

2 Critical Accounting Judgements

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

Government Funding

There is an inherent degree of uncertainty about future levels of funding for major government programmes devolved to GMCA and Local Government funding as a whole. Where necessary the Authority would have to consider a range of options on how to continue to provide some elements of its services with a reduced level of funding.

The asset base across Police and Crime, Fire and Rescue and Transport functions is considered as part of the financial planning process and there is not currently a sufficient indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

Private Finance Initiative (PFI)

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

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

Group Boundary

The GMCA has interests in a number of external companies either as a direct owner or in partnership with other organisations. The nature of these relationships has been assessed under IFRS 11, IAS 27 and IAS 28 (Accounting for Joint Arrangements, Subsidiaries and Associates).

These Accounts contain a set of group statements and supporting notes to reflect the nature and value of the Authorities' interests in other entities. Where the Authority is considered to have control or significant influence over another entity, they are deemed to be within the group boundary and are assessed for inclusion in the group accounts.

Consolidation of entities considered for inclusion in the group account is dependent on several factors, including the extent of the Authorities' interest and power to influence and control, materiality, investment, and transparency; where these factors are not considered material those members of the Group have not been consolidated.

Group Accounts Considerations

A review of the entities related to the Authority in 2024/25 has taken place and the conclusions are provided below:

Chief Constable of Greater Manchester Police (GMP)

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

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

Transport for Greater Manchester (TfGM)

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

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

Greater Manchester Fund of Funds Limited Partnership (FoFLP)

In November 2016 the Authority established FoFLP to act as a holding fund for ERDF funding. The Company registration number is 10482059. As at 31 March 2024, the fund had drawn down £90m (2023: £90m) of ERDF funding from Department for Levelling Up, Housing and Communities. FoFLP invest in sub-funds that seek to support the shift towards a low carbon economy and for research and innovation workspace. FoFLP is wholly owned and controlled by the GMCA and **will continue to be included** in the group accounts.

NW Evergreen Holdings Limited Partnership (NWEH)

In September 2016 the Authority established NWEH to act as a holding fund for the ERDF funding attributed to the North West Evergreen Fund, an urban development fund established under the 2007-13 European Operational Programme. The Company registration number is LP017585. NWEH received over £60m of funding from ERDF and matched funding sources and invests via its sub-fund in commercial development projects in the North West of England. **NWEH will continue to be included** in the Authority's group accounts.

Greater Manchester Evergreen 2 Limited Partnership (GME2LP)

Evergreen 2 was incorporated on 20 February 2017 under England's 2014-20 ERDF Operational Programme and is solely a Greater Manchester fund. The Company registration number is LP017867. It has been decided that the **GM Evergreen 2 LP will continue to be Included** in the group accounts.

Greater Manchester Low Carbon UDF Limited Partnership

The GM Low Carbon UDF LP was incorporated on 20 February 2017, Company registration number LP017868. The GM FOF LP is supplying a loan facility of £15m to the GM Low Carbon UDF LP under a Contingent Loan Facility. The GM Low Carbon UDF LP is to use the funds to increase small scale renewable energy schemes. On the grounds of immateriality, it has been decided that the **GM Low Carbon UDF LP will not be Included** in the group accounts.

NW Fire Control Company

NW Fire Control Limited (NWFCC) is a Company limited by Guarantee with the responsibility for Fire and Rescue services mobilisation for the North West Region. The Company registration number is 06314891. The company has four equal partners namely: GMCA, Cheshire, Cumbria County Council and Lancashire Fire and Rescue Authorities (the FRAs).

NWFCC became operational during 2014/15 and it meets with the definition of a Joint Operation for group accounts purposes. The Company is governing by

unanimous consent for all key decisions, with each member having equal voting rights. The liability of each member in the event of the company being wound up is limited and shall not exceed £1. Each member of the company has the right to appoint two directors, who are Councillors appointed to their respective FRAs. In 2014 all four services transferred their Control Room functions into the regionalised service provided by NW Fire Control Limited. The cost of the service is charged out to the four FRAs on an agreed pro rata basis set out in a Service Level Agreement.

However, on the grounds of immateriality **NWFCC will not be included** the group accounts.

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

Greater Manchester Accessible Transport Limited (GMATL)

GMATL is a private company limited by guarantee without share capital. The Company registration number is 02483763. The Authority is the person with significant control and has previously included GMATL in its group accounts. On the grounds of immateriality, it has been decided that **GMATL will not be included** in the group accounts.

Manchester Investment and Development Agency Service (MIDAS)

MIDAS is a private company limited by guarantee without share capital. The Company registration number is 03323710. The Authority is the person with significant control and has previously included MIDAS in its group accounts. The balance sheet value is approximately £0.7m. On the grounds of immateriality, it has been decided that **MIDAS will not be included** in the group accounts.

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

HIVE Homes

HIVE Homes is a joint venture with ten Registered Housing providers and has been incorporated to acquire sites in GM and then develop them for sale as residential use. The Company registration number is OC425196. From March 2019 the Authority has a 20% share within the company, and £2m has been invested to date. On the grounds of immateriality, it has been decided that **HIVE Homes will not be included** in the group accounts.

Resonance Supported Homes Fund Limited Partnership

Resonance Supported Homes Fund was incorporated in July 2020 to house adults with learning disabilities, autism and mental health issues living in inappropriate housing such as long-term hospital inpatient facilities, or on long waiting lists awaiting the right housing for their needs. The Company registration number is LP021031. The GMCA is a limited Partner and as such does not have the authority to legally bind the partnership. Due to a lack of control / significant influence and the partnership's immateriality, it has been decided that **Resonance Supported Homes Fund will not be included** in the group accounts.

The GM & Cheshire life Sciences Fund Limited Partnership (Life Science 1)

The GM & Cheshire Life Sciences Fund was incorporated in September 2015 as a seed and early-stage venture capital fund for life sciences businesses located in the Greater Manchester and Cheshire and Warrington region. The Fund came to the end of its new investment period in mid-2021, by which time it had made a range of seed, early-stage and growth investments into 42 companies. The Fund will continue to support its portfolio and carry out follow-on funding until at least 2030. The Company registration number is LP016834. The GMCA is a Limited Partner and as such does not have the authority to legally bind the partnership. Due to a lack of control / significant influence and the partnership's immateriality, it has been decided that **The GM & Cheshire Life Sciences Fund Limited Partnership will not be included** in the group accounts.

GMC Life Sciences Fund Limited Partnership (Life Sciences 2)

GMC Life Sciences Fund Limited Partnership was incorporated in May 2022. The Company registration number is LP022594. The Principal activity of this partnership is to invest in seed and early-stage life sciences businesses, located in or relocating to Greater Manchester and Cheshire & Warrington. The GMCA is a Limited Partner and as such does not have the authority to legally bind the partnership. Due to a lack of control / significant influence and the partnership's immateriality, it has been decided that **The GMC Life Sciences Fund Limited Partnership will not be included** in the group accounts.

Interchange Homes LLP

Interchange Home LLP was incorporated in October 2021 as a special purpose vehicle (SPV) for the town centre residential accommodation development at Stockport Interchange. The company registration number is OC439564. On the grounds of immateriality, it has been decided that **Interchanges Homes LLP will not be included** in the group accounts.