial Gains/(losses) arising from changes in financial assumptions	167,703	17,839
Other experience and actuarial adjustments	13,286	(147,268)
Changes in the effect of the asset ceiling	(163,942)	80,049
Total Remeasurements Recognised in Other Comprehensive Income	5,859	9,157
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	(18,508)	(14,208)
Movement in Reserves Statement		
Reversal of net charges made to the deficit on the provision of services	24,367	23,365
Employers' Contributions Payable to the Scheme	(24,588)	(22,985)

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2024/25 £000	2025/26 £000
Fair value of plan assets	1,442,500	1,446,899
Present value of funded liabilities	(987,815)	(1,037,387)
Present value of unfunded liabilities	(24,244)	(23,523)
Effect of the Asset Ceiling	(462,741)	(409,512)
Net Liability Arising From Defined Benefit Obligation	(32,300)	(23,523)

Asset Ceiling

Following the pensions valuation by the Council's actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan

obligations at 31 March 2026 resulting in a pension plan asset for the first time. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The Council has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling, which was nil in 2025/26 (nil in 2024/25). The remaining represents the unfunded liabilities (comprising £12.645m LGPS and £10.878m Teachers unfunded, £13.165m LGPS and £11.079m in 2024/25) which are not included in the asset ceiling adjustment and any liabilities as a result of past contributions. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

	2024/25 £000	2025/26 £000
Asset Ceiling Balance at 1 April	(284,978)	(462,741)
Interest on the Effect of Asset Ceiling	(13,821)	(26,820)
Changes on the Effect of Asset Ceiling	(163,942)	80,049
Asset Ceiling Balance 31 March	(462,741)	(409,512)

Reconciliation of the Movements in Fair Value of Scheme Assets

	2024/25 £000	2025/26 £000
Opening fair value of scheme assets	1,409,171	1,442,500
Effect of Settlements	(4,737)	(19,699)
Interest income	67,774	81,930
Remeasurement loss		
Return on plan assets excluding amounts included in net interest	(13,217)	59,941
Other experience and actuarial adjustments	-	(96,468)
Contributions from employer into the scheme	21,854	20,311
Contributions from employees into the scheme	6,971	6,712
Benefits paid	(45,316)	(48,328)
Closing Fair Value of Scheme Assets	1,442,500	1,446,899

The Council's share of pension fund assets is rolled forward, by the actuary, from the latest formal valuation date. The roll forward amount is then adjusted for investment returns, the effective contributions paid into, and estimated benefits paid from the fund by the Council and its employees. As such this estimate may differ from the actual assets held by the Pension Fund on 31 March 2026.

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

	2024/25 £000	2025/26 £000
Opening fair value of scheme liabilities	1,162,573	1,012,059
Current service cost	18,673	12,851
Effect of Settlements	(4,328)	(13,695)
Interest cost	55,774	57,089
Contributions from scheme participants	6,971	6,712
Remeasurement gain		
Actuarial (gains)/losses arising from changes in financial assumptions	(167,703)	(17,839)
Changes in demographic assumptions	(2,029)	1,404
Other experience and actuarial adjustments	(13,286)	50,800
Past service cost	3,464	2,531
Benefits paid	(48,050)	(51,002)
Closing Fair Value of Scheme Liabilities	1,012,059	1,060,910

The Court of Appeal issued its judgement in the Virgin Media case (Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors) which could affect any scheme which was contracted out of the State Second Pension on a final salary basis in the period between 6 April 1997 and 5 April 2016. The case centred on a change to benefits made in 1999 to the way in which deferred members' pensions were revalued in relation to inflation. The Government confirmed on 5 June 2025 that it will bring forward legislation to deal with issues arising from the Virgin Media v NTL Pension Trustees judgment, which was included in the Government's Pension Scheme Bill (Amendments) tabled on 1 September 2025. The Government will introduce legislation to allow pension schemes to obtain actuarial certification retrospectively. The impact of the ruling on LGPS liabilities is not known and no adjustments to reflect the impact of the ruling have been made to the financial statements for the year. Management will continue to monitor the developments and consider the impact on the LGPS liabilities.

Pension Scheme Assets

	Period Ended 31 March 2025				Period Ended 31 March 2026			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage Total of Asset	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Percentage Total of Asset
Equity Securities								
Consumer	92,469		92,469	6%	97,052		97,052	7%
Manufacturing	69,672		69,672	5%	76,850		76,850	5%
Energy and Utilities	76,820		76,820	5%	73,004		73,004	5%
Financial Institutions	117,281		117,281	8%	125,628		125,628	9%
Health and Care	65,573		65,573	5%	70,245		70,245	5%
Information Technology	77,918		77,918	5%	88,976		88,976	6%
Other	19,665		19,665	1%	19,516		19,516	1%
Debt Securities								
Corporate Bonds (investment grade)	47,192		47,192	3%	43,107		43,107	3%
UK Government	61,564		61,564	4%	64,944		64,944	4%
Other	55,252		55,252	4%	46,788		46,788	3%
Private Equity								
All		92,057	92,057	6%		81,216	81,216	6%
Real Estate								
UK Property		74,360	74,360	5%		83,301	83,301	6%
Investment Funds and Unit Trusts								
Equities	62,521		62,521	4%	74,188		74,188	5%
Bonds	145,122		145,122	10%	143,343		143,343	10%
Infrastructure		120,838	120,838	8%		118,050	118,050	8%
Other	35,542	187,575	223,117	15%	32,166	170,051	202,217	14%
Derivatives								
Other	(2,247)		(2,247)	0%	(7,326)		(7,326)	-1%
Cash and Cash Equivalents								
All	43,326		43,326	3%	45,802		45,802	3%
Totals	967,671	474,830	1,442,500	100%	994,282	452,617	1,446,899	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. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates being based on the latest valuation of the scheme as of 31 March 2026.

The significant assumptions used by the actuary have been:

	2024/25	2025/26
Mortality assumptions:		
Longevity at 65 for current pensioners:		
men	19.6	20.3
women	22.9	23.5
Longevity at 65 for future pensioners:		
men	20.8	21.5
women	24.6	25.0
Rate of increase in salaries	3.55%	4.50%
Rate of increase in pensions	2.75%	3.00%
Rate for discounting scheme liabilities	5.80%	6.20%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period. For each assumption change all other assumptions remain constant.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2024/25.

Change in Assumptions at 31 March 2026	Approximate % Increase to Employee Liability	Approximate Monetary Amount £000
0.1% decrease in real discount rate	1%	15,269
1 year increase in member life expectancy	4%	42,436
0.1% increase in the salary increase rate	0%	533
0.1% increase in the pension increase rate	1%	14,721

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis. The contribution rate set by the current triennial valuation took effect from the financial year starting 1 April 2023. The expected employer pension contributions for 2026/27 are £18m.

The scheme has taken 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, to establish new career average revalued earnings schemes to pay pensions and other benefits.

32. Cash Flows from Operating Activities

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:	2024/25 £000	2025/26 £000
Depreciation	54,065	58,729
Impairment and downward valuations	49,126	122,235
Amortisation	2,574	1,904
Increase/(decrease) in creditors	23,293	947
(Increase)/decrease in debtors	(6,442)	(896)
(Increase)/decrease in inventories	(66)	9
Movement in pension liability	(221)	380
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	14,139	54,086
Other non-cash items charged to the net surplus or deficit on the provision of services	1,137	1,196
	137,605	238,590

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:	2024/25 £000	2025/26 £000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	2,245	-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(6,913)	(6,993)
Any other items for which the cash effects are investing or financing cash flows	(45,120)	(53,659)
	(49,788)	(60,652)
The cash flows for operating activities include the following items:		
Interest received	6,931	6,032
Interest paid	(25,628)	(13,837)
Dividends received	1,742	1,077
	(16,955)	(6,728)

33. Cash Flows from Investing Activities

	2024/25 £000	2025/26 £000
Purchase of property, plant and equipment, investment property and intangible assets	(71,064)	(64,133)
Purchase of short-term and long-term investments	-	-
Other payments for investing activities	(1,680)	(11)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,913	6,993
Proceeds from short-term and long-term investments	10,000	-
Other receipts from investing activities	45,782	52,911
Net cash flows from investing activities	(10,049)	(4,240)

34. Cash Flows from Financing Activities

	2024/25 £000	2025/26 £000
Cash receipts of short and long-term borrowing	85,000	65,000
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance Sheet PFI contracts	(12,628)	(14,751)
Repayments of short and long-term borrowing	(31,190)	(39,869)
Other payments for financing activities	(23)	(1,010)
Net cash flows from financing activities	41,159	9,370

34a. Reconciliation of Liabilities Arising from Financing Activities

	1 April 2025 £000	Financing cash flows £000	Acquisition £000	Other non-cash changes £000	31 March 2026 £000
Long-term borrowings	210,291	20,136	-	(156)	230,271
Short-term borrowings	27,468	5,001	-	199	32,668
Lease Liabilities	3,929	(2,575)	1,318	-	2,672
Transferred Debt	28	(6)	-	-	22
On balance sheet PFI Liabilities	213,850	(12,176)	6,976	-	208,650
Amounts included as part of (debtor)/creditor balances:					
Amounts owed to/from Collection Fund preceptors	781	(1,010)	-	-	(229)
Total Liabilities from financing activities	456,347	9,370	8,294	43	474,055

	1 April 2024 £000	Financing cash flows £000	Acquisition £000	Other non-cash changes £000	31 March 2025 £000
Long-term borrowings	161,484	48,818	-	(11)	210,291
Short-term borrowings	21,820	4,997	-	651	27,468
Lease Liabilities	747	(984)	4,166	-	3,929
Transferred Debt	33	(5)	-	-	28
On balance sheet PFI Liabilities	193,110	(11,644)	32,384	-	213,850
Amounts included as part of (debtor)/creditor balances:					
Amounts owed to/from Collection Fund preceptors	804	(23)	-	-	781
Total Liabilities from financing activities	377,998	41,159	36,550	640	456,347

35. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which 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 2025/26 (the Code) supported by International Financial Reporting Standards (IFRS).

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.

The accounts have been prepared on a going concern basis, under the assumption that the functions of the Council will continue in operational existence for the foreseeable future.

Unless otherwise stated, the convention used in this document is to round to amounts the nearest thousand pounds. All totals are the rounded totals of unrounded figures and, therefore, may not be the strict sums of the figures presented in the text or tables. Throughout the Statements all credit balances are shown with parentheses e.g. (£1,234).

1.2 Property, Plant and Equipment

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.

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 Council and the cost of the item can be measured reliably. 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. The Council has a £10,000 de minimis limit for the recognition of Capital Expenditure.

Capitalisation of Borrowing Costs

The Council capitalises borrowing costs incurred whilst qualifying assets are under construction. An asset is classified as a qualifying asset if there is a substantial period of time from the initial capital expenditure financed from prudential borrowing and the asset being brought into use. A substantial period of time is considered to mean in excess of a year.

Measurement

Assets are initially measured at cost, comprising:

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

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 Council). 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 Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- community assets, infrastructure assets and assets under construction – depreciated historical cost.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- surplus assets – fair value, determined by the measurement of the highest and best use value of the asset.
- all other operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Intangible assets are held at Historic Cost

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

Assets included on the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. In addition, assets are indexed in the intervening years using relevant indices supplied by a qualified valuer. Where relevant indices are unavailable desktop valuations are undertaken in year 3, with an explanation of why no indices are appropriate. 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 Directorate 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.

Impairment

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 Directorate line(s) in the Comprehensive Income and Expenditure Statement.

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

Depreciation

Depreciation is provided for 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 certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer;
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset as estimated by a suitably qualified officer; and
- infrastructure – See section below.

Revaluation gains are 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.

Component Accounting

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item and/or whose life is significantly different to the life of the host (main) asset, the components are depreciated separately.

Components are recognised in the financial year where:

- there has been a revaluation of assets;
- there has been an acquisition of assets within the financial year; and
- enhancement expenditure has been incurred within the financial year.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet 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 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.

The written-off asset value of disposals is not a charge against the General Fund, 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 General Fund Balance in the Movement in Reserves Statement.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. If the disposal relates to housing assets a proportion of the capital receipt is payable to the Government (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances). For 2025/26 the Council can benefit from the flexibilities in the amendment on Right to Buy (RTB) receipts. For 2025/26 the Council can retain 100% RTB receipts to finance capital expenditure on housing projects. The balance of receipts is required to be credited to the Usable Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are transferred to the Usable Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures, street lighting, street furniture, traffic management systems and land which together form a single integrated system.

- **Recognition**

Expenditure on the acquisition or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that the future economic benefit associated with the item will flow to the Council and the cost of the item can be measured reliably.

- **Measurement**

Highways infrastructure assets are measured at depreciated historical cost. This is, however, a modified form of historical cost. Opening balances for highways infrastructure assets were originally recorded in the balance sheet at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at the time to be historical cost.

- **Impairment**

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

- **Depreciation**

Depreciation is provided for on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives.

Annual depreciation is the depreciation amount allocated each year.

The useful lives of the various parts of the highways network are detailed below:

Elements of the Highway Network	Useful Life
Carriageways	27
Footways and Cycle Tracks	45
Structures	107
Street Lighting	40
Street Furniture	40
Traffic Management Systems	15

Disposal and Derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off the 'Other Operating Expenditure' line in the Comprehensive Income & Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income & 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). The written off amounts of disposal are not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.3 Heritage Assets

The Council's Heritage Assets are held by the Council principally for their contribution to knowledge and/or culture. They are recognised and measured, including treatment of revaluation gains and losses, in accordance with the Council's Accounting Policies on Property Plant and Equipment. However, some of the measurement rules are relaxed allowing the Council's Heritage Assets to be included on the Balance Sheet at their insured value where available. Where insurance valuations are not available and the Council has no records of the original cost of the asset, then there is a narrative disclosure of the asset.

Heritage assets are deemed to have an indefinite life, therefore are not depreciated as the charge made would be minimal and immaterial. Nevertheless, where there is evidence of physical deterioration to a Heritage Asset, or doubts arise to its authenticity, the value of the asset has to be reviewed.

1.4 Investment Property

Investment properties are those assets that are used solely to earn rental income and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset. Investment properties are not depreciated, and an annual valuation programme ensures that they are held at highest and best use value at the Balance Sheet date. Gains and losses on revaluation are charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal

gains and losses are not permitted by statutory arrangements 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 charged to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Useable Capital Receipts Reserve.

1.5 Private Finance Initiative (PFI) and Similar Contracts

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 Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the Property, Plant and Equipment assets will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its 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) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Following the introduction of IFRS 16, the liability is measured as the Net Present Value of future Lease payments with the original lease interest rate applied. The liability is subsequently adjusted for interest due and payments made. The liability is remeasured where there is a change in the future payments arising from a change in index or rate. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

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

- The value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge is raised on the outstanding Balance Sheet liability and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The interest rate is calculated for each scheme so that the Balance Sheet liability is zero at the end of each contract.
- Payment towards liability – applied to write down the Balance Sheet liability.
- Lifecycle replacement costs – are split between revenue and capital costs. Revenue lifecycle costs are debited to the relevant service in the Comprehensive Income and Expenditure Statement. Capital lifecycle costs are debited to Property, Plant and Equipment to reflect the enhancement of the PFI Asset.

1.6 Accounting for Schools

In line with accounting standards and the Code on group accounts and consolidation, all maintained schools are considered to be entities controlled by the Council. Rather than produce group accounts the income, expenditure, assets, liabilities, reserves and cash flows of each school are recognised in the Council's single entity accounts. The Council has the following types of maintained schools under its control:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation Trust
- Foundation

Schools' non-current assets (school buildings and playing fields) are recognised on the Balance Sheet where the Council directly owns the assets, where the Council holds the balance of control

of the assets or where the school or the school governing body own the assets or have had rights to use the assets transferred to them through a licence arrangement.

When a maintained school converts to an Academy, the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off asset value is not a charge against the General Fund, as the cost of non-current asset disposals resulting from schools transferring to an Academy status is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.7 Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

1.8 Capital Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are 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 Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in the approved Minimum Revenue Provision policy. Depreciation, revaluation and impairment losses, and amortisation are replaced by Minimum Revenue Provision (MRP). This adjusting transaction is included in the Movement in Reserves Statement with the Capital Adjustment Account charged with the difference between the two amounts.

1.9 Financial Instruments

Financial Liabilities

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

future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. When a premium or discount has been incurred and paid in full by a grant from an external body it is accounted for in full in the year that the grant is received. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

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

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

The Council's business model is to hold investments to collect contractual cash flows i.e. payments of interest and principal. Most of the Council's financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price; and
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the accounting policy set out in section 1.23 Fair Value Measurement.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

IFRS 9 Financial Instruments sets out that investments in equity should be classified as fair value through profit and loss unless there is an irrevocable election to recognise changes in fair value through other comprehensive income. The Council will assess each investment on an individual basis and assign an IFRS 9 category. The assessment will be based on the underlying purpose for holding the financial instrument.

Any changes in the fair value of instruments held at fair value through profit or loss will be recognised in the net cost of service in the CIES and will have a General Fund impact.

Financial Assets measured at Fair Value through other Comprehensive Income (FVOCI)

The Council has equity instruments designated at fair value through other Comprehensive Income (FVOCI).

The Council has made an irrevocable election to designate three of its equity instruments as FVOCI on the basis that it is held for non-contractual benefits, it is not held for trading but for strategic purposes. The assets are initially measured and carried at fair value. The value is based on the principal that the equity shares have no quoted market prices and is based on an independent appraisal of the company valuation.

Dividend income is credited to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Changes in fair value are posted to Other Comprehensive Income and Expenditure and are balanced by an entry in the Financial Instruments Revaluation Reserve.

When the asset is de-recognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Instruments Entered into Before 1 April 2006

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required, or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

1.10 Employee Benefits

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, paid sick leave, flexi and time off in lieu (TOIL) as well as bonuses and non-monetary benefits (e.g. mobile phones) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

Employee Accumulated Absence Accrual

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 current accounting year. 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 benefits are charged to revenue in the financial year in which the holiday entitlement occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant services lines in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

- The Greater Manchester Local Government Pension Scheme - administered by Tameside Metropolitan Borough Council.

- The Teachers' Pension Scheme - administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pension Scheme - administered by EA Finance NHS Pensions.

These schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

However, the arrangements for the teachers' and NHS schemes mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they are a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pension Scheme in the year. The Community Health & Adult Social Care Directorate line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the NHS Pension Scheme in the year.

The Greater Manchester Local Government Pension Scheme

The Greater Manchester Local Government Pension Scheme is accounted for as a defined benefits scheme.

The liabilities of the Greater Manchester Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method; 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 future earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate (based on the indicative rate of return on a basket of high-quality corporate bonds, Government gilts and other factors).

The assets of the Greater Manchester Pension Fund attributable to the Council 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 pension liability is analysed into following components:

- current service cost – the increase in liabilities as a result of years of service earned in the current 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 will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Capital, Treasury and Technical Accounting;
- net interest on the net defined benefit liability - the change during the period in the net defined benefit liability that arises from the passage of time is 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.

Remeasurement comprising:

- the 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 contributions to the pension scheme in settlement of liabilities; not accounted for as an expense.
- Effect of Asset Ceiling – where the defined benefit liability is negative (i.e. an asset), a limit is applied to the amount that may be recognised as an asset on the balance sheet, this limit is termed the asset ceiling. If an adjustment is required to reduce the total asset to the amount of the asset ceiling, this adjustment is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve, to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund, and pensioners, and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the 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.

1.11 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.

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

1.12 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. 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 insignificant risk of a 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 Council's cash management.

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council 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 Council 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 Council 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) it is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council 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 Council. 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.

Contingent Assets

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

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

1.14 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payment; and;
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. 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.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Where revenue grants are credited to the Comprehensive Income and Expenditure Statement but have yet to be used to fund revenue expenditure, it is posted to the Revenue Grant Reserve. When eligible expenditure is incurred in future years the grant is transferred back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

1.15 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring 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 or 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 against Council Tax for the expenditure.

Certain reserves are held to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council. These reserves are further explained in the relevant policies.

1.16 Revenue Recognition

Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.

Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue.

1.17 Tax Income

Council Tax, Retained Business Rates and Business Rates Top-up Grant income included in the Comprehensive Income and Expenditure Statement for the year will be treated as accrued income.

Business Rates, Business Rates Top-up Grant and Council Tax income will be recognised in the Comprehensive Income and Expenditure Statement within the Taxation and Non-Specific Grant Income line. As a billing Authority, the difference between the Business Rates and Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by

regulation credited to the General Fund is taken to the Collection Fund Adjustment Account and reported in the Movement in Reserves Statement. Each major preceptor's share of the accrued Business Rates and Council Tax income is available from the information that is required to be produced in order to prepare the Collection Fund Statement.

Business Rates and Council Tax income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council, and the amount of revenue can be measured reliably.

Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

1.18 Overheads and Support Services

The costs of overheads and support services are charged to the relevant services in accordance with the Authority's arrangements for accountability and financial performance, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation;
- Non Distributed Costs – changes in past service costs and impairment losses chargeable on Assets Held for Sale.

Corporate and Democratic Core is identified as a separate heading in the Comprehensive Income and Expenditure Statement. Non Distributed Costs form part of the Capital, Treasury and Technical Accounting Directorate line with the Council's local reporting format.

1.19 Value Added Tax (VAT)

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

1.20 Interests in Companies and Other Entities

The Council has material interests in external entities that are classified as subsidiaries and therefore group accounts have been prepared. In the Council's single-entity accounts the Council's interest in companies and other entities are recorded as financial assets at cost less any impairment. Any gains or losses are recognised in the Comprehensive Income and Expenditure Statement.

1.21 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, i.e. 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 Council'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.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.22 Events after the Balance Sheet Date

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

- Adjusting Events - Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Non-Adjusting Events - Those events 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 either their estimated financial effect or a statement that such an estimate cannot be made reliably.

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

1.23 Fair Value Measurement

The Council measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the amount that would be received from the sale of an asset or paid over to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council uses external valuers to provide a valuation of its non-financial assets and liabilities, for recognition or disclosure as appropriate, in line with the highest and best use definition within IFRS 13 Fair Value Measurement. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant. Inputs to the valuation techniques in respect of the Council'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 Council 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.

1.24 Leases

The Council as lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset for a period of more than one year, through rights both to obtain substantially all the economic benefits or service potential from that

asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). On transition to IFRS16, an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, the entity is permitted to only apply IFRS 16 to contracts that were previously identified as leases under IAS 17 and IFRIC 4.

The leases are typically for fixed periods in excess of one year but may have extension options. The Council initially recognises lease liabilities measured at the present value of lease payments, discounting at the rate implicit in the lease wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- Amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

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

Subsequent Measurement

The right-of-use asset is subsequently measured at current value in accordance with the CIPFA Code. The Council considers the current value model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount as determined by professionally qualified valuers in line with the Council's valuation policy. .

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at Net Present Value of the remaining lease payments.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate

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

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

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months, for the 2025/26 accounts any lease that expires on or before 31st March 2026 will be deemed to be a short-term lease.

Lease expenditure

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

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

The Council as lessor

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

Finance leases

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

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and

- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to [the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against Council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Operating leases

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

36. Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (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 2025/26 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified.

Accounting changes that are introduced by the 2026/27 Code are:

1. Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage Assets) issued in March 2024.
2. Amendments to the classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.
3. Annual improvements to IFRS accounting standards - Volume 11 issued in July 2024.
4. Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

Work on the implementation of the Code changes is still ongoing and the full impact on the Council's single entity and group accounts has not been fully assessed yet, however it is likely

that the items will have no significant impact on the amounts to be reported in the Council's financial statements.

37. Critical Judgements in Applying Accounting Policies

The following disclosure sets out critical judgements applied to the Accounting Policies of the Council that have a significant impact on the presentation of the financial statements. Critical estimation uncertainties are described in the note.

Accounting for Schools – Balance Sheet Recognition of Schools

The Council recognises the land and buildings used by schools in line with the provisions of the Code of Practice. It states that property used by Local Authority maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. The Council recognises school land and buildings on its Balance Sheet where it directly owns the assets or where the school or school Governing Body own the assets or where rights to use the assets have been transferred from another entity.

Where the land and building assets used by the school are owned by an entity other than the Council, school or school Governing Body then it is not included on the Council's Balance Sheet. The exception is where the entity has transferred the rights of use of the asset to the Council, school or school Governing Body.

The Council has completed a school-by-school assessment across the different types of schools it controls within the Borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets. The types of schools that have been assessed are shown below:

Type of School	No. of Primary Schools	No. of Secondary Schools	No. of Special Schools	Total
Community	21	-	1	22
Voluntary Controlled (VC)	2	-	-	2
Voluntary Aided (VA)	15	-	-	15
Foundation/Foundation Trust	4	-	-	4
Maintained Schools	42	-	1	43
Academies	44	14	6	64
Total	86	14	7	107

All Community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet.

The Council has entered into Private Finance Initiative (PFI) agreements to build and operate three schools in the Borough. One is a Foundation Trust school and the remaining two schools are Academies. Whilst the land which the buildings are sited on has been transferred to the respective Trust and Academy, the ownership of the buildings is determined by who holds the balance of control in line with accounting standards. The Council considers the buildings associated with these schools should be included on its Balance Sheet because:

- The reversion clause within the PFI agreement results in the Council 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 Council through the PFI agreement
- The PFI agreement is between the PFI contractor and the Council

Legal ownership of VC school land and buildings usually rests with a charity, normally a religious body. The VC schools land and buildings are owned by the Council and included on the Balance Sheet.

Legal ownership of the VA school land and buildings rests with the relevant Diocese. The Diocese has granted a licence to the school to use the land and buildings. Under this licence arrangement, the rights of use of the land and buildings have not transferred to the school and thus are not included on the Council's Balance Sheet.

Foundation and Foundation Trust schools were created to give greater freedom to the Governing Body responsible for school staff appointments and who also set the admission criteria. There is one Foundation school in the Borough. For one school, the Governing Body has legal ownership of the land and buildings and thus these are included on the Council's Balance Sheet. For the remaining Foundation Trust schools, a separate Trust owns the land and buildings so these assets are not included on the Council's Balance Sheet.

Academies are not considered to be maintained schools in the Council's control. The land and building assets are not owned by the Council and are therefore not included on the Council's Balance Sheet.

Group Boundaries

The Council carries out a complex range of activities, often in conjunction with external organisations. Where those organisations are in partnership with or under the ultimate control of the Council a judgement is made by management as to whether they are within the Council's group boundary. This judgement is made in line with the provisions set out in the Code and relevant accounting standards.

Those entities which fall within the boundary and are considered to be material are included in the Council's group accounts. Profit and loss, net worth, and the value of assets and liabilities are considered individually for each organisation against a materiality limit set by the Council. An entity could be material but still not consolidated if all of its business is with the Council and eliminated on consolidation – i.e., the consolidation would mean that the group accounts are not materially different to the single entity accounts. The assessment of materiality also considers qualitative factors such as whether the Council depends significantly on these entities for the continued provision of its statutory services or where there is concern about the level to which the Council is exposed to commercial risk.

The Council has assessed its group boundary for 2025/26. The Council has identified one subsidiary who are considered to be material and will be consolidated into its group accounts. The subsidiary included is MioCare Group Community Interest Company (CIC). Further details can be found in the group accounts in Section 5 of the Council's accounts.

Investment Properties

Investment properties have been assessed using the identifiable criteria under the International Accounting Standards and are being held for rental income or for capital appreciation. Properties have been assessed using these criteria, which is subject to interpretation, to determine if there is an operational reason for holding the property, such as regeneration.

Equity Investments

The Council has equity investments in Manchester Airport Group, Meridian Developments and Community 1st Oldham (Chadderton) Ltd. Following a review of the Council's equity investments under the accounting standard IFRS 9 Financial Instruments, the default valuation method of the Council's equity holdings would be Fair Value through Profit and Loss. However, these equity investments are strategic investments and not held for trading, therefore the Council has designated the investment as fair value through Other Comprehensive Income. The decision to designate to fair value through Other Comprehensive Income is irrevocable and it is the Council view that this is a reasonable and reliable accounting policy for these investments.

Lender Option Borrower Option (LOBO) Loans

The Council has £75.5m of outstanding LOBO loans in its debt portfolio which have long overall loan lengths (c 50 years). The Loans have option date frequencies of between 5 years and 6 months. At each option date the lender can choose to vary the interest rate payable on the loans and the Council can choose to repay the loan in full or accept the new interest rate. In the financial instruments note the Council has assumed that none of the options will be called and the Council repay the debt and included the total LOBO balances in Long Term Borrowing.

38. Assumptions Made About the Future and Other Sources of Estimation Uncertainty

Pension Liability

The estimation of the net liability to pay pensions depends on several complex judgements relating to the discounts used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

During 2025/26 the Council's actuaries advised that the net pension liability had reduced by £20.929m to a surplus position of £409.512m. In line with the Code of Practice where there is a surplus position, the Council requested an Asset Ceiling calculation from the actuary, this resulted in a movement totalling £409.512m and a final pension liability of £23.523m recognised on the balance sheet.

The effect of changes in the individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate assumption would result in an increase in the pension liability of £15.269m. A 0.1% increase in the assumed salary increase rate would result in a £0.533m increase in the pension liability and an increase of 0.1% in the assumed pension increase rate would increase the pension liability by £14.721m.

Property Valuations

The valuation of the Council's Property, Plant and Equipment (PPE) is a significant area of estimation uncertainty. This includes Council Dwellings, Other Land and Buildings and Surplus Assets. The Council's valuer uses a combination of methodologies to value these operational assets, including Depreciated Replacement Cost (DRC), Existing Use Value (EUV and Social Housing EUV) and market/comparable methods.

Additionally, from 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Property, Plant, and Equipment assets must now be revalued every five years with annual indexation applied to assets during the four intervening years. Where appropriate indices

cannot be obtained without undue cost or effort, authorities can revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

The revaluation programme was carried out throughout the year, and the effective date of each revaluation is the date that the valuation was carried out. Assets that were not valued in year were subject to indexation at 31 March 2026.

In the instances where our professional valuers have been unable to provide an appropriate basis of indexation reasons for this have been provided and the values involved are not material.

These methods can cause estimation uncertainty due to the indices and inputs that must be used to applying valuations. If the actual values differ from the assumptions used to value PPE, there is a risk of material adjustment to the carrying value of PPE within the next financial year. A reduction in estimated valuation would result in a reduction to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. An increase in estimation valuation would result in an increase in the Revaluation Reserve and/or gain recorded in the Comprehensive Income and Expenditure Statement. As an example, the impact of a 1% change in the valuation of the Council's property would be £7.271m. Note 17, Property, Plant and Equipment, to the accounts sets out the Council's approach to valuation of its PPE.

39. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Director of Finance on 29 May 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4.1 Housing Revenue Account (HRA)

Housing Revenue Account Income and Expenditure Statement

HRA Income and Expenditure Statement	2024/25 £000	2025/26 £000
Expenditure		
Repairs and Maintenance	4,862	5,121
Supervision and Management	6,190	6,518
Rent, rates, taxes and other charges	3,363	8,371
Depreciation, impairment and revaluation losses of non-current assets	30,658	11,048
Transfer to Earmarked Reserve	0	(4,726)
Total Expenditure	45,073	26,332
Income		
Dwellings rents	(11,281)	(10,623)
Non-dwelling rents	(29)	(36)
Charges for services and facilities	(1,273)	(1,510)
Contributions towards expenditure	(59)	(74)
PFI Credits receivable	(18,799)	(18,799)
Total Income	(31,441)	(31,042)
Net Surplus relating to HRA Services as included in the Comprehensive Income and Expenditure Statement	13,632	(4,710)
HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
Gain on sale of HRA non-current assets	(25)	(798)
Adjustment to the loss allowance	132	79
Interest payable and similar charges	9,657	9,495
HRA Interest and investment income	(375)	(350)
Deficit/(Surplus) for the year on HRA Services	23,021	3,716

Statement of Movement in the Housing Revenue Account

Movement on the HRA Statement	Prior Year £000	Current Year £000
Opening Balance	(21,105)	(24,447)
Deficit for the year on the HRA Income and Expenditure Statement	23,021	3,716
Adjustments between accounting basis and funding basis under statute	(26,363)	(5,777)
(Increase)/Decrease in the HRA Balance	(3,342)	(2,061)
Closing Balance	(24,447)	(26,508)

Note to Movement on the HRA Statement	Prior Year £000	Current Year £000
Analysis of adjustments between accounting basis and funding basis under statute		
Difference ~ any other in accordance with SORP	(30,658)	(11,699)
Minimum Revenue Provision	4,148	4,338
Gain or loss on sale of HRA fixed assets	25	1,450
Capital Expenditure funded by the HRA	1	0
Transfer to Major Repairs Reserve	121	134
Net Adjustment	(26,363)	(5,777)

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and Government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

Note on the Preparation of the Housing Revenue Account

The Council has followed the guidance in the CIPFA Code of Practice on Local Authority Accounting 2025/26 for the production of its 2025/26 Statement of Accounts. However, there is one area where, in order to achieve a true and fair view, the Council has departed from the guidance which is explained below.

From 2017/18 the transitional arrangements which allowed for the reversal of the depreciation charge from the Housing Revenue Account (HRA) came to an end. The new Item 8 Determination issued by the Ministry of Housing, Communities and Local Government (MHCLG, formerly the Department for Communities and Local Government) on 24 January 2017 confirmed that depreciation should be charged to the HRA in accordance with proper accounting practices. Therefore from 2017/18 a charge equal to depreciation should have been made to the HRA and passed to the Major Repairs Reserve (MRR) for the purpose of future repairs and maintenance.

However, as the majority of the Council HRA dwellings are covered by Private Finance Initiative (PFI) contracts (until 2036), any future repairs and maintenance costs are already included within the unitary charge the Council pays on PFI schemes. The Council will therefore have no need to build up the MRR and the HRA would, in effect, be charged twice for repairs and maintenance of dwellings. If the Council began to charge the HRA with depreciation (without reversal) the HRA would quickly fall into deficit and build up a significant MRR that would not be required.

Previously, the MHCLG has confirmed that depreciation need not be charged to the HRA in respect of Oldham's PFI housing stock. Therefore, the Council will continue with the accounting treatment previously permitted under the transitional arrangements and has reversed the depreciation charge from the HRA to the Capital Adjustment Account.

The financial impact of the accounting treatment prescribed by CIPFA is shown in the table below.

	Current 2025/26 Balance £000	Adjustment for the Item 8 Determination £000	Adjusted 2025/26 Balance £000
Housing Revenue Account	(21,782)	6,639	(15,143)
HRA PFI MRP Reserve	(4,726)	0	(4,726)
Major Repairs Reserve	(1,478)	(6,639)	(8,117)

The HRA financial statements present a true and fair view of the Council's HRA financial position, financial performance and cash flows, the Council has complied with the CIPFA Code of Practice in all areas except that which is described above.

4.1.1 Explanatory Notes to the Housing Revenue Account

H1. Housing Stock – Numbers

As of 31 March 2026, the Council had a total housing stock of 2,076 dwellings. This was comprised of 1,212 Houses and Bungalows, and 864 Flats and Maisonettes.

The balance sheet value of HRA assets was as follows:

	31-Mar-25 £000	31-Mar-26 £000
Dwellings	85,591	90,216
Other Operational Property	1,835	1,977
Plant and Machinery	770	681
Total	88,196	92,874

The Vacant Possession Dwellings valuation is £237.052m as of 31 March 2026. The difference between the vacant possession value and the Balance Sheet value of dwellings within the HRA shows the cost of providing Council housing at less than open market rents.

H2. Depreciation and Impairment of Assets

Depreciation and impairment of Property, Plant and Equipment is shown below.

Depreciation	Operational Assets £000
Balance at 1 April 2025	6,744
Depreciation written off during the year	(6,155)
Depreciation during the year – Dwellings	6,639
Depreciation during the year - Other land and Buildings/Plant & Machinery	88
Balance at 31 March 2026	7,317

Impairment and Revaluation Loss	Operational Assets £000
Balance at 1 April 2025	29,057
Impairment written off during the year	4,272
Previous year impairment reversed	0
Revaluation loss during the year	(714)
Revaluation gain to reverse previous year loss	0
Balance at 31 March 2026	32,615

The HRA assets are subject to an annual revaluation programme, as a result any impairments or revaluation losses are written off against the revised revaluation and reflected in the gross value.

4.2 Collection Fund

Collection Fund Statement

2024/25 Total £000		2025/26 Council Tax £000	2025/26 Business Rates £000	2025/26 Total £000	Note
	Income				
(141,505)	Council Tax Payers	(150,205)		(150,205)	C2
(55,484)	Income from Business Ratepayers		(59,946)	(59,946)	C3
(196,989)		(150,205)	(59,946)	(210,151)	
	Expenditure				
	Precepts:				
116,510	- Oldham Council	122,581	-	122,581	
15,219	- Greater Manchester Mayoral Police and Crime Commissioner Precept	16,083	-	16,083	
6,707	- Greater Manchester Mayoral General Precept (including Fire Services)	7,673	-	7,673	
	Allocation of previous year's Estimated Collection Fund Surplus				
-	- Oldham Council	-	-	-	
-	- Greater Manchester Mayoral Police and Crime Commissioner Precept	-	-	-	
-	- Greater Manchester Mayoral General Precept (including Fire Services)	-	-	-	
	Contribution Towards Previous Year's Estimated Collection Fund Deficit				
(279)	- Oldham Council	(1,000)	-	(1,000)	
(36)	- Greater Manchester Mayoral Police and Crime Commissioner Precept	(131)	-	(131)	
(16)	- Greater Manchester Mayoral General Precept (including Fire Services)	(58)	-	(58)	
-	Business Rates:				
56,282	- Payments to Oldham Council	-	58,579	58,579	
569	- Greater Manchester Mayoral General Precept (including Fire Services)	-	592	592	
	Allocation of previous year's Estimated Collection Fund Surplus				
1,029	- Payments from Oldham Council	-	-	-	
10	- Greater Manchester Mayoral General Precept (including Fire Services)	-	-	-	
293	Cost of Collection	-	295	295	
(985)	Transitional Protection Payments Due for the Year	-	(162)	(162)	
4,900	Change in Allowance for Non Collection	4,634	1,597	6,231	
-	Write-offs charged to Collection Fund	-	-	-	
(618)	Change in provision for alteration of lists and appeals	-	1,910	1,910	
199,585		149,782	62,811	212,592	
2,596	Deficit/(Surplus) for the year	(423)	2,864	2,441	
	Collection Fund Balance				
(950)	Balance brought forward at 1 April	874	773	1,645	
2,595	Deficit/(Surplus) for the year	(423)	2,864	2,441	
1,645	Balance carried forward at 31 March	451	3,637	4,088	
	Allocated to:				
1,500	- Oldham Council	377	3,601	3,978	
96	- Greater Manchester Police and Crime Commissioner	50	-	50	
49	- Greater Manchester Mayoral General Precept (including Fire Services)	24	36	61	
1,645		451	3,637	4,088	

C1. General

The Council is required to maintain a separate agency Collection Fund account. The Collection Fund account includes all transactions relating to collection of Business Rates and Council Tax income from taxpayers and their distribution to Local Government bodies. The Collection Fund is accounted for separately from the General Fund.

Any Collection Fund surpluses or deficits declared by Oldham Council (the Billing Authority) in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For Oldham, the Council Tax precepting body is the Greater Manchester Combined Authority (GMCA) for both the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire and Rescue Services).

Business Rates surpluses or deficits are distributed in accordance with the relevant proportions set out in the localised Business Rate regulations. The Council continues to be part of the Greater Manchester 100% Business Rates Retention scheme which has been extended for a ten-year period from 1 April 2024, therefore for 2025/26 the Oldham Council share is 99% with the remainder paid to the GMCA for the Mayoral General Precept (including Fire Service).

C2. Council Tax

Council Tax derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands (A to H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The Council Tax base for 2025/26 was 59,501 (59,380 in 2024/25) and was approved at the Cabinet meeting on 16 December 2024, the Tax Base was calculated as follows:

Band	Chargeable Dwellings	Proportion of Band D Tax	Equivalent Band D Dwellings
A Reduced	197	5/9	103.6
A	49,487	6/9	29,616.0
B	17,375	7/9	12,408.5
C	16,287	8/9	13,493.8
D	7,129	9/9	6,736.8
E	3,450	11/9	4,024.5
F	1,600	13/9	2,215.8
G	917	15/9	1,458.8
H	63	18/9	123.0
Net effect of premiums and discounts			(8,681)
Tax Base before adjustment for collection rate			61,499.5
Estimated collection rate			96.75%
Tax Base for the Calculation of Council Tax			59,501

Dwellings for residents entitled to 'disabled relief reduction' are reduced to the next lowest band for the calculation of Council Tax. As band 'A' is the lowest band, 'A reduced' has been introduced to give effect to this reduction for those who reside in Band A properties. Income received from Council Tax taxpayers in 2025/26 was £150.205m (£141.505m 2024/25).

C3. Business Rates

The Council collects Business Rates for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government.

For 2025/26, the total non-domestic rateable value at the end of the financial year is £165.747m (£166.657m in 2024/25).

The introduction of the Non-Domestic Rating Act 2023 gave central government the power to set the small and standard business rating multipliers separately from one another. Until 2023/24 these two multipliers had to be increased by the same percentage.

As was the case for 2024/25, in 2025/26 the Government decided to maintain the freeze on the business rate multiplier for qualifying small businesses at 49.9p, and apply an increase to the standard multiplier, which has been uplifted to 55.5p (54.6p in 2024/25) for all other businesses.

DRAFT

5.0 Group Accounts

Introduction

The Council is a complex organisation and undertakes a broad range of activities, often in conjunction with external organisations. In some cases the Council has an interest in these organisations demonstrated through ownership or control/significant influence.

The CIPFA 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 Council's financial activities and the resources employed in carrying out those activities.

As a subsidiary entity, MioCare Group CIC (MioCare), has been consolidated on a line by line basis with all intra-group transactions and balances removed.

DRAFT

5.1 Group Comprehensive Income and Expenditure Statement

2024/25				2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
157,832	(61,180)	96,652	Adult Social Care	159,048	(62,069)	96,978
360,117	(247,590)	112,527	Children's Services	345,518	(215,552)	129,966
37,624	(3,254)	34,370	Public Health	38,190	(3,791)	34,400
127,697	(45,200)	82,497	Place	234,643	(48,341)	186,302
70,964	(58,868)	12,096	Resources	62,194	(49,453)	12,740
22,818	(3,333)	19,485	Capital, Treasury and Technical Accounting	12,037	(4,358)	7,681
45,034	(31,441)	13,593	Housing Revenue Account	26,297	(31,042)	(4,746)
822,086	(450,865)	371,221	Cost of Services	877,927	(414,606)	463,321
			Other Operating Expenditure			
		354	Parish Council precepts			380
		246	Payments to Housing capital receipts to government pool			-
		35,069	Levies			36,108
		9,577	(Gains)/losses on the disposal of non-current assets			47,284
		45,245	Total Other Operating Expenditure			83,772
		18,867	Financing and Investment Income and Expenditure			10,011
	(344,787)		Taxation and Non-Specific Grant Income			(381,453)
	90,547		(Surplus) or Deficit on Provision of Services			175,651
	-		Tax expense of Subsidiaries			-
	90,547		Group (Surplus)/Deficit			175,651
			Other Comprehensive Income and Expenditure			
	(52,913)		Revaluation (gains)/losses non-current assets			(70,068)
	13		Impairment losses on non-current assets			(78)
			(Surplus) or deficit on revaluation of available for sale financial assets			6,410
		2,615				
		4,100	Remeasurement of net defined benefit liability			(10,961)
	(46,185)		Total Other Comprehensive Income and Expenditure			(74,697)
	44,362		Total Comprehensive Income and Expenditure			100,954

5.2 Group Movement in Reserves Statement

This statement shows the movement in the year of the different reserves held by the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and other resources. The 'Surplus or Deficit on the Provision of Services' line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund and Housing Revenue Account for Council Tax setting and dwelling rent setting purposes.

Movement in reserves during 2025/26	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	HRA	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Councils Share of Group reserves*	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2025	(18,865)	(44,930)	(63,795)	(24,447)	-	(1,343)	(45,652)	(135,237)	(521,495)	(656,732)	(717)	(657,450)
Total Comprehensive Income and Expenditure	152,311	-	152,311	3,715	-	-	-	156,026	(72,894)	83,131	17,823	100,954
Adjustments Between Accounting Basis and Funding Basis under regulations	(176,797)	-	(176,797)	(5,777)	-	(134)	(8,914)	(191,623)	191,623	-	-	-
Adjustments Between Group Accounts and Authority Accounts	19,744	-	19,744	-	-	-	-	19,744	-	19,744	(19,744)	-
Net (Increase)/Decrease before transfers to Earmarked Reserves	(4,743)	-	(4,743)	(2,061)	-	(134)	(8,914)	(15,854)	118,729	102,875	(1,921)	100,954
Transfers To/(From) Earmarked Reserves	4,743	(9,470)	(4,727)	4,726	-	-	-	-	-	-	-	-
(Increase)/Decrease in year	0	(9,470)	(9,469)	2,665	-	(134)	(8,914)	(15,854)	118,729	102,875	(1,921)	100,954
Balance at 31 March 2026	(18,865)	(54,399)	(73,264)	(21,782)	-	(1,477)	(54,567)	(151,091)	(402,766)	(553,857)	(2,638)	(556,494)

Movement in reserves during 2024/25	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	HRA	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Councils Share of Group reserves*	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	(18,865)	(72,540)	(91,405)	(21,106)	-	(1,222)	(28,306)	(142,039)	(549,590)	(691,629)	(10,181)	(701,811)
Total Comprehensive Income and Expenditure	47,697	-	47,697	23,022	-	-	-	70,719	(56,144)	14,574	29,787	44,361
Adjustments Between Accounting Basis and Funding Basis under regulations	(40,409)	-	(40,409)	(26,363)	-	(121)	(17,346)	(84,239)	84,239	-	-	-
Adjustments Between Group Accounts and Authority Accounts	20,323	-	20,323	-	-	-	-	20,323	-	20,323	(20,323)	-
Net (Increase)/Decrease before transfers to Earmarked Reserves	27,610	-	27,610	(3,341)	-	(121)	(17,346)	6,802	28,095	34,897	9,464	44,361
Transfers To/(From) Earmarked Reserves	(27,610)	27,610	-	-	-	-	-	-	-	-	-	-
(Increase)/Decrease in year	-	27,610	27,610	(3,341)	-	(121)	(17,346)	6,802	28,095	34,897	9,464	44,361
Balance at 31 March 2025	(18,865)	(44,930)	(63,795)	(24,447)	-	(1,343)	(45,652)	(135,237)	(521,495)	(656,732)	(717)	(657,449)

5.3 Group Balance Sheet

31 March 2025 £000		31 March 2026 £000
832,993	Property Plant and Equipment	727,124
170,874	Infrastructure Assets	171,319
21,141	Heritage Assets	21,141
20,487	Investment Property	20,929
4,894	Intangible Assets	2,712
68,066	Long Term Investments	61,648
45,074	Long Term Debtors	44,798
-	Pension Asset	1,563
1,163,529	Long Term Assets	1,051,234
-	Short Term Investments	-
708	Inventories	699
67,459	Short Term Debtors	69,116
37,910	Cash and Cash Equivalents	44,844
782	Assets Held For Sale (Less than one year)	13,074
3	Deferred Tax	(482)
106,862	Current Assets	127,251
(27,468)	Short Term Borrowing	(32,668)
(109,558)	Short Term Creditors	(107,632)
(7,057)	Short Term Provisions	(9,159)
	Short Term Liabilities	
(12,557)	- Private Finance Initiatives	(12,507)
(765)	- Finance Leases	(613)
(6)	- Transferred Debt	(6)
(157,411)	Current Liabilities	(162,585)
(7,642)	Long Term Provisions	(7,149)
(210,291)	Long Term Borrowing	(230,272)
	Other Long Term Liabilities	
(32,685)	- Pension Liabilities	(23,523)
(201,293)	- Private Finance Initiatives	(196,143)
(3,164)	- Finance Leases	(2,059)
(22)	- Transferred Debt	(16)
(16)	- Deferred Credits	(16)
(418)	Capital Grants Receipts In Advance	(228)
(455,531)	Long Term Liabilities	(459,406)
657,449	Net Assets	556,494
(135,954)	Usable Reserves	(153,728)
(521,495)	Unusable Reserves	(402,766)
(657,449)	Total Reserves	(556,494)

5.4 Group Cash Flow Statement

	Notes	2024/25 £000	2025/26 £000
Net deficit on the provision of services		(90,547)	(175,652)
Adjustment to surplus or deficit on the provision of services for non-cash movements		138,369	238,108
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	32	(49,788)	(60,652)
Net cash flows from operating activities		(1,966)	1,804
Net Cash flows from Investing Activities	33	(10,049)	(4,240)
Net Cash flows from Financing Activities	34	41,159	9,370
Net increase or (decrease) in cash and cash equivalents		29,144	6,934
Cash and cash equivalents at the beginning of the reporting period		8,766	37,910
Cash and cash equivalents at the end of the reporting period		37,910	44,844

5.5 Explanatory Notes to the Group Accounts

Where figures in the group accounts differ materially from the Council's single entity accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the Council's accounts.

G1. Group Accounting Policies

The Accounting Policies of the Council's subsidiary companies have been aligned with the Council's Accounting Policies contained in Note 35. Any statutory adjustments between accounting basis and funding basis do not apply to the subsidiary companies.

Inclusion within the Group Accounts

The Council has business relationships with a number of entities over which it has varying degrees of control or influence. These are classified into the categories of subsidiaries, associates and joint ventures. The meaning of these terms are outlined below:

Subsidiary - "A subsidiary is an entity including an unincorporated entity such as a partnership that is controlled by another entity (the Council), known as the parent." MioCare Group CIC is classified as a subsidiary of Oldham Council and has therefore been consolidated. More detail regarding this organisation can be found in note G3.

Associate - "An associate is an entity over which an investor (the Council) has significant influence."

Joint Venture - "A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement"

The Council does not currently have any material associate or joint venture arrangements with any other entities.

A number of entities have not been included in the group accounts on the grounds of materiality, details of the Council's relationship with each of them can be found in note G2.

Consolidation of Subsidiaries

As a subsidiary entity, MioCare Group CIC (MioCare) has been consolidated on a line by line basis with all intra-group transactions and balances removed.

G2. Bodies Not Consolidated

The following have not been consolidated into Group Accounts.

Entity	Reason
Oldham Economic Development Association Limited	Subsidiary although not material.
Southlink Developments Limited	Subsidiary although not material.
Meridian Group	Subsidiary although not material.
Northern Roots (Oldham Ltd.)	Subsidiary although not material.
Oldham Total Care Ltd.	Subsidiary although not material.
Foxdenton LLP	Joint venture although not material.
Community 1st Oldham (Chadderton) Ltd.	Joint venture although not material.

Further details can be found in Note 12 Related Parties.

G3. Bodies Consolidated

The Council has consolidated one Subsidiary in the 2025/26 Group Accounts, MioCare Group Community Interest Company (MioCare).

MioCare is a care and support provider and is fully owned by Oldham Council. It delivers services through two subsidiaries: Oldham Care and Support Ltd (OCS) and MioCare Services Ltd.

The draft accounts for the year to 31 March 2026 for MioCare have been summarised below, with comparator figures for the previous reporting period.

MioCare Group CIC	31 March 2025 £000	31 March 2026 £000
Net Assets	716	3,023
Surplus/(Deficit) - before tax	495	502
Surplus/(Deficit) - after tax	495	502

G4. Group Defined Benefit Pension Schemes

Transactions Relating to Post-employment Benefits

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and the General Fund Balance through the Group Movement in Reserves Statement during the year: Further details relating to the Council's pension schemes can be found in Note 30 and Note 31.

	2024/25 £000	2025/26 £000
Service Cost		
Current service cost	(19,744)	(13,642)
Past service cost (including curtailments)	(3,711)	(2,531)
Effect of Settlements	(409)	(6,004)
Total service cost	(23,864)	(22,177)
Financing and Investment Income and Expenditure		
Interest income on scheme assets	71,135	86,131
Interest cost on defined benefit obligation	(57,905)	(59,326)
Interest on the effect of the asset ceiling	(14,601)	(28,800)
Total net interest	(1,371)	(1,995)
Total Post Employment Benefits Charged to the Deficit on the Provision of Services	(25,253)	(24,172)
Remeasurements of the Net Defined Liability Comprising:		
Return on plan assets excluding amounts included in net interest	(13,873)	62,997
Change in demographic assumptions	2,106	(1,127)
Actuarial gains/(losses) arising from changes in financial assumptions	175,277	18,415
Other Experience and actuarial adjustments	13,628	(151,209)
Changes in the effect of the asset ceiling	(181,238)	81,885
Asset Ceiling Adjustment	(496,899)	(443,814)
Total remeasurements recognised in other comprehensive income	(500,999)	(432,853)
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	(526,234)	(457,025)
Movement in Reserves Statement		
Reversal of net charges made to the deficit on the provision of services	25,235	24,172
Employers' Contributions Payable to the Scheme	(25,571)	(23,936)

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2024/25 £000	2025/26 £000
Fair value of plan assets	1,514,841	1,524,207
Present value of funded liabilities	(1,026,383)	(1,078,830)
Present value of unfunded liabilities	(24,244)	(409,512)
Asset Ceiling Adjustment	(49,689)	(57,825)
Net Liability Arising From Defined Benefit Obligation	(32,685)	(21,960)
MioCare Net Asset	-	1,563
Council Net Liability	-	(23,523)

Reconciliation of the Movements in Fair Value of Scheme Assets

	2024/25 £000	2025/26 £000
Opening fair value of scheme assets	1,478,218	1,514,841
Effect of Settlements	(4,737)	(19,699)
Effect of Business Combinations and Disposals	-	-
Interest Income	71,135	86,131
Remeasurement loss		
Return on plan assets excluding amounts included in net interest	(13,873)	62,997
Other	-	(98,936)
Contributions from employer	22,837	21,262
Contributions from employees into the scheme	7,296	7,027
Benefits paid	(46,035)	(49,416)
Closing Fair Value of Scheme Assets	1,514,841	1,524,207

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

	2024/25 £000	2025/26 £000
Opening fair value of scheme liabilities	1,206,079	1,050,627
Current service cost	19,744	13,642
Interest cost	57,905	59,326
Effect of Settlements	(4,328)	(13,695)
Effect of Business Combinations and Disposals	-	-
Contributions from scheme participants	7,296	7,027
Remeasurement gain		
Actuarial losses arising from changes in financial assumptions	(175,277)	(18,415)
Change to demographic assumptions	(2,106)	1,127
Other experience and actuarial adjustments	(13,628)	52,273
Past service cost	3,711	2,531
Benefits paid	(48,769)	(52,090)
Closing Fair Value of Scheme Liabilities	1,050,627	1,102,353

Pension Scheme Assets

	31 March 2025 £000	31 March 2026 £000
Equities	707,776	744,430
Debt Instruments	324,633	314,115
Property	439,291	425,130
Cash	45,499	48,249
Derivatives	(2,360)	(7,718)
Total	1,514,839	1,524,206

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. Both the Council and MioCare have engaged Hymans Robertson LLP, an independent firm of actuaries to assess their respective pension schemes, estimates being based on the latest full valuation of the scheme as at 31 March 2026 for MioCare and Oldham Council.

The significant assumptions used by the actuary have been:

MioCare Services CIC	2024/25	2025/26
Mortality assumptions:		
Longevity at 65 for current pensioners:		
men	18.9	19.1
women	22.6	23.3
Longevity at 65 for future pensioners:		
men	19.7	20.1
women	24.1	24.6
Rate of increase in salaries	3.55%	4.50%
Rate of increase in pensions (CPI)	2.75%	3.00%
Rate for discounting scheme liabilities	5.80%	6.20%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period and assumes for each assumption change all other assumptions remain constant.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method.

MioCare Group CIC Change in Assumptions at 31 March 2026	Approximate % Increase to Employee Liability	Approximate Monetary Amount £000
0.1% decrease in real discount rate	2%	662
1 year increase in member life expectancy	4%	1,658
0.1% increase in the salary increase rate	0%	50
0.1% increase in the pension increase rate	1%	611

The significant assumptions used to assess the Council's Pension scheme assets and liabilities can be found in Note 31, along with an associated sensitivity analysis.

G5. Fees Payable to the Group External Auditor

The Group has incurred the following costs in relation to the Group audit fees for the external audit of the Council's Statement of Accounts by Forvis Mazars LLP and the audit of the accounts of MioCare Group CIC by Saffery LLP.

The fee payable to Forvis Mazars LLP for the 2024/25 audit increased to £434k due to additional fee notifications in relation to the 2024/25 audit received in the 2025/26 financial year, bringing the total Audit Fees payable by the group to £477k.

	2024/25 £000	2025/26 £000
Fees payable to Mazars LLP with regard to external audit services carried out by the appointed auditor for the year for Oldham Council	396	396
Fees payable to Saffery LLP with regard to external audit services carried out by the appointed auditor for the year for MioCare Services CIC.	43	43
Total	439	441

6.0 Glossary of Terms

Accruals Basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Agency Services/Agencies

These are services that are performed by or for another Authority or public body, where the principal (the Authority responsible for the service) reimburses the agent (the Authority carrying out the work) for the costs of the work.

Amortisation

A charge to the comprehensive income and expenditure statement which spreads the cost of an intangible asset over a number of years in line with the Council's accounting policies.

Appointed Auditors

The appointment of External Auditors to Local Authorities is undertaken by the Public Sector Audit Appointments Limited (PSAA), an independent company limited by guarantee and incorporated by the Local Government Association in August 2014. Forvis Mazars LLP is the Council's appointed auditor.

Asset

Items of worth that are measurable in terms of value. Current assets may change daily, but the Council is expected to yield the benefit within the one financial year (e.g. short-term debtors). Non-current assets yield benefit to the Council for a period of more than one year (e.g. land).

Associate Companies

An associate is an entity over which the Council has significant influence.

Association of Greater Manchester Authorities (AGMA)

AGMA represents the ten local authorities in Greater Manchester and works in partnership with Central Government, regional bodies and other Greater Manchester public sector bodies.

Balances

The balances of the Authority represent the accumulated surplus of income over expenditure on any of the Funds.

Better Care Fund (BCF)

The BCF was announced by Government in the June 2013 spending round to ensure a transformation in health and social care.

Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current

assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure

This is expenditure on the acquisition of a non-current asset, or expenditure, which adds to, and not merely maintains, the value of an existing non-current asset.

Capital Financing Charges

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money.

Capital Receipts

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying Amount

The Balance Sheet value recorded of either an asset or a liability.

Central Support Services

Central Support Services which are recharged to frontline services as overheads to measure total cost.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

CIPFA LASAAC Local Authority Code Board

This board is responsible for preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting for the United Kingdom (the Code). The board is a partnership between CIPFA (England, Northern Ireland and Wales) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

Collection Fund

The Council as a billing authority has a statutory obligation to maintain a separate Collection Fund. This shows the transactions relating to the collection of Council Tax and Business Rates and its distribution to Local Government bodies.

Community Assets

These are non-current assets that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

Contingent Liabilities or Assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council's accounts.

Contract Procedure Rules

The Council's Contract Procedure Rules form part of the Council's Constitution. They are in place to ensure that any procurement processes for goods and services achieve best value and are transparent, open and fair making it possible for all decisions to be audited satisfactorily.

Co-operative Council

This is the ethos of the Council embodied by the desire that citizens, partners and staff work together to improve the borough and create a confident and ambitious place.

Corporate Resources

This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

Council Tax Requirement

This is the estimated revenue expenditure on General Fund services that will be financed from the Council Tax after deducting income from fees and charges, General Fund Balances, specific grants and any funding from reserves.

Creditors

Amounts owed by the Council for work done, goods received, or services rendered, for which payment has not been made at the date of the balance sheet.

Current Service Cost

Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Current Value

The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

Dedicated Schools Grant (DSG)

The DSG is a ringfenced grant payable to Local Authorities for the funding of both academies and maintained schools. It can only be used to finance expenditure that is included in the school's budget, as defined in the School Finance and Early Years (England) Regulations 2024. The schools budget includes elements for a range of educational services provided on an Authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each academy and Council maintained school.

Deferred Capital Receipts

These represent capital income still to be received after disposals have taken place and wholly consists of principal outstanding from the sale of Council assets.

Defined Benefit Scheme

This is 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 (including notionally funded).

Defined Contribution Scheme

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a 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.

Department for Education (DfE)

The Department for Education is a Central Government department responsible for children's services and education, including early years, schools, higher and further education policy, apprenticeships and wider skills in England.

Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of property, plant and equipment assets.

Depreciated Replacement Cost (DRC)

A method of valuation that provides a proxy for the market value of specialist assets.

Derecognition

Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

Discounts

Discounts represent the outstanding discount received on the premature repayment of Public Works Loan Board loans. In line with the requirements of the Code, gains arising from the repurchase or early settlement of borrowing have been written back to revenue. However, where the repurchase or borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains have been recognised over the life of the replacement loan.

Earmarked Reserves

The Council holds a number of reserves earmarked to be used to meet specific, known or predicted future expenditure.

Education & Skills Funding Agency (ESFA)

The ESFA brings together the former responsibilities of the Education Funding Agency (EFA) and Skills Funding Agency (SFA) to create a single agency accountable for funding education and skills for children, young people and adults.

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

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.

Fees and Charges

Income arising from the provision of services e.g. the use of trade waste services

Finance Lease

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial

assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial Management Code

Published by CIPFA it provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability.

Financial Regulations

These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

Financial Reporting Council (FRC)

The Financial Reporting Council (FRC) promotes transparency and integrity in business. It regulates auditors, accountants and actuaries, and sets the UK's Corporate Governance and Stewardship Codes.

Generally Accepted Accounting Principles (GAAP)

Generally accepted accounting principles, or GAAP, are standards that encompass the details, complexities, and legalities of accounting. The Financial Accounting Standards Board (FASB) uses GAAP as the foundation for its comprehensive set of approved accounting methods and practices.

General Fund

This is the main revenue fund of the Authority and includes the net cost of all services financed by local taxpayers and Government grants.

Greater Manchester Combined Authority (GMCA)

Created by the Local Government, Economic Development and Construction Act, the Greater Manchester Combined Authority (GMCA) assumed its powers and duties on 1 April 2011. It took over the functions previously the responsibility of the Greater Manchester Integrated Transport Authority (GMITA), which it replaced. It also took over responsibility for transport planning, traffic control and wide loads, assumed responsibility for the transportation resources allocated to the Greater Manchester region and regional economic development functions. From 1 April 2018 it took over responsibilities for activities previously undertaken by the Greater Manchester Waste Disposal Authority, the Greater Manchester Fire and Rescue Service, and the Greater Manchester Police and Crime Commissioner.

Greater Manchester Integrated Care Partnership

The Greater Manchester Integrated Care Partnership (Greater Manchester ICP) brings together all health and social care partners across Greater Manchester and wider public sector and community organisations to improve the health and wellbeing of the 2.8 million people who live in Greater Manchester.

Heritage Asset

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Benefit

This is an allowance to persons receiving little or no income to meet, in whole or part, their rent. Benefit is allowed or paid by Local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to the Authority's own tenants are known as rent rebate and that paid to private tenants as rent allowance.

Housing Revenue Account (HRA)

Local Authorities are required to maintain a separate account - the Housing Revenue Account - which sets out the expenditure and income arising from the provision of social housing. Other services are charged to the General Fund.

Impairment

A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a non-current asset's market value and evidence of obsolescence or physical damage to the asset.

Infrastructure Assets

Non-current assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

Intangible Assets

These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licenses and patents.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period on the present value of the scheme liabilities which arises from the passage of time.

International Financial Reporting Standard (IFRS)

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Inventories

Amounts of unused or unconsumed stocks held in expectation of future use. Inventories are comprised of the following categories:

- Goods or other assets purchased for resale
- Consumable stores
- Raw materials and components
- Products and services in intermediate stages of completion
- Finished goods

Investment Properties

Property, which can be land or a building or part of a building or both, that is held solely to earn rentals or for capital appreciation or both, rather than for operational purposes.

Joint Venture

A joint venture is a joint arrangement whereby the parties who have joint control of the arrangement have rights to the net assets of the arrangement.

Leasing Costs

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

Lender Option Borrower Option (LOBO)

A LOBO is a type of loan instrument. The borrower borrows a principal sum for the duration of the loan period (typically 20 to 50 years), initially at a fixed interest rate. Periodically (typically every six months to 3 years), the lender has the ability to alter the interest rate. Should the

lender make this offer, the borrower then has the option to continue with the instrument at the new rate or alternatively to terminate the agreement and pay back the principal sum without penalty.

Lessor and Lessee

The **lessor** is the legal owner of the asset or property, and he gives the **lessee** the right to use or occupy the asset or property for a specific period. Although the **lessor** retains ownership of the asset, they have reduced rights to the asset during the course of the agreement.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Local Government Information Unit (LGiU)

The Local Government information Unit (LGiU) is a Local Government membership body, thinktank and registered charity. Established in 1983 as a membership organisation for UK local authorities, the LGiU aims to strengthen local democracy and put citizens in control of their own lives, communities and services.

Loss Allowance

The allowance for expected credit losses on financial assets, such as debtors.

Materiality

Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about the Council.

Medium-Term Financial Strategy (MTFS)

This is a financial planning document that sets out the future years' financial forecasts for the Council. It considers local and national policy influences and projects their impact on the general fund revenue budget, Capital Programme and HRA. In Oldham it usually covers a three to five year timeframe.

Minimum Revenue Provision (MRP)

MRP is the minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

Ministry for Housing, Communities and Local Government (MHCLG)

MHCLG is a Central Government department with the overriding responsibility for determining the allocation of general resources to Local Authorities.

Movement in Reserves Statement (MiRS)

The MiRS shows the movement during the year on the different reserves held by the Council, analysed into usable reserves (those that can be applied to fund expenditure or reduce taxation) and other unusable reserves.

Non Domestic Rates (NDR) (also known as Business Rates)

NDR is the levy on business property, based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines national rate poundage each year which is applicable to all Local Authorities.

Net Book Value (NBV)

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net Debt

Net debt is the Council's borrowings less cash and liquid resources.

NHS Greater Manchester Integrated Care ('NHS GM')

This new organisation is the statutory body in charge of NHS money and is responsible for making sure services are in place to put plans into action in regard to health provision in Greater Manchester including Oldham.

Ofsted

Ofsted is the Office for Standards in Education, Children's Services and Skills. Ofsted inspects services providing education and skills for learners of all ages and regulates services that care for children and young people.

Outturn

Actual expenditure and income compared to the budget.

Pension Asset Ceiling Adjustment

The pension asset ceiling adjustment is made to ensure sure that the Council's balance sheet properly reflects how the value of any defined benefit deficit or surplus is affected by the pensions scheme's rules and funding requirements.

Pooled Aligned Budget

A pooled fund, arising from a Section 75 Agreement between Oldham Council and Oldham CCG (to 30/06/2022) and subsequently with the Oldham Integrated Care Partnership (ICP), but the partners' respective financial contributions to such a fund are held in their own bank accounts.

Pooled Budget

A pooled fund, arising from a Section 75 Agreement between Oldham Council and Oldham ICP, comprising financial contributions from both partners hosted by one of the partners in its bank account.

Pooled Fund

This can be either a Pooled Budget or a Pooled Aligned Budget.

Precept

The amount collected by the Council on behalf of other bodies. For 2025/26 the major precepts were payable in relation to the GM Mayor as Police and Crime Commissioner and the Mayoral General Precept (including Fire Services).

Premiums

These are discounts that have arisen following the early redemption of long-term debt, which are written down over the lifetime of replacement loans where applicable.

Prior Period Adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Private Finance Initiative (PFI)

A Central Government initiative which aims to increase the level of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage Authorities' participation.

Property, Plant and Equipment (PPE)

PPE are tangible assets (i.e. assets that have physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs are uncertain.

Public Sector Audit Appointments (PSAA)

Public Sector Audit Appointments Limited (PSAA) is a company established in 2014 by the LGA which secures efficient and effective arrangements for the independent appointment of auditors and audit services for opted-in Local Government bodies.

Public Works Loan Board (PWLB)

An arm of Central Government which is the major provider of loans to finance long-term funding requirements for Local Authorities.

Related Parties

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, and all Senior Officers. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

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).

Reporting Standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside to help manage future risks, to provide working balances or that are earmarked for specific future expenditure priorities.

Revaluation Reserve

The Reserve records the accumulated gains on the non-current assets held by the Authority arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue Contributions

The method of financing capital expenditure directly from revenue.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

Section 75 (S.75) Agreement

An agreement made between a Local Authority and an NHS body under the powers of the National Health Service Act 2006 which facilitates the pooling of resources to improve the delivery of health and social care. Locally the agreement is between Oldham Council and Oldham ICP.

Subsidiary

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Council.

Treasury Management

This is the process by which the Authority controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Council.

Trust Funds

These are funds administered by the Council on behalf of charitable organisations and/or specific organisations.

Unsupported (Prudential) Borrowing

This is borrowing for which no financial support is provided by Central Government. The borrowing costs are to be met from current revenue budgets.

Unusable Reserves

In addition to useable reserves, the Council also details unusable reserves within the financial statements. These reserves hold costs that the Council has accrued but not yet financed and they cannot be spent on Council services.