

**SOUTH YORKSHIRE MAYORAL
COMBINED AUTHORITY**

**STATEMENT OF ACCOUNTS
2024/25**

Audited

**For the period
1 April 2024 to 31 March 2025**

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Narrative Report by the Executive Director Resources and Investment

1. INTRODUCTION

Purpose of the Narrative Report

The Narrative Report provides key messages on the organisational structure of the Mayoral Combined Authority (MCA), its overall strategies and objectives and how it has performed over the year in terms of achieving those objectives.

The Narrative Report also provides a summary of the MCA's financial performance and how it has secured economy, efficiency, and effectiveness (value for money) in the use of its resources over the course of the 2024/25 financial year in meeting its strategic aims as a Group.

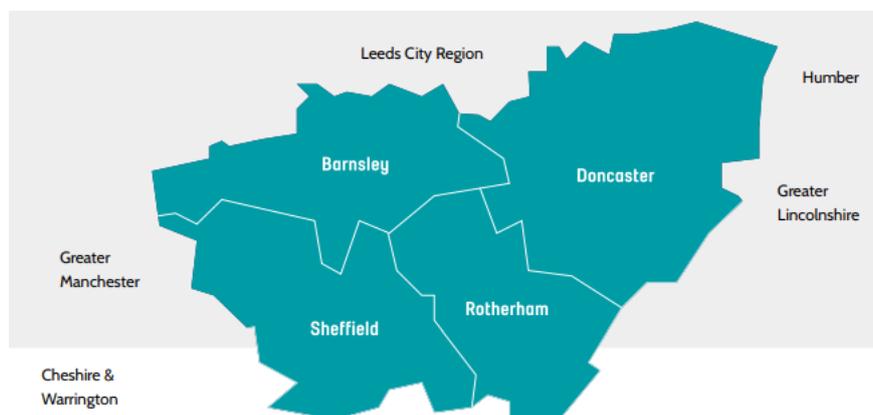
The MCA's group structure and governance arrangements continue to evolve. This report sets out the main changes during 2024/25 as well as plans for future changes.

2. ORGANISATION & CORPORATE OBJECTIVES

The South Yorkshire Mayoral Combined Authority and MCA Group

The MCA is a formal partnership of Councils and the directly elected Mayor of South Yorkshire that shapes policy and leads on decision-making.

Formed in 2014, the constituent members of the Mayoral Combined Authority are Barnsley, Doncaster, Rotherham, and Sheffield.



The overall purpose of the MCA is to fulfil two complementary functions:

- To drive economic growth in the City Region through the implementation of the Plan for Good Growth, which now supersedes the Strategic Economic Plan (SEP); and
- To act as the Local Transport Authority for South Yorkshire and be responsible for its statutory Local Transport Plan.

The MCA's powers and functions are defined in statute, and include:

- powers over transport, skills and training (including adult education), improving the supply and quality of housing, and, strategic economic development, at regional level;
- ability to borrow for all its competencies and functions;
- £30m per annum for a 30 year period commencing 2020/21;

The Mayor and the Leaders of the four Councils form the MCA Board. The MCA Board is the principal decision-making body. A Cabinet-style portfolio model has been in place since 2023/24 in which the Mayor and Local Authority Leaders each taking portfolio responsibilities – see section 5 on Governance for further detail.

On 7 May 2024, Police & Crime Commissioner (PCC) powers were transferred to the Mayor following fresh mayoral elections. With effect from this date, the Combined Authority became the legal entity responsible for administering the Police Fund and executing the Mayor's decisions in his role as Police and Crime Commissioner. The Mayor is now responsible for listening to the needs of communities, securing victim support services, setting the objectives for the police force and holding the Chief Constable to account. In particular, his responsibilities include provision of all funding, budget-setting, performance scrutiny and strategic policy development, and for ensuring South Yorkshire Police is run efficiently and effectively.

The Police and Crime Plan sets out policing priorities for the medium term. Following the transfer of PCC functions to the Mayor, a new four year police and Crime Plan was agreed in March 2025 following extensive public and partner consultation. The Plan honours the Mayor's commitments to put victims at the heart of policing and to make sure that South Yorkshire is a safe place to live, learn and work. The five overarching strategic policing and crime priorities to achieve this aim are:

1. Improving trust and confidence in the police and criminal justice system
2. Preventing and reducing crime and anti-social behaviour
3. Improving safety on all our transport networks
4. Breaking the cycle of offending and harm
5. Tackling the most serious offences and building resilient communities

Operational decision-making on day-to-day policing including the employment of police staff remains the responsibility of the Chief Constable.

As a consequence of transfer of PCC powers, all income and expenditure relating to Police and Crime activity, including the Chief Constable's operational budget, have, from 7 May 2024, been consolidated within the MCA accounts but within a separate ring-fenced Police Fund. The MCA budget has increased from £397m at the start of the 2024/25 financial year (pre-integration) to an annual budget including the Police Fund of £734m (this includes a £7m annual budget for ex PCC Police & Reform activity and £330m Chief Constable's operational budget).

Following his re-election, the Mayor's priorities as set out in his Manifesto are structured around six specific themes:

- Safer Communities
- South Yorkshire's Transport Network
- A Healthier South Yorkshire
- Supporting and Strengthening our Communities
- Plan for Good Growth
- A Cleaner, Greener South Yorkshire

The manifesto identifies a number of key commitments which build on existing work and programmes that the MCA delivers, such as delivering the Plan for Good Growth, progressing the bus franchising assessment through to final decision within 12 months, building on the pioneering Beds for Babies and adult education programmes, continuing progress towards the Mayor's Million Trees target, securing funding for the next stage of the 'Connected by Water' flood programme and delivering investment and jobs through the region's designation as the UK's first Investment Zone.

In the 2024 Autumn Budget, the MCA received confirmation that it would be in the next wave of Combined Authorities eligible to receive an integrated funding settlement from April 2026, which moves the MCA away from competitive funding bids towards increased flexibility and certainty in our funding. In December 2024 the Devolution White Paper confirmed that the MCA is now considered an Established Mayoral Strategic Authority with a remit to coordinate levers relating to local growth and issues crossing council boundaries such as infrastructure planning, transport, and spatial planning, and convening partners for public service reform. The Spending Review 2025 has confirmed that South Yorkshire will benefit from an Integrated Settlement starting in 2026–27 bringing significant freedoms and flexibilities in how we invest funds to support transport improvement, improve housing offer, grow industrial capabilities and support communities.

To take account of these major changes, the MCA approved a new Corporate Plan in March 2025 covering the three year period 2025 to 2028. The Corporate Plan sets out the vision, mission, objectives and ways of working of the Mayor and MCA Executive. It also sets out the practical steps that have or are being undertaken to meet its broader objectives.

Economic Development

In March 2024, the MCA approved a new Plan for Good Growth for South Yorkshire, alongside the region's first Skills Strategy.

The Plan for Good Growth sets out how South Yorkshire will attract investment and income into the region and grow more secure, high-paid jobs. It will achieve this by supporting the development of four Growth Areas – Sheffield City Centre and Innovation Spine, South Yorkshire Airport City, the Advanced Manufacturing Innovation District and Barnsley Town

Centre – as well as improving connection and community through investment in the region’s economic and social infrastructure.

Underpinning the Plan for Good Growth will be four investment plans for each of the constituent local authorities known as Place Plans. The Place Plans will anchor the MCA into local priorities, with the regional Plan for Good Growth using those foundations to deliver transformational investment across South Yorkshire.

The Skills Strategy sets out three missions that – together with the Plan for Good Growth - will ensure residents of South Yorkshire can stay near but go far. These are:

- To move those far from the labour market into work or to be ready for work;
- To raise attainment of core knowledge and skills; and,
- To increase the supply of a high-skilled workforce

To help deliver these missions, the Strategy outlines seven flagship programmes. These include expansion of Skills Bank – a national exemplar of public and private investment in upskilling the workforce – and a Taskforce which will design a South Yorkshire Young Person’s Offer to support young people to take the next step in developing the skills needed for work and life.

In addition, South Yorkshire was announced as the UK’s first Investment Zone in July 2023, the purpose of which is to attract investment into the region, building on its reputation as the UK’s hotspot for advanced manufacturing. Government initially committed to provide a mix of revenue and capital funding totalling £80m over a 5 year period from 2024/25 to 2028/29 to support this aim. This was later increased to an indicative £160m over ten years with the first year of funding being released after meeting the requirements specified in the Memorandum of Understanding. The Spending Review 2025 has subsequently confirmed the £160m funding allocation for the Investment Zone for the full 10 years.

The interventions aim to advance the region’s technological and economic frontiers in decarbonised power, digital technology, robotics, AI, and advanced manufacturing. These efforts focus on increasing university spinouts, boosting business innovation, enhancing commercially focused research, and expanding the local skills pipeline.

Transport

The Mayor’s Manifesto Commitments on his re-election in May 2024 in relation to transport included the following:

1. Take the final decision to bring buses back under public control
2. Reopen Doncaster Sheffield Airport, creating a thriving regional airport at the heart of South Yorkshire Airport City; a world leading centre for sustainable aviation.
3. Extend and renew our publicly controlled tram network, building a more reliable, bigger tram system that connects communities across South Yorkshire.

The MCA took the decision in March 2025 to proceed with Bus franchising. Under Bus franchising, the MCA will take on new responsibilities in relation to the bus system in South Yorkshire, such as owning the buses and depots, deciding on the routes operated, timetables, the fares charged, the brand and the pace of change towards decarbonisation, with the Mayor having overall accountability for bus services. As a result, the MCA will take on the revenue risk for the bus system in South Yorkshire and will be responsible for future investment decisions. Bus franchising will therefore lead to a fundamental change in the way in which bus services operate. A phased implementation of Bus franchising is planned with the first franchised services due to commence in September 2027 and full rollout by Autumn 2029. There is no impact on the current year other than setting aside monies in a bus resilience earmarked reserve to cover future revenue risk.

Over the course of the year the City of Doncaster Council (CDC) have continued to develop their proposals for the re-establishment of South Yorkshire Airport City as a thriving regional airport. The MCA is fully supportive of the Council's aim as the project's strategic rationale is clearly aligned to MCA's economic aspirations. The project is, however, complex and whilst the projected benefits are significant, there is inherent and equally significant financial risk to the public sector. A revised Full Business Case (FBC) has been submitted to the MCA with the likelihood that a final decision on whether or not to support the investment will be taken at the MCA Board meeting in September 2025.

The first year of operation of the tram network since it was brought back under public control on 22 March 2024 has focused on embedding the new governance arrangements whilst providing a safe and reliable service for the residents, visitors and businesses of South Yorkshire. Patronage has grown across the network, revenues have improved, there has been consistent timetable delivery and a renewed focus on cleanliness and customer service with a high level of customer satisfaction. Investment has also been made into the assets, including the replacement of original rails and overhead line equipment which is now over 30 years old. The system has performed strongly, with a good record on safety and service delivery. This has resulted in financial performance being better than planned with the level of public operating subsidy of £5.942m being less than originally budgeted for of £7.064m.

Police and Crime

Following the transfer of the functions and competencies of the Police and Crime Commissioner to the MCA, due diligence post integration of the MCA and OPCC on 7 May 2024, identified that the OPCC failed to follow proper accounting practices in determining the amount to charge to revenue for the repayment of debt, known as the Minimum Revenue Provision or MRP. This non-compliance with the legal duty to charge prudent revenue provision for the repayment of debt, meant that charges relating to £65m of capital investment financed through borrowing had not been accounted for in the statutory accounts for the period 2019/20 - 2023/24, nor budgeted for into the future through the medium-term resource strategy.

The Section 73 Officer (Executive Director of Resources and Investment) and the

Monitoring Officer (Director of Legal and Governance) issued a report under S.114 of the Local Government Act 1988 to report the matter to the Mayor.

Following discussions between the MCA, South Yorkshire Police, the Home Office and external auditors a way forward to addressing this issue has been agreed by profiling MRP from 2025/26 onwards on the assets concerned over their useful lives with the exception that MRP on shorter life assets with useful lives of less than 25 years will be profiled over 25 years. No retrospective adjustment to historic MRP charges will be made. Thereafter, MRP on capital investment financed by borrowing from 2024/25 onwards will be provided for by reference to asset lives.

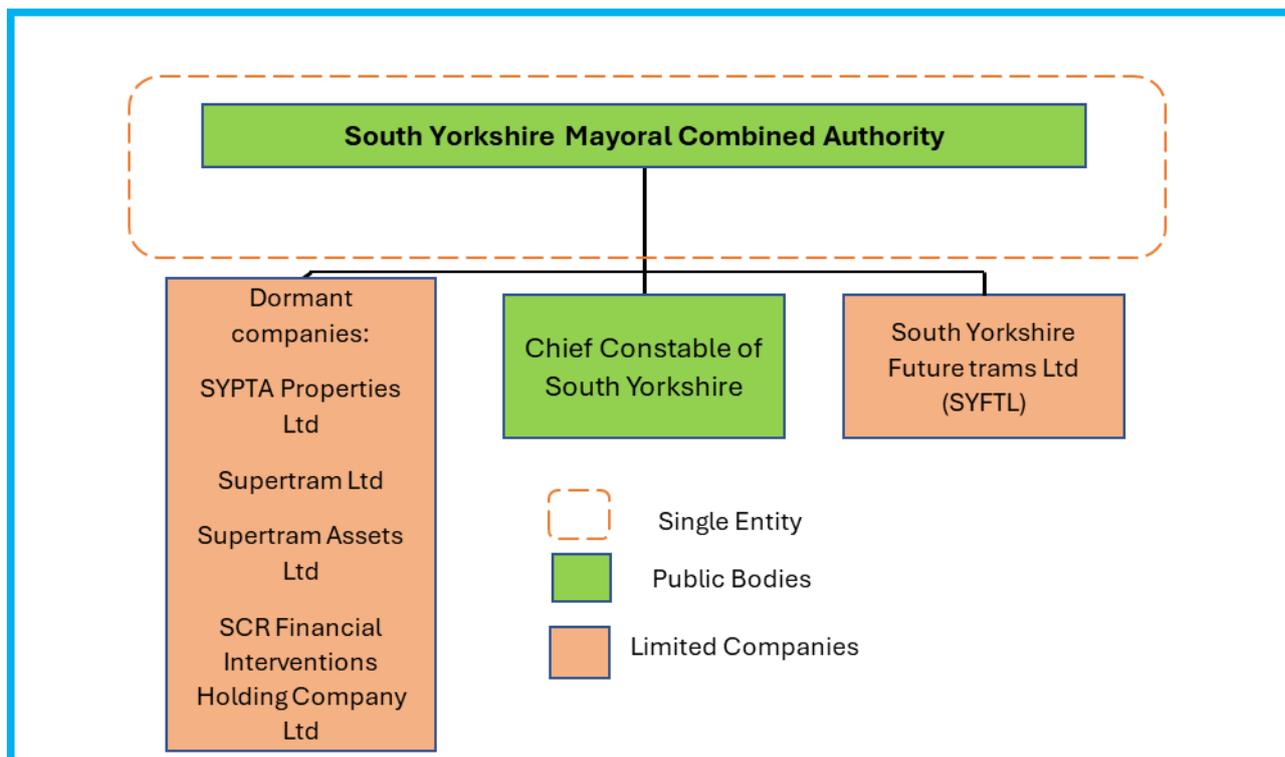
In addition to the local challenges associated with this financial shock, there are also historic legacy issues connected with Hillsborough and Child Sexual Exploitation, and the Police Fund is facing considerable strain over the medium-term from national issues familiar to all Force areas as funding is not keeping pace with inflation. The Spending Review has indicated Police Spending Power will increase in real terms up to 2028/29 (including the Council Tax precept). However, we won't know the full detail of the Police Funding Settlement for South Yorkshire until December. We continue to benchmark our cost and funding assumptions with other Police Forces and advice from the Home Office.

Considerable progress has been made to address the budget shortfall and longer-term financial implications through engagement with the external auditor and with the Home Office. This engagement has led to agreement on accounting treatment for past accounting omissions and future budget omissions, along with agreement from the Home Office for support for a capitalisation direction and practical funding support via a cash flow intervention and an increased contribution to 'legacy' compensation schemes. The Mayor continues to lobby Government for a sustainable resolution to the issue.

In addition, work has commenced on developing a financial recovery plan for the Police Fund. The aim of the recovery plan will be to recover the Force's position over the medium term to enable the Force to deliver a sustainable balanced budget whilst maintaining service to the people of South Yorkshire.

MCA Group Structure

The MCA Group comprised the following organisations during 2024/25:



With effect from 7 May 2024, the Combined Authority became the legal entity responsible for administering the Police Fund and executing the Mayor's decisions in his role as Police and Crime Commissioner. As a consequence, the MCA single entity controls the finances of the Police Fund and controls all its assets, liabilities and reserves (except for liabilities relating to pensions for police officers and civilian staff involved in operational activity and their accrued employee benefits which sit in the Chief Constable's accounts).

The Chief Constable is a separate legal entity known as a "corporation sole". This means the Chief Constable is distinct from the MCA and has specific operational independence in exercising police powers and managing the force. However, because the Mayor sets the strategic direction of Policing and Crime through the Police and Crime Plan; is responsible for funding and assets, liabilities and reserves within the Police Fund; and holds the Chief Constable accountable; for accounts purposes the Chief Constable is under the control of the MCA and the Chief Constable's accounts are therefore consolidated within the MCA's Group accounts.

South Yorkshire Future Trams Limited (SYFTL) was incorporated in October 2023 and started trading on 22 March 2024 when all staff employed by South Yorkshire Supertram Limited (SYSL) TUPE-transferred at the end of the 27-year long tram concession agreement. It is a wholly owned subsidiary of the MCA.

3. KEY DEVELOPMENTS IN THE YEAR

This section highlights the key achievements and developments delivered by the MCA in 2024/25. During the year the MCA has:

Date	Key Achievements and Developments
May 2024	<p>Held a Mayoral election on 2 May 2024 at which Oliver Coppard was re-elected as the Mayor of South Yorkshire for a 4 year term until 2028.</p> <p>Transferred the functions of the former Police and Crime Commissioner to the newly elected Mayor with effect from 7 May 2024, at which point the MCA became the legal entity responsible for administering the Police Fund and executing the Mayor's decisions in his role as Police and Crime Commissioner.</p>
June 2024	<p>Made amendments to the MCA Constitution to reflect the transfer of Police and Crime Commissioner functions with effect from 7th May 2024.</p>
September 2024	<p>Extended the flagship Supported Employment programme, Working Win, which the MCA commissions and manages for the region, funded by grant from the Department for Work and Pensions until September 2026.</p>
October 2024	<p>Took a decision to proceed with the next stage of bus reform which would involve a 12 week statutory consultation on the proposed transition to a bus franchising model.</p> <p>Launched the brand new WorkWell service, in partnership with the Department of Work and Pensions and South Yorkshire Housing Association. The scheme is an early intervention service that aims to support the long-term sick and disabled people to find and succeed in work. The MCA has been awarded funding of more than £3.5m over two years to run the service as a pilot scheme.</p> <p>MCA invited to participate in a Government funded employment support programme Connect to Work - a new Department of Work and Pensions (DWP) supported employment programme which forms part of the Government's Back to Work Plan. Funding of £35m subsequently allocated to the MCA over the 5 year period 2025/26 to 2029/30. Connect to Work provides intensive intervention and is aimed at the economically inactive and those that have a disability or health condition, who are outside the labour market, and who wish to be in employment to find a suitable job and sustain work.</p>
November 2024	<p>Established a South Yorkshire Strategic Place Partnership Business Plan with Homes England to develop a regional housing pipeline.</p>

	<p>Bi-annual growth update presented which confirmed that South Yorkshire’s biggest barrier to economic growth remains economic inactivity, often caused by long-term sickness.</p> <p>Final Evaluation presented to a Government appointed Academic Panel in October 2024 on how effectively Devolution Investment Funds (known as Gainshare) have been invested, and the impact that the funding has had on the regional economy over the period of the first Gateway Review for the period April 2020 to March 2025. The Academic Panel concluded that the MCA had made reasonable progress in discharging Gainshare funding but made a number of recommendations and actions that MCA will need to address in readiness for the next phase of devolution investment.</p>
<p>December 2024</p>	<p>Agreed to develop and submit applications to the Department for Work and Pensions for c.£10m to deliver the Economic Inactivity Trailblazer programme. (A further £10m allocation has subsequently been offered for 2026/27). This is a pioneering approach to tackling economic activity developed through Barnsley’s Pathways to Work Commission, which aims to get 10,000 South Yorkshire residents back into work over the next four years. It forms part of the Government’s Get Britain Working White paper with focus on improving the support available to people who are economically inactive due to ill health.</p> <p>Agreed to work jointly with South Yorkshire Integrated Care Board to develop and submit applications to NHS England for up to £8m to deliver the Growth Accelerator programme across financial year 2025/26 and to approve any subsequent grant offer. The aim of the programme is to develop evidence of the impact of targeted action on the top health conditions driving economic inactivity</p> <p>Agreed to develop and submit applications to the Ministry of Housing, Communities and Local Government for up to £14.8m to deliver the extended UK Shared Prosperity Fund programme across financial year 2025/26 and to approve any subsequent grant offer.</p>
<p>January 2025</p>	<p>MCA recognised in the English Devolution White Paper as a strategic authority, confirming the MCA’s eligibility for an Integrated Settlement from 2026/27 onwards. This ratified the announcement made in the Government’s Autumn Budget that the MCA would receive an integrated settlement from 2026/27 onwards subject to meeting certain governance criteria and that it will be included in the wider Local Government Finance Settlement. This made the MCA one of only six Mayoral Strategic Authorities to be granted these freedoms and</p>

	<p>flexibilities and should result in MCAs being put on a more sustainable footing.</p> <p>Bi-Annual Education, Skills and Employability presented noting that the MCA was one year into the Skills Strategy and that it had gone beyond targets for various programmes, with a consistent upwards trajectory on all programmes identified.</p>
<p>February 2025</p>	<p>Report presented on progress being made to re-establish aviation at Doncaster Sheffield Airport and progression of the South Yorkshire Airport City concept. The report recognised that the project’s strategic rationale is clearly aligned to MCA economic aspirations and that the Government is working with City of Doncaster Council and the MCA to develop South Yorkshire Airport City as a thriving regional airport. The project is however complex and whilst the projected benefits are significant, there is inherent and equally significant financial risk to the public sector. Further independent advice and assurance on the project therefore sought with a view to reaching a decision on whether or not to make a long-term investment in September 2025.</p>
<p>March 2025</p>	<p>New MCA Corporate Plan approved covering the period 2025-2028</p> <p>Decision taken to proceed with bus franchising having taken account of the outcome of the statutory public consultation. Allied to this, £350m of the indicative City Region Sustainable Transport Settlement for 2027-32 (CRSTS 2) earmarked to support the required capital investment for bus franchising and decarbonisation.</p> <p>New Police and Crime Plan issued. The Plan is the first to be published for South Yorkshire since responsibility for policing and crime transferred to the Mayor in May 2024 and has been developed after extensive public and partner consultation. The Plan sets out policing priorities for South Yorkshire covering the 4 years 2025 to 2029.</p> <p>Outcomes from the first year of operation since the tram was brought back under public control in March 2024 reported. This has seen patronage growth across the network, improved revenues, consistent timetable delivery and a renewed focus on cleanliness and customer service. There has also been significant investment in new systems to bring efficiencies to the operation and replacement rails and overhead line equipment which were over 30 years old as part of the wider asset renewal programme.</p>

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4. FINANCIAL PERFORMANCE

Overall Position

The overall outturn position in 2024/25 for MCA revenue and capital is summarised in the tables below. These exclude the financial performance of Police and Crime activity which is accounted for through the Police Fund. This is presented separately further down this section.

The outturn demonstrates the sustained high levels of capital investment at c. £149m and the growth in revenue expenditure to £215m for the year. At this level revenue expenditure has grown by £47m on the prior year whilst capital expenditure has matched last year's record levels.

Revenue Expenditure by Area:	Budget 2024/25 £k	REV3 * 2024/25 £k	Outturn 2024/25 £k	Variance REV 3 to Outturn £k
Travel & Transport	£78,975	£80,335	£79,511	£824
Growth & Skills	£86,157	£87,261	£79,796	£7,465
Housing & Infrastructure	£600	£1,019	£92	£927
Net Zero & Environment	£2,306	£1,182	£713	£469
Creative, Culture & Digital	£465	£1,560	£1,309	£251
Best Start in Life	£2,500	£615	£585	£30
Health Inequalities	£257	£250	£200	£50
	£171,259	£172,223	£162,206	£10,017
Corporate Items	£13,907	£13,572	£13,704	(£132)
Mayoral Office	£902	£613	£621	(£7)
Policing and Reform	£0	£122	£274	(£151)
Other MCA Executive	£9,116	£11,031	£10,445	£586
Appropriations to Reserves	£14,410	£26,710	£27,643	(£933)
Total Revenue Expenditure	£209,594	£224,272	£214,893	£9,379

6. Capital Programme	Budget 2024/25 £k	REV3* 2024/25 £k	Outturn 2024/25 £k	Variance REV3 to Outturn £k
Transport Programme:				
Transforming Cities Fund	£32,380	£33,941	£31,779	£2,162
City Region Sustainable Transport	£77,745	£76,566	£56,379	£20,187
Active Travel	£3,850	£1,045	£1,341	(£296)
Mayor's Sustainable Transport Fund	£4,076	£5,637	£2,730	£2,907

Network North funding	£0	£1,695	£3,807	(£2,112)
TSOG & Green Light Funding	£0	£698	£821	(£123)
	£118,051	£119,583	£96,858	£22,725
Gainshare Programme	£21,644	£36,495	£25,298	£11,197
Connected by Water		£9	£0	£9
Brownfield Housing	£23,716	£14,483	£11,146	£3,337
Investment Zone	£5,556	£7,034	£3,131	£3,903
Local Electric Vehicle Infrastructure	£6,230	£777	£136	£642
Shared Prosperity Fund	£4,158	£5,730	£6,668	(£938)
Recycled Local Growth Fund	£6,783	£2,696	£4,192	(£1,496)
Digital Programme	£579	£300	£351	(£52)
Corporate ICT and Asset Investment	£499	£721	£1,292	(£571)
Total Capital Expenditure	£187,216	£187,827	£149,072	£38,755

* REV 3 or Quarter 3 budget revision, is the final budget approved by the MCA prior to the end of the financial year 2024/25.”

The financial performance for the year is notable for a number of issues:

- At c.£215m, the MCA has recorded its highest ever levels of revenue expenditure, beating base budget forecasts by over £5m;
- At c.£149m, the MCA has sustained its record levels of capital investment, roughly matching prior year totals;
- Despite reaching record levels, the capital programme missed its base budget forecasts by c. £39m (21%) as a number of projects slipped delivery timelines;
- Income generated from treasury management activity reached £23.4m, £13.4m above forecast as interest rates and cash balances stayed higher for longer than forecast;
- Exceptional treasury income performance has allowed for the MCA to deliver on its approved reserve strategy; and,
- The financial performance of the tram operating company (SYFTL) in its first year of operation since being brought back under public control on 22 March 2024 was better than forecast, with £1m less subsidy required.

Revenue variances largely relate to reprofiling of the delivery of Gainshare funded growth and skills projects (£5.3m), including the South Yorkshire Jobs Fund and the South Yorkshire Innovation Programme. Revenue expenditure on Investment Zone activity also underspent (£1.9m) as clarity was sought on the continuation of funding before programmes were launched. Underspends also arose on Bootcamps (£1m), Working Win (£0.9m) and Work Well (£0.64m), offset by Adult Skills Fund which whilst fully funded exceeded forecast by £3.3m.

Capital programme performance is largely characterised by the improved speed at which business cases are being developed and passed through the system, and the increasing maturity of a number of major programmes as the City Region Sustainable Transport Settlement (CRSTS1) and Brownfield Housing programmes enter their final stages. A review of capital delivery arrangements has recently been commissioned by the Chief Executives, supporting considerations on how best the MCA and partners can work together and use development funding to deliver schemes at pace.

Further information is available in the Outturn Report which is being presented to MCA Board on 24 June 2025, the papers for which are available on the MCA website.

South Yorkshire Police Fund

This financial outturn position for 2024/25 for South Yorkshire Police Fund is positive including a £6.6m underspend on the Chief Constable’s budget and £1.9m underspend on the MCA’s police and crime functions.

This outturn result represents a significantly better result than that forecast at Quarter 3. In part, this reflects conscious decisions taken by the Force to avoid committing discretionary resource before understanding the long-term implications of the identified budget pressures within the Police Fund.

Work remains ongoing to address the known budget pressures within the Police Fund arising from the errors identified in the previous financial year and systemic national pressures around police funding.

MCA Policing and Reform budget 2024/25

The budgeted and actual expenditure for Policing and Reform is shown in the table below. The 2024/25 outturn position is a £1.871m underspend reflecting staff vacancies, reduced commissioning expenditure and additional Treasury Management income.

2024/25 (£000)	Full year budget	Outturn	Under/ (Overspend)
MCA P&R budget			
Employees	£1,486	£1,061	£425
Local Criminal Justice Board	£134	£133	£1
Supplies, Services, Travel & Premises	£593	£660	(£67)
Violence Reduction Unit (net)	£0	£15	(£15)
External Funding	(£41)	(£85)	£44
Overall MCA P&R Total	£2,172	£1,784	£388
Partnerships and Commissioning (net)	£3,152	£2,861	£291

Net Capital Financing Costs	£1,291	£99	£1,192
Grand Total	£6,615	£4,744	£1,871

South Yorkshire Police 2024/25 Budget Outturn

The revenue outturn position for the financial year 2024/25 (before reserves movements) is an underspend of £6.5m (2%) against the net revenue budget approved of £330.1m.

2024/25 (£000)	Full year budget	Outturn	Under/ (Overspend)
South Yorkshire Police			
Police Pay	£195,400	£201,101	(£5,700)
Support Staff	£100,291	£95,945	£4,346
Other Employee Costs	£7,273	£5,871	£1,402
Premises and Transport	£16,908	£15,534	£1,374
Supplies and Services	£26,435	£25,708	£727
Agency	£22,180	£20,147	£2,033
Debt Costs	£827	£1,007	(£180)
Income	(£15,074)	(£17,110)	£2,036
Grant	(£24,126)	(£24,621)	£495
Grand Total	£330,116	£323,583	£6,533

The underspend position resulted from the planned delays in progression of growth items approved for 2024/25, Priority Based Budgeting and the close management of both vacancies and running costs following the recognition of significant financial issues in the second half of the year and the uncertainty surrounding the funding gap over the medium term.

Reconciliation of the Revenue Budget Outturn to the Comprehensive Income & Expenditure Statement (CIES)

The Revenue Outturn reports financial performance on the statutory basis on which Local Government raises finance from local taxpayers to deliver services and invest in its capital assets.

This differs from the way in which financial performance is reported in the CIES in the Statement of Accounts which is on the basis of generally accepted accounting practice (International Financial Reporting Standards).

Reconciliation of MCA surplus to CIES

The following table shows how the surplus on the provision of services shown in the CIES of £15.459m reconciles to the revenue underspend reported to the MCA Board on 24 June 2025.

South Yorkshire Mayoral Combined Authority – Statement of Accounts 2024/25

	MCA	Police	
	£'000	& Reform	Total
		£'000	£'000
(Surplus) / Deficit on Provision of Services - CIES	-24,430	8,971	-15,459
Reversal of items not chargeable against revenue budget:			
IAS 19 pension costs	-240		-240
Capital grant income & contributions credited to Taxation & Non Specific Grant Income in the CIES	19,556		19,556
Donated assets credited to Taxation & Non Specific Grant Income in the CIES	1,880		1,880
Capital grant income relating to REFCUS credited to net cost of continuing operations	115,662	140	115,802
Capital grant expenditure (REFCUS) charged to net cost of services within the CIES	-127,038	-16,932	-143,970
PPE Depreciation charged to CIES	-6,457	-8,980	-15,437
Intangible Assets amortisation charged to CIES	0	-1,644	-1,644
Revaluation loss on surplus assets charged to CIES	-252	-2,199	-2,451
Revaluation gain on PPE credited to CIES	1,083		1,083
Loss on disposal of assets held for sale	-1,092		-1,092
Loss on disposal of non current assets	0	-791	-791
Expected credit losses relating to capital loans	-4,491		-4,491
Soft loan adjustments - unwinding of discount	24		24
Premium on early repayment of debt	94		94
Amount by which council tax income and non-domestic rates income included in the CI&ES is different from the amount taken to the General Fund in accordance with regulation	0	-227	-227
Officer remuneration costs	0	3	3
Items chargeable against revenue budget not included in CIES:			
Statutory provision for repayment of debt (MRP)	3,967	1,052	5,019
Direct revenue financing	278	827	1,105
Contributions to/from reserves charged to Outturn			
Budgeted Contributions to reserves	31,598	0	31,598
Draw down of reserves to fund outturn	-11,066	0	-11,066
Use of capital receipts to finance capital expenditure	0	496	496
Surplus reported in Outturn report to the MCA	-924	-19,284	-20,208
Contributions to / (from) reserves in Period 13 not forming part of Outturn:			
Levy Reduction Reserve	924		
Police & Reform Devolved Budget		4,468	
Police & Reform Legacy Reserve		5,733	
Police & Reform Operational Direct Activity Reserve		-129	
Police & Reform Revenue Grants Reserve		-504	
Net change in General Fund Balance	0	-9,716	

Reserves

Legislation requires that the MCA maintains an adequate level of reserves and balances to meet estimated future expenditure when calculating the budget requirement and to mitigate against specific risks. The MCA’s approach to this is through its reserves strategy.

The reserves are differentiated between general balances and earmarked reserves. General balances are available to address unforeseen costs, financial shocks and contingencies and to provide the MCA with the ability to exploit opportunities that may arise. Earmarked reserves are held to manage known issues, including the mitigation of identified risk or meeting the demands of forecast future resource requirements.

As part of the 2025/26 budget setting process the reserve strategy has been refreshed with a view to achieving a number of key objectives:

- An assessment of whether the quantum of reserves held remained appropriate for the changing risk in the MCA’s operating environment;
- an assessment of whether the MCA’s reserves were mitigating the right risks given the move towards direct control of the bus network and the exposure to further devolution and new ways of working; and,
- An assessment of whether the MCA’s reserve strategy appropriately supported the MCA’s financial strategy.

The position at the end of 2024/25 is summarised below;

	MCA General Fund £'000	Police Fund £'000
REVENUE		
General balances (uncommitted)	5,000	28,717
Earmarked Reserves	129,970	54,663
Total Revenue Reserves	134,970	83,380
CAPITAL		
Capacity Development Fund (uncommitted)	5,906	0
Earmarked capital receipts/capital grant unapplied	49,433	0
Total Capital Reserves	55,339	0

The key revenue reserves held by the MCA comprise :

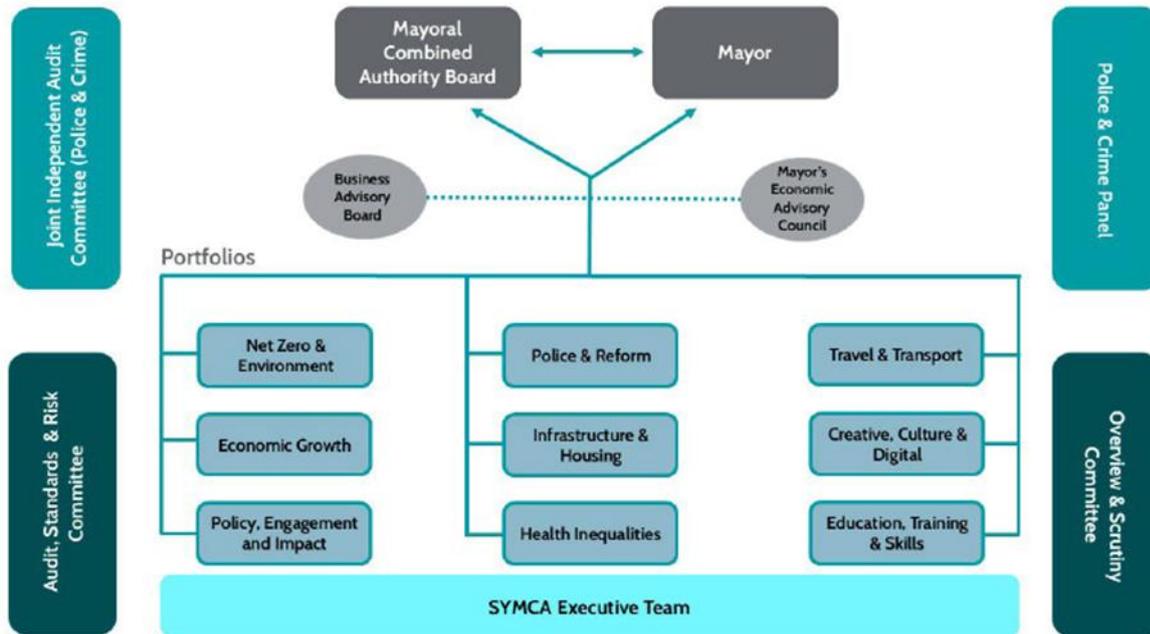
- Bus franchising - £19.7m set aside to meet the estimated cost of £20m to fund the move to bus franchising. Creation of a Bus Resilience reserve of £16.2m to provide a buffer against the immediate exposure to the financial performance of the bus network when the new Bus franchising model is implemented.
- Levy reduction reserve – £11.4m to provide continuing support to funding the local Transport Authority Medium Term Financial Strategy and ensure transport levy increases are sustainable
- Tram resilience - £2.9m against income losses below that budgeted for
- Organisational Capacity & Capability - £10.9m set aside to provide funding over a five-year period to allow for sustained investment, particularly in the context of the challenges of funding new devolved activity
- Mayoral Priority Fund - £7.1m set aside to support Mayoral manifesto commitments up to the next election in May 2028
- Mayoral Election Reserve – £2.7m funding towards the cost of the next mayoral election
- PFI reserve - £13m to meet future liabilities relating to Doncaster Interchange up until the end of the PFI scheme and to meet residual liabilities beyond the end of the scheme
- Police Legacy Reserve - £35.7m to fund future potential liabilities in relation to Hillsborough and Child Sexual Exploitation

More detailed information on the earmarked revenue reserves can be found in Note 15 of the accounts.

5. GOVERNANCE

Summary

The governance model that has operated since the integration of the MCA and PCC is summarised below:



Whilst there have been no significant governance issues during this year, the MCA has successfully managed major programmes of work that have challenged and tested its governance arrangements. This has included: bringing the tram system back into public ownership; managing a Mayoral election and subsequent integration of the former Office of the Police and Crime Commissioner; undertaking a programme of activity to explore the option of bus franchising and supporting the business case development for a South Yorkshire Airport.

The ‘Cabinet’ style leadership arrangements and robust assurance practice put in place in 2023/24 has enabled us to progress decisions related to these programmes at pace, driving forward the Mayor’s and MCA’s ambitions for the region whilst balancing risk and considering the impact on future generations.

Our evaluation of the effectiveness of our governance arrangements in the context of these challenges has concluded that arrangements were fit for purpose and robust yet flexible enough to respond, and that the organisation has been able to undertake its day-to-day activities effectively, and the systems and processes in place have provided a robust level of control.

Mayoral Combined Authority

The MCA is responsible for setting the policy direction for the South Yorkshire and maximising financial investment to achieve economic growth. It is also the Local Transport Authority for South Yorkshire.

The MCA makes large investment decisions on schemes and projects in line with the MCA's SEP and Plan for Good Growth, and it is the accountable body for all funding devolved by Government to South Yorkshire at sub-regional level. The MCA Mayor is accountable for the devolved transport powers through the Bus Services Act.

All five constituent members of the MCA (the four South Yorkshire Leaders and the Mayor) have an equal vote and decisions are made by a majority vote. The MCA Constitution allows for voting rights to be extended to non-constituent members at the discretion of the constituent members.

On integration with the PCC, the Police and Crime Commissioner for South Yorkshire's functions were transferred to the elected Mayor of South Yorkshire. The MCA became the legal entity responsible for administering the Police Fund and executing the Mayor's decisions in his role as Police and Crime Commissioner.

Cabinet-style Leadership Model

Under the governance model adopted in 2023/24, the thematic boards have been replaced with the Cabinet-style model, resulting in the South Yorkshire Mayor and Local Authority Leaders each taking portfolio responsibilities. The portfolios are set out in the diagram above.

Mayor's Economic Advisory Council (MEAC)

The former Local Enterprise Partnership has been superseded by two new advisory boards, the first of which is MEAC. The purpose of MEAC is to meet two separate but related needs:

- to ensure the Mayor and Local Authority Leaders have access to the best economic growth advice, and;
- to ensure the South Yorkshire narrative reaches the highest and most appropriate levels of decision making in central government and private investor platforms.

MEAC comprises eleven industry leaders with a wealth of experience, whose primary objective is to fortify South Yorkshire's position as a thriving business hub.

Business Advisory Board (BAB)

BAB has in part arisen as a result of the Government's LEP review and also the need to meet key elements of the Devolution Accountability Framework.

BAB replaces the existing Business Advisory Group, which was created as part of the Covid 19 response. This Board has sectoral, thematic, and geographical representation, with due consideration given to South Yorkshire's economic strengths and businesses of different sizes and levels of maturity, such as start-ups, SMEs, those of significant scale and corporates operating in international markets.

Audit Standards & Risk Committee

The MCA's Audit Standards & Risk Committee (ASRC) provides a high-level focus on assurance and the MCA's arrangements for governance. The ASRC ensures that the organisation is fulfilling its legal obligations, has robust control measures in place and is managing risk effectively. The Committee receives reports on both financial and non-financial performance.

Membership of the ASRC is politically balanced as far as practicable and in 2024/25 consisted of 4 elected Councillors (or their nominated substitute) from the four South Yorkshire Local Authorities and up to three independent members.

In addition, the MCA has an established process for internal and external audit. Internal Audit is a contracted service (RSM Robson Rhodes with effect from 1 April 2023). The MCA's external auditors are with effect from 2023/24, KPMG.

Overview and Scrutiny Committee

The Overview and Scrutiny Committee holds the MCA and the Mayor to account and ensures that all aspects of decision-making are transparent, inclusive, and fair. The Committee is responsible for checking that the MCA is delivering its objectives and that MCA policies, strategies and plans are made in the best interests of residents and workers in the region.

Membership of the Overview and Scrutiny Committee is politically balanced and consists of 10 elected Councillors (or their nominated substitute) from the four Local Authorities in the region. The Overview and Scrutiny Committee has the authority to review and scrutinise a decision made, or action taken by the MCA and any of its Sub-Boards. The Committee can, at their discretion, make recommendations for change or improvements.

Police and Crime Panel

The Police and Crime Panel scrutinise the actions, decisions, and performance of the South Yorkshire Mayor in relation to the discharge of police and crime functions. The Panel also provide both support and constructive challenge to ensure the Mayor meets the needs of all the communities they have been elected to serve.

Joint Independent Audit Committee

The Joint Independent Audit Committee provides an independent review of the effectiveness of governance, risk management and control frameworks, financial reporting, and internal and external audit/inspection reports and recommendations on discrete Police and Crime matters for the Mayor and Chief Constable.

Independent Assessment of Governance Arrangements

The MCA’s overall governance arrangements have been subject to independent assessment on an annual basis by External Audit and Internal Audit.

The MCA’s Head of Internal Audit’s Annual Report for 2024/25 has included the following opinion:

“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.”

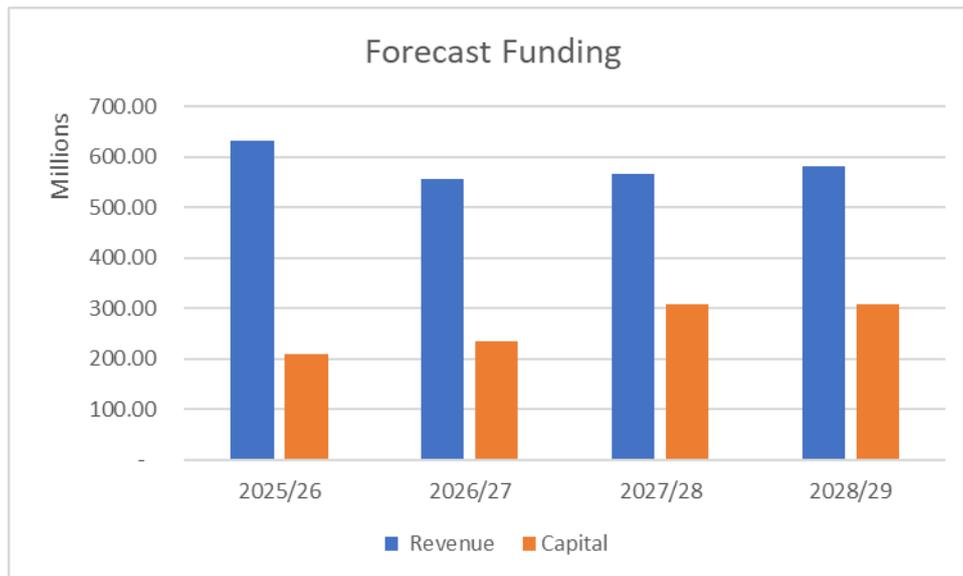
The Police Fund’s Head of Internal Audit’s Annual Report for 2024/25 has included the following opinion:

“In our opinion, South Yorkshire Mayoral Combined Authority – Policing and Reform and The Chief Constable has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives, except for the processes in place for Data Sharing, as we identified weaknesses in the monitoring arrangements for suppliers involved in processing South Yorkshire Police data. In addition, a number of our audits during the year highlighted weaknesses in workforce planning arrangements for identifying staff availability, capacity and capability when resource planning across a number of projects as a key theme.”

A more detailed review of the MCA’s governance arrangements including its Governance Improvement Plan is included in the Annual Governance Statement.

6. OUTLOOK

At the time that the 2025/26 budget was approved, the following chart showed the forecast level of expenditure to 2029/30 based on known funding streams and known expenditure requirements. As the decision on whether or not to proceed with bus franchising had not been taken at the time that the 2025/26 budget was approved, the forecast impact of franchising is not included in these figures. Neither is the outcome of the Spending Review 2025.



Capital delivery was expected to accelerate in 2026/27 in the final year of the MCA’s £570m City Region Sustainable Transport Settlement (CRSTS) programme.

The Government’s announcement in the Spending Review 2025, confirmed the indicative allocation made by the previous government of CRSTS 2 funding (renamed Transport for City Regions (TCR)) for the MCA of £1.45bn which means that capital resource will grow significantly from 2027/28 onwards over the 5 years of TCR. The confirmation of the TCR allocation means that the MCA can now progress with the acquisition of a new fleet of electric buses and bus depots to support bus franchising, and a wholesale replacement of the existing tram fleet and infrastructure.

The reduction in revenue funding reflects a number of movements including the exhaustion of reserves for discrete projects and strategies. In the coming years funding set aside for the Tram Concession end project; the Business and Skills Renewal Action Plan workstreams; the Safe Place to Sleep project; the Transport Innovation Fund; and budget stability reserves such as the Levy Reduction Reserve will all be exhausted with an assumption that those projects will have completed. Revenue reserves intended to support capacity and at-risk work such as the Capacity and Capability Reserve, the Project Feasibility Fund, and the Bus Franchising Transition Reserve will also continue to reduce as expenditure is incurred without any planned additional contributions. Programmes like Skills Bank that have been maintained through recycled income will also begin to unwind. Key revenue funding streams such as Shared Prosperity Fund and Working Win are also only committed into the near-term and will end by 2026 unless decisions are taken by Government to extend them.

Managing the near and long-term stability of the Police Fund is a significant inherited challenge. Whilst a Mayoral function, with the Police Fund ringfenced aside from other MCA activity, the MCA’s teams will be required to support much of the activity.

Whilst in the medium to long-term bus franchising may offer a more sustainable route to managing the bus network, a key planning concern is how to react to the potential loss

or reduction of Government funding that is committed until the end of financial year 2025/26. Without a successor funding stream the MCA is not in a position to provide the level of subsidy that is sustaining the network at its current levels. This could lead to services being withdrawn before a franchise model is implemented.

Inflationary pressures remain an issue for the MCA given the lack of index-linked funding. To-date these pressures have been managed through efficiencies and the commitment of commercial income flows, whilst the transport levy is now on a more sustainable trajectory. Whilst inflation is now reducing, the MCA remains exposed to this issue.

In recent years the MCA has benefited from exceptional performance on its Treasury Management activity, and this is expected to continue – albeit not at the same quantum – into the new financial year. The MCA has taken a cautious approach to this windfall, matching one-off surpluses to one-off activity such as the franchise assessment activity and discretionary projects.

The MCA has in recent years also earmarked material amounts of this funding to the Capacity & Capability reserve to strengthen core MCA functions. This money will be released over a sustained five-year period, but after this the MCA will need to rebalance its cost-base back to an affordable envelope.

In the current cycle, uncommitted treasury management income has been transferred to the Mayoral Priority Fund. This represents a new reserve to help resource Mayoral manifesto commitments.

Spending Review 2025 - MCA

The Government's Spending Review 2025 delivered on 11 June 2025. The following is a summary of the key announcements that will affect the MCA:

(i) £1.5bn transport funding

- Confirmation of the Government's commitment to investing in intra-city region transport infrastructure with South Yorkshire
- The £3 fare cap is to be continued till March 2027.

(ii) Local Growth Funding

- A new 10 year local growth fund for specific mayoral city regions in the North and Midlands with the highest productivity catch-up and agglomeration potential. This is a welcome repurposing and retargeting of both Shared Prosperity Fund and the Levelling Up Fund towards areas of need and opportunity.
- A major investment plan targeting up to 350 of the most deprived neighbourhoods across the UK; confirming support over the long term for the developing Plan for Neighbourhoods work in Barnsley, Rotherham and Doncaster alongside 25 new 'trailblazer neighbourhoods' with Batemoor and Jordanthorpe in Sheffield identified by as a priority area that could benefit from up to £20 million over the next 10 years.

- £160m for the Investment Zone, confirmed over 10 years. A recyclable mayoral growth fund (quantum unknown) and £30m for an Innovation Accelerator to support high growth innovation intensive businesses. The Government has also signalled additional capitalisation of the British Business Bank, the National Wealth Fund and Great British Energy (focused on offshore wind), which South Yorkshire may benefit from, but details are unclear.

(iii) Housing Investment and commitment to delivering a Warm Homes Plan

- The government has committed £39bn to unlock new affordable homes and bring forward private sector led housing growth through new finance mechanisms – these build upon the partnerships in place in South Yorkshire between the region and Homes England. We expect lots of the ‘guard-rails’ usually attached to bespoke housing funds to be taken off. The ten-year commitment on the Affordable Homes Programme, and on rental settlements, provide welcome certainty.
- Alongside that investment is a £13.2 billion commitment to extend the Warm Homes Plan through to 2030, designed to bring energy bills down through insulation, solar panels and heat pump investments. South Yorkshire is well-positioned to benefit given its existing housing retrofit programmes and strong delivery partnerships, and this funding could be brought together as part of a regeneration programme.

(iv) Work, health and training

- DWP received an annual real terms 2.1% funding uplift and health received an annual 2.8% real terms uplift. DWP continues to face significant pressures, meaning: that Pathways to work is confirmed for FY 26/27, and we hope thereafter but this is dependent on departmental prioritisations; WorkWell is expected to continue to 28/29, but is again dependent on departmental prioritisation; Further investment (£1.2bn p.a.) in training and skills targeted at 16-19yr old provision, construction programmes and further apprenticeships, but precise details are unclear.

(v) Sheffield Forgemasters

- The Ministry of Defence has increased its recapitalisation plan for Sheffield Forgemasters from £900 million to £1.3 billion, reinforcing the company’s role in the UK’s defence manufacturing supply chain, bringing 900 new jobs and protecting a further 700. This investment will support advanced steel production critical to submarine and munitions programmes, strengthening South Yorkshire’s industrial base.

(vi) Doncaster Sheffield Airport

- The government reaffirmed its £30 million investment to support the reopening of Doncaster Sheffield Airport, in partnership with the South Yorkshire Mayoral Combined Authority.

The government has also committed to capitalising a new regeneration revolving fund for Mayors in the North and the Midlands adopting an approach directly inspired by South Yorkshire’s highly successful JESSICA fund, which has delivered strong returns and unlocked significant private investment.

The government has acknowledged the need to reform the Treasury’s Green Book, which has long been a barrier to investment in regions like South Yorkshire. The current appraisal framework has historically undervalued the economic potential of places outside London and the South-East.

It is expected that further announcements will come in the National Infrastructure Strategy which will detail long-term transport, energy, and digital infrastructure priorities and in the National Industrial Strategy where South Yorkshire’s strengths in advanced manufacturing, defence, clean energy and life sciences are expected to be promoted.

The National Infrastructure Strategy is expected to see major commitments to transport infrastructure for the North of England with the Chancellor making a specific reference to Northern Powerhouse Rail. The region’s White Rose Rail submission is expected to feature.

The National Industrial Strategy is expected to see South Yorkshire benefit from a Defence Growth Deal. The Spending Review confirmed an £11 billion real-terms increase in defence spending, including £6 billion for munitions and £15 billion for the UK’s sovereign nuclear programme. South Yorkshire is already benefiting through Forgemasters, but further opportunities are expected in the sectors of defence, aerospace, and advanced manufacturing—areas where the region has a strong competitive advantage.

Further ahead, South Yorkshire has submitted detailed investment proposals to the National Wealth Fund, including support for hydrogen innovation, sustainable aviation, and real estate investment vehicles. Further announcements are expected on the deployment of this fund, which could unlock substantial private sector leverage and job creation.

Spending Review 2025 – Police Fund

The Police and Crime Commissioners Treasurer’s Society has conducted a review of the Government’s funding proposals for the 3 year period 2026/27 to 2028/29.

The Spending Review announced that the proposals will result in a real terms increase of 2.3% p.a over the period 2023/24 to 2028/29 in police spending power. This is aimed at meeting the commitment to put an additional 13,000 police officers, PCSOs and special constables into neighbourhood policing to increase police visibility and support the Safer Streets mission which aims to reduce serious harm and increase public confidence in policing and in the criminal justice system, an integral part of which is to halve knife crime and Violence Against Women and Girls (VAWG) within the next decade.

Further information is expected to be made available in the in the Police Financial Settlement, in particular, around the precept levels assumed within the core spending power estimates.

Annual Governance Statement

Executive Summary

Scope of Responsibility

The South Yorkshire Mayoral Combined Authority (“the Authority” “the MCA”) is responsible for ensuring that its business is conducted in accordance with law and that proper standards of governance are employed; that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. The Authority has a duty under the Local Government Act 1999 to make proper arrangements for the governance of its affairs and to secure continuous improvement in how its functions are exercised.

This statement explains how we have complied with our Local Code of Corporate Governance and meets the requirements of Regulation 6 (1a and 1b) of the Accounts and Audit (England) Regulations 2015 in relation to conducting a review at least once per year of the effectiveness of systems of internal control. These regulations also require a statement reporting on the findings of the review to be published with the Statement of Accounts in the form of an Annual Governance Statement.

What do we mean by Governance?

By governance, we mean the arrangements that are put in place to ensure that our intended outcomes are defined and achieved. The term ‘Governance Framework’ is used to describe the systems and processes, cultures, and values, by which the activities we are accountable for, are directed and controlled. We recognise that to be truly effective, these arrangements must be robust but also adaptable to changing circumstances including the expectations of the public and of other stakeholders. We are committed to addressing governance issues as they arise and to keeping our arrangements under review.

What is ‘good governance’?

Fundamentally, good governance is about making sure we do the right things, in the right way, for the right people. Our commitment to good governance is set out in our Code of Corporate Governance. This Code, aligned the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016, has been in place for the year ending 31st March 2025, and describes how we will carry out our functions in a way that shows accountability, transparency, effectiveness, integrity, and inclusivity.

Working in this way will allow us to deliver our objectives in the most effective and efficient manner, bringing about better, sustainable outcomes for the residents, communities, and businesses of South Yorkshire.

Summary of governance issues during 2024/25

This year has been significant in the journey of devolution. The Government has indicated that Combined Authorities will be given significant additional tools to tackle regional challenges, along with potential new statutory responsibilities and status as

strategic authorities. This presents a great opportunity for the MCA, but we will need to adapt, change, and grow to respond to these new opportunities, powers, and responsibilities. Consequently, it is likely we will see further adaptations to our governance requirements, changes to our resourcing needs, and a necessity to balance the risks associated with these changes.

Whilst there have been no significant governance issues during this year, the MCA has successfully managed major programmes of work that have challenged and tested our governance arrangements. This has included: bringing the tram system back into public ownership; managing a Mayoral election and subsequent integration of the former Office of the Police and Crime Commissioner; undertaking a programme of activity to explore the option of bus franchising and supporting the business case development for a South Yorkshire Airport. Our 'Cabinet' style leadership arrangements and robust assurance practice has enabled us to progress decisions related to these programmes at pace, driving forward the Mayor's and MCA's ambitions for the region whilst balancing risk and considering the impact on future generations.

During the year, a significant omission in accounting practices in respect of the Office for Police and Crime Commissioner (OPCC) revenue budget from the financial year 2019/20 onwards (pre-integration) was identified.

This omission resulted in non-compliance with the legal duty to charge prudent revenue provision for the repayment of debt, meaning that charges relating to £65m of capital investment financed through borrowing had not been accounted for in the statutory accounts for the period 2019/20 - 2023/24, nor budgeted for into the future through the medium-term financial strategy.

The Section 73 Officer (Executive Director of Resources and Investment) and the Monitoring Officer (Director of Legal and Governance) issued a report to the Mayor who accepted their recommendations.

Considerable progress has been made to address the budget shortfall through engagement with the external auditor and with the Home Office. This engagement has led to agreement on accounting treatment for past accounting omissions and future budget omissions, along with agreement from the Home Office for support for a capitalisation direction and practical funding support via a cash flow intervention and an increased contribution to 'legacy' compensation schemes. The Mayor continues to lobby Government for a sustainable resolution to the issue.

Managing this financial pressure sustainably and protecting front line policing has been a primary consideration in addressing this issue.

Our evaluation of the effectiveness of our governance arrangements in the context of these challenges has concluded that arrangements were fit for purpose and robust yet flexible enough to respond, and that the organisation has been able to undertake its day-to-day activities effectively, and the systems and processes in place have provided a robust level of control.

Statement by the Chair of the MCA Board and the Chief Executive, on behalf of South Yorkshire Mayoral Combined Authority

Based on the sources of assurance set out in this statement, we are satisfied that, throughout the year 2024/25, and up to the date of the approval of the accounts, a satisfactory system of internal control has facilitated good governance of the Authority's affairs and the effective exercise of its functions.

We are satisfied that the comprehensive evaluation process undertaken has identified the relevant areas for attention over the forthcoming year. The action plan, monitored by the Audit, Standards and Risk Committee, will (when implemented) further enhance the Authority's governance, risk, and internal control framework.

..... Oliver Coppard, South Yorkshire's Mayor

..... Katharine Hammond, Chief Executive

Approval Date: 24th June 2025

1. Identification of key governance arrangements

The organisational governance structure in place during the year is shown below:

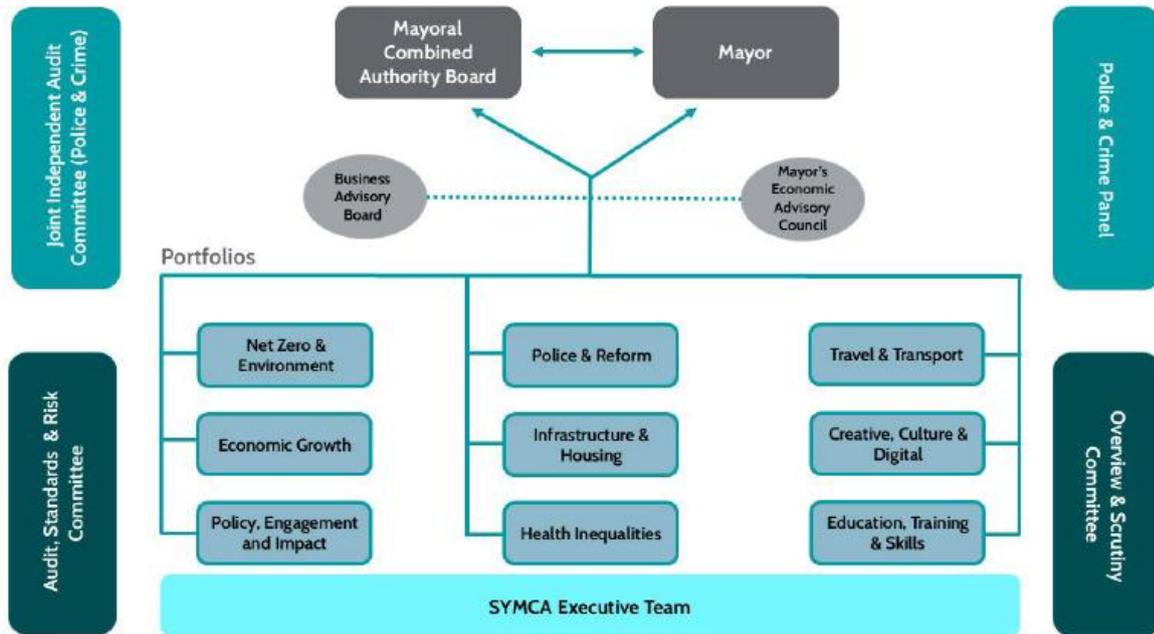


Fig 1: 2024/25 Governance Structure (from May 24 onwards)

The Authority’s Constitution sets out the governance arrangements of the organisation, the structure is diagrammatically shown above. The Constitution defines the operating principles of the Authority and embraces a suite of policies including, but not limited to, Codes of Conduct, Whistleblowing, Anti-fraud and Bribery, Contract Procedure Rules, Finance Regulations, and the Code of Corporate Governance, including the Terms of Reference for the Business Advisory Board and the Mayors Economic Advisory Board.

The Constitution also sets out the functions and delegated responsibilities of the statutory officers, namely the Head of Paid Service (Chief Executive), the Section 73 Officer (Chief Finance Officer) and the Monitoring Officer.

The Chief Finance Officer (CFO) operates in line with the CIPFA Statement on the Role of the CFO in Local Government (2016) and is actively involved in, and able to bring influence to bear on all material decisions to ensure that immediate and longer-term implications, opportunities, and risks are fully considered. The CFO leads the promotion and delivery of good financial management, which aims to ensure that public money is safeguarded and used in an appropriate, economic, and effective manner.

All Statutory Officers have direct access to the Chair of the Combined Authority with reference to their core statutory and professional roles.

The Authority also has in place an Assurance Framework which is updated annually and sets out how public money will be used responsibly, outlining the processes for ensuring openness and accountability for public funds.

The Audit, Standards and Risk Committee provide a high-level focus on assurance and governance arrangements. Their role is to ensure that the Authority fulfils its legal obligations, complies with statutory requirements, is managing risk effectively and has robust control measures in place for all devolved powers and funding. In addition, the Joint Independent Audit Committee provides an independent review of the effectiveness of governance, risk management and control frameworks, financial reporting, and internal and external audit/inspection reports and recommendations on discrete Police and Crime matters for the Mayor and Chief Constable.

The Overview and Scrutiny Committee holds the Authority to account for all decisions taken, including those relating to devolved powers and funding. They have the authority to review and scrutinise any decision made, or action taken and are responsible for checking that the Authority is delivering objectives, and that policies, strategies, and plans are made in the best interests of residents and workers in the region.

The Police and Crime Panel scrutinise the actions, decisions, and performance of the South Yorkshire Mayor in relation to the discharge of police and crime functions. The Panel also provide both support and constructive challenge to ensure the Mayor meets the needs of all the communities they have been elected to serve.

The Mayoral Economic Advisory Council provides access to the robust economic growth advice nationally and internationally and Business Advisory Board helps to shape thinking on issues of importance to businesses and on the region's economic future, ensuring the business voice is heard and considered in the Authority's decision making.

The MCA group also includes the wholly owned subsidiary company South Yorkshire Future Trams Ltd (Supertram), who are responsible for operating South Yorkshire's Supertram following its return to public ownership in March 2024.

Strengthening our Governance Framework

During the year we have undertaken a significant amount of work to strengthen and enhance our 'governance framework'¹ and develop the corporate core of the organisation in preparation for further phases of devolution. This has included:

- Refreshing our Corporate Plan which sets out our vision, mission, and objectives alongside principles set out by the Mayor that put people and a sense of responsibility for each other across South Yorkshire at the centre of everything we do
- Refreshing our Outcomes Framework which measures our success against our ambitions of real, positive, and tangible outcomes for people in South Yorkshire. New metrics have been added that relate to our policing and reform responsibilities and to reflect an increased focus on inclusion and engagement

¹ By governance, we mean the arrangements that are put in place to ensure that our intended outcomes are defined and achieved. The term 'Governance Framework' is used to describe the systems and processes, cultures and values, by which the activities we are accountable for, are directed and controlled.

- Strengthening our business planning and budget setting process to ensure alignment with the delivery of the vision, mission and objectives set out in the Corporate Plan
- Embedding our performance management arrangements to ensure personal objectives align to our Corporate Plan and organisational values of collaboration, accountability, ambition and integrity
- Developing our corporate performance reporting to ensure accurate and timely insights into business operations providing assurance and ensuring potential risks are identified and mitigated promptly
- Developing our approach to consultation and engagement to foster stronger stakeholder relationships, gather diverse perspectives and ensure inclusive decision making. Statutory consultations have taken place this year on bus franchising, police precept level and the Local Nature Recover Strategy as well as less formal consultation on issues such as allowing dogs to travel on the tram
- Partnering with key government departments to strengthen our business case development and our analytical capability
- Embedding our portfolio ‘cabinet’ style governance arrangements and initiating a comprehensive review to ensure arrangements adapt to the changing needs of the organisation
- Facilitating opportunities for leadership to shape decisions and cultivate a stronger sense of ownership through regular Policy and Strategy Planning meetings
- Innovating and testing concepts through pilot schemes and feasibility activities to inform future project implementation, scalable solutions, and strategic planning. For example, the Pathways to Work initiative, developed through partnership working, aims to address specific barriers to employment such as long-term health conditions, disabilities, or low skills, and the Beds for Babies: Safe Place to Sleep ‘test and learn’ pilot, to inform best practice in areas such as better provision of beds, cots and bedding, liaising with housing services and connecting families to access other services
- Developing relationships with leading academics and strategic thinkers to enhance intelligence sharing and collaboratively explore solutions to complex problems including actively participating in the RORE (Reclaiming our Regional Economies) Pilot Programme with other combined authority areas, with the aim of bringing communities together with political and institutional leaders to test ideas that help to re-wire and reform economies, so that they deliver good lives now and for generations to come
- Strengthening our relationship with Government to ensure effective collaboration and support for strategic goals such as the Department for Transport on our tram asset renewal programme which is fundamental to transforming South Yorkshire’s public transport network alongside Bus Reform and will provide a strong platform to support economic growth
- Attaining a positive outcome from Government’s Gateway Review which evaluated how Devolution Investment Funds (known as Gainshare) have been

invested, and the impact that the funding has had on the regional economy. The review highlighted that we had particular strengths in partnership working, capacity development, governance and engagement. Recommendations from the Review have been incorporated into our Assurance Framework (which sets out how we will use public money responsibly and is a condition of receiving Gainshare funding) and will contribute to our preparedness for the next phase of devolution.

- Beginning to identify gaps in our evidence base and determining the analytical capabilities needed to provide insights that will maximise benefits for South Yorkshire's residents
- Continuing to embed a collaborative approach to programme management that supports the development and guidance of schemes through assurance processes, fostering a 'right first time' mentality, building stronger relationships and a culture of shared responsibility for delivery with our partners. This has included working with partners at strategic business case stage to support co-development and co-ownership principles and the incorporation of a Design Review Panel into the assurance process for schemes involving walking, cycling or wheeling infrastructure.
- Developing our Digital Strategy to ensure we fully harness technology, drive innovation across the organisation and ensure we remain agile and future-ready in a rapidly evolving digital landscape. This includes investing in the development of new solutions improve our public transport services.
- Improving our approach and process for talent acquisition to enable more efficient recruitment, attract the right candidates and foster a diverse and inclusive workforce that supports innovation and supports strategic goals. Key appointments this year have included roles with a focus on change and citizen experience, developing strategic partnerships and improving our capabilities around insight. This expertise strengthens our ability to identify opportunities for innovation and enables better decision making

2. Reviewing and evaluating of the effectiveness of the Governance Framework

The review of effectiveness has been informed by:

- The Head of Internal Audit's Annual Report which provides an opinion on the adequacy and effectiveness of the MCA's risk management, control, and governance processes
- The Risk Register which sets the culture and tone for the management of threats, concerns, and assurances across the organisation
- The work of the Audit, Standards and Risk Committee which includes responsibility for monitoring the effectiveness of the Authority's governance arrangements and control environment
- The work of the Joint Independent Audit Committee which provides an independent review of the effectiveness of governance arrangements and the control environment for discrete Police and Crime matters

- Internal management processes
- The report of the MCA's External Auditor
- Recommendations from external bodies/government departments
- Completion of Officer Assurance Statements by officers in the Policing and Reform Directorate
- A series of interviews with officers where we have evaluated our compliance with our Code of Corporate Governance and the effectiveness of our governance framework and an Executive Leadership Board PESTLE analysis risk workshop where we have reviewed and refreshed our risk profile

We are content that our system of internal control is satisfactory and has facilitated compliance with the principles of good governance during the year.

3. Head of Internal Audit Opinion

The role of the Internal Auditor is to provide an independent assessment of the system of internal control. They undertake a cyclical review of the main financial and operational systems on a rolling three-year Audit Plan which is based on an analysis of where there is most risk. Core financial systems are reviewed on an annual basis. Internal Audit works closely with External Audit and complies with the Public Sector Internal Audit Standards (PSIAS). The MCA's Internal Audit service is provided by RSMUK and the Head of Internal Audit's Annual Report for 2024/25 has included the following opinion:

“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.”

Further information on internal audit activity can be found at section 5.1.

In addition, Azets provides internal audit services for South Yorkshire Police, as well as for areas related to Policing and Reform responsibilities arising from the Mayor's role as the Police and Crime Commissioner. The Azets Head of Internal Audit's Annual Report for 2024/25 has included the following opinion:

“In our opinion, South Yorkshire Mayoral Combined Authority – Policing and Reform and The Chief Constable has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives, except for the processes in place for Data Sharing, as we identified weaknesses in the monitoring arrangements for suppliers involved in processing South Yorkshire Police data. In addition, a number of our audits during the year highlighted weaknesses in workforce planning arrangements for identifying staff availability, capacity and capability when resource planning across a number of projects as a key theme.”

4. CIPFA Code of Financial Management

The MCA's financial management is compliant with the CIPFA Code of Financial Management. The Code includes six principles of good financial management:

1. Leadership
2. Accountability
3. Transparency
4. Standards
5. Assurance
6. Sustainability

The Code then translates these principles into an explicit set of standards (17 in total) which guide our financial management.

5. Accountability and Action Plans

5.2 Audit Recommendations

- **External Audit**

The external auditors completed their audit of the 2023/24 accounts, and these were formally approved by the MCA Board on 30th January 2025. The external auditors issued their audit opinion on the 5th February 2025 and the audited 2023/24 accounts, including the audit opinion, were published on the MCA's website on the 7th February 2025, thereby meeting the statutory deadline of 28th February for publishing. The format of the opinion given was a 'disclaimer', which means that the auditors were unable to express an opinion due to a lack of sufficient appropriate audit evidence. The disclaimer issued on the 2023/24 accounts is a consequence of the 2022/23 accounts being disclaimed by the previous auditors due to them having insufficient capacity to conduct an audit of the accounts by the 2022/23 statutory deadline (almost 50% of the 437 local government audits have similarly been disclaimed). This has meant that the incoming auditors have no independent assurance over the 2023/24 opening balances. In publishing the 2023/24 accounts we have emphasised on the MCA website, that the disclaimer is in no way a reflection on the Authority. It is a consequence of the previous auditors' lack of capacity and the Government's strategy for addressing the backlog in local government audit under its local audit reset and recovery plan.

The external audit of the Office of the Police and Crime Commissioner's 2023/24 accounts has concluded, and, on the 7th April, the auditor issued an unqualified opinion. The accounts are published on the MCA website.

At time of writing, planning of the 2024/25 audit is underway. This will include further progress towards rebuilding assurance. There is an ongoing sector wide process to determine the appropriate level of work that will need to be performed to obtain assurance on opening balances where a disclaimer has been issued on the previous year's accounts. Officers will support the auditors in reaching a position where they are able to obtain full assurance as soon as practicable. The 2024/25 accounts will be the first year in which the activities of the former PCC will be incorporated into those of the MCA post transfer of functions which took place on 7th May 2024. Year-end working papers to consolidate the financial performance and financial position of the Police Fund with those of the MCA are being prepared, and discussions have also taken place with

the auditors over their audit approach. A draft audit plan will be issued by the end of April 2025.

- **Internal Audit**

Internal Audit Plan work for 2024/25 has resulted in three audits receiving a ‘substantial assurance’ opinion and eight receiving a ‘reasonable assurance’ opinion. Areas covered by the Internal Plan, which includes key areas of governance and internal control for South Yorkshire Future Trams Ltd, and the assurance opinion given, are listed below:

Substantial Assurance Opinion

SYFTL Tram Governance
OPCC Integration
Payroll

Advisory work

Fraud in Skills

Reasonable Assurance Opinion

Bus Tendered Services
Fraud in Skills
IT Asset Management
MCA Tram Governance
Tram Key Financial Controls
Tram Risk Management
Health and Safety – Compliance and Culture
HR Management - Recruitment

6. Risk Management

During the year, the Authority’s approach to the management of risk has continued to mature. Regular reporting to the Executive Leadership Board, the Audit, Standards and Risk Committee and the Transport Risk Working Group (which reports to the Audit, Standards and Risk Committee) has ensured effective oversight of risks presenting the highest level of threat to the achievement of the Authority’s objectives. In addition, risk management practice aligned to the MCA’s approach has been established in the wholly-owned subsidiary operating company – South Yorkshire Future Trams Limited (SYFTL).

At year end the highest scoring corporate/strategic risks were:

Table 1: High and medium/high corporate risks and their year-end position.

Residual Score	Risk Description	Year End Position
Reactive Measures to Police Budget Issues		
20	Due to the impact of identified budget issues in the Office of the Police and Crime Commissioner, there is a risk that reactive measures are undertaken by the Force, resulting in community safety services in South Yorkshire being impacted.	New risk this year following the identification of a significant omission in accounting practices in respect of the Office for Police and Crime Commissioner (OPCC) revenue budget from the financial year 2020/2021 onwards. Considerable progress has been made to address the budget shortfall through continued engagement with the external auditor and the Home Office leading to agreement on accounting treatment for past accounting omissions and future budget omissions,

		along support for a capitalisation direction and practical funding support via a cash flow intervention and an increased contribution to 'legacy' compensation schemes. Managing this financial pressure sustainably and protecting front line policing has been a primary consideration in mitigating this risk.
Policy change causes disruption and increased demand on MCA to deliver		
15	Due to changes to the political and policy operating environment e.g. change in Government, there is a risk that national and regional priorities shift, resulting in disruption to delivery and increased capacity constraints.	During the year there has been a significant shift in how the Government works with MCAs and other devolved administrations. The establishment of the Council of Nations and Regions chaired by the Prime Minister and the Council of Mayors chaired by the Deputy Prime Minister, both attended by Mayor Coppard, has provided mechanisms on a national level to influence Government priorities. In addition, the MCA now has nominated officials in key Government departments allowing much closer joint working and opportunities to embed MCAs into the machinery of Government.
Net Zero, Sustainability/ Climate Change		
15	Due to an inability to galvanise the required level of support, consensus, and leadership across the region, from partners and stakeholders both private and public, there is a risk that the approach is fragmented, resulting in a failure to achieve the net zero target, by 2040.	Evidence suggests that South Yorkshire has made considerable progress in reducing emissions broadly consistent with the national direction of travel and progress in other similarly sized city regions however, there remains significant work to do. Currently the MCA and member authorities are working on prioritisation of future action to reduce greenhouse gas emissions from the region, alongside activity that will be necessary to prepare for the disruption that climate change may cause and to improve the quality of the region's natural environment. While much of the delivery required will be taken on by member authorities, the MCA is taking a proactive role in building a strategic consensus on the main actions that will be needed. This approach will ensure that the region takes a joined-up approach, brings in the perspectives of researchers and business, and focuses effort on the areas of greatest opportunity. This includes the active leadership of the senior portfolio holders for Energy and Environment – the Mayor of South Yorkshire and the Chief Executive of City of Doncaster Council.

		Consequently, the residual risk score has reduced during the year.
Ability to Deliver CRSTS Programme		
12	Due to the award of the CRSTS programme funding which will provide related regional capital funds for five years from April 2022 and will be closely monitored by DfT there is a risk that the capacity and capability in the region is insufficient to deliver extensive projects in the programme within timescale resulting in potential damage to the reputation of the MCA and Mayor.	The CRSTS programme funds schemes delivered by both the SY local authorities and the MCA. For MCA schemes, a robust assurance process exists at both business case approval level and on the monitoring of delivery via the MCA corporate Programme Management Office. In addition, significant process and governance changes have been introduced over the last 6 months, overseen by a Tram Renewal Board and Project Oversight Board respectively, consequently, the residual risk score has reduced during the year.
Doncaster Sheffield Airport Closure		
12	Due to the cessation of aviation operations, there is a risk that the area will be subject to direct and indirect job losses, resulting in a drag on the regional economy and the area becoming less desirable for inward investment.	Work to re-establish aviation at Doncaster Sheffield Airport (DSA) and the progression of the South Yorkshire Airport City (SYAC) concept has continued. In her speech of the 29 th January 2025, the Chancellor of the Exchequer committed to the Government working with the City of Doncaster Council (CDC) and the MCA to develop South Yorkshire Airport City as a thriving regional airport as well as making announcements about aviation in other parts of the country. The project is, however, complex and whilst the projected benefits are significant, there is inherent and equally significant financial risk to the public sector. In February, the MCA Board approve the award to CDC of revenue funding of up to £10m from uncommitted treasury management resource to support ongoing costs and progression of time critical reinstatement activity, to be reimbursed from future year CDC Gainshare funding.
Successful Management of Concurrent Major Change Programmes		
12	Due to competing demands on organisational capacity and capabilities there is a risk that business change activity is not delivered successfully and there is a displacement of focus from core activity resulting in an impact on business-as-usual delivery, regulatory non-compliance, reputational damage, low workforce morale.	The MCA operates in a dynamic, complex environment with limited resources to support capacity requirements. However, due to interest rates and cash balances being higher than expected, additional income has been generated through treasury management. This has been used to address resource needs and minimise impact on core activity. Additionally, during the year major change activity has been subject to internal audit including the

		integration of the Office of the Police and Crime Commissioner and the reviews of the core systems and processes of the tram operating subsidiary. These have all had a positive outcome.
Housing and Strategic Planning Readiness		
12	Due to a lack of capacity, insufficient powers, lack of funding and uncertainty over future powers, there is a risk that MCA and regional partners will be unable to deliver the government's high ambitions around housing and strategic planning resulting in missed opportunities for development.	New risk identified this year following proposals in the Government White Paper on English Devolution. Key mitigations include well established strategic relationships with Homes England and the South Yorkshire Housing Partnership as well as local authority Heads of Planning and Housing Directors. In addition, the MCA is developing a Housing Growth and Affordable Housing Pipeline and has commissioned a feasibility study for an Enhanced Council House Building Programme, as well as responding to Government's Housing and Planning Reforms and feeding into submissions to the Government's Spending Review.

7. Progress against our Governance Improvement Plan for 2024/25

Although no significant issues were identified in the previous financial year, we identified areas for improvement and put in place a Governance Improvement Plan. The plan, and our progress against it, has been monitored by the Audit, Standards and Risk Committee during the year. The following actions have not been completed by year end and will therefore be rolled over into the 2025/26 plan:

- Develop a Consultation and Engagement Framework
- Introduce a consolidated customer complaints and feedback process.
- Agree our Digital Strategy
- Reviewed and consolidated HR policies

The table below provides a summary of the status of each action at year end.

Table 2: Progress against our Governance Improvement Plan for 2024/25

	Improvement Action	Deliverable	Outcome	Status at year end
1	Develop a Consultation and Engagement Framework.	A Consultation and Engagement Framework document.	How we listen, consult, and involve the people of South Yorkshire in our plans, decisions and services will be improved and aligned to best practice.	Ongoing - Initial consultation meetings have taken place to generate feedback, which is being used to develop the corporate engagement framework. The first draft of this framework

				– a Statement of Intent - will be shared for a further round of consultation meetings before further finalising the framework.
2	Introduce a consolidated customer complaints and feedback process.	A consolidated Customer Complaints and Feedback Process.	We will have a consistent, effective, and efficient approach to managing customer complaints and providing a comprehensive view of service improvement requirements.	Ongoing - The consolidated process was approved in February. Activity in March has included consultation on information flows, making the necessary changes to the telephony infrastructure, proceeding with any recruitment required and feeding into the replacement CRM project.
3	Develop and embed our approach to management information monitoring and reporting.	A Power BI system to collect and analyse data and a quarterly reporting cycle implemented.	Our stakeholders will be assured that our outcomes are being achieved, and corporate functions are working effectively.	Complete – this is now part of business-as-usual activity, supported by additional capacity and capability, and will continue to evolve as reporting requirements change.
4	Further develop and enhance the way we use evidential data and intelligence.	A programme to improve our business cases; core briefs to give us one version of the truth; further analytical work targeted at priorities.	Our funding asks and SY narrative will be stronger.	Complete – this is now part of business-as-usual activity, supported by additional capacity and capability, and will continue to evolve as reporting requirements change.
5	Develop and improve our approach to monitoring our transport tendered services.	A contract-monitoring process which is future-proofed for franchising.	Optimum value for money will be obtained for public funding.	Complete – this is now part of business-as-usual activity, supported by additional capacity and capability, and will continue to evolve as monitoring requirements change for a franchised model.

6	Embed our Valuing Individual Performance process.	Valuing Individual Performance documentation completed by every employee, reviewed at mid and end of year. Development plans in place where required.	Personal objectives will be linked to corporate and business objectives, and to our values and behaviours. Individual performance will be evaluated, and development requirements considered.	Complete – this is now part of business-as-usual activity, and will continue to evolve.
7	Agree our Digital Strategy.	A Digital Strategy document and costed delivery plan.	We will have a roadmap for the implementation and adoption of new digital initiatives and technologies to ensure business processes and operational models are modernised to enhance how we work in an evolving digital landscape and our ambitions of leveraging technology for economic advancement will be supported.	Ongoing - the final draft is with the Director of Resources and Investment for review and comments. Following this review, a "plan on a page" will be created to provide a clear and concise summary of the strategy.
8	Review and consolidate HR policies.	A single set of HR policies.	There will be clarity on the responsibilities of both employer and employee. Workplace culture and values will be reinforced, and employees will be empowered.	Ongoing - A proposal has been shared with the trade union on resetting the harmonisation project, this includes the implementation of policies which do not impact on terms and conditions of employment.
9	Review Information Governance policies and deliver training.	Up to date Information Governance Policies and clear guidance to support employees in meeting their obligations.	Employees will be clear on their responsibilities relating to information law and for information assets of the authority.	Complete – this is now part of business-as-usual activity
10	Review and update Information Asset Registers	Up to date Information Asset Registers.	We will better understand and manage our information assets, the risks to them and how to protect and exploit them.	Complete – this is now part of business-as-usual activity
11	Implement the Corporate Document	A populated Corporate Document Library where documents have clear	Employees will be able to access all corporate policies and procedures	Complete – this is now part of business-as-usual activity

Management Process	ownership and are reviewed on a regular basis.	and be clear of their accountabilities.	
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8. Governance Improvement Plan for 2025/26

Although no significant issues have been identified as a result of this year’s evaluation, we are committed to continually strengthening and improving our governance arrangements and, during 2025/26, will particularly focus on the following key actions:

NB Actions 1-4 have been rolled over from 2024/25.

Table 3: Governance Improvement Plan for 2025/26

	Improvement Action	Deliverable	Outcome
1	Develop a Consultation and Engagement Framework.	A Consultation and Engagement Framework document.	How we listen, consult, and involve the people of South Yorkshire in our plans, decisions and services will be improved and aligned to best practice.
2	Introduce a consolidated customer complaints and feedback process.	A consolidated Customer Complaints and Feedback Process.	We will have a consistent, effective, and efficient approach to managing customer complaints and providing a comprehensive view of service improvement requirement.
3	Agree our Digital Strategy.	A Digital Strategy document and costed delivery plan.	We will have a roadmap for the implementation and adoption of new digital initiatives and technologies to ensure business processes and operational models are modernised to enhance how we work in an evolving digital landscape and our ambitions of leveraging technology for economic advancement will be supported.
4	Review and consolidate HR policies.	A single set of HR policies.	There will be clarity on the responsibilities of both employer and employee. Workplace culture and values will be reinforced, and employees will be empowered.

Statement of Accounts

Statement of Responsibilities

The Mayoral Combined Authority’s Responsibilities

The Mayoral Combined Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its Officers has the responsibility for the administration of those affairs. That Officer is the Executive Director Resources and Investment.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Responsibilities of the Executive Director Resources and Investment

The Executive Director Resources and Investment is responsible for the preparation of the Mayoral Combined Authority’s Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Executive Director Resources and Investment has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent, and
- complied with the Local Authority Code.

The Executive Director Resources and Investment has also:

- kept proper accounting records, which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Mayoral Combined Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern;

- used the going concern basis of accounting on the assumption that the functions of the Mayoral Combined Authority will continue in operational existence for the foreseeable future, and
- maintained such internal control as determined is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

I hereby certify that the Statement of Accounts on pages 49 -187 gives a true and fair view of the financial position of South Yorkshire Mayoral Combined Authority at 31 March 2025 and of its income and expenditure for the year ended 31 March 2025.



Gareth Sutton
Executive Director Resources and Investment
Section 73 Officer
19 February 2026

The Core Financial Statements

Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the Mayoral Combined Authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The (Surplus)/Deficit on the Provision of Services line shows the true economic cost of providing the Mayoral Combined Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance. The net (increase)/decrease before transfers, to earmarked reserves line shows the statutory General Fund Balance before any discretionary transfers (to) or from earmarked reserves undertaken by the Mayoral Combined Authority.

The usable and unusable reserves as at 31 March 2025 include those relating to the former Police and Crime Commissioner for South Yorkshire which were transferred in to the Combined Authority at their carrying value on 7 May 2024 as a consequence of the abolition of the Police and Crime Commissioner for South Yorkshire and transfer of their functions, assets and liabilities to the Mayor of South Yorkshire on that date – see Note 1 for further detail. The comparatives are in respect of the MCA only pre transfer.

South Yorkshire Mayoral Combined Authority – Statement of Accounts 2024/25

2024/25							
		General Fund Balance £000	Police Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Total Usable Reserves £000
	Note	29	29	29	29	29	29
Balances at 1 April 2024		(5,000)	0	(108,515)	(15,305)	(52,992)	(181,813)
Transfer in of reserves as at 7 May 2024	1	0	(19,001)	(45,095)	0	0	(64,096)
Movement in reserves during 2024/25:							
(Surplus)/deficit on provision of services	CIES	(24,431)	8,971				(15,459)
Other Comprehensive (Income) and Expenditure	CIES	0	0				0
Total Comprehensive (Income) and Expenditure		(24,431)	8,971				(15,459)
Adjustments between accounting basis and funding basis under regulations	14	2,974	(28,255)	0	4,504	8,455	(12,322)
Net (increase)/decrease before transfers to earmarked reserves		(21,457)	(19,284)	0	4,504	8,455	(27,781)
Transfers (to)/from earmarked reserves	15	21,457	9,568	(31,025)	0	0	0
(Increase)/decrease in year		0	(9,716)	(31,025)	4,504	8,455	(27,781)
Balance at 31 March 2025		(5,000)	(28,717)	(184,635)	(10,801)	(44,537)	(273,691)

South Yorkshire Mayoral Combined Authority – Statement of Accounts 2024/25

2023/24						
		General Fund Balance £000	Earmarked General Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Total Usable Reserves £000
	Note	29	29	29	29	29
Balances at 1 April 2023		(8,294)	(91,306)	(18,584)	(52,632)	(170,816)
Adjustment to opening balances				670	0	670
Movement in reserves during 2023/24:						
(Surplus)/deficit on provision of services	CIES	(30,648)	0	0	0	(30,648)
Other Comprehensive (Income) and Expenditure	CIES	0	0	0	0	0
Total Comprehensive (Income) and Expenditure		(30,648)	0	0	0	(30,648)
Adjustments between accounting basis and funding basis under regulations	14	16,733	0	2,609	(360)	18,982
Net (increase)/decrease before transfers to earmarked reserves		(13,915)	0	2,609	(360)	(11,666)
Transfers (to)/from earmarked reserves	15	17,209	(17,209)	0	0	0
(Increase)/decrease in year		3,294	(17,209)	2,609	(360)	(11,666)
Balance at 31 March 2024		(5,000)	(108,515)	(15,305)	(52,992)	(181,813)

South Yorkshire Mayoral Combined Authority – Statement of Accounts 2024/25

	Note	Capital Adjustment Account £000	Financial Instruments Adjustment Account £000	Deferred Capital Grant Reserve (PTE) £000	Revaluation Reserve £000	Collection Fund Adjustment Account	Pension Reserve £000	Accumulated Absences Reserve (Police & reform)	Total Unusable Reserves £000	Total Reserves £000
Opening Balances as at 1 April 2024		(25,667)	2,715	0	(10,973)	0	3,688	0	(30,237)	(212,050)
Transfer in of reserves as at 7 May 2024	1	(1,686)	0	0	(56,965)	(1,904)	0	3	(60,552)	(124,648)
Movement in reserves during 2024/25:										
(Surplus)/deficit on provision of services	CIES								0	(15,459)
Other Comprehensive (Income) and Expenditure	CIES				(6,743)		(1,192)	0	(7,935)	(7,935)
Total Comprehensive (Income) and Expenditure					(6,743)		(1,192)	0	(7,935)	(23,394)
Adjustments between accounting basis and funding basis under regulations	14	9,009	(118)	0	2,967	227	240	(3)	12,322	0
Net (increase)/decrease before transfers to earmarked reserves		9,009	(118)	0	(3,776)	227	(952)	(3)	4,387	(23,394)
Transfers (to)/from earmarked reserves		0	0	0	0	0	0	0	0	0
(Increase)/decrease in year		9,009	(118)	0	(3,776)	227	(952)	(3)	4,387	(23,394)
Balance at 31 March 2025		(18,345)	2,597	0	(71,714)	(1,677)	2,736	0	(86,402)	(360,093)

South Yorkshire Mayoral Combined Authority – Statement of Accounts 2024/25

2023/24									
	Note	Capital Adjustment Account £000	Financial Instruments Adjustment Account £000	Deferred Capital Grant Reserve (PTE) £000	Revaluation Reserve £000	Pension Reserve £000	Accumulated Absences Reserve (PTE) £000	Total Unusable Reserves £000	Total Reserves £000
Opening Balances as at 1 April 2023		85,989	49	(88,382)	(43,425)	(10,519)	99	(56,192)	(227,008)
Adjustment to opening balance		(89,052)		88,382			(99)	(769)	(99)
Movement in reserves during 2023/24:									
(Surplus)/deficit on provision of services	CIES	0	0	0	0	0	0	0	(30,648)
Other Comprehensive (Income) and Expenditure	CIES	0	0	0	31,319	14,386	0	45,705	45,705
Total Comprehensive (Income) and Expenditure		0	0	0	31,319	14,386	0	45,705	15,057
Adjustments between accounting basis and funding basis under regulations	14	(22,603)	2,666	0	1,134	(179)	0	(18,982)	0
Net (increase)/decrease before transfers to earmarked reserves		(22,603)	2,666	0	1,134	(179)	0	(18,982)	0
Transfers (to)/from earmarked reserves		0	0	0	0	0	0	0	0
(Increase)/decrease in year		(22,603)	2,666	0	32,453	14,207	0	26,723	15,057
Balance at 31 March 2024		(25,667)	2,715	0	(10,973)	3,688	0	(30,237)	(212,050)

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Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost, in the year, of providing services in accordance with generally accepted accounting practices.

The transferred in service represents the income and expenditure relating to the former Police and Crime Commissioner for South Yorkshire with effect from 7 May 2024 as a consequence of the abolition of the Police and Crime Commissioner for South Yorkshire and transfer of their functions, assets and liabilities to the Mayor of South Yorkshire on that date – see Note 1 for further detail. The comparatives are in respect of the MCA only pre transfer.

2023/24				2024/25			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Notes	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	
177,070	(164,457)	12,613	Transport Authority	159,558	(152,738)	6,820	
108,776	(101,682)	7,094	Economic Development	152,570	(143,573)	8,997	
285,846	(266,139)	19,707	(Surplus)/Deficit on MCA Continuing Operations	312,128	(296,311)	15,817	
		0	Transferred Service to CA Police & Reform	24,580	(89,286)	(64,706)	
		0	Funding provided by the MCA to the Chief Constable to fund Police & Crime services	422,004	0	422,004	
		0	Total Cost of Policing Services	446,584	(89,286)	357,298	
			Total Cost of Services	758,712	(385,597)	373,115	
		(50)	<i>Other Operating Income & Expenditure</i>			1,212	
		(15,050)	Financing and Investment Income and Expenditure	16		(20,774)	
		(35,255)	Taxation and Non-Specific Grant Income	17		(369,012)	
		(30,648)	(Surplus)/Deficit on Provision of Services			(15,459)	
		31,319	(Surplus)/Deficit on revaluation of non-current assets			(6,743)	
		0	Surplus/deficit on revaluation of available for sale financial assets			0	
		14,386	Actuarial (gains)/losses on pensions assets/ liabilities	42		(1,192)	
		45,705	Other comprehensive income and expenditure			(7,935)	
		15,057	Total Comprehensive (Income) and Expenditure			(23,394)	

Balance Sheet

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Mayoral Combined Authority. The net assets of the Mayoral Combined Authority (assets less liabilities) are matched by the reserves held by the Mayoral Combined Authority.

Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves, and any statutory limitations on their use. The second category of reserves is unusable reserves, i.e. those that the Authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The assets, liabilities and reserves as at 31 March 2025 include those relating to the former Police and Crime Commissioner for South Yorkshire which were transferred in to the Combined Authority at their carrying value on 7 May 2024 as a consequence of the abolition of the Police and Crime Commissioner for South Yorkshire and transfer of their functions, assets and liabilities to the Mayor of South Yorkshire on that date – see Note 1 for further detail. The comparatives are in respect of the MCA only pre transfer.

South Yorkshire Mayoral Combined Authority – Statement of Accounts 2024/25

As at 31 March 2024		Notes	As at 31 March 2025
£000			£000
111	Intangible Assets	19	14,404
156,374	Property, Plant and Equipment	18	345,835
133,450	Long-Term Investments	21	220,525
0	Long-Term Debtors	23	33,335
289,935	Total Long-Term Assets		614,099
161,160	Short-Term Investments	21	186,949
0	Inventories	25	2,392
19,219	Short-Term Debtors	24	46,542
135,962	Cash and Cash Equivalents	26	120,060
0	Assets Held for Sale		264
316,341	Current Assets		356,207
606,276	Total Assets		970,306
(4,440)	Short-Term Borrowing	21	(5,239)
(107,753)	Short- Term Creditors	27	(191,915)
(345)	PFI/ Finance Lease Liability	21	(883)
(718)	Short-Term Provisions	28	(20,139)
(224,729)	Capital Grants Receipts In Advance	38	(248,014)
(337,985)	Current Liabilities		(466,190)
268,291	Total Assets less Current Liabilities		504,116
(43,000)	Long-Term Borrowing	21	(64,703)
0	Long-term Provisions	28	(62,020)
(9,553)	PFI/ Finance Lease Liability	41,44	(14,564)
(3,688)	Net Pension (Liability)/Asset	42	(2,736)
(56,241)	Long Term Liabilities		(144,023)
212,050	Net Assets/(Liabilities)		360,093
(181,813)	Usable Reserves	29	(273,691)
(30,237)	Unusable Reserves	30	(86,402)
(212,050)	Total Reserves		(360,093)

The audited Statement of Accounts for the South Yorkshire Mayoral Combined Authority was approved and authorised for issue by the Executive Director Resources and Investment, in accordance with the Accounts and Audit (England) Regulations 2015 on 19 February 2026. These financial statements replace the unaudited financial statements authorised for issue on 30 June 2025.

A handwritten signature in blue ink that reads "g.sutton". The signature is written in a cursive style with a large 'g' and 's'.

Gareth Sutton
Executive Director Resources and Investment
Section 73 Officer
19 February 2026

Cash Flow Statement

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

The cashflows for 2024/25 include those relating to the former Police and Crime Commissioner for South Yorkshire with effect from 7 May 2024 as a consequence of the abolition of the Police and Crime Commissioner for South Yorkshire and transfer of their functions, assets and liabilities to the Mayor of South Yorkshire on that date – see Note 1 for further detail. The comparatives are in respect of the MCA only pre transfer.

2023/24		Notes	2024/25
£000			£000
30,648	Net surplus or (deficit) on the provision of services		15,459
43,792	- Adjustment to surplus or (deficit) on the provision of services for non-cash movements	31	110,388
(26,789)	- Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	31	(19,844)
47,651	Net cash flow from operating activities		106,003
(2,282)	Investing activities	32	(124,233)
(73,501)	Financing activities	33	(6,250)
(28,132)	Net increase/(decrease) in cash and cash equivalents		(24,480)
164,094	Cash and cash equivalents at 1 April	26	135,962
	Transferred in on 7 th May		8,578
135,962	Cash and cash equivalents at 31 March	26	120,060

Notes to the Core Financial Statements

The following notes contain further information to that presented in the main statements. They provide narrative descriptions, disaggregation of items presented in the statements and information about items that do not qualify for recognition in the Statements.

1. Business Combination

Integration of South Yorkshire Mayoral Combined Authority and Office of the Police and Crime Commissioner for South Yorkshire on 7 May 2024

Statutory Order 2024/414 provided for the transfer of the Police and Crime Commissioner for South Yorkshire's functions to the elected Mayor of South Yorkshire with effect from 7 May 2024. The Statutory Order also provided for the transfer of all the property, rights and liabilities of the Police and Crime Commissioner for South Yorkshire to the Combined Authority as at 7 May 2024 together with all monies held in the Police Fund for which the Mayor became responsible. With effect from 7 May 2024, the MCA became the legal entity responsible for administering the Police Fund and executing the Mayor's decisions in his role as Police and Crime Commissioner.

The Chief Constable of South Yorkshire is a separate legal entity to the Police and Crime Commissioner/MCA and is required to produce their own statutory accounts. This remains the case post integration. The MCA as holder of the Police Fund, makes all payments in relation to operational policing and Police and Crime Commissioner activity and receives all funding including government grant, precepts and other income. It also holds all assets, liabilities and reserves relating to the Police Fund on its balance sheet. The Chief Constable's accounts presents how the funding made available to the Chief Constable for operational policing has been spent in the year. It also includes in its balance sheet the pensions relating to police officers and civilian staff involved in operational activity and their accrued employee benefits. Accordingly, to arrive at the consolidated position for Police and Crime Commissioner activity and operational policing, the Chief Constable's accounts are consolidated into the Group accounts of the MCA for the period from 7 May 2024 onwards.

The continuity provisions of the Order make for a seamless transfer of functions such that anything that was in the process of being done by or in relation to the Police and Crime Commissioner immediately before the 7 May is treated as if was done by or in relation to the MCA. Similarly, the Authority has been substituted for the Police and Crime Commissioner for South Yorkshire, in any instruments, contracts or legal proceedings which relate to any of the functions, property, rights or liabilities made or commenced before the 7 May.

Accordingly, a business combination has taken place, resulting in the MCA as legal entity responsible for executing the Mayor's decisions becoming the responsible body for the Police Fund with effect from 7 May.

CIPFA's Code of Practice on Local Authority Accounting (the Code) requires disclosure of the nature, financial effect and adjustments arising from the business combination.

The Code offers two options to account for business combinations – absorption accounting and merger accounting.

Under absorption accounting, the functions acquired by or transferred to an authority are only accounted for from the date of acquisition / transfer and their financial performance is shown separately in the Comprehensive Income and Expenditure Statement to distinguish them from continuing operations from the previous year. No comparative information is provided in respect of the transferred functions.

Under merger accounting, the combined entity is treated as if it had always existed with the financial performance, position and cash flows of the entities involved being presented as if the combined entity or function performed had always taken place in that form.

Merger accounting is only a consideration where the management structure, governance and operations remain substantially unchanged before and after the business combination. This is not applicable in this case, as the Police and Crime Commissioner functions were previously subject to their own independent governance regime over which the MCA had no jurisdiction. The transfer of PCC functions therefore represents a new transferred in service.

Accordingly, the view reached by management is that absorption accounting is the method that best presents the substance of the business combination.

Under absorption accounting, the Code requires:

- Separate disclosure of the income and expenditure of transferred in functions from that relating to continuing services within the Comprehensive Income and Expenditure Statement (CIES) from the date that the transfer took place,
- assets and liabilities in the Balance Sheet under normal circumstances to be transferred at their carrying amount as at the date the transfer took place without the need for restatement to fair value,
- no comparative information is required in the CIES for the previous year in relation to the transferred in service or in the Balance Sheet for the assets and liabilities transferred
- separate identification where appropriate in the notes to the accounts of the value of assets and liabilities transferred in

The value of PCC and Chief Constable assets, liabilities and reserves transferred into the MCA on integration on 7 May 2024 is summarised below. The “Group” figures include the pensions relating to police officers and civilian staff involved in operational activity and their accrued employee benefits held on the Chief Constable’s balance sheet. These amounted to £2,491.6m of pensions liabilities shown under Other Long-Term Liabilities and £3.4m of accrued employee benefits shown under Short Term Creditors. As these do not represent “real charges” to revenue under local authority accounting the liabilities are matched by a debit balance on unusable reserves on the Chief Constable’s balance sheet of £2,494m.

	07-May-24	
	Group	PCC
	£'000	£'000
Property, Plant and Equipment	166,366	166,366
Intangible Assets	10,522	10,522
Asset related to LGPS Pension Scheme	0	0
Long-Term Assets	176,888	176,888
Assets Held for Sale	25	25
Inventories	2,136	2,136
Short-Term Debtors	74,020	74,020
Cash and Cash Equivalents	8,578	8,578
Current Assets	84,759	84,759
Short-Term Borrowing	(1,786)	(1,786)
Short-Term Creditors	(51,480)	(48,064)
Provisions	(19,083)	(19,083)
Revenue Grants Receipt in Advance	(3,910)	(3,910)
Capital Grants Receipt in Advance	(152)	(152)
Current Liabilities	(76,411)	(72,995)
Long-Term Provisions	(35,212)	(35,212)
Long-Term Borrowing	(26,365)	(26,365)
Finance Lease	(2,427)	(2,427)
Other Long-Term Liabilities	(2,490,593)	0
Long-Term Liabilities	(2,554,597)	(64,004)
Net Assets/(Liabilities)	(2,369,361)	124,648
Usable Reserves	64,096	64,096
Unusable Reserves	(2,433,457)	60,552
Total Reserves	(2,369,361)	124,648

2. Expenditure and Funding Analysis Note (EFA)

The Expenditure and Funding Analysis (EFA) note shows how annual expenditure is used and funded from resources (Government grants; rents) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's portfolios. Income and expenditure, accounted for under generally accepted accounting practices, is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2023/24			Notes	2024/25		
Net Expenditure Chargeable to the General Fund Balance £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the General Fund Balance £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
(14,843)	27,456	12,613	Transport Authority	(15,408)	22,228	6,820
944	6,150	7,094	Economic Development	(6,290)	15,287	8,997
			Police & Reform transferred in 07 May 2024	(76,691)	11,985	(64,706)
			Funding provided by the MCA to the Chief Constable to fund Police & Crime services	376,446	45,558	422,004
(13,899)	33,606	19,707	Net Cost of Services	278,057	95,058	373,115
(17)	(50,338)	(50,355)	Other Income & Expenditure	(318,797)	(69,777)	(388,574)
(13,915)	(16,733)	(30,648)	(Surplus)/Deficit	(40,740)	25,281	(15,459)
				MCA	Police & Reform	Total
(99,604)			Opening General Fund Balance	(113,516)		(113,516)
			Police & Reform transferred in 07 May 2024	0	(64,096)	(64,096)
(13,915)			Surplus/Deficit on General Fund in year	(21,456)	(19,284)	(40,740)
3			Other adjustments	0		
(113,516)			Closing General Fund Balance at 31 March	(134,972)	(83,380)	(218,352)

3. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis:

2024/25				
Adjustments from General Fund to arrive at the CIES Amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustment £000	Other Differences £000	Total Adjustments £000
Transport Authority	(3,367)	0	6,010	2,643
Economic Development	10,131	195	4,820	15,146
Police & Reform	11,985	45,558	0	57,543
Net Cost of Services	18,749	45,753	10,830	75,332
Other Income & Expenditure from the Expenditure & Funding Analysis	(5,166)	(45,513)	628	(50,051)
Difference between General Fund Surplus/Deficit and CIES Surplus/Deficit on Provision of Services	13,583	240	11,458	25,281

2023/24				
Adjustments from General Fund to arrive at the CIES Amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustment £000	Other Differences £000	Total Adjustments £000
Transport Authority	(3,705)	0	31,161	27,456
Economic Development	2,955	547	2,647	6,149
Net Cost of Services	(750)	547	33,808	33,605
Other Income & Expenditure from the Expenditure & Funding Analysis	0	179	(50,517)	(50,338)
Difference between General Fund Surplus/Deficit and CIES Surplus/Deficit on Provision of Services	(750)	726	(16,709)	(16,733)

Adjustments for Capital Purposes - The statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from income and expenditure as these are not chargeable under generally accepted accounting practices.

Net Change for the Pensions Adjustments - IAS 19 Employee Benefits pension related expenditure and income for MCA.

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

- For Services - adjusted for interest payable/receivable, which is added to the Financing and Investment income and expenditure line under other income & expenditure.

- For Financing and investment income and expenditure the other differences column included soft loans to Doncaster.
- Taxation and non-specific grant income and expenditure – Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year.

4. Expenditure and Income Analysed by Nature

The Authority's expenditure and income is analysed as follows:

2023/24		2024/25
£000		£000
	Expenditure:	
18,291	Employee Benefits Expenditure	23,524
0	MCA funding to Chief Constable	422,004
263,445	Other Service Expenses	305,869
(2,833)	Support Service Recharges to capital	(4,304)
8,283	Depreciation, Amortisation, Impairment	14,190
6,643	Interest Payments	4,821
293,829	Total Expenditure	766,104
	Income:	
(12,791)	Fees, charges & other service income	(31,373)
(23,034)	Interest & Investment Income	(25,461)
(288,602)	Government Grants & Contributions	(725,150)
(50)	Other Income	421
(324,477)	Total Income	(781,563)
(30,648)	(Surplus)/Deficit on the Provision of Services	(15,459)

Reconciliation of Income analysed by nature to Comprehensive Income and Expenditure Statement

2024/25	£000
Income as analysed by nature	(781,563)
Interest & Investment Income	25,461
Trading Operation	1,913
Taxation and non-specific Grant Income and Other Operating Income	368,592
Income as part of (Surplus)/Deficit on Continuing Operations in the CIES	(385,597)

2023/24	£000
Income as analysed by nature	(324,477)
Interest & Investment Income	23,034
Taxation and non-specific Grant Income and Other Operating Income	35,305
Elimination of Group Transactions	
Income as part of (Surplus)/Deficit on Continuing Operations in the CIES	(266,138)

5. Segmental Income

Income received on a segmental basis is analysed below:

2024/25				
Services:	£000 Fees, Charges & Service	£000 Interest & Investment	£000 Grants & Contributions	£000 Total Income
Transport Authority	(9,906)	0	(142,808)	(152,714)
Economic Development	(384)	0	(143,213)	(143,597)
Police & Reform	(19,170)	0	(70,116)	(89,286)
Corporate	(1,492)	(25,461)	(369,013)	(395,966)
Total Income	(30,952)	(25,461)	(725,150)	(781,563)

2023/24				
Services:	£000 Fees, Charges & Service	£000 Interest & Investment	£000 Grants & Contributions	£000 Total Income
Transport Authority	(11,360)	0	(153,097)	(164,457)
Economic Development	(1,431)	0	(100,251)	(101,681)
Corporate	(50)	(23,034)	(35,255)	(58,339)
Total Income	(12,841)	(23,034)	(288,602)	(324,477)

The Authority does not internally report on the assets and liabilities of individual segments. Therefore, segmental analysis for these is not required to be disclosed.

6. Accounting Policies

I. General Policies

The Statements summarise the transactions of the Authority, for the 2024/25 financial year and its position at the year end of 31 March 2025. The Authority is required to prepare an annual Statement of Accounts in accordance with the Accounts and Audit Regulations 2015. These regulations require the Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority accounting in the United Kingdom 2024/25 (the Code), supported by UK adopted International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 7 of the 2015 Regulations.

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.

In setting out the Authority's Accounting Policies regard has been had to the Amendments to IAS 1 which clarify that accounting policies only need to be disclosed where they give rise to items which are material to a user of the accounts. Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

The accounts include with effect from 7 May 2024, financial transactions relating to Police and Crime activity following the transfer of Police and Crime Commissioner functions to the Mayor of South Yorkshire on that date. They also incorporate in the Group Accounts from the same date the accounts of the Chief Constable for South Yorkshire – further detail on the nature of the relationship between the MCA and the Chief Constable is set out in Note 1.

A major change to Accounting Policies has occurred in 2024/25 with the adoption of IFRS 16 accounting for leases by the Code with effect from 1 April 2024. The impact of this is explained in more detail in Accounting Policy Note II below.

Going Concern

In accordance with the requirements of the Code, the Accounts have been prepared on the going concern basis.

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which Local Authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must therefore prepare their Financial Statements on a going concern basis of accounting. This is further confirmed by the Financial Reporting Council's Statement of Recommended Practice Note 10 regarding the Audit of financial statements and regularity of public sector bodies in the United Kingdom. Practice Note 10 similarly provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future. If services will continue to be provided in the public sector the financial statements should be prepared

on the going concern basis. The Authority complies with the continuation of the provision of a service in the future principle as there is a commitment to funding from central government with an approved medium term financial strategy.

Notwithstanding this, management have carried out an assessment that the going concern basis is appropriate by reference to the period to the end of the 2025/26 financial year having regard to forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

On the basis of this assessment, management are satisfied that the MCA will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these Financial Statements.

With regard to the Chief Constable's accounts, the assumption is that the Chief Constable can continue to rely on the MCA to discharge the liabilities relating to police operational activity in the normal course of its business.

II. First time Adoption of IFRS 16 Accounting for leases

In 2024/25 the MCA has adopted IFRS 16 Leases as required by the Code.

Accounting Policy Note X sets out the new accounting requirements which came into effect on 1 April 2024. Note 41 provides further information on leases.

Under IFRS 16, leases that were previously classified as operating leases for lessees under IAS 17 are reclassified as finance leases. This results in the recognition of a right of use asset and a finance lease liability on the balance sheet. Leases for items of low value and short leases of less than 12 months duration are exempt from the new arrangements.

The Code prescribes the following transitional arrangements on first time adoption:

- For lessee arrangements transition will be undertaken to restate balances at the date of initial application for the cumulative effect of initial application. The option to retrospectively restate prior period comparative information is not permitted.
- Authorities shall not reassess whether a contract is or contains a lease at the date of initial application, except for leases for nil consideration.
- For lessee arrangements the option to make adjustments on transition where the underlying asset is of low value is not permitted.
- For lessee arrangements the option to make adjustments on transition for leases where the lease term ends within 12 months is not permitted.
- For lessees, nil consideration leases are required to be identified with measurement of the right-of-use asset required, and a gain on transition recognised where applicable.
- For lessors, nil consideration finance leases are required to be identified, with the asset provided to the third party required to be derecognised, and any unguaranteed residual value recognised, where applicable.

The impact of the first bullet point is that there is no requirement to restate prior year comparatives. The cumulative effect of applying IFRS 16 retrospectively is instead recognised by an adjustment to opening balances on 1 April 2024.

The Code allows certain practical expedients in implementing IFRS 16;

- if the interest rate implicit in a lease cannot be readily identified the lessee's incremental borrowing rate can be used instead. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. On initial adoption, the incremental borrowing rate applied is the PWLB annuity rate less certainty rate discount applicable to the remaining lease term as at 1 April 2024
- the Code's provisions can be applied to a portfolio of leases with similar characteristics where an authority reasonably expects that the effects on the financial statements of accounting for a portfolio would not differ materially from applying the provisions to the individual leases within that portfolio

The overall effect of the first time adoption of IFRS 16 is that the MCA has recognised Right of Use assets on non-commercial leases at their Fair Value of £1.88m on 1 April 2024. These are shown in the balance sheet as infrastructure assets. In the case of PFI schemes, the Code requires that the PFI liability is remeasured at 1 April 2024 to reflect the carrying amount of the liability based on the index or rate applied to variable payments in the previous reporting year. This means that the finance charge and repayment of principal for 2024/25 will be the same as if IFRS 16 had always been in place.

Accordingly, the PFI liability has been remeasured at 1 April 2024, using the interest rate implicit in the PFI agreement of 8.73%. This has resulted in an increase in the PFI liability from a closing value at 31 March 2024 of £9.897m to a restated value of £13.329m at 1 April 2024. The increase in value of £3.432m has initially been added to the carrying value of the PFI asset but then impaired by £3.432m back down to its carrying value at 31 March 2024.

Finally, to note that the PCC voluntarily adopted IFRS 16 early in 2023/24 at an effective date of 1 April 2023. As a consequence, the assets and liabilities transferred to the MCA on integration on 7 May 2024 already include Right of Use assets and finance lease liabilities recognised in 2023/24. The value of assets and liabilities transferred on 7 May 2024 comprised Right of Use Assets of £4.776m, non-commercial assets of £0.342m and a finance lease liability of £2.427m. In determining the finance lease liability, the PCC used a weighted average incremental borrowing rate of 7%.

III. Accruals of Income and Expenditure

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

- Revenue from exchange transactions is recognised when goods or services are transferred to the recipient in accordance with the performance obligations in the contract. It is recognised at an amount that reflects the consideration that the Authority expects to receive in a way that reflects the pattern in which goods or services are transferred/performance obligations are discharged.

- Expenses in relation to services received are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivables on investments is accounted for respectively as expenditure and income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, an impairment loss allowance is made to write down the debtor balance and charge revenue for the income that might not be collected.

IV. Acquisitions and Discontinued Operations

As described, in Note 1 Business Combination, with effect from 7 May 2024, the Combined Authority became the legal entity responsible for administering the Police Fund and executing the Mayor's decisions in his role as Police and Crime Commissioner. The view taken by management is that this business combination should be accounted for using absorption accounting. This means that the functions transferred to the authority are only accounted for from the date of transfer and their financial performance is shown separately in the Comprehensive Income and Expenditure Statement to distinguish them from continuing operations from the previous year. No comparative information is provided. Assets and liabilities have been transferred at their carrying amount at the date the transfer took place without the need for restatement to fair value.

The Authority has not discontinued any operations or transferred services to another public sector body during the year.

V. 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 which offer instant access and are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and cash equivalents are shown net of bank overdrafts where there is a legally enforceable right which allows a financial asset and a financial liability to be offset.

VI. 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 effects of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

There have been no changes to accounting policy or material errors requiring restatement by Prior Period Adjustment.

VII. Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period, and the date the Statement of Accounts is authorised for issue.

There are two types of event:

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

Events taking place after the date of authorisation for issue are not reflected in the Financial Statements.

VIII. Financial Instruments

Financial assets and liabilities are recognised when the Authority becomes a party to a contractual relationship. This may be the date that a contract is entered into but maybe later if there are conditions that need to be satisfied.

Financial instruments are measured on the basis of fair value adjusted for transaction costs that are directly attributable to the acquisition or issue of a financial asset or liability.

The exception to this is financial assets and liabilities measured at fair value through profit or loss. These are measured on recognition at fair value, but no adjustment is made for transaction costs. Any costs incurred are debited directly to the Surplus or Deficit on the Provision of Services.

Interest is debited and credited to the Surplus or Deficit on the Provision of Services according to an instrument's outstanding amortised cost and effective interest rate, rather than the actual interest rate payable for the year.

For instruments carried at fair value, valuation gains and losses are posted either to the Surplus or Deficit on the Provision of Services or to the Financial Instruments Revaluation Reserve.

Financial Assets

Financial assets are classified into the following categories:

- Amortised cost;
- Fair Value through other comprehensive income; and
- Fair Value through profit & loss.

Financial investments in subsidiaries, associates and joint ventures that are not held for sale are carried at cost less any allowance for impairment losses.

Financial asset classification is assessed by reference to the contractual cash flow characteristics of the financial asset and by the overarching investment strategy for managing financial assets under which the instrument has been acquired or originated.

The value of financial assets at amortised cost are determined using the effective interest rate. This is the rate of interest that will discount all the cash flows that will take place throughout the expected life of a financial instrument down to the fair value of the liability calculated at initial measurement.

Financial assets are impaired where there is a risk that there will be credit losses over an instrument's lifetime (i.e. there is a risk that principal or interest amounts will not be paid when they fall due). Allowance for losses is determined using the expected credit loss model. As prescribed by the Code no allowance for expected credit losses is made where the counterparty is Central Government or a Local Authority.

Where soft loans are made at less than market rates, the value of the loan is discounted using the market interest rate on initial recognition and the reduction in value debited to the Surplus or Deficit on the Provision of Services. Interest is credited to Surplus or Deficit on the Provision of Services at the higher effective rate of interest rather than the actual rate. Amounts debited or credited as a result of soft loan accounting adjustments are reversed out through Movement in Reserves to the Financial Instruments Adjustment Account as required by statutory provision.

Financial Liabilities

Financial liabilities are carried at amortised cost except for where exceptionally they are carried at fair value through profit and loss.

Financial liabilities at amortised cost are determined using the effective interest rate. This is the rate of interest that discounts all the cash flows that will take place throughout the expected life of a financial instrument down to the fair value of the liability calculated at initial measurement. The effective interest rate takes account of any premium paid for the right to enter into a loan at less than market rates or where a period of lower than market interest rates is granted and compensated for by a period of higher than market rates.

Where premiums and discounts are charged/credited to the Comprehensive Income and Expenditure Statement in year as a result of the early repayment of a loan, regulations allow the impact on the General Fund Balance to be spread over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account through the Movement in Reserves Statement.

However, where a re-purchase 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.

IX. Government Grants and Other Contributions

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

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority 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 on the Balance Sheet as liabilities (grant received in advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

When 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 Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account through the Movement in Reserves once they have been applied to fund capital expenditure.

Where the Authority awards a grant to a third party, the grant expenditure is recognised as payable when the Authority has reasonable assurance that:

- the grant recipient will comply with the conditions attached to the payments, and
- the grants or contributions will be paid.

The treatment of capital grants awarded to third parties is explained further in Accounting Policy XIV.

X. Leases

With effect from 1 April 2024, as required by the Code, IFRS 16 has been adopted to account for leases.

The authority as lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. This includes 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). The leases are typically for fixed periods in excess of one year but may have extension options. The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain 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 using the fair value model.

The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount.

In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn

or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The 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 amortised cost, using the effective interest method. The liability is remeasured when:

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

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

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

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

Lease payments for such leases are recognised as an expense on a straight-line basis over the lease term.

Non-commercial leases

Right-of-use assets acquired under a lease that does not have commercial payment terms are accounted for as a donated asset. These circumstances will arise where rents are set at a peppercorn or nominal amount substantially below market rents or

there is nil consideration. The arrangements for accounting for such non-commercial leases are as follows:

- lease liabilities (if any) are calculated in the standard way
- the cost of the right-of-use asset is measured in the standard way
- the right-of-use asset is uplifted to its fair value,
- the excess of the fair value over the cost of the right-of-use asset is credited as a gain in the surplus/deficit on the provision of services
- as a capital transaction, the impact of the gain on the General Fund balance is then neutralised by statutory reversals through Movement in Reserves.

Lease expenditure

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

The Authority as Lessor

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

Finance leases

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

Lease rentals receivable 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.

XI. Overheads and Support Services

Costs of overheads and support services are charged to service segments in accordance with the Authority's arrangements for accountability and financial performance.

XII. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that obligation arises and is measured at the best estimate of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Payments are charged against the provision.

Best estimates are kept under review and adjusted where fresh evidence comes to light.

Increases or decreases to provisions are charged/credited as above to the relevant service line.

Provisions are reversed out where it becomes less than probable that a transfer of economic benefits will take place and credited back to the Comprehensive Income and Expenditure Statement.

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

Contingent Liabilities

A contingent liability arises where an event has taken place that may give rise to a possible obligation whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events that are not wholly within the control of the Authority.

Exceptionally, Contingent Liabilities may also arise in circumstances where a provision would otherwise be made but 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 provides a possible asset due to an inflow of economic benefits or service potential, whose existence will only be confirmed by the occurrence or otherwise of uncertain events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the Accounts.

XIII. Charges to Revenue for the Repayment of Debt

The Authority is required to set aside from revenue each year a minimum amount to reduce its overall borrowing requirement. This sum is referred to as the Minimum Revenue Provision (MRP).

The Authority's MRP policy (as set out in its Annual Treasury Management Strategy) adopts the principles of statutory MRP Guidance and provides for MRP on capital expenditure incurred after 1 April 2008 using the asset-life approach, so that the profile of charges to revenue is commensurate with the period over which economic benefit is provided by the assets created/improved. The MCA will apply a maximum life of 50 years to new assets unless a suitably qualified professional advisor advises that an asset will deliver service functionality for more than 50 years or where an asset is a lease or PFI asset, and the length of the lease/PFI contract exceeds 50 years.

In the case of the Police Fund, there is a departure from this general principle with regard to capital expenditure incurred over the period 2018/19 to 6 May 2024 financed by borrowing. MRP on such assets having a useful life of less than 25 years will be charged on a straight-line basis over 25 years. MRP on assets with a life of more than 25 years will be based on the asset's life as normal as described above. This aims to balance the requirement to set a prudent provision with the sustainability of the Police Fund.

All expenditure incurred before 1 April 2008 is provided for as follows;

- In the case of the MCA (excluding the Police Fund), MRP will be charged on a straight-line basis over 29 years with effect from 2016/17
- In the case of the Police Fund, MRP will be charged used the “regulatory method” prescribed by statutory MRP guidance which provides for charges to be made on a 4% reducing balance basis as if the former regulations 28 and 29 of the 2003 Regulations had not been revoked

MRP will commence in the year following the year in which capital expenditure financed from borrowing is incurred, except for asset under construction where the MRP will be deferred until the year after the asset becomes operational.

XIV. Reserves

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from the General Fund. When the expenditure to be financed from a reserve is incurred, it is charged to the relevant service line in the Comprehensive Income and Expenditure Statement and financed by an appropriation from reserves.

Reserves are categorised as either usable or unusable. Further detail on the nature of these reserves is contained in Notes 30 and 31.

XV. Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions that does not result in the creation of a non-current asset is charged as expenditure in the year to the relevant service in the Comprehensive Income and Expenditure Statement.

The charge is reversed out through the Movement in Reserves so that there is no impact on the revenue finances of the Authority.

Grant income used to finance such expenditure is credited to the relevant service in the Comprehensive Income and Expenditure Statement.

It too is reversed out through the Movement in Reserves so that there is no impact on the revenue finances of the Authority.

XVI. Value Added Tax (VAT)

VAT is excluded from both income and expenditure to the extent it can be recovered.

Irrecoverable input VAT is charged as an expense.

XVII. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Authority's Financial Statements are categorised within the fair value hierarchy, as follows:

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

The categories of asset and liability carried in the Authority's balance sheet at Fair Value include:

- Surplus assets and Assets Held for Resale.

Further detail on the bases used to determine Fair Value is contained in the relevant Accounting Policy Note.

XVIII. 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 accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority, and the cost of the item can be measured reliably. 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.

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.

Borrowing costs are capitalised where significant for capital projects that take a substantial period of time to get ready for intended use, until the construction is complete.

The cost of assets acquired, other than by purchase, is deemed to be its fair value, unless the acquisition does not have commercial substance. In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. When gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Where non-property assets 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. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

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

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

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

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

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land

and certain Community Assets) and assets that are not yet available for use (i.e. Assets Under Construction).

Depreciation is calculated on a straight-line basis, over the useful life of the asset as follows:

- Buildings are based upon individual asset lives, which are reassessed as part of the rolling programme of revaluations.
- Fixtures and Fittings are depreciated over a maximum period of 10 years.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately where they have significantly different useful lives. Components are also recognised where capital investment for replacement or enhancement of the asset establishes a material component.

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

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the (Surplus)/Deficit on Provision of Services.

Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset on the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains

accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Capital receipts are credited to the Capital Receipts Reserve and can then only be used to finance new capital investment or set aside to reduce the underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against revenue, as the cost of fixed 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.

Infrastructure Assets

In November 2022, CIPFA issued an Update to the Code of Practice on Local Authority Accounting. This Update allows for the movement between the opening and closing balance of infrastructure assets to be presented on a net book value (rather than gross cost/accumulated depreciation) basis.

Furthermore, an amendment to the Local Authorities (Capital Finance and Accounting) Regulations was laid in November 2022 which permits local authorities, when they replace a component of an infrastructure asset, to determine the carrying amount to be derecognised in respect of that replaced component as nil.

MHCLG have decided the override will now be extended in England until 31 March 2029.

The Authority has adopted both of these overrides.

XIX. Employee Benefits

With effect from 1 April 2019, the Authority became an employing body and is now responsible for its own payroll. As a consequence, IAS 19 “Employee Benefits” has been fully adopted, including, the requirements relating to Post-Employment 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 and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accrual basis to the appropriate service in the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority 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 Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are made to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

On 1 April 2019, the Authority became an employing authority within the South Yorkshire Local Government Pension Scheme administered by South Yorkshire Pensions Authority.

The Local Government Pension Scheme provides defined benefits (retirement lump sums and pensions) to scheme members, earned as employees whilst working for the Authority.

As a defined benefit scheme:

- The liabilities of the South Yorkshire Pension Scheme attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method.
- Liabilities are discounted to their current value using a discount rate determined by the Actuary (Mercers).
- The assets of the South Yorkshire Pension Scheme attributable to the Authority are included in the Balance Sheet at their fair value.

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

- Current Service Cost – the increase in liabilities as a result of benefits earned in the year.
- Past Service Cost – increase in liabilities as a consequence of amendment or curtailment of the Pension Scheme whose affect relates to benefits earned in previous years.
- Net pension interest cost.

Statutory provisions require the General Fund to be charged with the amount payable to the South Yorkshire Pension Scheme not the IAS 19 costs. Accordingly, the

difference between the two is reversed out through the Movement in Reserves Statement and taken to a pensions reserve.

Actuarial gains and losses that arise because events have not coincided with the assumptions made by the Actuary do not affect the Surplus or Deficit on provision of Services in the CIES but are taken to the pensions reserve through Other Comprehensive Income & Expenditure.

IFRIC 14 sets out the key judgements to apply when determining the extent to which an IAS19 surplus or deficit can be recognised where the existence of a minimum funding requirement may limit the ability to reduce future contributions. The extent to which any pension surplus can be recognised is determined by an “asset ceiling” calculation provided by the Actuary.

Pension Fund Accounts are available from the South Yorkshire Pensions Authority, 8th Floor, Gateway Plaza, Sackville Street, Barnsley S70 2 RD.

XX. Business (Non-domestic) Rates

The Authority receives the growth in business rates income from businesses within Enterprise Zones. All such Business Rates are collected by the billing authority who retain 100% of such income which is then paid over to the Authority to fund its economic development activities.

The income is recognised by the Authority in accordance with Collection Fund accounting rules. Namely, income is recognised in year based on the business rates estimates submitted by the billing authorities to DLUHC before the start of the financial year in their NNDR 1. The surplus or deficit arising against the estimate is recognised in the following year once the NNDR 3 outturn has been submitted by billing authorities to DLUHC.

XXI. Interests in Companies and Other Entities

With effect from 7 May 2024, the MCA became the legal entity responsible for administering the Police Fund and executing the Mayor’s decisions in his role as Police and Crime Commissioner. The Chief Constable for South Yorkshire is a separate legal entity to the MCA known as a “corporation sole”. The Chief Constable’s accounts presents how the funding made available to the Chief Constable for operational policing has been spent in the year. It also includes in its balance sheet the pensions relating to police officers and civilian staff involved in operational activity and their accrued employee benefits. Accordingly, to arrive at the consolidated position for Police and Crime Commissioner activity and operational policing, the Chief Constable’s accounts are consolidated into the Group accounts of the MCA for the period from 7 May 2024 onwards.

On the 22 March 2024, tram operations were brought back under public control with its operations being conducted through a wholly owned subsidiary of the Authority called South Yorkshire Future Trams Limited (SYFTL). SYFTL’s first set of accounts are for the period from commencement of trading on 22 March 2024 to 31 March 2025. The financial performance for this full period have been consolidated into the

2024/25 Group Accounts on the basis that the financial performance for the initial period of trading from 22 March 2024 to 31 March 2024 is immaterial in the context of the Authority as a whole.

In addition, the Authority has interests in several dormant companies, on which there has been no activity over the course of the year.

The Authority also participates in a joint venture company with West Yorkshire Combined Authority called Yorcard. The Authority's interest is immaterial in the context of the Authority as a whole and, as a consequence, the company is not consolidated in the Group Accounts.

XXII. Private Finance Initiative (PFI) transactions

PFI scheme for the provision and operation of Doncaster Interchange meets the definition of a service concession under IFRIC 12 (Service Concession Arrangements).

Accordingly, the Authority recognises the underlying value the asset within non-current assets on the Balance Sheet.

On initial recognition, a corresponding PFI liability was recognised for the amounts due to the PFI operator to pay for the assets.

Following the implementation of IFRS 16, the PFI liability needs to be remeasured when there is a change in future lease payments as a consequence of indexation or other variable elements being applied. The remeasurement is on the same basis as that set out in Accounting Policy Note X "Accounting for Leases". This means that whereas previously, increases in unitary payments resulting from indexation that applied to the debt element were treated as contingent rent and were an expense in the Comprehensive Income and Expenditure Statement, from 2024/25, the contingent rent will cease to be recognised and the liability is instead recalculated.

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

The amounts payable to the PFI operators each year are analysed as follows:

- Fair value of the services received during the year – this is charged to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance Cost – an interest charge on the outstanding PFI liability is charged to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement.
- Payment Towards Liability – applied to write down the PFI liability.
- Lifecycle Replacement Costs – where these represent payments to maintain the asset rather than being a fixed asset addition they are charged to the relevant service in the Comprehensive Income and Expenditure Statement.

An MRP charge is also made to revenue equal to the amount of the write down of the PFI liability – see Accounting Policy XIII for further detail on MRP.

XXIII. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using an average costing formula.

XXIV. Intangible Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the MCA, such as computer software and licences, are capitalised when it is expected that future economic benefit or service potential will flow to the MCA over more than one year. Development expenditure on internally generated assets is capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and the MCA will be able to generate future economic benefit or service potential by being able to sell or use the asset. All other research and development expenditure is expensed as incurred.

Intangible assets are measured initially at cost. The depreciable amount is subsequently amortised over its useful life.

When an intangible asset is disposed of or decommissioned, the carrying amount of the asset on 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 (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Capital receipts are credited to the Capital Receipts Reserve and can then only be used to finance new capital investment or set aside to reduce the underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against revenue, as the cost of fixed 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.

7. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

The following Accounting Standards have been issued but not yet adopted:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

- b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

Neither of the above are expected to have a significant impact on the Authority's financial statements.

In addition, the 2025/26 Code introduces changes to the measurement of non-investment assets through adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. With regard to IAS 19, a revaluation is required once every five years, or on a five-year rolling basis, supported by indexation in intervening years. By exception, where no index is available, local authorities may use a desktop valuation in year three instead of indexation. With regard to IAS 38, intangible assets must be measured at historical cost.

These changes have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally require disclosure under IAS 8. However, the adaptations include a relief from the need to make this disclosure.

8. Critical Judgements in Applying Accounting Policies

There are several areas where critical judgements have been applied in presenting the financial performance and financial position in 2024/25

Integration of South Yorkshire Mayoral Combined Authority and Office of the Police and Crime Commissioner for South Yorkshire on 7 May 2024

As set out in Note 1, a business combination took place on 7 May 2024 when the functions of the Police and Crime Commissioner for South Yorkshire's were transferred to the elected Mayor of South Yorkshire.

The view taken by management is that the business combination should be accounted for under absorption accounting as this method best presents the substance of the business combination. Note 1 provides the rationale for this decision.

As set out in Note 1, the Chief Constable of South Yorkshire is required to prepare separate accounts to those of the MCA to present how the funding made available to the Chief Constable for operational policing has been spent in the year. A judgement has therefore been made that the pensions liability relating to police officers and civilian staff involved in operational activity and their accrued employee benefits is more properly disclosed on the Chief Constable's balance sheet than the MCA's as the police officers and staff are judged to be the responsibility of the Chief Constable.

Capitalisation of Police legacy and pension abatement costs

The authority has been given exceptional funding support for the Police Fund, through a Capitalisation Direction which will enable legacy costs and pension abatement costs to be capitalised. An amount of £16.932m has been capitalised on this basis in 2024/25.

Police Fund legal claims

A management judgement has been made in relation to the treatment of claims in relation to the Hillsborough disaster to provide for costs in relation to each claim. However, there are many differing categories of damage to be considered. The scheme for the higher tier claims is complex and requires each claim to be reviewed and assessed taking into account of the evidence provided. Compounding this, many claims will span a 30 year period. It is almost impossible to provide the exact figure on each, as each has to be quantified in relation to multiple factors including general damages, loss of earnings, non-personal injury losses and aggravated damages. There is a risk in terms of the reliable estimate of likely costs that has been provided for not being materially accurate.

9. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The main sources of estimation uncertainty are considered and the Authority’s share of the assets and liabilities of the South Yorkshire Pension scheme and the value at which Property, Plant & Equipment is carried in the balance sheet.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability – LGPS and Police Pensions	<p>Complex judgements are taken relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The amount of the pensions asset or liability at the end of each financial year is very sensitive to small changes in these factors.</p> <p>A firm of Actuaries (Hymans Robertson LLP) is engaged to provide annual pensions estimate and “asset ceiling” calculation and the assumptions on which they are based in respect of the LGPS. The Government Actuary Department provides the same exercise in respect of Police pensions.</p> <p>Ultimately, as explained in Accounting Policy XIX, the amount chargeable to the General Fund is determined by Local Government Pension Regulations not IAS 19 pension</p>	<p>The sensitivity analysis shown in the Pensions Note (Note 42) shows that small changes to key LGPS actuarial assumptions can have a significant impact on the net pensions’ asset.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	costs. These Regulations provide predictability on the amount chargeable to revenue between each triennial funding valuation.	
Pension Asset and Liability values - LGPS	<p>The valuation of the Authority’s pension assets and liabilities under the South Yorkshire Local Government Pension scheme for accounts purposes involves projecting forward the results of the most recent funding valuation (March 2022 in the case of the 2024/25 accounts valuation) using approximate roll forward methods to allow for changes in financial and demographic assumptions, benefit accrual, actual pension increases and estimated cashflows over the period. This is a less accurate calculation method than the full asset and liability allocation exercise performed at each triennial valuation which takes account of actual changes in the overall profile of the membership since the previous funding valuation date. As the actuary has not taken account of known changes to the scheme the valuation is only an approximate estimate</p> <p>In addition, Accounting Standards restrict (by way of an ‘asset ceiling’) the amount of accounting surplus that the Employer may be able to disclose at its accounting year end. This has resulted in the MCA’s 2024/25 pension surplus of £41m being capped at £nil and the Police Fund’s LGPS surplus of £132.9m also being capped at £nil.</p>	<p>There is uncertainty in using the approximate roll forward method, due to the limited data available to the actuary in inter – valuation years. If there were significant changes in data, this would therefore lead to larger experience items being recorded. This would then be picked up following the next triennial valuation.</p>
Plant Property and Equipment	<p>MCA and Police Fund operational land & buildings have been valued at current value as at 31 March 2025. Existing Use Value has been used where property is non specialised and a ready market exists. Depreciated Replacement Cost (DRC) has been used for specialised properties. This is determined as the cost of replacing an asset with its modern equivalent asset less an allowance for physical deterioration and relevant forms of obsolescence.</p>	<p>A change in either the Market Value or assumed asset lives will impact on their carrying value in the Balance Sheet.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>Assets held for sale and surplus assets are valued at their Fair Value.</p> <p>Valuations are therefore sensitive to market assumptions and, in the case of DRC, estimated materials and labour costs.</p> <p>The aggregate value of MCA assets revalued at 31 March 2025 was £26.9m. The aggregate value of Police Fund assets revalued at 31 March 2025 was £119m.</p> <p>Operation land & buildings and surplus assets/assets held for sale have been valued by a professionally qualified valuer applying appropriate professional standards.</p>	<p>With regard to the Police Fund, it is estimated that a 10% change in the overall gross value of land and buildings measured on a DRC basis would change the value by £14.4m</p>

As with all public sector bodies, the Authority has faced significant uncertainty about the future levels of Government and stakeholder funding. High inflation and increased interest rates have put pressure on costs with principal sources of funding being largely fixed. These challenges are being managed through robust financial planning and management processes and by building in sufficient financial resilience to ensure the Authority’s sustainability in the medium to longer term.

This is explained more fully in management’s Going Concern assessment set out in Accounting Policies Note(1).

Hillsborough Civil Claims – a number of civil claims arising from the day of the disaster itself have been issued against South Yorkshire Police. In addition, a larger number of civil claims have been notified which cite misfeasance in a public office (allegations in relation to the preparation of police witness statements). A provision for all claims has been included in the 2024/25 accounts. However, there is a risk in terms of the reliable estimate of likely costs that are materially accurate. The reason for this is due to the complexity of the scheme, which is over a 30 year period along with an almost impossible scenario to quantify claims due to multiple factors. There are many differing categories of damage to be considered. The scheme is complex and requires each claim to be reviewed and assessed taking account of the evidence provided.

10. Prior Period Adjustments

None.

11. Events After the Reporting Date

The unaudited Statement of Accounts was authorised for issue by the Executive Director Resources and Investment (Section 73 Officer) on 30 June 2025.

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 2025, the figures in the Financial Statements and notes have been adjusted in all material respects to reflect the impact of this information.

12. Material Items of Income and Expense

Capital Grants (Revenue Expenditure Funded by Capital Under Statute)

The Authority awarded capital grants of £127m in furtherance of its strategic objectives of which £65.4m were Transport and £61.6m Economic Development (£119.6m in 2023/24 of which £87.8m Transport and £31.8m Economic Development).

In accordance with the Code of Practice, and, as explained in Accounting Policy XIV on Revenue Expenditure Funded by Capital Under statute (REFCUS), this grant expenditure has been charged to continuing services in the CIES as Transport or Economic Development depending on its nature.

Government capital Grant funding of £115.7m received in relation to the REFCUS expenditure has been credited to continuing services as income - £65.3m Transport and £50.5m Economic Development (2023/24 £116.5m of which £87.7m was Transport and £28.8m Economic Development).

Government capital Grant funding of £19.6m received in relation to the purchase of property, plant and equipment and other non-current assets has been recognised within Taxation & Non-Specific Grant income (2023/24 £29.6m)

A further £1.9m has been credited to Taxation & Non-Specific grant income representing donated assets associated with the recognition of Right of Use assets on first time adoption of IFRS 16.

Exceptional Funding Support – Capitalisation of legacy and pension abatement costs

The authority has been given exceptional funding support for the Police Fund, through a Capitalisation Direction which will enable legacy costs and pension abatement costs to be capitalised. The amount capitalised in 2024/25 was £16.9m.

Police Fund legal claims

Included within the CIES are costs of £6.4m incurred during 2024/25 relating to Child Sexual Exploitation for which Special Grant funding of £3.2m has been received.

In addition, costs of £35.8m relating to Hillsborough were incurred during 2024/25 for which special grant funding of £30.9m has been received.

13. Acquired and Discontinued Operations

Statutory Order 2024/414 provided for the transfer of the Police and Crime Commissioner for South Yorkshire’s functions to the elected Mayor of South Yorkshire with effect from 7 May 2024. The Statutory Order also provided for the transfer of all the property, rights and liabilities of the Police and Crime Commissioner for South Yorkshire to the Combined Authority as at 7 May 2024 together with all monies held in the Police Fund for which the Mayor became responsible. With effect from 7 May 2024, the Combined Authority became the legal entity responsible for administering the Police Fund and executing the Mayor’s decisions in his role as Police and Crime Commissioner.

Note 1 explains how this business combination has been accounted for and presented in the financial statements

14. Adjustments between Accounting Basis and Funding Basis under Regulations

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

2024/25						
	General Fund Balance £000	Capital Receipt Reserves £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Reversal of items debited or credited to the CIES:						
Capital grants and contributions credited to the CIES	135,358	0	0	135,358	(135,358)	0
Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve	0	0	8,455	8,455	(8,455)	0
Application of grants and contributions to capital financing transferred to Capital Adjustment Account						
Revenue expenditure funded from capital under statute	(127,038)	0	0	(127,038)	127,038	0
Finance costs	118	0	0	118	(118)	0
Other movements	(40,100)	0	0	(40,100)	40,100	0
Insertion of items not debited or credited to the CIES:						

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Statutory provision for repayment of debt (MRP)	5,019	0	0	5,019	(5,019)	0
Employers' contribution to Pension Scheme	(240)	0	0	(240)	240	0
Direct Revenue Financing	1,106	0	0	1,106	(1,106)	0
Capital Financing:						
Use of Capital Receipts Reserve to finance new capital expenditure	496	4,504	0	5,000	(5,000)	0
Other:						
Transfer to Accumulating Absences Account						
Other Movements						
Total	(25,281)	4,504	8,455	(12,322)	12,322	0

2023/24						
	General Fund Balance £000	Capital Receipt Reserves £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Reversal of items debited or credited to the CIES:						
Capital grants and contributions credited to the CIES	146,096	0	0	146,096	(146,096)	0
Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve			(360)	(360)	360	0
Application of grants and contributions to capital financing transferred to Capital Adjustment Account						
Revenue expenditure funded from capital under statute	(119,604)	0	0	(119,604)	119,604	0
Finance costs	(2,666)	0	0	(2,666)	2,666	0
Other movements	(12,718)	0	0	(12,718)	12,718	0
Insertion of items not debited or credited to the CIES:						
Statutory provision for repayment of debt (MRP)	3,830	0	0	3,830	(3,830)	0
Employers' contribution to Pension Scheme	179	0	0	179	(179)	0
Direct Revenue Financing	116			116	(116)	0
Transfer year one pension prepayment	1,500			1,500	(1,500)	0
Capital Financing:						
Use of Capital Receipts Reserve to finance new capital expenditure		2,609	0	2,609	(2,609)	0
Other						
Transfer to Accumulating Absences Account						
Other Movements						
Total	16,733	2,609	(360)	18,982	(18,982)	0

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15. Transfers (To)/From Earmarked Reserves

This note sets out the amounts set aside from the General Fund and Police Fund in earmarked reserves to provide financing for future expenditure plans and amounts drawn down from earmarked reserves to meet General Fund and Police Fund expenditure during the year.

	31 March 2023 £000	Transfers Between 2023/2024 £000	Transfers Out 2023/24 £000	Transfers in 2023/24 £000	Total Movements £000	31 March 2024 £000	Transfers Between 2024/2025 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Total Movements £000	31 March 2025 £000
Capacity and Development Reserves											
Capacity and Capability	(3,754)	(850)	270	(7,150)	(7,730)	(11,484)	0	574	0	574	(10,910)
Project Feasibility	(3,600)	(400)	215	0	(185)	(3,785)	0	431	0	431	(3,354)
Mayoral Capacity Fund	(905)	0	152	0	152	(753)	0	190	0	190	(563)
Transport Reserves											
Levy Reduction Reserve	(11,854)	0	0	(1,255)	(1,255)	(13,109)	0	2,979	(1,269)	1,710	(11,399)
PFI reserve	(11,744)	0	0	(877)	(877)	(12,621)	0	0	(703)	(703)	(13,324)
Protection of Priority Services	(8,998)	4,465	4,533	0	8,998	0	0	0	0	0	0
Bus Resilience	0	(6,665)	0	(3,335)	(10,000)	(10,000)	0	0	(6,200)	(6,200)	(16,200)
Bus Franchise Transition	0	(7,200)	0	(4,000)	(11,200)	(11,200)	(1,070)	0	(7,388)	(8,458)	(19,658)
Bus Franchise Assessment	(2,832)	0	1,658	0	1,658	(1,174)	1,070	0	0	1,070	(104)
Mass Transit Concession End	(2,555)	0	1,847	0	1,847	(708)	0	0	(253)	(253)	(961)
Tram Resilience	0	0	0	(1,350)	(1,350)	(1,350)	0	0	(1,528)	(1,528)	(2,878)
Transport Innovation Fund	0	0	0	(2,500)	(2,500)	(2,500)	122	544	0	666	(1,834)
Tram Vision	0	0	241	(500)	(259)	(259)	(122)	242	0	120	(139)
£2 fare cap	(500)	0	500	0	500	0	0	0	0	0	0
18-21 Concessions (Gainshare)	(519)	0	519	0	519	0	0	0	0	0	0

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Projects and Programmes											
Skills Bank	(10,003)	0	734	0	734	(9,269)	0	1,518	0	1,518	(7,751)
Business Sinking Fund	(2,377)	0	70	0	70	(2,307)	0	0	0	0	(2,307)
Safe Place to Sleep	0	0	0	(3,000)	(3,000)	(3,000)	0	585	0	585	(2,415)
Food Security	(150)	0	150	0	150	0	0	0	0	0	0
Apprenticeship Grant for Employers	(107)	0	0	(282)	(282)	(389)	0	0	0	0	(389)
Pathways to Work	0	0	0	(250)	(250)	(250)	0	0	0	0	(250)
Mayoral Election Reserve	(715)	0	104	(4,274)	(4,170)	(4,885)	0	2,179	0	2,179	(2,706)
Integration Reserves	(2,229)	0	308	0	308	(1,921)	0	742	(250)	492	(1,429)
Mayoral Priorities fund	0	0	0	0	0	0	0	0	(7,122)	(7,122)	(7,122)
Gainshare Projects											
Business Renewal Action plan	(5,320)	0	605	0	605	(4,715)	(6,984)	909	0	(6,075)	(10,790)
Skills Renewal Action Plan	(7,113)	0	129	0	129	(6,984)	6,984	0	0	6,984	0
Prospectus for Growth/Plan for Growth	(1,600)	1,600	0	0	1,600	0	0	0	(300)	(300)	(300)
Project Feasibility (MCA)	(200)	200	0	0	200	0	0	0	0	0	0
Project Feasibility (SY LAs)	(725)	0	725	(1,632)	(907)	(1,632)	0	40	(118)	(78)	(1,710)
Monitoring and Evaluation	(474)	0	0	0	0	(474)	108	0	0	108	(366)
Debt Financing	(650)	650	0	0	650	0	0	0	0	0	0
Destination Management	(250)	0	177	(250)	(73)	(323)	0	116	0	116	(207)
Protection of Priority Services	(2,735)	2,735	0	0	2,735	0	0	0	0	0	0
Crossed Wires	0	0	0	0	0	0	(108)	0	(100)	(208)	(208)
Place Plan - BMBC	0	0	0	0	0	0	0	0	(1,683)	(1,683)	(1,683)
Place Plan - RMBC	0	0	0	0	0	0	0	0	(1,574)	(1,574)	(1,574)
Place Plan - SCC	0	0	0	0	0	0	0	0	(3,997)	(3,997)	(3,997)
Identified Risks											
Asset Management	(1,840)	0	1,615	(1,084)	531	(1,309)	0	19	0	19	(1,289)
Income Resilience Reserve	(3,582)	3,582	0	0	3,582	0	0	0	0	0	0
Redundancy	(574)	0	164	(190)	(26)	(600)	0	0	0	0	(600)
Pensions Smoothing	(1,266)	0	0	0	0	(1,266)	0	0	0	0	(1,266)
IT renewals	(249)	0	0	0	0	(249)	0	0	0	0	(249)
Woodburn Road Tunnel	(1,883)	1,883	0	0	1,883	0	0	0	(38)	(38)	(38)

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Police & Reform																	
Insurance Reserves							(7,600)	0	0	0	(7,600)						
Devolved budget							(1,054)	0	(4,468)	(4,468)	(5,522)						
Redundancy Reserve							(24)	24	0	24	0						
Commissioning Reserve							(2,448)	0	(24)	(24)	(2,472)						
Revenue Grants Reserve							(506)	504	0	504	(2)						
Legacy Reserve							(29,943)	0	(5,733)	(5,733)	(35,676)						
Invest to Save Reserve							(1,252)	0	0	0	(1,252)						
Operational Direct activity Reserve							(1,268)	381	(252)	129	(1,139)						
Capital Financing Reserve							(1,000)	0	0	0	(1,000)						
Total							(91,304)	0	14,716	(31,929)	(17,213)	(108,516)	(45,095)	11,977	(43,000)	(31,023)	(184,633)

PCC earmarked reserves of £45.095m were transferred to the MCA on integration on 7 May 2024.

In 2023/24, some reserves were terminated. They have been included in this year's accounts in order to show an accurate prior year comparative but since they are no longer active reserves, we have not included their nature or purpose in the description below. These terminated reserves are: Protection of Priority Services; £2 fare cap; 18-21 Concessions (Gainshare); Food Security; Project Feasibility (MCA); Debt Financing; Protection of Priority Services; Income Resilience Reserve.

The purpose of the more significant of these reserves is as follows:

Capacity and Development Reserves

- These reserves have been generated in recent years to allow the MCA to invest for a sustained period into core capabilities and pilot activity, seeking to redress inequities in the MCA's funding environment. This money will be released over a sustained five-year period, but after this the MCA will need to rebalance its cost base back to an affordable envelope
- Project Feasibility Fund - the reserve has been created to provide sustainable revenue funding for the early-stage development of capital projects.
- Mayoral Capacity Fund - the Fund's primary purpose is to build capacity and expertise to support the Elected Mayor in discharging his responsibilities and developing specific policy areas aligned to the Mayors' commitments set out in his manifesto.

Transport Reserves

- Levy Reduction Reserve - The reserve is being used to bridge the funding shortfall between the baseline transport revenue budget and transport levy to sustain levy reductions until the cost base falls as legacy debt is repaid.
- Private Finance Initiative Reserve - The PFI reserve is to meet future liabilities relating to Doncaster Interchange up until the end of the PFI scheme and to meet residual liabilities beyond the end of the scheme. It has been established by virtue of the fact that fixed annual amount of Government funding is higher than the unitary payment to the PFI provider in the early years of the scheme. The reserve will then be drawn down in later years to meet the rising costs of the PFI scheme as the unitary payment is indexed for inflation.
- Bus Franchising – Following the decision of the MCA Board in March 2025 to proceed with Bus franchising, the focus is now on transitioning to the new Bus Franchising Model. Bus franchising will lead to a fundamental change in the way in which bus services operate resulting in new responsibilities being taken on by the MCA, and the need to build organisational capacity. It is therefore expected to be a number of years before bus franchising is fully implemented across South Yorkshire. The indicative programme is for the first franchised bus services to be operating within 3 years and rolled out thereafter over the subsequent 2 years with complete roll out by 2030. Funding has been set aside within the Bus Franchising Transition reserve to fund this phase. The Bus Resilience reserve has been created to provide a buffer against the immediate exposure to the financial performance of the bus network the MCA will face when the new Bus franchising model is implemented.
- Mass Transit Concession end - is held for the residual costs of closing out the project to transfer tram operations from Stagecoach to SYFTL
- Tram Resilience - provides a buffer against the MCA's exposure to the commercial performance of SYFTL
- Transport Innovation Fund – monies set aside in order to fund a number of innovative transport projects
- Tram Vision – held to covers the remaining costs of undertaking a range of studies into potential tram extensions

Projects and Programmes Reserves

- Skills Bank Reserve - The reserve is ring-fenced to support future Skills Bank delivery and sustainability
- Business Sinking Fund – This reserve is being used to support Business Growth related revenue activity.
- Safe Place to Sleep – monies set aside to run a pilot Safe Space to Sleep Programme for children aged 0 to 5
- Mayoral Election Reserve - The reserve is being built up to provide funding towards the cost of staging the next Mayoral election which is due to take place in 2029.
- SYPTE/OPCC Integration - The MCA has set aside funding to manage the complex integration exercises associated with the transfer of the powers, functions, competencies and assets and liabilities of the former Office for Police & Crime Commissioner into the MCA. This enables the MCA to exploit efficiencies and effectively manage transition exercises
- Pathways to Work – monies set aside to support a programme being run in partnership with Barnsley MBC into helping those furthest from the labour market in Barnsley to achieve pathways to employment
- Asset Management - the MCA retains a reserve to support planned and reactive interventions associated with the management of its estate. This reserve allows the MCA to invest-to-save and manage shock without impact on the annual budget.

Other Gainshare Reserves

- South Yorkshire Renewals Fund - Resource is held in reserve to undertake a number of projects in support of the MCA's skills and business growth aspirations. Moving funding to reserves reflects timing differences between the receipt of grants and its application

Police and Reform

- The Insurance Reserve represents sums set aside to fund future potential liabilities under current insurance arrangements.
- The Devolved Budget Reserve is allocated to the Chief Constable to carry forward underspend up to the approved limits to fund expenditure in the following year.
- The Redundancy Reserve represents sums set aside relating to future potential redundancy liabilities.
- The Commissioning Reserve is set aside for underspends on commissioning to be carried forward to be spent in future financial years.
- The Revenue Grants Reserve relates to the treatment of revenue grants in accordance with the Code. There may be a mismatch between spending and income. In order to address this, any grant which has not been used to fund related expenditure is contributed to this reserve and used to fund expenditure when it is incurred in future years.
- The Legacy Reserve represents underspends set aside to fund future potential liabilities in relation to Hillsborough and Child Sexual Exploitation.
- The Invest to Save Reserve was created in to fund non-recurrent costs such as Priority Based Budgeting (PBB) work to enable future recurrent savings.
- The Operational Direct Activity Reserve was created for underspends to be reinvested in future costs. This relates to activity in relation to Proceeds of Crime Act (POCA) and Safety Camera & Ticketing Processing (SCTP).
- The Capital Financing Reserve was created in 2023/24 to fund future borrowing costs.

16. Financing and Investment Income and Expenditure

The following table provides a breakdown of Financing and Investment Income and Expenditure.

2023/24 £000		2024/25 £000
6,643	Interest payable and similar charges	4,776
(20,874)	Interest receivable and similar income	(25,461)
57	(Surplus) or deficit of trading undertakings	(134)
(157)	Property Management – Investment income	0
0	Revaluation gains	0
(14,331)		(20,819)
(719)	Pensions – Interest cost	45
(15,050)	Total	(20,774)

17. Taxation and Non-Specific Grant Income

The following table provides a breakdown of Taxation and Non-Specific Grant Income:

2023/24 £000		2024/25 £000
	Police Fund	
0	Revenue Support Grant	(86,590)
0	Police Precept	(93,416)
0	Home Office Police Grant	(121,873)
0	Home Office Police Pensions Grant	(45,558)
0	Capital Grants and Contributions	(140)
	MCA	
(5,682)	Capital Grants and Contributions - Ministry of Housing, Communities and Local Government	0
(29,573)	Capital Grants and Contributions - Department for Transport	(19,555)
(0)	Donated Asset	(1,880)
(35,255)	Total	(369,012)

18. Property, Plant and Equipment (PPE)

Movements on Balances:

2024/25	Other land and buildings £000	Vehicles, plant, furniture, and equipment £000	Surplus Assets £000	Assets under Construction £000	Total PPE, excluding infrastructure assets £000
Cost or Valuation:					
At 1 April 2024	22,925	95,186	3,745	11,822	133,678
Transferred in at 7 May 2024	142,135	45,023	3,426	390	190,974
Additions	4,834	6,975	0	5,815	17,624
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	3,137	0	198	0	3,335
Revaluation increases/ (decreases) to Surplus/Deficit on the Provision of Services	(1,951)	0	(252)	0	(2,203)
De-recognition – Disposals	0	(3,871)	(350)	0	(4,221)
De-recognition – Other	(1,797)	0	0	0	(1,797)
Reclassification and Transfers – To Assets Held for Sale	0	0	(395)	0	(395)
Other movements	(110)	847	0	(1,090)	(353)
At 31 March 2025	169,172	144,161	6,372	16,937	336,642
Accumulated Depreciation and Impairment					
At 1 April 2024	(0)	(58,794)	0	0	(58,794)

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Transferred in at 7 May 2024	(1,713)	(22,871)	(24)		(24,608)
Depreciation charge	(5,509)	(7,412)	(63)	0	(12,985)
Impairment (losses) / reversals recognised in the Revaluation Reserve	3,408	0	0	0	3,408
Impairment (losses)/reversals recognised in the Surplus/ Deficit on the Provision of Services	835	0	0	0	835
De-recognition – Disposals	0	3,238	0	0	3,238
De-recognition – Other	0	0	0	0	0
Reclassification and Transfers	0	0	6	0	6
Other movements	353	0	0	0	353
At 31 March 2025	(2,626)	(85,839)	(81)	0	(88,546)
Net Book Value					
At 31 March 2025	166,546	58,322	6,291	16,937	248,094
At 31 March 2024	22,925	36,392	3,745	11,822	74,884

2024/25	Infrastructure Assets £000	Other Property, plant, and equipment £000	Total Property, plant and equipment £000	PFI Assets included in Infrastructure Assets £000
Net book value - 1 April 2024	81,490	74,884	156,374	8,816
Transferred in at 7 May 2024	0	166,366	166,366	0
Additions	20,056	17,624	37,680	3,432
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	6,743	6,743	0

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Revaluation increases/(decreases) to Surplus/ Deficit on the Provision of Services	0	(1,368)	(1,368)	0
De-recognition – Disposals	(1,353)	(983)	(2,336)	0
De-recognition – Other	0	(1,797)	(1,797)	0
Reclassification and Transfers	0	(389)	(389)	0
Depreciation charge	(2,452)	(12,985)	(15,437)	(276)
Impairment (losses)/reversals recognised in the Surplus/ Deficit on the Provision of Services	(0)	0	(0)	(0)
At 31 March 2025	97,741	248,094	345,835	11,972

2023/24	Other land and buildings £000	Vehicles, plant, furniture, and equipment £000	Surplus Assets £000	Assets under Construction £000	Total PPE, excluding infrastructure assets £000
Cost or Valuation:					
At 1 April 2023	110,956	101,957	0	2,273	215,186
Other movements	(1,023)	500	3,745	0	3,222
Additions - programmed investment	0	11,070	0	9,549	20,619
Revaluation increases / (decreases) recognised in the Revaluation Reserve	966	0	0	0	966
Revaluation increases / (decreases) to Surplus / Deficit on the Provision of Services	(445)	0	0	0	(445)
De-recognition – disposals	0	0	0	0	0
De-recognition – other	0	0	0	0	0
Reclassification and transfers	(87,529)	(18,341)	0	0	(105,870)
At 31 March 2024	22,925	95,186	3,745	11,822	133,678

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Accumulated Depreciation and Impairment					
At 1 April 2023	(689)	(70,733)	0	0	(71,422)
Depreciation charge	(346)	(3,776)	0	0	(4,122)
Other movements	1,026	(503)	0	0	523
Impairment (losses) / reversals recognised in the Revaluation Reserve	0	0	0	0	0
Impairment (losses) / reversals recognised in the Surplus / Deficit on the Provision of Services	0	0	0	0	0
De-recognition – disposals	0	0	0	0	0
De-recognition – other	0	0	0	0	0
Reclassification and transfers	9	16,218	0	0	16,227
At 31 March 2024	(0)	(58,794)	0	0	(58,794)
Net Book Value					
At 31 March 2024	22,925	36,392	3,745	11,822	74,884
At 31 March 2023	110,267	31,225	0	2,273	143,765

2023/24	Infrastructure Assets £000	Other Property, plant, and equipment £000	Total Property, plant and equipment £000	PFI Assets included in Infrastructure Assets £000
Net book value - 1 April 2023	18,006	143,765	161,771	11,980
Other movements	0	3,745	3,745	0
Additions - programmed investment	9,177	20,618	29,795	0

Revaluation increases / (decreases) recognised in the Revaluation Reserve	(32,285)	966	(31,319)	(2,879)
Revaluation increases / (decreases) to Surplus / Deficit on the Provision of Services	0	(445)	(445)	0
De-recognition – disposals	0	0	0	0
De-recognition – other	0	0	0	0
Reclassification and transfers	89,643	(89,643)	0	0
Depreciation charge	(3,051)	(4,122)	(7,173)	(285)
At 31 March 2024	81,490	74,884	156,374	8,816

Depreciation

Depreciation is charged on a straight-line basis over the useful life of the asset.

Capital Commitments

MCA

The Authority had the following significant capital commitments as at 31 March 2025 in respect of direct delivery public transport schemes on assets forming part of the Authority's estate.

No commitments are shown in relation to capital schemes where the Authority provides capital funding to partners to deliver capital investment on assets forming part of a partner's estate.

The capital commitments represent the approved budgeted spend for the forthcoming financial year in order to give an indication of the scale of capital investment that the Authority is planning to undertake in maintaining and enhancing its estate. This goes beyond the requirements of the Code of Practice which only requires disclosure of the amount of contractual commitments for the acquisition of property, plant and equipment at the balance sheet date.

Capital Commitments 2025/26 (MCA directly delivered schemes)	£000
A61 Highway Works	3,699
Parkgate Park and Ride	300
BSIP Bus Improvements	3,400
Bus Lane Review Implementation	140
Realtime detection priority	1,281
Integrated Strategic Public Transport	2,618
Mass Transit (Tram)	31,108
Penistone Park and Ride	750
Conisbrough Park and Ride	1,064
Meadowhall Interchange Mobility Hub	2,146
Total	46,506

Police Fund

As at 31 March 2025, contracts for the construction, enhancement or purchase of Property, Plant & Equipment were an estimated cost of £3.614m. This included £1.2m vehicle purchases, £0.849m Intangibles, £0.458m Equipment and £0.687m relating to Buildings.

Revaluations

Revaluations of Land and Buildings and surplus assets have been carried out by a professionally qualified Valuer in 2024/25.

The following statement shows the value of assets being carried in the balance sheet at current value, and the year in which they were last revalued, and those carried in the balance sheet at historical cost.

Police Fund assets are carried on a rolling programme that ensures that assets measured at current value are revalued at least every five years.

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Surplus Assets	Assets Under Construction	Total
	£000	£000	£000	£000	£000
Carried at Historical Cost	1,298	144,161	0	16,937	162,396

Valued at Current Value as at					
31 March 2025	143,587	0	2,148	0	145,735
31 March 2024	8,741	0	2,433	0	11,174
31 March 2023	15,546	0	1,767	0	17,313
31 March 2022	0	0	0	0	0
31 March 2021	0	0	0	0	0
31 March 2020	0	0	0	0	0
31 March 2019	0	0	0	0	0
31 March 2018	0	0	24	0	24
Total Cost or Valuation	169,172	144,161	6,372	16,937	336,642

19. Intangible Assets

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

2024/25	Internally generated £000	Other £000	Assets under construction £000	Total £000
Gross Carrying amount	0	1,531	111	1,642
Accumulated Amortisation	0	(1,531)	0	(1,531)
NBV – 1 April	0	0	111	111
Transferred in at 7 May 2024	540	2,406	7,576	10,522
Additions – internal development	87	0	3,664	3,751
Additions - Purchases	0	1,185	515	1,700
De-recognition – Disposals	(100)	(1,231)	0	(1,331)

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De-recognition – Other	0	0	(24)	(24)
Reclassifications / other changes	0	11,117	(11,117)	0
Amortisation – Write off on disposal	100	1,219	0	1,319
Amortisation charge for the year	24	(1,668)	0	(1,644)
NBV - 31 March	651	13,028	725	14,404
Gross Carrying Amount – 31 March	1,939	25,437	725	28,101
Accumulated Amortisation – 31 March	(1,288)	(12,409)	0	(13,697)

2023/24	Internally generated £000	Other £000	Assets under construction £000	Total £000
Gross Carrying amount	0	1,531	0	1,531
Accumulated Amortisation	0	(766)	0	(766)
NBV – 1 April	0	765	0	765
Additions - Purchases	0	0	111	111
Amortisation charge for the year	0	(765)	0	(765)
NBV - 31 March	0	0	111	111
Gross Carrying Amount – 31 March	0	1,531	111	1,642
Accumulated Amortisation – 31 March	0	(1,531)	0	(1,531)

20. Investment Properties

Properties that were previously classified as Investment Properties have been re-classified as Surplus Assets and disclosed within Property, Plant and Equipment.

2023/24 £000	Cost or Valuation	2024/25 £000
3,579	Balance At 1 April	0
0	Additions	0
100	Revaluations	0
(3,679)	Reclassifications – to surplus assets	0
0	Balance at 31 March	0

21. Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

	Long Term		Current	
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000
Investments at Amortised Cost	133,000	220,000	155,000	178,000
Equity Instrument – Fair Value through Other Comprehensive income	450	525	0	
Investments – Accrued interest			6,160	8,949
Cash and Cash Equivalents			135,962	120,060
Borrowings at Amortised Cost	(43,000)	(64,703)	(4,000)	(4,800)
Borrowings - Accrued Interest			(440)	(439)
Other Liabilities – PFI/leases	(9,553)	(14,564)	(345)	(883)

The Financial Instrument gains and losses recognised in the Comprehensive Income and Expenditure Statement are:

	Financial Liabilities	Financial Assets	Total
	At amortised cost £000	At amortised cost £000	£000
2024/25			
Income, Expense, Gains and Losses			
Interest expense – loans	3,612		3,612
Interest expense - PFI	1,164		1,164
Changes in fair value	0		0
Impairment losses/(gains)	0		0

Total expense in Surplus or Deficit on the Provision of Services	4,776	4,776
Interest income	(25,461)	(25,461)
Total income in Surplus or Deficit on the Provision of Services		(25,461)
Net charge/(credit) for the year		(20,685)

	Financial Liabilities	Financial Assets	Total
2023/24	At amortised cost	At amortised cost	
Income, Expense, Gains and Losses	£000	£000	£000
Interest expense – loans	2,967		2,967
Interest expense - PFI	892		892
Changes in fair value	2,784		2,784
Impairment losses/(gains)	0		0
Total expense in Surplus or Deficit on the Provision of Services	6,643		6,643
Interest income		(20,874)	(20,874)
Total income in Surplus or Deficit on the Provision of Services			(20,874)
Net charge/(credit) for the year			(14,231)

Expected Credit Losses

The Authority has, with effect from 1 April 2018, determined impairment loss allowances on all of its financial assets held at amortised cost using the expected credit loss model.

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.

Expected credit losses are calculated on individual assets where reasonable to do so. Where the Authority cannot gather reasonable and supporting information without undue cost or effort to support expected credit losses on an individual basis, it assesses losses on a collective basis.

The impairment loss allowances made in 2024/25 are summarised in Note 22.

Fair Value of Assets and Liabilities

The financial liabilities and financial assets reported in the Balance Sheet are all shown at amortised cost with the exception of an equity investment which is carried at Fair Value through Other Comprehensive Income and Expenditure.

The fair value of assets and liabilities carried at amortised cost has been assessed by calculating the net present value (NPV) of the cash flows that take place over the remaining life of the instruments which provides an estimate of the value of payments in the future in today's terms. The calculations have been made using the following assumptions:

- PWLB Loans – There are two options for determining the fair value of PWLB borrowing. One is to use the prevailing rate for new borrowing (the certainty rate) at the balance sheet date. The second is to use the prevailing premature repayment rate at the balance sheet date. These rates are then applied to determine the net present value of the cashflows that are expected to take place over the remaining life of the PWLB loans within the Authority's debt portfolio. Both are disclosed.
- Accrued interest has been included in the fair valuation calculation as this is also reflected in the carrying amount. The accrued interest figure is calculated up to and including the valuation date.
- Investments – fair value is determined by comparison of the fixed term investment held by the Authority with a comparable investment with a similar lender for the remaining period of the deposit.
- Short-term financial liabilities and financial assets - Where an instrument has a maturity of less than 12 months, the carrying amount is deemed a reasonable approximation of fair value.

Fair Value of Financial Liabilities

Fair Value of Financial Liabilities Carried at Amortised Cost-New Borrowing (Certainty) Rate

	2023/24		2024/25	
	Carrying value £000	Fair value £000	Carrying value £000	Fair value £000
PWLB	(47,000)	(46,653)	(69,503)	(66,854)
Market loans	0	0	0	0
Doncaster Interchange PFI	(9,898)	(9,898)	(12,865)	(12,865)
Finance Leases	0	0	(2,582)	(2,582)
Short-term borrowing accrued interest	(440)	(446)	(439)	(439)
Total Financial Liabilities	(57,338)	(56,997)	(85,389)	(82,740)

Fair Value of Financial Liabilities Carried at Amortised Cost- Premature Repayment Rate

	2023/24		2024/25	
	Carrying value £000	Fair value £000	Carrying value £000	Fair value £000
PWLB	(47,000)	(48,651)	(69,503)	(69,832)
Market loans	0	0	0	0

Doncaster Interchange PFI	(9,898)	(9,898)	(12,865)	(12,865)
Finance Leases	0	0	(2,582)	(2,582)
Short-term borrowing accrued interest	(440)	(446)	(439)	(439)
Total Financial Liabilities	(57,338)	(58,995)	(85,389)	(85,718)

The fair value of liabilities using the premature repayment rate is higher than the carrying amount because the portfolio of loans includes a number of fixed rate loans where the interest payable is higher than the prevailing rates at the Balance Sheet date.

The difference between the carrying value of debt of £69.5m and Fair Value of £69.8m is a measure of the premium that would be incurred to terminate loans early as at the balance sheet date.

Fair Value of Financial Assets Carried at Amortised Cost

	2023/24		2024/25	
	Carrying value £000	Fair value £000	Carrying value £000	Fair value £000
Long term investments	133,000	132,211	220,000	220,836
Short term investments	161,160	161,160	186,949	186,949
Total Financial Assets	294,160	293,371	406,949	407,785

The analysis above relates to fixed term deposits held with Local Authorities and other third parties. Deposit accounts with UK banks and Money Market Funds are disclosed within cash and cash equivalents – see Note 25.

Soft Loans

The Authority had one soft loan during the course of the year:

- £1.39m to City of Doncaster Council to support the DN7 scheme

The movements in the Soft Loan Balance arising from these transactions is summarised in the table below:

	31 March 2024 £000	31 March 2025 £000
Opening Balance	1,342	1,366
New Loans Granted	0	0
Less Fair Value Adjustment on Initial Recognition	0	0
Less Discounted Amount	0	0
Less Other Adjustments	0	0
Less Dividend Payment	0	0
Unwinding of discount	24	24
Balance Carried Forward	1,366	1,390
Nominal Value	1,390	1,390

22. Nature and Extent of Risks Arising from Financial Instruments

Key Risks

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

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

Overall Procedures for Managing Risk

The Authority's overall risk management procedures are designed to comply with regulatory guidance applicable to Local Authorities, namely, the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Statutory Investment Guidance.

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

- By formally adopting the requirements of the CIPFA Code of Practice on Treasury Management.
- By approving annually in advance prudential indicators.
- The Authority's overall borrowing.
- Its exposure to fixed and variable rate interest on borrowing and investments.
- The maturity structure of debt.
- Investments of 365 days or more.
- By approving an investment strategy for the forthcoming year setting out the criteria for both investing and selecting investment counterparties to protect the principal sums invested having due regard to risk and in compliance with statutory Guidance.

The prudential indicators are set annually before the start of the financial year as part of the Treasury Management Strategy, monitored and reported on to Members quarterly during the year, and in an end of year annual report on treasury performance.

The Authority maintains written principles/policies (the Treasury Management Practices or TMPs) for overall risk management, covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash. These TMPs are a requirement of the Code of Practice which are updated and implemented by the Treasury Management team.

Credit Risk

Credit risk relating to treasury activity is minimised through the Annual Investment Strategy which forms part of the Authority’s Annual Treasury Management Strategy. The Investment Strategy restricts placing investments with counterparties to those with high credit ratings to minimise the risk of default.

The Authority adopts a counterparty list based on a model provided by its treasury advisors using credit ratings from the three national rating agencies (Fitch, Moody’s and Standard and Poors) supplemented by the following information:

- Credit updates and credit outlooks from credit rating agencies.
- Credit Default Swap spreads to give early warning of likely changes in credit ratings (a CDS is the market perception of credit risk for financial institutions).
- Sovereign ratings to enable the Mayoral Combined Authority to only select counterparties from the most creditworthy countries.

As at 31 March 2025, the Authority held short- and long-term investments carried at amortised cost of £398m representing fixed term deposits and £92.2m classified as cash and cash equivalents (see Note 25) comprising £20m bank deposits, and £72.2m Money Market Funds. The default risk associated with these investments at the balance sheet date ranged between 0% and 0.012%.

No impairment loss allowances have been made during the year in respect of these investments as the very low default risk would only require an immaterial impairment loss allowance of c.£8k.

Local authorities by virtue of relevant statutory provisions which prevent default have a zero default risk.

The table below shows the credit rating of counterparties other than local authorities held at 31 March 2025:

31 March 2025				
	Financial Institution	Rating of Counterparty	Country	Amount £000
	Money Market Funds	AAA	UK	72,206
	Barclays Bank plc	A+	UK	20,000

31 March 2024				
	Financial Institution	Rating of Counterparty	Country	Amount £000
	Money Market Funds	AAA	UK	88,706
	Barclays Bank plc	A+	UK	20,000
	Santander UK plc	A	UK	20,000

Other financial assets held at the year-end comprised:

- £1.390m of capital loans advanced to third parties in furtherance of the Authority’s economic development objectives - see Note 23.
- £30.595m of short- term debtors (excluding capital loans) – see Note 24.
- An Equity Investment of £0.525m representing a minor interest in a joint venture company working in partnership with the universities of Leeds, Manchester, and Sheffield with the aim of matching long-term capital to the commercial opportunities being generated from intellectual property from the universities and regions. As the Authority only holds a minority interest it is being carried in the balance sheet at cost

These notes disclose the amounts set aside for expected credit losses.

Liquidity Risk

The Authority has substantial investments which are managed in such a way as to ensure that there is sufficient liquidity on a day-to-day basis to meet expenditure when needed.

On an annual basis, the Authority is required to produce a balanced budget under the Local Government Finance Act 1992. This ensures that overall, over the course of the financial year there is sufficient monies raised to cover annual expenditure.

Longer term, the Authority has access to PWLB should it require funds to meet its capital investment plans, subject to it being affordable under the Prudential Code.

Refinancing and Maturity Risk

The investment portfolio is managed in such a way as to provide sufficient short-term liquidity and to ensure that there are sufficient funds to repay borrowing as it falls due.

The maturity analysis of financial liabilities excluding PFI liabilities is as follows:

	31 March 2024 £000	31 March 2025 £000
Less than one year	(4,440)	(5,239)
Between one and two years	(4,000)	(5,335)
Between two and five years	(30,000)	(34,819)
More than five years	(9,000)	(25,830)
	(47,440)	(71,223)

The maturity analysis of short and long-term investments is:

2023/24			2024/25		
Principal	Accrued Interest	Principal plus Interest	Principal	Accrued Interest	Principal plus Interest
£000	£000	£000	£000	£000	£000
155,000	6,160	161,160	178,000	8,949	186,949
		Under 1 year			

118,000	118,000	Between 1 and 2 years	90,000	90,000
15,000	15,000	Between 2 and 5 years	130,000	130,000
		Between 5 and 10 years		
		More than 10 years		
288,000	6,160	294,160	Total	398,000
				8,949
				406,949

Market Risk

Interest Rate Risk

Interest rate risk arises on borrowings and investments as follows:

- **Borrowing at Variable Rates** The interest expense charged to the Comprehensive Income and Expenditure Statement may rise.
- **Borrowing at Fixed Rates** The fair value of the borrowing liability will rise (no impact on revenue balances).
- **Investments at Variable Rates** The interest income credited to the Comprehensive Income and Expenditure Statement may fall.
- **Investments at Fixed Rates** The fair value of the assets will fall (no impact on revenue balances).

The Authority's strategy for managing interest rate risk is set out below.

Borrowing

The Authority's debt portfolio is fixed rate PWLB debt. The amount of interest payable is not therefore exposed to risk from interest rate fluctuations.

Investments

The investment portfolio comprises fixed term deposits with Local Authorities and other low risk counterparties, bank deposits and Money Market Funds whose principal amount and interest rate are fixed.

Sensitivity analysis

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

	£000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	0
Increase in government grant receivable for financing costs	0
Impact on Surplus or Deficit on the Provision of Services	0
Decrease in fair value of fixed rate investment assets (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	4,290

Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(3,331)
Notes:	
* The change in Fair Value of fixed rate investments and fixed rate borrowing is based on a 1% increase in interest rates above the market rates prevailing at the balance sheet date. The approximate impact of a 1% fall in interest rates would be the same but with the movements being reversed.	

Foreign Exchange Risk

The Authority has no significant financial assets or liabilities denominated in foreign currencies and therefore no material exposure to loss arising from movements in exchange rates.

23. Long-Term Debtors

The following is an analysis of Long-Term Debtors:

31 March 2024 £000		31 March 2025 £000
1,366	Other Local Authorities & Central Government	30,475
0	Related Party-SYFTL	2,860
4,491	Others	0
(5,857)	Reclassified as short-term debtors	0
0	Total	33,335

The long-term debtor represents an intercompany loan with the MCA's wholly owned subsidiary, SYFTL, which is repayable after more than one year.

Capital Loans advanced to third parties to support the Authority's strategic economic development objectives previously classified as long debtors are repayable within the next financial year and have been re-classified as short-term debtors.

24. Short-Term Debtors

The following is an analysis of Short-Term Debtors:

31 March 2024 £000		31 March 2025 £000
2,112	Trade Customers	8,243
6,973	Receivables from Related Parties	58
0	Prepayments	3,112
4,277	Other Entities and Individuals	33,739
5,857	Capital loans - Reclassified from long term debtors	1,390
19,219	Total	46,542

The carrying value of £1.390m comprises the nominal value of loans £12.759m less (11.369m) expected credit losses.

The debtors balance (excluding capital loans reclassified from long term debtors) after making an allowance for impairment losses and refund of business rates on appeal of £2.544m.

25. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using an average costing formula.

31 March 2025				31 March 2025				
Consumable Stores	Vehicles maintenance spares	Uniform	Total	Consumable Stores	Vehicles maintenance spares	Uniform	Total	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
				Transferred in on 7 May 2024	150	120	1,866	2,136
				Purchases	536	23	4,215	4,774
				Recognised as an expense in the year	(605)	(28)	(3,866)	(4,499)
				Written off balances/Revaluation	0	(2)	(17)	(19)
0	0	0	0		81	113	2,198	2,392

26. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents comprises the following elements:

31 March 2024 £000		31 March 2025 £000
7,256	Cash:	
0	Cash at bank	6,828
	Bank overdraft	0
7,256		6,828
	Cash Equivalents:	
88,706	Money Market Funds	72,206
40,000	Bank deposits	41,026
128,706		113,232
135,962	Total Cash and cash Equivalents	120,060

Cash that is seized by the Force because it is suspected of either having been used, or intended for use, for the purpose of crime, is held pending a court decision as to whether it should be returned or awarded under a forfeiture order to the Force or the Treasury. This seized cash is held in trust for third parties by the MCA and is therefore excluded from the Balance Sheet. The sum held at 31 March 2025 is £3.620m.

In addition, the Force holds funds in relation to found property and prisoner property and is therefore excluded from the Balance sheet. The sum held at 31 March 2025 is £2.294m.

27. Short-Term Creditors

The following is an analysis of Short-Term Creditors:

31 March 2024 £000		31 March 2025 £000
(36,200)	Trade Creditors	(68,178)
(36,927)	Related Parties Creditors	(78,520)
(34,626)	Revenue Grant Received in Advance	(45,217)
(0)	Other Creditors	0
(107,753)	Total	(191,915)

28. Provisions

The Authority has the following Provisions:

	Balance at 31 March 2024 £'000	Balance Transferred at 6 May 2024 £'000	Additional provisions made in the year £'000	Amounts used in the year £'000	Unused amounts reversed in the year £'000	Balance at 31 March 2025 £'000
Inspection Works SYFTL	468	0	0	0	(468)	0
Death in service liability SYFTL	250	0	0	0	(250)	0
Self Insurance	0	4,489	246	(1,200)	(282)	3,253
Statutory Redundancy	0	24	0	0	0	24
Legal Claims	0	47,333	35,546	(3,485)	(1,778)	77,616
Finance Lease	0	2,449	0	0	(1,183)	1,266
Total Group	718	54,295	35,792	(4,685)	(3,961)	82,159

Short-Term Provisions amount to £20.139m and Long-Term Provisions £62.020m.

Further information on the Provision for Police legal claims is provided in Note 8

The insurance policies to meet Police liabilities carry an excess on individual claims and in aggregate for the year as a whole. The self-insurance provision is used to fund this uninsured liability by charging revenue with contributions to the provision, and then making payments directly from it when claims are settled. The level of contributions is based on advice from the Police’s insurance brokers.

29. Usable Reserves

Movements in the Authority’s usable reserves are summarised in the Movement in Reserves Statement.

These are analysed in more detail in the tables below:

31 March 2025		Total £000
General Fund		(5,000)
Earmarked Reserves		(129,972)
Capital Receipts Reserve		(10,801)
Capital Grants Unapplied		(44,537)
Police & Reform:		
Police Fund		(28,717)
Police Fund earmarked reserves		(54,664)
Police capital receipts reserve		0
Police capital Grant Unapplied		0
Total		(273,691)

31 March 2024		Total £000
General Fund		(5,000)
Earmarked Reserves		(108,515)
Capital Receipts Reserve		(15,305)
Capital Grants Unapplied		(52,992)
Total		(181,813)

General Fund Balance

The General Fund is an unearmarked reserve to cover unexpected fluctuations in income and expenditure and unforeseen contingencies.

Earmarked General Fund Reserves

Details on the movements in year and purpose of each earmarked reserve are contained in Note 15.

Capital Receipts Reserve

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

The table below shows the balance of the Capital Receipts Reserve:

31 March 2024 £000		31 March 2025 £000
(17,913)	Balance at 1 April	(15,305)
(1,500)	Capital loan repaid and receipts	(616)
(3,240)	Reclassification from capital grants unapplied	0
7,348	Capital receipt applied during the year	5,120
(15,305)	Total	(10,801)

£1.387m of the capital receipts reserve balance has been placed in a Corporate Asset Management Fund the purpose of which is to maintain the Authority's assets through ongoing capital investment.

The remainder is available to support capital investment in Business Investment schemes, the Digital Infrastructure strategy, and, potentially, the use of capital flexibilities.

Capital Grants Unapplied Account

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which there are no conditions or conditions have been met and have therefore been recognised as income but have not yet been applied for financing.

The table below shows the balance on the Capital Grants Unapplied Account.

31-Mar 2024 £000		31-Mar 2025 £000
(52,631)	Balance at 1 April	(52,992)
(4,050)	Capital Grant credited in year	147
449	Capital grant applied for financing in year	8,308
3,240	Transfer to earmarked reserves/capital receipts reserve	0
(52,992)	Total	(44,537)

£29.150m of the balance at 31 March 2025 represents unapplied Gainshare capital. Gainshare funded activity is expected to increase as schemes approved in prior years move into delivery and partners begin to access the annual allocations that can be released to support the Place Investment Plans.

A further £9.482m represents recycled / unapplied capital grant that is being held for re-investment purposes

30. Unusable Reserves

The following table summarises the Unusable Reserves balances:

31 March 2025		Total £000
MCA		
Capital Adjustment Account		(41,859)
Financial Instruments Account		2,597
Pension Reserve		2,736
Revaluation Reserve		(12,215)
Police & Reform:		
Police Revaluation Reserve		(59,498)
Police Capital Adjustment Fund		23,514
Police Collection Fund Adjustment Account		(1,677)
Total		(86,402)

31 March 2024		Total £000
MCA		
Capital Adjustment Account		(25,667)
Financial Instruments Account		2,715
Pension Reserve		3,688
Revaluation Reserve		(10,973)
Total		(30,237)

Capital Reserves

Capital Reserves are not available for revenue purposes and certain ones can only be used for specific statutory purposes.

Capital Adjustment Account

The Capital Adjustment Account comprises differences between how charges for the use of Property, Plant & Equipment and their financing are accounted for under proper accounting practice and the amounts that are statutorily required to be charged under Local Government financing regulations in determining the amount to be met by local taxpayers. Note 14 provides further detail in this regard.

2023/24 £000		2024/25 £000
85,989	Balance at 1 April	(25,667)
(89,054)	Opening balance adjustment	0
0	Transferred in at 7 May	(1,687)
	<i>Reversal of items relating to capital expenditure debited or credited to the CIES:</i>	
7,173	Depreciation of Non-current assets	15,437
4,485	Impairment of capital assets	4,491
445	Revaluation losses	1,368
(100)	Movements in fair value of Investment Properties	0
0	Movements in fair value of Donated Asset Account & ROU Asset	(1,880)
765	Amortisation of Intangible assets	1,644
119,604	Revenue expenditure funded from capital under statute	127,038
(50)	Non-Current assets written off on disposal	2,499
0	Capitalised Legal and Pensions Abatement Costs	16,932
	<i>Adjusting amounts written out of the Revaluation Reserve:</i>	
(1,134)	Difference between fair value depreciation and historical cost depreciation	(2,967)
(50)	Accumulated gains on assets sold or scrapped	0
128,123	Net written out amount of the cost of non-current assets consumed in the year	164,563
	<i>Capital financing applied in the year:</i>	
(2,609)	Use of the Capital Receipts Reserve to finance new capital expenditure	(5,616)
(146,096)	Capital grants and contributions credited to the CIES including REFCUS Income	(135,358)
360	Application of grants and contributions from the Capital Grants Unapplied Account	(8,455)
(3,830)	Statutory provision for the repayment of debt	(5,019)
(1,500)	Voluntary provision for the repayment of debt	0
(115)	Direct Revenue Financing	(1,105)
(153,790)		(155,553)
(25,667)	Balance at 31 March	(18,345)

Financial Instruments Adjustment Account

2023/24 £000		2024/25 £000
49	Balance at 1 April	2,715
2,784	Premium / (discounts) in the year	0
(94)	Amortisation of premia / (discounts) incurred in previous years	(94)
(24)	Soft Loan Amortisation	(24)
2,666	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(118)
2,715	Balance at 31 March	2,597

Pensions Reserve

2023/24 £000		2024/25 £000
(10,519)	Balance at 1 April	3,688
	Transferred in as at 7 May	0
1,621	Reversal of Retirement benefits chargeable to the CIES on an accounts basis	2,711
(1,800)	Employer contributions and direct payments to pensioners	(2,471)
(179)	Adjustment to pension costs	240
14,386	Remeasurements	(1,192)
3,688	Balance at 31 March	2,736

Revaluation Reserve

2023/24 £000		2024/25 £000
(43,425)	Balance at 1 April	(10,973)
	Transferred in as at 7 May	(56,965)
(966)	Upward revaluation of assets	(10,387)
32,285	Downward revaluation of assets	3,644
31,319	(Surplus)/deficit on revaluation of assets credited to CIES under Other Comprehensive Income & Expenditure	(6,743)
119	Difference between fair value depreciation and historical cost depreciation	2,885
750	Accumulated gains on assets sold or scrapped	82
264	Other	0
(10,973)	Balance at 31 March	(71,714)

Collection Fund Adjustment Account

2023/24 £000		2024/25 £000
0	Balance at 1 April	0
0	Transferred in at 7 May	(1,904)
0	Amount by which council tax income in CIES is different from that calculated for the year in accordance with statutory requirements	227
0	Balance at 31 March	(1,677)

Accumulated Absences Account

2023/24 £000		2024/25 £000
0	Balance at 1 April	0
0	Transferred in at 7 May	3
0	Cancellation of accrual	(3)
0	Balance at 31 March	0

31. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
17,788	Interest Received	22,671
(8,365)	Interest Paid	(5,285)
9,423	Total	17,386

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

2023/24 £000		2024/25 £000
7,173	Depreciation	15,437
345	Revaluation gains and losses credited / charged to CIES	1,367
0	Donated asset credited to CIES	(1,880)
0	Loss on disposal of fixed assets	1,387
765	Amortisation	1,644
12,507	Increase/(decrease) in capital grant received in advance	23,272
4,460	Impairment of capital assets / unwinding of soft loan adjustment on capital loans	(23)
0	Rewind premium on early repayment of loans	(94)
0	Write down of PWLB Premium Loans	138
0	(Increase)/ decrease in long term debtors	(33,336)
29,832	Increase/(decrease) in creditors	34,889
(6,336)	(Increase)/decrease in debtors (excluding capital loans)	46,697
0	(increase)/decrease in inventories	(257)
(179)	Movement in pension liability – IAS 19	240
81	Increase/(decrease) in provisions	27,147
0	Increase/ (decrease) in revenue grants in advance	(3,195)
0	Finance leases	(374)
(4,809)	Short term investments / short term borrowing – accrued interest	(2,790)
(46)	Other non-cash items charged to the net surplus or deficit on the provision of services	119
43,792	Total	110,388

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

2023/24		2024/25
£000		£000
(29,573)	Other receipts from investing activities – capital grants	(19,844)
2,784	Premium on early repayment of debt	0
0	Any other items for which the cash effects are investing or financing cash flows	0
(26,789)	Total	(19,844)

32. Cash Flow Statement – Investing Activities

The cash flows for investing activities include the following items:

2023/24		2024/25
£000		£000
(29,907)	Purchase of property, plant and equipment, investments property and intangible assets	(35,126)
(3,448)	Purchase of short-term and long-term investments	(110,076)
0	Proceeds from short-term and long-term investments	0
1,500	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,112
29,573	Other receipts from investment activities	19,857
(2,282)	Total	(124,233)

33. Cash Flow Statement – Financing Activities

The cash flows for financing activities include the following items:

2023/24		2024/25
£000		£000
(317)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(464)
(70,400)	Repayments of short and long-term borrowing	(5,786)
(2,784)	Premium on early repayment of debt	0
(73,501)	Total	(6,250)

34. Trading Operations

AMP Technology Centre Operation

The financial performance of the AMP for the financial year was as follows:

2024/25	Income	Expenditure	Operating (Surplus)/ Deficit	Accounting Adjustments	Accounting (Surplus)/ Deficit
	£000	£000	£000	£000	£000

AMP Technology Centre Operation	(1,914)	1,780	(134)	0	(134)
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2023/24					
	Income	Expenditure	Operating (Surplus)/ Deficit	Accounting Adjustments	Accounting (Surplus)/ Deficit
	£000	£000	£000	£000	£000
AMP Technology Centre Operation	(1,984)	2,041	57	0	57

Excluding depreciation, the AMP made a trading surplus of (£392k) in 2024-25 which was credited to the General Fund

35. Officers' Remuneration and Members Allowances

The remuneration paid to the Mayoral Combined Authority's senior employees is shown in the table below. These figures exclude members of the Police Senior Command Team and statutory postholders chargeable against the Chief Constable's accounts which are disclosed within the Group Accounts:

2024/25	Salary	Expenses	Exit Payments	Pension Contribution	Total
	£	£	£	£	£
Current					
Martin Swales – Interim Chief Executive (Head of Paid Service) (Note 2)	257,400	0	0	0	257,400
Executive Director Resources and Investment (S.73 officer)	137,321	0	0	27,189	164,510
Director of Law and Governance (Monitoring Officer) (Note 1)	59,975	0	0	11,875	71,850
Executive Director Strategic Development and Reform	137,321	0	0	27,189	164,510
Executive Director Growth Business and Skills	122,661	0	0	24,287	146,948
Melanie Corcoran - Executive Director of Transport	153,750	0	0	30,443	184,193
Director of Corporate Delivery	102,975	0	0	20,389	123,364
Non-current					
Director of Law and Governance (Monitoring Officer) (Note 1)	42,600	0	0	8,435	51,035
Sub Total	1,014,003	0	0	149,807	1,163,810
Elected Mayor – Oliver Coppard (Note 3)	104,215	0	0	0	104,215
Total	1,118,218	0	0	149,807	1,268,025

Notes-

1. The current Director of Law and Governance was appointed on 2.9.2024. The previous Director of Law and Governance was in post from 1.4.2024 to 1.9.2024
2. The Interim Chief Executive and Head of Paid Service was appointed on 1.7.2022 and throughout their period of service up to and including 2024/25 has been contracted through an agency, with the MCA not incurring costs related to holiday and pension entitlements, nor employers' national insurance. The costs of this engagement are broadly comparable to the gross payroll costs of similar employed individuals in peer authorities in both 2024/25 and 2023/24.
3. Oliver Coppard was re-elected as Mayor of South Yorkshire and took on Police and Crime Commissioner duties with effect from 7 May 2024 on integration with the PCC. The annual mayoral allowance payable to the Mayor determined by an Independent Remuneration Panel is £107,000 p.a in 2024/25 which does not include pay award @2.5%.

2023/24	Salary	Expenses	Exit Payments	Pension Contribution - As restated	Total - As restated
	£	£	£	£	£
Current					
Martin Swales – Interim Chief Executive (Head of Paid Service) (Note 2)	276,887	0	0	0	276,887
Executive Director of Resources and Investments (S.73 Officer)	124,656	0	0	24,682	149,338
Director of Law and Governance (Monitoring officer)	100,745	0	0	19,948	120,693
Executive Director Policy and Strategic Development	124,656	0	0	24,682	149,338
Corporate Director Growth Business and Skills (Note 4)	98,152	0	0	19,434	117,586
Director of Corporate Delivery (Note 7)	63,294	0	0	12,532	75,826
Executive Director of Transport (Note 8)	17,241	0	0	3,414	20,655
Non-current					
Interim Executive Director Infrastructure and Place (Note 5)	34,200			0	34,200
Acting Executive Director of Transport (Note 6)	79,548	0	0	15,751	95,299
Sub Total	919,379	0	0	120,442	1,039,821
Elected Mayor – Oliver Coppard	79,000	0	0	0	79,000
Total	998,379	0	0	120,442	1,118,821

Notes

4. The Corporate Director Growth, Business & Skills was on secondment from HM Treasury from 1.3.23 until becoming a permanent employee on 2.11.23
5. Interim Executive Director Infrastructure and Place from 1.4.23 to 30.5.23
6. Acting Executive Director of Transport from 6.6.23 to 16.2.24
7. Director of Corporate Delivery in post from July 2023
8. Executive Director Transport in post from 19.2.24

Employees receiving more than £50,000 remuneration for the year (excluding MCA senior officers separately disclosed above and police officers and staff chargeable against the Chief Constable’s accounts disclosed within the Group Accounts) were paid the following amounts:

Remuneration Band	23/24 Total (MCA only)	24/25 MCA	24/25 ex PCC	24/25 Total
£50,000 - £54,999	19	29	0	29
£55,000 - £59,999	17	19	3	22
£60,000 - £64,999	8	8	3	11
£65,000 - £69,999	6	4	0	4
£70,000 - £74,999	7	6	0	6
£75,000 - £79,999	1	2	0	2
£80,000 - £84,999	0	5	0	5
£85,000 - £89,999	0	2	0	2
£90,000 - £94,999	1	1	1	2
£95,000 - £99,999	1	1	0	1
£100,000 - £104,999	0	1	0	1
£105,000 - £109,999	0	0	0	0
£110,000 - £114,999	0	0	0	0
£115,000 and above	0	0	0	0
Total	60	78	7	85

The increase in the number of MCA employees earning more than £50,000 is primarily due to the pay award and incremental increases in 2024/25 which resulted in a significant cohort of employees moving from a salary of just under £50,000 to a salary of just over £50,000.

The increase is also due to:

- An increase in the size of the MCA workforce over the course of the year from 309 FTE in April 2024 to 325 FTE in March 2025.

Members Allowances

The MCA does not operate a members allowances scheme. Members are instead recompensed in respect of duties and responsibilities undertaken as a Member or co-opted member of the Authority by way of special responsibility allowance through their own Council’s Members Allowance scheme.

There is however a scheme of allowances for independent members which provides for an annual attendance allowance and travel expenses. The amount paid in 2024/25 under this scheme was £3k (2023/24 £2k)

In 2024/25, Joint Independent Audit Committee (JIAC) members were paid allowances of £8k; Independent Ethics Panel members £6k; Independent

Advisory Panel on Policing Protests members £nil; and, Independent Members on misconduct hearings £13k.

36. Termination Benefits

The number of exit packages and total cost per band are set out in the table below:

2023/24					2024/25				
Number of Compulsory Redundancies	Number of Other Departures	Total number of exit packages by cost band	Total cost of exit packages in each band (as restated) £000	Exit Package cost band (including special payments)	Number of Compulsory Redundancies	Number of Other Departures	Total number of exit packages by cost band	Total cost of exit packages in each band £000	
2	2	4	54	£0 - £20,000	2	3	5	35	
1	0	1	35	£20,001 - £40,000	1	0	1	24	
2	1	3	126	£40,001 - £60,000	1	0	1	66	
0	0	0	0	£60,001 - £80,000	0	0	0	0	
0	0	0	0	£80,001 - £100,000	0	0	0	0	
0	1	1	124	£100,001 - £150,000	0	0	0	0	
5	4	9	339	Total	4	3	7	125	

The 2024/25 figures include 2 compulsory redundancies chargeable to the Police Fund at a cost of £84,000 and 3 staff whose contracts were terminated as part of the voluntary early release scheme chargeable to the Police Fund at a cost of £26,000.

37. External Audit Fees

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, provided by the External Auditors:

2023/24 £000		2024/25 £000
114	Scale fee - MCA	128
88	Fee Variation - MCA	67
0	Scale fee – ex PCC	124
202	Total	319

The fees all relate to external audit services carried out by the appointed Auditor.

The fees for 2023/24 have yet to be finalised by the national body responsible for the appointment of external auditors to local government bodies, the Public Sector Audit Appointments (PSAA). This is pending guidance emerging on the reset of local government audit.

The Government has provided funding towards the increased fees associated with the reset of local government audit. In 2023/24, the MCA received £16k. The amount in

respect of 2024/25 has yet to be determined. In addition, £16k of grant has been received towards the ex PCC scale fee in 2024/25.

In addition to the above, the PSAA have agreed an interim fee variation of £33k in respect of the 2022/23 audit. This has yet to be finalised by the PSAA pending guidance emerging on the reset of local government audit.

38. Grant Income

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

2023/24 £000 (restated)		2024/25 £000
	MCA: Credited to Cost of Services:	
(49,254)	Ministry of Housing, Communities and Local Government	(76,604)
(98,427)	Department for Transport	(93,706)
(41,358)	Department for Education and Skills Funding Agency	(47,822)
(2,157)	Department for Business, Energy & Industrial Strategy	(2,246)
(270)	Careers Enterprise Company	(451)
)	Department for Culture, Media & Sport	(1,145)
(58,545)	English Local Government	(60,539)
(88)	Cabinet Office	0
(356)	Department for Environment, Food and Rural Affairs	(152)
0	Department for Science, Innovation & Technology	(116)
0	NHS South Yorkshire ICB	(611)
(2,829)	Department for Work & Pensions	(2,493)
(8)	Other	(137)
(253,347)	Total: MCA	(286,022)
	Police & Reform: Credited to Cost of Services	
	Hillsborough Civil Costs	(30,951)
	Operation Uplift	(9,662)
	Police Pension	(7,927)
	Police Pension Pay award	(5,579)
	Victims Support Services (MOJ)	(3,266)
	Stovewood Special Grant	(2,838)
	ASB Hotspot Response	(1,882)
	Violent Reduction Unit	(1,597)
	Apprenticeship Levy	(1,027)
	Disclosure & Barring Service	(858)
	National ARV Uplift	(685)
	Meadowhall	(363)
	CSE Inquiry	(386)
	Safer Streets 5	(339)
	Project Perpetrator Programmes	(336)
	AI in Policing	(298)
	Local Resilience Forum (LRF)	(293)
	POCA Community Scheme	(221)
	Barnsley Town Centre Team	(218)
	NLEDS	(176)
	Sheffield University Grant	(129)
	Netic Cyber Crime	(127)

	Home Office Loan Charge Grant	(112)
	Other Miscellaneous Grants (individual grants less than £100k)	(846)
0	Total: Police & Reform	(70,116)
(253,347)	Total Credited to Cost of Services	(356,138)
(35,255)	Credited to Taxation and Non- Specific Grant Income: Note 17	(369,012)
(288,602)	Total: Credited to CIES	(725,150)

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at year end are as follows:

31 March 2024		31 March 2025
£000		£000
	MCA Revenue Grants Received in Advance:	
(515)	Department for Business, Energy & Industrial Strategy	0
(11,306)	Department for Transport	(17,862)
(1,695)	Ministry of Housing, Communities and Local Government	(6,515)
(19,026)	Department for Education and Skills Funding Agency	(17,306)
(34)	Cabinet Office	(34)
(1,425)	English Local Government	0
(395)	Non-Departmental Government Bodies	(2,642)
(153)	Department for Environment, Food and Rural Affairs	(141)
(78)	Department for Health & Social Care	0
(34,627)	Total	(44,502)
	Police & Reform Revenue Grants Received in Advance:	
	Local Resilience Forum	(223)
	Drug Test on Arrest	(125)
	Other Miscellaneous Grants (individual grants less than £100k)	(367)
	Total	(715)

Capital Grants Receipts in Advance

2023/24		2024/25
£000		£000
	MCA Capital Grants Received in Advance:	
(205,709)	Department for Transport	(229,330)
(18,802)	Ministry of Housing, Communities and Local Government	(18,478)
(218)	Department for Environment, Food and Rural Affairs	0
0	Department for Culture, Media & Sport	(193)
(224,729)	Total	(248,001)
	Police & Reform Capital Grants Received in Advance:	
	Other Miscellaneous Grants (individual grants less than £100k)	(13)
	Total	(13)

39. Related Party Disclosures

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority.

Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party’s ability to bargain freely with the Authority.

For the Authority, the main categories of related party are the four constituent Local Authorities whose Leaders make up the membership of the Mayoral Combined Authority and have direct control through voting rights, MCA Board members, and senior officers on the MCA Executive Leadership team.

Members

During 2024/25 no disclosure is required in respect of works or services commissioned from companies in which members had an interest or with the members themselves (£nil 2023/24).

Senior Officers

During 2024/25, Senior Officers had no pecuniary interests requiring disclosure (£nil 2023/24).

Senior Command Team (Police)

No material related party transactions identified.

Material Transactions with Related Parties

Income

2024/25				
	Transport Levy £000	EZ Business Rates £000	Local Authority Subscriptions £000	Total £000
Sheffield City Council	(23,552)	(1,204)	(488)	(25,244)
Barnsley Metropolitan Borough Council	(9,914)	(585)	(206)	(10,705)
City of Doncaster Council	(12,500)	0	(264)	(12,764)

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Rotherham Metropolitan Borough Council	(10,594)	(1,006)	(226)	(11,826)
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2023/24				
	Transport Levy	EZ Business Rates	Local Authority Subscriptions	Total
	£000	£000	£000	£000
Sheffield City Council	(23,088)	(520)	(488)	(24,096)
Barnsley Metropolitan Borough Council	(9,722)	(804)	(206)	(10,732)
City of Doncaster Council	(12,257)	0	(264)	(12,521)
Rotherham Metropolitan Borough Council	(10,384)	(959)	(226)	(11,569)

Expenditure

2024/25				
	Programme Delivery - Capital	Project Feasibility Funding	Programme Delivery – Revenue	Total
	£000	£000	£000	£000
Sheffield City Council	44,564	0	11,593	56,157
Barnsley Metropolitan Borough Council	23,318	0	6,209	29,527
City of Doncaster Council	39,707	0	4,265	43,972
Rotherham Metropolitan Borough Council	21,326	0	2,514	23,840

2023/24				
	Programme Delivery - Capital	Project Feasibility Funding	Programme Delivery – Revenue	Total
	£000	£000	£000	£000
Sheffield City Council	20,052	1,610	3,925	25,587
Barnsley Metropolitan Borough Council	28,218	1,400	4,613	34,231
City of Doncaster Council	25,904	2,465	5,117	33,486

Rotherham Metropolitan Borough Council	25,427	1,500	1,924	28,851
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Group Subsidiaries

Chief Constable of South Yorkshire

The Chief Constable for South Yorkshire is a separate legal entity to the MCA known as a “corporation sole” and is required to produce their own statutory accounts. The MCA as holder of the Police Fund, makes all payments in relation to operational policing and Police and Crime Commissioner activity and receives all funding including government grant, precepts and other income. It also holds all assets, liabilities and reserves relating to the Police Fund on its balance sheet. The Chief Constable’s accounts presents how the funding made available to the Chief Constable for operational policing has been spent in the year. It also includes in its balance sheet the pensions relating to police officers and civilian staff involved in operational activity and their accrued employee benefits. Accordingly, to arrive at the consolidated position for Police and Crime Commissioner activity and operational policing, the Chief Constable’s accounts are consolidated into the Group accounts of the MCA for the period from 7 May 2024 onwards (see Note 1 Business Combination for further detail).

As the MCA holds all the assets, liabilities and reserves relating to the Police Fund the only intra-group item between the MCA and Chief Constable is the funding made available to the Chief Constable for operational policing. For the period to 31 March 2025, this amounted to £422.0m which is shown as expenditure in the MCA’s CIES and funding in the Chief Constable’s accounts. This is eliminated on consolidation from the Group accounts.

South Yorkshire Future Trams Limited (SYFTL)

South Yorkshire Future Trams Limited (SYFTL) was incorporated in October 2023 as a wholly owned subsidiary of the Authority.

The purpose of SYFTL is to undertake the operation and maintenance of the tram network following the end of the 27-year long tram concession agreement. The company commenced trading on 22 March 2024.

As set out in Accounting Policy XXI, SYFTL’s first set of accounts are for the period from commencement of trading on 22 March 2024 to 31 March 2025. The financial performance for the whole of this period have been consolidated into the 2024/25 Group Accounts on the basis that the financial performance for the initial period of trading from 22 March 2024 to 31 March 2024 is immaterial in the context of the Authority as a whole.

Transactions between the Authority and SYFTL comprise:

- £5.6m of Revenue subsidy granted by MCA to SYFTL to support tram operations
- £2.9m of concessionary fares paid by MCA to SYFTL
- £0.2m of Fare cap funding paid by MCA to SYFTL

- £0.8m of recharges from SYFTL to MCA in respect of capital works undertaken by SYFTL on behalf of the MCA
- £0.8m of recharges from MCA to SYFTL for operating costs borne by MCA relating to supertram operations

Intercompany balances at the year-end comprise:

- A £2.9m intercompany revenue loan from MCA to SYFTL repayable after more than one year
- £0.3m payable by SYFTL to MCA
- £1.2m payable by MCA to SYFTL

Other Public Bodies Subject to Common Control

There are direct relationships between the MCA/Chief Constable and other PCCs/Chief Constables within the Yorkshire and Humber region in respect of Regional Collaboration arrangements. Details are disclosed in Note 60 to the Group Accounts.

40. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure cannot be paid for immediately and is to be financed in future years by charges to revenue as the assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

MCA 2023/24		MCA 2024/25	Police Fund 2024/25
£000		£000	£000
	Capital Investment		
9,549	Assets under Construction	5,065	0
1,853	Property, Plant and Equipment	1,634	10,337
450	Equity Investment	75	0
111	Intangible Assets	515	4,912
18,393	Infrastructure assets	14,744	0
0	Right of Use Assets	1,880	0
0	PFI	3,432	0
119,604	Revenue Expenditure Funded from Capital Under Statute	127,039	0
0	Capitalised Legal and Pension Abatement Costs	0	16,932
149,960	Total	154,384	32,181
	Sources of Finance		
142,047	Government Grants and Other Contributions	135,366	140
449	Capital Grant Unapplied	8,307	0
7,349	Capital Receipts	5,121	496
115	Direct Revenue Financing/Earmarked Reserves	278	827

0	Donated assets – Right of Use	1,880	0
0	PFI liability	3,432	0
0	Borrowing Requirement	0	30,718
149,960		154,384	32,181
	Capital Financing Requirement		
106,521	Opening Balance: MCA	109,827	0
0	Transferred in 7 May 2024 Police & Reform	0	113,080
0	Borrowing requirement for the year	0	30,718
6,819	Adjustment upon integration	0	0
(3,513)	Statutory/Voluntary Provision for repayment of debt (MRP)	(3,504)	(819)
109,827	Closing Balance	106,323	142,979
(47,000)	PWLB Borrowing	(43,000)	(27,784)
0	Other Borrowing	0	0
(47,000)		(43,000)	(27,784)
62,827	Loans CFR (less than) / in excess of debt	63,323	115,195

41. Leases

Change in Accounting Policy and Transition to IFRS 16 Lease Accounting

In 2024/25 the MCA applied IFRS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e., without recognising the leased property as an asset and future rents as a liability), a right-of use asset and a lease liability are brought into the balance sheet. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements. The notes below also include the leases of the former PCC South Yorkshire who voluntarily applied IFRS 16 in the 2023/24 accounts.

IFRS 16 was applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities were calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments, discounted by an appropriate incremental borrowing rate at that date.
- The weighted average of the incremental borrowing rates used to discount liabilities was 7%.
- Right-of-use assets are measured at the amount for the lease liability, adjusted for any prepaid or accrued lease payments – any initial direct costs have been excluded

The total Right of Use asset calculated for the MCA leased assets under implementation of IFRS16 on 1 April 2024 was £155k. Therefore due to the non-material value these leases have not been capitalised as Right of Use assets and have been treated as operating leases and expensed to revenue.

The leases on the balance sheet are as follows:

	Right of Use	Peppercorn
	£'000	£'000
Land and Buildings	4,156	2,299
Land and Building – depreciation	(898)	(140)
Total NBV	3,258	2,159
Financed by:		
Lease liability	(2,256)	0
Provision – dilapidation costs	(1,266)	0
Short term creditors	(328)	0
CAA Reserve	592	(279)
Donations	0	1,880
Total financing	(3,258)	1,601

As a Lessee

Right Of Use Assets

Property, Plant and Equipment held as a Right of Use Asset is recognised in the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the period in which they are incurred.

Lease payments for Right of Use Assets are apportioned between:

- a charge for the acquisition of the interest in the Property, Plant and Equipment – applied to write down the lease liability.
- a finance charge, which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Property, Plant and Equipment recognised as a Right of Use Asset's accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. The MCA is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements.

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

The MCA has two properties, which are classified as Right of Use Assets which are carried as Property, Plant and Equipment in the Balance Sheet with the following net amounts:

The MCA acquired the lease of one property for 999 years and paid £1.8m in 2008 with an ongoing charge of £200 per annum. In 2011, the MCA acquired the lease of land for 999 years, paying £0.125m with no annual charge.

	31-Mar-25
	£'000
Land and Buildings	2,873
Total	2,873

Movement of Right-of-use assets

The table shows the change in the value of the right-of-use assets held under lease:

	31-Mar-25
	£'000
Opening balance	0
Transferred in on 7 th May	4,776
Additions	0
Depreciation and Amortisation	(308)
Lease remeasurement	(27)
Derecognition (provision)	(1,183)
Closing balance	3,258

Peppercorn Assets

Movement of Peppercorn assets

	31-Mar-25
	£'000
Opening balance	0
Transferred in on 7 th May	342
Additions	1,880
Revaluations	0
Depreciation and Amortisation	(63)

Disposals	0
Closing balance	2,159

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

	31-Mar-25
	£'000
Interest Expense on lease liabilities	150
Expense relating to short term leases	0
Expense relating to exempt lease of low value items	52
Total	202

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

Non-IFRS16 (exemptions/low value)

	31-Mar-25
	£'000
Less than one year	188
More than one year and less than five years	207
More than five years	0
Total	395

IFRS16

	31-Mar-25
	£'000
Less than one year	379
More than one year and less than five years	1,605
More than five years	1,272
Total leases due	3,256
Less interest at 7%	-674
Total liability as per balance sheet (short/long)	2,582

As Lessor

There are no leases that require recognition as a finance lease receivable on the balance sheet.

Operating Leases

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

2023/24		2024/25
£000		£000
1,691	Not later than one year	1,394
3,215	Later than one year and not later than five years	2,165
304	Later than five years	237
5,210	Total	3,796

Contingent Rents

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

42. Post-Employment Benefits

Local Government Pension Scheme

On 1 April 2019, the Authority became an employing authority within the South Yorkshire Local Government Pension Scheme administered by South Yorkshire Pensions Authority.

As part of the Terms and Conditions of Employment of its employees, the Authority offers post-employment benefits through its participation in the Local Government Pension Scheme administered by the South Yorkshire Pensions Authority, the South Yorkshire Pension Fund. This provides members with defined benefits related to pay and service. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Pension Fund is subject to regular triennial actuarial valuations, which are used to determine contribution rates for the 3 years covered by the triennial valuation. The last of these was in March 2022 which the South Yorkshire Pensions Authority, on behalf of its member Authorities, commissioned from the actuary, Hymans Robertson LLP. This showed that the integrated position of the Authority and South Yorkshire Passenger Transport Executive was an overall surplus of £27.7m and a funding level of 125% of its liabilities. The funding level is now 124% of liabilities following the integration with Office for the Police and Crime Commissioner on 07 May 2024. The next triennial valuation is underway.

In addition to the triennial revaluation of the Pension Fund, when preparing annual accounts, the Pension Fund and actuaries are required to undertake a separate annual valuation of the Pension Fund in accordance with International Accounting Standard

(IAS) 19 – Employee Benefits. This provides an indication of the liabilities and assets within the pension fund for the past financial year. For 2024/25 the IAS 19 actuarial exercise identified a surplus on the funded element of the Fund of £41.137m and a liability on the unfunded element of £2.736m.

Total ongoing contributions of £2.135m are expected to be made to the Local Government Pension Scheme in the year to 31 March 2026 based on an ongoing service contribution rate of 14.1%. This represents the combined contribution rate following the integration of the Authority and Office for the Police and Crime Commissioner on 07 May 2024.

In assessing the potential level of liabilities, the fund's actuary has estimated the weighted average maturity profile of the defined benefit obligation to be 15 years.

The Authority also continues to be responsible for payments to the Fund in respect of service for all staff formerly employed by SYPTE, including all employees transferred to South Yorkshire Transport Limited and those transferred to First South Yorkshire Limited (formerly Mainline Group Limited), under the provisions of the Transport Act 1985. From 07 May 2024 the Authority is also responsible for payments to the fund for staff formerly employed by the Office for the Police and Crime Commissioner.

When calculating the change in financial assumptions figure the actuaries used an approximate method to determine the duration of funded obligations which resulted in a duration of 19 years. This differs from the actual duration of 15 years which reflects the transfers in of the Police and Crime Commissioner and South Yorkshire Passenger Transport Executive.

This has resulted in an understatement of the Defined Benefit Obligation of approximately £4m. This would result in an adjustment to the asset ceiling of an equal and opposite value and therefore there would be no impact on the net balance sheet or income statement.

For this reason the figures in the pension note have not been adjusted for the understatement in the Defined Benefit Obligation. For the 2025/26 financial year the figures used for the durations of funded obligations will be consistent as they will be based on the new triennial valuation data

Virgin Media-Court Case

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law. Following the publication of draft legislation, we do not now expect the ruling to give rise to any additional liabilities.

Comprehensive Income and Expenditure Statement		
	2023/24	2024/25
	£000	£000
Current Service Cost	2,340	2,666
Financing Investment Income and Expenditure	(719)	45
Remeasurement in other Comprehensive Income and Expenditure	(8,472)	(19,471)
Remeasurement in other Comprehensive Income and Expenditure – Asset Ceiling	22,858	18,279
Total Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	16,007	1,519

Movement in Reserves Statement		
	2023/24	2024/25
	£000	£000
Reversal of Net Charges Made to the (Surplus)/Deficit for the Provision of Services for Post-Employment Benefits in Accordance with the Code	(1,621)	(2,711)
Actual Amount Charged Against the General Fund		
Balance for Pensions in the Year:		
Employer's Contributions Payable to Scheme	1,800	2,471
Transfer of Year Pension Deficit Contribution	0	0

Assets & Liabilities in Relation to Post-Employment Benefits		
	2023/24	2024/25
	£000	£000
Reconciliation of Present Value of the Scheme Liabilities:		
Opening Balance at 1 April	(120,749)	(118,362)
Current Service Cost	(2,281)	(2,666)
Interest Cost	(5,424)	(5,861)
Contributions by Scheme Participants	(801)	(1,078)
Re-measurements	4,589	21,029
Past Service cost (gain)	(59)	0
Benefits Paid	6,363	6,541
Business combination – impact of integration	0	(7,073)
Closing Balance at 31 March	(118,362)	(107,470)

Reconciliation of Fair Value of the Scheme (Plan) Assets:		
	2023/24	2024/25
	£000	£000
Opening Balance at 1 April	131,268	137,532
Interest on Plan Assets	6,143	6,925
Re-measurements	3,883	(3,206)
Contributions by Employer	1,800	2,067
Contributions by Scheme (plan) Participants	801	1,078
Benefits Paid	(6,363)	(6,137)
Business combination – impact of integration	0	7,612
Closing Balance at 31 March	137,532	145,871

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Pension Scheme Assets Comprised:	2023/24	2024/25
	£000	£000
Equities	63,243	62,727
Bonds		
Government Bonds	0	0
Other Bonds	20,651	22,031
Property	10,964	11,831
Other	42,674	49,282

Reconciliation of Movement in Net Pension Asset/Liability	2023/24	2024/25
	£000	£000
Funded Scheme		
Present Values of Liabilities	(114,674)	(104,734)
Fair Value of Scheme Assets	137,532	145,871
Surplus/(Deficit) in the Scheme before Asset Ceiling	22,858	41,137
Asset Ceiling	(22,858)	(41,137)
Surplus/(Deficit) in the Scheme after Asset Ceiling	0	0
Un-funded Obligation		
Present Values of Liabilities-Un-funded element	(3,688)	(2,736)
Fair Value of Scheme Assets- Un-funded element	0	0
Net pension liability obligation-Un-funded element	(3,688)	(2,736)

Basis for Estimating Assets and Liabilities		
The pension fund liabilities have been assessed by the actuaries, Hyman Robertson LLP. The main assumptions used in their calculations are as follows:		
Mortality Assumptions	2023/24	2024/25
Longevity at Age 65 for Current Pensioners:		
Men	20.6 years	20.5 years
Women	23.6 years	23.6 years
Longevity at Age 65 for Future Pensioners:		
Men	21.4 years	21.3 years
Women	25.0 years	25.0 years

Financial Assumptions		
Rate of increase in Salaries	3.35%	3.40%
Rate of increase in Pensions (CPI)	2.95%	2.80%
Discount Rate	4.85%	5.80%

The future life expectancies at age 65 for current pensioners are those based on the latest Fund valuation dated 31/03/2022. The future life expectancies for future pensioners are based on members aged 45 at the latest Fund valuation.

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. A sensitivity analysis from Hyman’s Robertson’s is shown in the table below. It should be noted that the sensitivities are based on incorrect duration modelling as explained on P.144 so may differ from the figures stated below but the effect will not be material.

	% Approximate Increase in Defined Benefit Obligation	Approximate Value
	%	£000
Disclosure item		
0.1% decrease in real discount rate	2%	1,953
1 year increase in member life expectancy	4%	4,299
0.1% increase in salary increase rate	0%	50
0.1% increase in pensions increase rate (CPI)	2%	1,958

43. Contingent Liabilities/Contingent Assets

Contingent Assets

Superfast South Yorkshire Broadband - The Superfast South Yorkshire Programme has been successful in helping BT Openreach to deliver Fibre to the Cabinet (FTTC) and Fibre to the Premise (FTTP) solutions to enhance broadband services to homes and businesses across South Yorkshire. The programme was supported with £19.5m of public subsidy, £10.4m of which was from the MCA and £9.1m from Government.

The contract with BT Openreach provides for public subsidy to be returned in a phased way as customer take up exceeds the target of 20% set in the contract.

An initial refund of £3.24m has been received and accounted for in 2022/23. Further refunds are anticipated but there remains uncertainty at this time over the timing and amount which will be credited.

EZ Business rates growth - The MCA receives growth in business rates due on Enterprise Zone sites within South Yorkshire in order to support economic development activity. The amount receivable varies according to the amount of business rates collectable. There are indications that the MCA will receive additional business rates in respect of 2024/25, however, at this stage the amount cannot be quantified with reasonable certainty until the 2024/25 business rates outturn position has been determined.

Contingent Liabilities

MMI - The former Police Authority insurance company, MMI Limited, ceased trading in September 1992 and a ‘Scheme of Arrangement’ was agreed in case of insolvency, involving a claw back of claims paid. Since this time, the Group has only been notified on two occasions by the Scheme Administrators of levies due. A payment of £1.5m (15%) was paid in 2012/13 and a payment of £1m (10%) was paid in 2015/16.

Both payments had been set aside in the Police Fund's Earmarked Insurance Reserve and there remains a further 10% for any potential future levies, of which none were payable in 2024/25. The adequacy of the reserve will continue to be reviewed annually, as will the position of the scheme by the Scheme Administrators. The maximum future liability remains at approximately £7.6m.

Hillsborough Civil Claims – a number of civil claims arising from the day of the disaster itself have been issued against South Yorkshire Police. In addition, a larger number of civil claims have been notified which cite misfeasance in a public office (allegations in relation to the preparation of police witness statements). A provision for all claims has been included in the 2024/25 accounts. However, there is a risk in terms of the reliable estimate of likely costs that are materially accurate. The reason for this is due to the complexity of the scheme, which is over a 30 year period along with an almost impossible scenario to quantify claims due to multiple factors. There are many differing categories of damage to be considered. The scheme is complex and requires each claim to be reviewed and assessed taking account of the evidence provided. Due to the sensitivity of the issues relating to the South Yorkshire Police legal fees the authority has applied the seriously prejudicial exemption in IAS 37.92. This exempts the authority from presenting all the information required by IAS 37.84 to 89.

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

44. Private Finance Initiative (PFI)

The MCA has one PFI scheme.

This is a PFI contract for the construction of a new bus station at Doncaster Interchange signed on 3 December 2003 with Teesland Property Company (Northern) Limited. The new bus station became operational on 08 June 2006. Under the terms of the PFI agreement as laid out under the Project Agreement, the PFI concession period runs for 32 years from the commissioning date, i.e. to 7 June 2038. However Clause 50 of the Services Agreement allows for the PFI agreement to be extended by 10 years commencing on the date following 32 years after the Commissioning Date, then a further 10 years commencing on the expiry of the extended Concession Period but not beyond this. The maximum Concession Period is therefore 32 years plus 10 years plus 10 years = 52 years.

Under the PFI agreement, the MCA is contracted to pay an annual sum to the operator, known as a unitary charge. In 2024/25 unitary charge payments of £3.157m (£2.983m in 2023/24) were paid to the PFI provider by MCA. The latest forecast Unitary charge payments over the whole life of the contract total £93.5m which will be recovered in the

form of PFI credits. The actual level of payments will depend on inflation rates and the satisfactory contract performance by the operator.

The Authority receives fixed PFI grant of £3.9m pa to meet the cost of the unitary charge over the lifetime of the PFI scheme. Timing differences between the amount of PFI grant received and unitary charge payment is held in a PFI Earmarked Reserve in the Authority's balance sheet to meet future liabilities as explained in Note 15.

The accounting standard IFRS 16 finance leases came into force on 01st April 2024. Under IFRS 16 it is necessary to remeasure the finance lease liability when the value of payments changes in a way which is not predetermined in the lease contract; for example where payments are increased in line with an inflation index such as RPI or CPI. The annual increase in the unitary payment for the Doncaster Interchange PFI scheme is linked to the RPI Index and therefore the lease liability has been remeasured to reflect this. The movement in the lease rental is no longer classified as contingent rent. Instead the finance cost and redemption of principal figures have increased in order to write down the revised liability down to zero at the end of the contract.

The 2024/25 figures in the tables below reflect the revaluation of the lease liability from £9,898k to £13,329k on 01/04/2024. The re-measurement has been made on the assumption that the PFI contract will cease in 2038 and will not be extended.

Further details of the scheme are shown in the table below:

2024/25					
	Repayment of Liability	Interest Charge	Service Charge	Lifecycle Costs	Total
	£000	£000	£000	£000	£000
Within 1 year	504	1,123	1,432	161	3,220
Within 2-5 years	2,497	4,013	6,480	729	13,719
Within 6-10 years	4,560	3,577	10,098	1,136	19,372
Within 11-15 years	5,304	1,206	10,053	1,131	17,694
Within 16-20 years*	0	0	0	0	0
Total	12,865	9,919	28,063	3,157	54,005

*This line is zero as the remaining period is now less than 16 years

2023/24 – Comparative Information						
	Repayment of Liability	Interest Charge	Contingent/ Rental	Service Charge	Lifecycle Costs	Total
	£000	£000	£000	£000	£000	£000
Within 1 year	345	864	419	1,374	155	3,157
Within 2-5 years	1,705	3,129	1,676	5,498	618	12,626
Within 6-10 years	3,115	2,928	2,095	6,872	773	15,783
Within 11-15 years	4,733	1,309	772	5,755	647	13,216
Within 16-20 years	0	0	0	0	0	0
Total	9,898	8,230	4,962	19,499	2,193	44,782

The PFI scheme was reclassified from land & buildings to an infrastructure asset on 01st April 2023. The revaluation figure in 2023/24 is removing the revaluation figure to

revalue at historic cost. No further revaluations will take place as the asset is now held at historic cost.

2024		2025
PFI		PFI
Assets		Assets
£000		£000
	Net book value:	
11,980	As at 1 April	8,816
0	Additions	3,432
(2,879)	Revaluations	0
(285)	Depreciation	(276)
8,816	As at 31 March	11,972

2024		2025
PFI		PFI
Liability		Liability
£000		£000
(10,215)	As at 1 April	(9,898)
	Revaluation of liability under IFRS16	(3,432)
1,538	Lease repayments	1,627
(892)	Interest Charge	(1,162)
(329)	Contingent rentals	0
(9,898)	As at 31 March	(12,865)

Group Accounts

The Group Accounts for the year ended 31 March 2025 comprise:

- the accounts of the Authority,
- with effect from 7 May 2024, the accounts of the Chief Constable for South Yorkshire, and
- the accounts of the Authority's wholly owned subsidiary, South Yorkshire Future Trams Limited (SYFTL) over its initial period of trading from 22 March 2024 to 31 March 2025

Further detail on the accounting treatment of the business combination that took place on integration of the MCA and Police and Crime Commissioner and Chief Constable's accounts on 7 May 2024 are contained in Note 1. In brief, the business combination has been accounted for using absorption accounting, which means that the Police and Crime Commissioner functions and those of the Chief Constable are only accounted for from the date of transfer. The financial performance reported in the Group Accounts therefore includes assets, liabilities and reserves and income and expenditure of the Chief Constable for the period from 7 May 2024 until 31 March 2025.

The nature of the interests held by the Authority and their treatment for Group Accounts purposes is disclosed in Accounting Policy Note XXI.

The Code requires group accounts to incorporate all the financial statements required for the authority-only accounts. However, this general principle is tempered by the fact that the Code only requires local authority financial statements to disclose information that is material. In this context information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that users of general purpose financial statements make on the basis of those financial statements.

Accordingly, disclosure is only provided in the Group accounts where it is considered materially different to that already provided in the Authority's single entity accounts.

As a consequence, the Group Accounts comprise the primary financial statements (Group MIRS, Group CIES, Group Balance Sheet and Group Cashflow statement) and a limited number of disclosures.

The Code has been complied with by combining like items of assets, liabilities, reserves, income, expenses and cash flows of the Authority with those of its subsidiaries and by eliminating all intra-group assets, liabilities and reserves; income and expenditure; cashflows; and, unrealised gains and losses.

The Code requires that the financial statements of the reporting authority and its subsidiaries, associates and joint ventures used in the preparation of the group accounts shall be prepared as of the same reporting date. This is the case in that the Authority and its two subsidiaries all have an accounting reference date of 31 March.

The Code requires that Group accounts shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies of the subsidiaries, associates and joint ventures shall be aligned with the policies of the reporting authority, for the purposes of group accounts. Where materially

different, appropriate adjustments should be made to that group member's financial statements in preparing the group accounts to ensure conformity with the group's accounting policies. The Chief Constable's accounts and SYFTL's accounts have been prepared using the Authority's accounting policies set in Accounting Policy Note 6. Accordingly, no adjustments have been required.

The Group Accounts have been prepared on a going concern basis. Accounting Policy Note 6(i) sets out the basis on which management consider it appropriate to adopt the going concern basis for the Authority and Chief Constable accounts. The going concern basis is considered appropriate for SYFTL as the MCA has confirmed that it intends to provide financial support to the Company, to assist the Company in meeting its liabilities as and when they fall due, to the extent that resources are not otherwise available to the Company to meet such liabilities, for a period of at least 12 months from the date of approval of the Company's financial statements.

Finally, no comparative information is provided in the group accounts due to the fact that absorption accounting has been adopted for the integration of the Police and Crime Commissioner functions and Chief Constable. Likewise, as SYFTL only commenced trading on 22 March 2024, the whole of the initial period of trading from 22 March 2024 to 31 March 2025 has been consolidated into the 2024/25 group accounts. There are therefore no comparatives relating to SYFTL.

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The (Surplus)/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. This is different from the statutory amounts required to be charged to the General Fund Balance. The net (increase)/decrease before transfers to earmarked reserves line shows the statutory General Fund Balance before any discretionary transfers (to) or from earmarked reserves undertaken by the Group.

Group Movement in Reserves: Usable Reserves

2024/25						
	General Fund Balance £000	Police Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Total Usable Reserves £000
Note	54	54	54	54	54	54
Balances at 1 April 2024	(5,000)	0	(108,515)	(15,305)	(52,992)	(181,813)
Transfer in of reserves as at 7 May 2024	1	0	(19,001)	(45,095)	0	(64,096)
Movement in reserves during 2024/25:						
(Surplus)/deficit on provision of services	CIES	(24,431)	46,569			22,138
Other Comprehensive (Income) and Expenditure	CIES	0	0			0
Total Comprehensive (Income) and Expenditure		(24,431)	46,569			22,138
Adjustments between accounting basis and funding basis under regulations	50	2,974	(65,853)	0	4,504	8,455
Net (increase)/decrease before transfers to earmarked reserves		(21,457)	(19,284)	0	4,504	8,455
Transfers (to)/from earmarked reserves	15	21,457	9,568	(31,025)	0	0
(Increase)/decrease in year		0	(9,716)	(31,025)	4,504	8,455
Balance at 31 March 2025		(5,000)	(28,717)	(184,635)	(10,801)	(44,537)
						(273,691)

Group Movement in Reserves: Unusable Reserves and Total Group Reserves

2024/25										
	Note	Capital Adjustment Account £000	Financial Instruments Adjustment Account £000	Deferred Grant Reserve £000	Revaluation Reserve £000	Collection Fund Adjustment Account	Pension Reserve £000	Accumulated Absences Reserve £000	Total Unusable Reserves £000	Total Reserves £000
Opening Balances as at 1 April 2024		(25,667)	2,715	0	(10,973)	0	3,688	0	(30,237)	(212,050)
Transfer in of reserves as at 7 May 2024	1	(1,686)	0	0	(56,965)	(1,904)	2,490,593	3,419	2,433,457	2,369,361
Movement in reserves during 2024/25:										
(Surplus)/deficit on provision of services	CIES	0	0	0	0		0	0	0	22,138
Other Comprehensive (Income) and Expenditure	CIES	0	0	0	(6,743)		(172,272)	0	(179,015)	(179,015)
Total Comprehensive (Income) and Expenditure		0	0	0	(6,743)		(172,272)	0	(179,015)	(156,877)
Adjustments between accounting basis and funding basis under regulations	50	9,009	(118)	0	2,967	227	37,683	152	49,920	0
Net (increase)/decrease before transfers to earmarked reserves		9,009	(118)	0	(3,775)	227	(134,589)	152	(129,095)	(156,877)
Transfers (to)/from earmarked reserves		0	0	0	0	0	0	0	0	0
(Increase)/decrease in year		9,009	(118)	0	(3,775)	227	(134,589)	152	(129,095)	(156,877)
Balance at 31 March 2025		(18,345)	2,597	0	(71,713)	(1,677)	2,359,692	3,571	2,274,125	2,000,434

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Group Consolidated Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost, in the year, of providing services in accordance with generally accepted accounting practices.

	Notes	2024/25		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Transport Authority		174,755	(167,873)	6,882
Economic Development		152,570	(143,573)	8,997
(Surplus)/Deficit on MCA Continuing Operations		327,325	(311,446)	15,879
Transferred Service to MCA				
Policing & Crime Services		373,674	(89,286)	284,388
Total Cost of Policing Services		373,674	(89,286)	284,388
Total Cost of Services		700,999	(400,731)	300,267
<i>Other Operating Income & Expenditure</i>				1,212
Financing and Investment Income and Expenditure	49			89,671
Taxation and Non-Specific Grant Income	17			(369,012)
(Surplus)/Deficit on Provision of Services				22,138
(Surplus)/Deficit on revaluation of non-current assets				(6,743)
Surplus/deficit on revaluation of available for sale financial assets				0
Actuarial (gains)/losses on pensions assets/ liabilities	57			(172,272)
Other comprehensive income and expenditure				(179,015)
Total Comprehensive (Income) and Expenditure				(156,877)

The comparatives are not shown as there were no group accounts for the year 2023-24.

Group Consolidated Balance Sheet

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group.

Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves, and any statutory limitations on their use. The second category of reserves is unusable reserves, i.e. those that the Group is not able to use to provide services. This category includes reserves that hold unrealised gains and losses where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

		As at 31 March 2025 £000
	Notes	
Intangible Assets	19	14,404
Property, Plant and Equipment		346,250
Long-Term Investments	21	220,525
Long-Term Debtors		30,475
Total Long-Term Assets		611,654
Short-Term Investments	21	186,949
Inventories	51	4,966
Short-Term Debtors	52	47,488
Cash and Cash Equivalents		121,043
Assets Held for Sale		264
Current Assets		360,710
Total Assets		972,364
Short-Term Borrowing	21	(5,239)
Short-Term Creditors	53	(197,129)
PFI/ Finance Lease Liability		(921)
Short-Term Provisions	28	(20,139)
Capital Grants Receipts In Advance	38	(248,014)
Current Liabilities		(471,442)
Total Assets less Current Liabilities		500,922
Long-Term Borrowing	21	(64,703)
Long-term Provisions	28	(62,020)
PFI/ Finance Lease Liability		(14,941)
Net Pension (Liability)/Asset		(2,359,692)
Long Term Liabilities		(2,501,356)
Net Assets/(Liabilities)		(2,000,434)
Usable Reserves	54	(273,691)
Unusable Reserves	55	2,274,125
Total Reserves		2,000,434

Group Consolidated Cash Flow Statement

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

	Notes	2024/25
		£000
Net surplus or (deficit) on the provision of services		(22,138)
- Adjustment to surplus or (deficit) on the provision of services for non-cash movements	56	148,958
- Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	31	(19,844)
Net cash flow from operating activities		106,976
Investing activities	32	(124,223)
Financing activities	33	(6,250)
Net increase/(decrease) in cash and cash equivalents		(23,497)
Cash and cash equivalents at 1 April		135,962
Transferred in on 7 th May		8,578
Cash and cash equivalents at 31 March		121,043

Notes to the Group Core Financial Statements

The following notes contain further information to that presented in the main Statements. They provide narrative descriptions, disaggregation of items presented in the Statements and information about items that do not qualify for recognition in the Statements.

45. Group Expenditure and Funding Analysis Statement (EFA)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by Local Authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

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	Notes	Single Entity £000	Intercompany Adjustments £000	Net Expenditure Chargeable to the General Fund Balance £000	2024/25 Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
Transport Authority		(15,409)	63	(15,346)	22,228	6,882
Local Enterprise Partnership		(6,290)	0	(6,290)	15,287	8,997
Transferred Service on 07 May to MCA		299,755	0	299,755	(15,367)	284,388
Policing & Crime Services						
Net Cost of Services		278,056	63	278,119	22,148	300,267
Other Income & Expenditure		(318,797)	(63)	(318,860)	40,731	(278,129)
(Surplus)/Deficit				(40,741)	62,879	22,138
Opening General Fund Balance				(113,516)		
Transferred Service on 07 May to MCA				(64,096)		
Surplus/Deficit on General Fund in year				(40,741)		
Other Movements				(0)		
Closing General Fund Balance at 31 March				(218,352)		

46. Group Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis:

2024/25				
Adjustments from General Fund to arrive at the CIES Amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustment £000	Other Differences £000	Total Adjustments £000
Transport Authority	(3,367)	0	6,010	2,643
Economic Development	10,131	195	4,820	15,146
Transferred Service to MCA Policing & Crime Services	11,985	(27,352)	0	(15,367)
Net Cost of Services	18,749	(27,157)	10,830	2,422
Other Income & Expenditure from the Expenditure & Funding Analysis	(5,166)	64,995	628	60,457
Difference between General Fund Surplus/Deficit and CIES Surplus/Deficit on Provision of Services	13,583	37,838	11,458	62,879

Adjustments for Capital Purposes - The statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from income and expenditure as these are not chargeable under generally accepted accounting practices.

Net Change for the Pensions Adjustments - IAS 19 Employee Benefits pension related expenditure and income for Policing & Crime Services.

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

- For Services - adjusted for interest payable/receivable, which is added to the Financing and Investment income and expenditure line under other income & expenditure.
- For Financing and investment income and expenditure the other differences column included soft loans to Rotherham and Barnsley.
- Taxation and non-specific grant income and expenditure – Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year.

47. Group Expenditure and Income Analysed by Nature

The Authority's expenditure and income is analysed as follows:

	2024/25 £000
Expenditure:	
Employee Benefits Expenditure	311,456
MCA funding to	0

Other Service Expenses	382,228
Support Service Recharges to capital	(4,304)
Depreciation, Amortisation, Impairment	14,190
Interest Payments	115,329
Total Expenditure	818,899
Income:	
Fees, charges & other service income	(44,594)
Interest & Investment Income	(27,438)
Government Grants & Contributions	(725,150)
Other Income	421
Total Income	(796,761)
(Surplus)/Deficit on the Provision of Services	22,138

Reconciliation of Income analysed by nature to Comprehensive Income and Expenditure Statement

2024/25	£000
Income as analysed by nature before elimination	(796,761)
Interest & Investment Income	25,524
Trading Operation	1,914
Taxation and non-specific Grant Income and Other Operating Income	368,592
Income as part of (Surplus)/Deficit on Continuing Operations in the CIES	(400,731)

48. Group Segmental Income

Income received on a segmental basis is analysed below:

2024/25				
Services:	£000	£000	£000	£000
	Fees, Charges & Service	Interest & Investment	Grants & Contributions	Total Income
Transport Authority	(25,040)	0	(142,808)	(167,848)
Economic Development	(384)	0	(143,213)	(143,597)
Policing & Crime Services	(19,170)	0	(70,116)	(89,286)
Corporate	421	(27,438)	(369,013)	(396,030)
Total Income	(44,173)	(27,438)	(725,150)	(796,761)

The Authority does not internally report on the assets and liabilities of individual segments. Therefore, segmental analysis for these is not required to be disclosed.

49. Group Financing and Investment Income and Expenditure

The following table provides a breakdown of Group Financing and Investment Income and Expenditure.

	2024/25 £000
Interest payable and similar charges	4,776
Interest receivable and similar income	(25,524)
(Surplus) or deficit of trading undertakings	(134)
	(20,882)
Pensions – Interest cost	110,553
Total	89,671

50. Adjustments between Accounting Basis and Funding Basis under Regulations

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

2024/25						
	General Fund Balance £000	Capital Receipt Reserves £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Reversal of items debited or credited to the CIES:						
Capital grants and contributions credited to the CIES	135,358	0	0	135,358	(135,358)	0
Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve	0	0	8,454	8,454	(8,454)	0
Application of grants and contributions to capital financing transferred to Capital Adjustment Account						
Revenue expenditure funded from capital under statute	(127,038)	0	0	(127,038)	127,038	0
Finance costs	118	0	0	118	(118)	0
Other movements	(40,100)	0	0	(40,100)	40,100	0
Insertion of items not debited or credited to the CIES:						
Statutory provision for repayment of debt (MRP)	5,019	0	0	5,019	(5,019)	0
Employers' contribution to Pension Scheme	(37,838)	0	0	(37,838)	37,838	0
Direct Revenue Financing	1,106	0	0	1,106	(1,106)	0

Capital Financing:						
Use of Capital Receipts Reserve to finance new capital expenditure	496	4,504	0	5,000	(5,000)	0
Other:						
Transfer to Accumulating Absences Account						
Other Movements						
Total	(62,879)	4,504	8,454	(49,920)	49,920	0

51. Group Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using an average costing formula.

	31 March 2025		
	MCA -Police & Reform	SYFTL	Total
	£'000	£'000	£'000
Balance at 1 April	0	0	0
Transferred in on 7 May 2024	2,136	0	2,136
Purchases	4,774	3,631	8,405
Recognised as an expense in the year	(4,499)	(1,057)	(5,556)
Written off balances/Revaluation	(19)	0	(19)
Balance at 31 March	2,392	2,574	4,966

52. Group Short-Term Debtors

The following is an analysis of Group Short-Term Debtors:

	31 March 2025 £000
Trade Customers	10,527
Receivables from Related Parties	0
Prepayments	3,112
Other Entities and Individuals	32,459
Capital loans - Reclassified from long term debtors	1,390
Total	47,488

53. Group Short-Term Creditors

The following is an analysis of Group Short-Term Creditors:

	31 March 2025 £000
Trade Creditors	(71,607)
Related Parties Creditors	(76,734)
Revenue Grant Received in Advance	(45,217)
Other entities and individuals – Short term accumulated absences	(3,571)
Other Creditors	0
Total	(197,129)

54. Group Usable Reserves

The following table summarises the Group Usable Reserves balances:

	2024/25				Group £000
	Single entity - MCA £000	Single entity - PCC £000	SYP £000	SYFTL £000	
Revenue					
General Fund / Police Fund	(5,000)	(28,717)	0	0	(33,717)
Earmarked reserves	(129,972)	(54,663)	0	0	(184,635)
	<u>(134,972)</u>	<u>(83,380)</u>	0	0	(218,352)
Capital					
Capital Receipts Reserve	(10,801)	0	0	0	(10,801)
Capital Grant Unapplied	(44,538)	0	0	0	(44,538)
	<u>(55,339)</u>	0	0	0	(55,339)
Total – as at 31 March 2025	(190,311)	(83,380)	0	0	(273,691)

55. Group Unusable Reserves

The following table summarises the Group Unusable Reserves balances:

	2024/25			
	Single entity - MCA £000	Single entity - PCC £000	SYP £000	Group £000
Capital Adjustment Account	(41,859)	23,514	0	(18,345)
Financial Instruments Adjustment account	2,597	0	0	2,597
Pensions Reserve	2,736	0	2,356,956	2,359,692
Revaluation Reserve	(12,215)	(59,498)	0	(71,713)
Collection Fund Adjustment Account	0	(1,677)	0	(1,677)
Accumulated absences account	0	0	3,571	3,571
Total – as at 31 March 2025	(48,741)	(37,661)	2,360,527	2,274,125

Group Pensions Reserve

	2024/25 £000
Balance at 1 April	3,688
Transferred in as at 7 May	2,490,593
Reversal of Retirement benefits chargeable to the CIES on an accounts basis	141,729
Employer contributions and direct payments to pensioners	(104,046)
Adjustment to pension costs	37,683
Remeasurements	(172,272)
Balance at 31 March	2,359,692

Group Accumulated Absences Account

	2024/25 £000
Balance at 1 April	0
Transferred in as at 7 May:	3,419
Settlement or cancellation of accrual made at the end of preceding year	(3)
Amounts accrued at the end of the current year	155
Balance at 31 March	3,571

56. Group Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2024/25
	£000
Interest Received	22,671
Interest Paid	(5,435)
Total	17,236

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

	Note	2024/25
		£000
Depreciation		15,473
Revaluation gains and losses credited / charged to CIES		1,367
Donated asset credited to CIES		(1,880)
Loss on disposal of fixed assets		1,387
Amortisation		1,644
Increase/(decrease) in capital grant received in advance		23,272
Impairment of capital assets / unwinding of soft loan adjustment on capital loans		(24)
Rewind premium on early repayment of loans		(94)
Write down of PWLB Premium Loans		138
(Increase)/ decrease in long term debtors		(30,477)
Increase/(decrease) in creditors		37,179
(Increase)/decrease in debtors (excluding capital loans)		45,214
(increase)/decrease in inventories		(2,831)
Movement in pension liability – IAS 19		240
Increase/(decrease) in provisions		27,147
Increase/ (decrease) in revenue grants in advance		(3,195)
Reversal of IAS19 adjustments net of cash contributions	57	37,443
Finance leases		(374)
Short term investments / short term borrowing – accrued interest		(2,790)
Other non-cash items charged to the net surplus or deficit on the provision of services		119
Total		148,958

57. Group Pensions Note

The Group participates in two Pension schemes.

Employees of the MCA and staff working for the Chief Constable participate in the Local Government Pension Scheme administered by South Yorkshire Pensions Authority. The Local Government Pension Scheme (LGPS) is a funded scheme, which means that the employer and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with pension assets. Further information on the assets and liabilities and assumptions underpinning MCA members of the LGPS are disclosed in Note 42. This note provides additional information on police staff participating in the LGPS.

Police officers employed by the Chief Constable participate in the 1987, 2006 and 2015 Police Pension Schemes (PPS). These are unfunded schemes, which means that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual payments as they fall due. The MCA is required by legislation to operate a Pension Fund with the amounts that must be paid into or out of the Pension Fund being specified by regulation. The former Police Authority set up a Pension Fund on 1 April 2006 from which pensions payments are made and into which contributions, from the MCA and employees, are received. The MCA then receives a top-up grant from the Government equal to the sum by which the amount payable for pensions from the Pension Fund exceeds the amount receivable from the MCA into the Pension Fund. The Pension Fund Account is shown separately in the Accounts. The latest Career Average Revalued Earnings (CARE) pension scheme was introduced on 1 April 2015 moves away from the ‘final salary’ arrangement of the 1987 and 2006 schemes and is as a result of Lord Hutton’s independent review of public service pensions.

Post Employment Benefits

The schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work. They are accounted for in accordance with the requirements for defined benefits schemes, based on the principle that an organisation should account for retirement benefits as they are accrued, even though they may be paid many years into the future.

Injury awards are payable irrespective of whether a police officer is a member of the Pension Scheme and tax rules from 1 April 2006 prevent injury awards from being part of pension scheme regulations. Injury awards have been moved into a separate Police Compensation Scheme (PCS) and under the pensions financial arrangements they must be paid from the MCA’s operating account and not the Pension Fund Account. The injury awards have been accounted for as part of the pensions adjustments and information relating to these injury awards are disclosed separately in the following notes.

McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures, we expect the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period.

An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22, an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window is closed, all McCloud related liabilities have moved for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liabilities are held within the legacy scheme where benefits are expected to be paid from.

In the 2022/23 disclosures, this led to a past service cost in the 1987 Scheme and the 2006 Scheme and a past service gain in the 2015 Scheme.

Now that all the McCloud-related liabilities have moved into the legacy schemes, contribution adjustments are being carried out by administrators to ensure affected members have paid the correct contributions for this portion of service.

At the time of preparing 2023/24 accounting disclosures, only a small amount of time had passed from the McCloud implementation date on 1 October 2023, which meant that the contributions adjustments made by the administrators during that period were immaterial.

Since then, the accounting treatment of the contribution adjustments in the 2024/25 disclosures has been refined and are shown as net cashflows.

Minimum Funding Requirement

In 2024/25, the Force has been made aware of the need to recognise a minimum funding requirement under IFRIC 14, which was not fully recognised in 2023/24. This would have resulted in an additional liability of £8.64m in 2023/24 recognised through Other Comprehensive Income and Expenditure Account in the Comprehensive Income and Expenditure Statement. This additional liability arises from contributions that the Force will have to make to the pension scheme in the future, which represents future cash outflows. The Force does not consider the adjustment to be material due to the reversal under the CIPFA code and therefore neutral impact on key metrics in the accounts. In addition, there is no impact on the decisions of the financial statement for the users and therefore have not restated the prior year figures. The liability has been recognised in the financial year 2024/25 which resulted in movement within the Other Comprehensive Income and Expenditure of £8.588m.

Transactions relating to Post Employment Benefits

Pension Schemes Group (including MCA)	Chief Constable			MCA	Total
	PPS	PCS	LGPS	LGPS	
	£'000	£'000	£'000	£'000	
Comprehensive Income and Expenditure Statement					
Current service cost	15,120	600	12,975	2,666	31,361
Financing and Investment Income and Expenditure	110,870	1,730	(2,277)	45	110,368
Remeasurement in other Comprehensive Income and Expenditure	(181,100)	(2,230)	(51,946)	(19,471)	(254,747)
Remeasurement in other Comprehensive Income and Expenditure – Asset Ceiling	0		64,196	18,279	82,475
Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement	(55,110)	100	22,948	1,519	(30,543)
Movement in Reserves Statement					
Reversal of net charges to Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(125,990)	(2,330)	(10,698)	(2,711)	(141,729)
Actual amount charged against the General Fund Balance for pensions in the year					
Employer's contribution payable	39,442	-	14,105	2,471	56,018
Retirement benefits payable to pensioners	0	2,470	-	0	2,470
Additional contribution to Police Pension Fund Account to balance deficit	45,558	-	-	0	45,558

Pensions Assets and Liabilities Recognised in the Balance Sheet

Pension Schemes	2024/25 CC from 7 May			MCA	Total
	PPS	PCS	LGPS	LGPS	
	£'000	£'000	£'000	£'000	
Present value of defined benefit obligation	(2,310,733)	(36,280)	(386,930)	(107,470)	(2,841,413)
Fair value of plan assets	0	0	518,507	145,871	664,378
Surplus/(Deficit) in the Scheme before Asset Ceiling	(2,310,733)	(36,280)	131,577	38,401	(2,177,035)
Asset Ceiling			(141,520)	(41,137)	(182,657)
Surplus/(Deficit) in the Scheme after Asset Ceiling	(2,310,733)	(36,280)	(9,943)	(2,736)	(2,359,692)

Reconciliation of the Movements in Fair value of the Plan Assets

Pension Schemes Group (CC from 7th May)			
	LGPS Chief Constable £'000	LGPS MCA £'000	LGPS Total £'000
Opening fair value of scheme assets	491,576	137,532	629,108
Interest income	21,912	6,925	28,837
Remeasurement (gains) and losses – return on plan assets	(3,329)	(3,206)	(6,535)
Contributions from employer	13,983	2,067	16,050
Contributions from employees into the scheme	4,684	1,078	5,762
Benefits paid	(10,319)	(6,137)	(16,456)
Administration expenses	-		0
Removal of assets as transfer to SYMCA employer		7,612	7,612
Closing fair value of scheme assets at 31 March	518,507	145,871	664,378

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

Pension Schemes Group	2024/25				
	Chief Constable From 7 th May			MCA	Total
	PPS £'000	PCS £'000	LGPS £'000	LGPS £'000	£'000
Opening present value of scheme liabilities	(2,450,843)	(38,650)	(415,352)	(118,362)	(3,023,207)
Current service cost	(15,120)	(600)	(12,975)	(2,666)	(31,361)
Interest cost	(110,870)	(1,730)	(19,635)	(5,861)	(138,096)
Contributions from Scheme participants	(15,450)	0	(4,684)	(1,078)	(21,212)
Remeasurement (gains) and losses:	181,100	2,230	55,275	21,029	259,634

Past service cost	0	0	0	0	0
Benefits paid	100,450	2,470	10,441	6,541	119,902
Removal of assets as transfer to SYMCA employer	0	0		(7,073)	(7,073)
Closing balance at 31 March	(2,310,733)	(36,280)	(386,930)	(107,470)	(2,841,413)

Local Government Pension Scheme Assets

Pension Scheme Assets Comprised:	2024/25		Total
	Chief Constable	MCA	
	£000	£000	£000
Equities	222,966	62,727	285,693
Bonds			
Government Bonds	0	0	0
Other Bonds	78,309	22,031	100,340
Property	42,053	11,831	53,884
Other	175,179	49,282	224,461
Total	518,507	145,871	664,378

The mortality assumptions and financial assumptions for the LGPS are in line with those shown in note 42.

The mortality and financial assumptions for the PPS are shown in the table below.

2024/25 from 7th May	PPS
Mortality Assumptions	
longevity at 65 for future pensioners (in years)	
Men	23.3
Women	25.2
longevity at 65 for current pensioners (in years)	
Men	21.9
Women	23.9
Financial Assumptions	
Rate for discounting scheme liabilities	5.65%
Rate of inflation (CPI for GAD / RPI for LGPS)	2.70%
Rate of increase in pensions	2.70%
Rate of CARE revaluation	3.95%
Rate of increase in salaries (long term)	3.45%

The future life expectancies at age 65 for current pensioners are those based on the latest Fund valuation dated 31/03/2022. The future life expectancies for future pensioners are based on members aged 45 at the latest Fund valuation.

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. A sensitivity analysis is shown in the tables below:

Assumption	Increase / (Decrease)	
	PPS £'000	PCS £'000
Longevity – increase by one year	52,000	1,000
Rate of increase in salaries – increase by 0.5%	16,000	
Rate of increase in pension – increase by 0.5%	164,000	3,000
Rate of discounting scheme liabilities – increase by 0.5%	(163,000)	(3,000)

Assumption	Increase / (Decrease)	
	Chief Constable £'000	MCA £'000
Longevity – increase by one year	15,477	4,299
Rate of increase in salaries – increase by 0.1%	384	50
Rate of increase in pension – increase by 0.1%	7,930	1,958
Rate of discounting scheme liabilities – decrease by 0.1%	8,090	1,953

Impact on cash flows

The objectives of the LGPS is to keep employers' contributions at as constant a rate as possible. The next triennial valuation is due on 31 March 2025 with an effective date of 1 April 2026. The contributions in respect of the police pension schemes are determined by the Government.

The liabilities show the underlying commitments that the Group has in the long run to pay employment benefits. The total liability of £2,348.4m for the Chief Constable has a substantial impact on the net worth of the Group as recorded in the Balance Sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the Group remains manageable:

- the actual payment costs of normal retirement is met by the police pension schemes, based in part on the Force contributing a fixed percentage amount on officer salary costs to the Home Office.

The total contribution expected to be made to the LGPS by the MCA in the year to 31 March 2026 is £16.5m relating to the Chief Constable. Expected contributions for the Police Pensions in the year to 31 March 2026 are £44.6m.

The weighted average duration of the defined benefit obligation for scheme members is:

LGPS – 21 years

PPS 1987 – 14 years

PPS 2006 – 28 years

PPS 2015 - 28 years

58. Group Officers remuneration

The remuneration paid to the Mayoral Combined Authority’s senior employees and members of the Police Senior Command Team and Chief Constable’s statutory postholders are shown in the table below.

The information provided in respect of South Yorkshire Police’s Senior Command Team, Chief Constable’s statutory postholders and SYP higher paid employees represents their remuneration for the whole of the 2024/25 financial year not the period from 7 May 2024 post integration.

2024/25 (MCA)	Salary	Expenses	Exit Payments	Pension Contribution	Total
	£	£	£	£	£
Current					
Martin Swales – Interim Chief Executive (Head of Paid Service)	257,400	0	0	0	257,400
Executive Director Resources and Investment (S.73 officer)	137,321	0	0	27,189	164,510
Director of Law and Governance (Monitoring Officer)	59,975	0	0	11,875	71,850
Executive Director Strategic Development and Reform	137,321	0	0	27,189	164,510
Executive Director Growth Business and Skills	122,661	0	0	24,287	146,948
Melanie Corcoran - Executive Director of Transport	153,750	0	0	30,443	184,193
Director of Corporate Delivery	102,975	0	0	20,389	123,364
Non-current					
Director of Law and Governance (Monitoring Officer)	42,600	0	0	8,435	51,035
Sub Total	1,014,003	0	0	149,807	1,163,810
Elected Mayor – Oliver Coppard	104,215	0	0	0	104,215
Total	1,118,218	0	0	149,807	1,268,025

2024/25 (SYP)	Salary	Expenses	Exit Payments	Pension Contribution	Total
	£	£	£	£	£
Current					
Chief Constable – L Poultney	190,338	0	0	55,721	246,059
Deputy Chief Constable – S Poolman	157,241	0	0	46,034	203,275
Assistant Chief Constable – Local Policing and Force Control Room (1)	134,013	0	0	36,397	170,410
Assistant Chief Constable – Crime Services (2)	93,929	0	0	26,068	119,997
Assistant Chief Constable – Ops Support (3)	74,195	0	0	26,191	100,386
Assistant Chief Constable – OSU, DDAT, & IT (3)	56,565	0	0	11,980	68,545
Assistant Chief Officer - Resources	145,783	0	0	26,651	172,434
Chief Finance Officer (4)	16,200	0	0	0	16,200
Non current					
Assistant Chief Constable – Local Policing and Force Control Room (5)	42,503	0	0	15,004	57,507
Assistant Chief Constable – OSU (6)	44,060	0	0	0	44,060
Chief Finance Officer (7)	85,050	0	0	16,244	101,294
Total	1,039,877	0	0	260,290	1,300,167

Notes-

1. Commenced role on 12 May 2024
2. Commenced role on 17 June 2024
3. Transitioned roles on 1 November 2024
4. Commenced role on 14 February 2025 – External Consultant
5. Left the organisation on 29 July 2024
6. Left the organisation on 31 August 2024 (part time only – 23 hours / week)
7. Left the organisation on 10 February 2025

Employees receiving more than £50,000 remuneration for the year (excluding MCA senior employees and members of SYP's Police Senior Command Team and statutory postholders separately disclosed in the table above) were as follows:

Remuneration Band	24/25 MCA	24/25 SYP	24/25 Group
£50,000 - £54,999	29	543	572
£55,000 - £59,999	22	329	351
£60,000 - £64,999	11	187	198
£65,000 - £69,999	4	132	136
£70,000 - £74,999	6	47	53
£75,000 - £79,999	2	18	20
£80,000 - £84,999	5	14	19
£85,000 - £89,999	2	13	15
£90,000 - £94,999	2	6	8

£95,000 - £99,999	1	7	8
£100,000 - £104,999	1	0	1
£105,000 - £109,999	0	2	2
£110,000 - £114,999	0	3	3
£130,000 - £134,999	0	2	2
£145,000 - £149,999	0	1	1
£155,000 - £159,999	0	1	1
£190,000 - £194,000	0	1	1
Total	85	1,306	1,391

A number of SYP employees, work in shared services with other regional forces. Disclosure of such employees is made in the accounts of the Force that holds the employment contract of those individuals.

59. Group External Audit Fees

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, provided by the External Auditors:

	2024/25
	£000
Scale fee - MCA	128
Fee Variation - MCA	67
Scale fee – ex PCC	124
Scale fee – Chief Constable of South Yorkshire	64
Audit fee – SYFTL	35
Total	418

The fees all relate to external audit services carried out by the appointed Auditor.

60. Regional Working

The MCA and Chief Constable engage with other Yorkshire and Humber region PCCs/Combined Authorities and Chief Constables to deliver a number of services on a regional basis. The Regional Collaboration Programme was developed to bring opportunities across many policing activities whilst retaining local identity and accountability.

Since September 2013, a lead force model was adopted for each functional area of regional collaboration, with the Regional Collaboration Board retaining responsibility for the governance arrangements. South Yorkshire is lead force for Regional Procurement and during 2014/15 took lead force responsibility for Regional Stores. It provides all financial administration necessary to ensure that the costs are properly captured and fully recharged to the four participating PCCs/Combined Authorities and Chief Constables. Following an extensive review, a decision was made in March 2023 that Regional Procurement would be devolved to form local procurement teams from 1 July 2024.

Regional Stores will continue to be a collaboration with Humberside Police and West Yorkshire Police.

The lead force arrangements have been reviewed against IFRS 11 on Joint Arrangements and it has been determined that they fall outside the scope of a joint operation.

The governance of the regional programme is undertaken by a Regional Collaboration Board headed by the four PCCs/Combined Authorities and attended by their Chief Executives and the Chief Constables.

The summary position for the regional services for which South Yorkshire acts as lead is detailed in the memorandum below:

	2024/25	
	Stores £000	Procurement £000
Staff Costs	458	308
Premises related expenses	158	(1)
Transport related expenses	8	0
Supplies and Services	116	7
Expenditure	740	314
Other reimbursed income	0	0
Contributions (see below)	(740)	0
Previous underspends utilised	0	(314)
Income	(740)	(314)
(Under)/overspends in year	0	0
Previous (under)/overspend not utilised	0	0
Balance c/f in current liabilities	(173)	0
Contributions		
Humberside Police	(154)	0
North Yorkshire Police	0	0
South Yorkshire Police	(220)	0
West Yorkshire Police	(366)	0
Total	(740)	0

The table below shows the contributions made in 2024/25 from 7 May 2024 by the South Yorkshire Mayor Combined Authority to those services for which other regional forces are the lead force:

Regional Service	Lead Force Responsibility	Contribution £000
Underwater/Marine	Humberside Police	139
Scientific Support	West Yorkshire Police	5,707
Technical Support Unit including ROCU	West Yorkshire Police	3,934
External Forensics	West Yorkshire Police	1,825
Collision Investigation Unit	West Yorkshire Police	869
Prison Intelligence Unit	West Yorkshire Police	15

The MCA has collaborative working arrangements with Humberside PCC for the joint service of Information Technology (IT). The venture has a collaboration agreement under Section 22A of the Police Act 1996 covering the main responsibilities. The costs are shared based on the total size of the respective force budgets, assessed using a measure of “net revenue expenditure” (NRE).

The joint collaboration arrangement with Humberside PCC is treated as a joint operation under IFRS 11, with only South Yorkshire’s share of income and expenditure being recognised in the Group Comprehensive Income and Expenditure Statement and only its share of jointly procured fixed assets in the Balance Sheet.

The summary position for this service is detailed in the memorandum below:

	2024/25
	£ 000
Staff Costs	6,074
Premises related expenses	0
Transport related expenses	78
Supplies and Services	6,335
Expenditure	12,487
Other reimbursed income	0
Contributions (see below)	(12,487)
Previous underspends utilised	0
Income	(12,487)
(Under)/overspends in year	0
Previous (under)/overspend not utilised	0
Balance c/f in current liabilities	0
Contributions	
Humberside Police	(5,108)
South Yorkshire Police	(7,379)
Total	(12,487)

Humberside Police % share of costs
 South Yorkshire Police % share of costs

40.91%
 59.09%

61. Police Pension Fund Account and a Net Assets Statement

	2024/25 from 7 May	
	£'000	£'000
Contributions Receivable		
<i>From the MCA</i>		
· Normal	(39,175)	
· Early Retirements	(188)	
Officers' Contributions	(14,955)	
Abatement Contributions	(1,377)	
	<u> </u>	(55,695)
Transfers in from Other Schemes		(575)
Benefits Payable		
· Pensions	88,335	
· Commutations and lump sum retirement benefits	13,152	
· Death benefits	154	
	<u> </u>	101,641
Payments to and on account of leavers		
· Refunds of contributions	113	
· Transfers out to other Schemes	74	
	<u> </u>	187
Net Amount Payable for the year		<u>45,558</u>
Additional Contribution from the MCA (Police Pension Grant via Home Office)		(45,558)
Additional Contribution from the MCA		0
Net Amount Payable / Receivable for Year		<u>0</u>

	2024/25
	from 7 May
	£'000
Current Assets	
· Amount owing from General Fund	0
· Year-end creditors	0
· Pensions paid in advance	0
Total	0

The Police Pension Fund Account is operated in accordance with the Police Pension Fund Regulations 2007 (SI 2007 No 1932), which specifies the amounts that must be paid into and out of the Fund. The Chief Constable administers the Fund Account on behalf of the MCA although no cash is transacted by the Chief Constable, with all payments and receipts being made by the MCA.

An employer's contribution is paid into the fund, together with contributions from employees who are members of the Police Pensions Schemes. The contribution rates are based on percentages of pensionable pay, as determined nationally by the Government and subject to triennial revaluation by the Government Actuary's Department. The current contribution rates are:-

- 2015 Scheme = 47.74% to 49.08% (35.30% for the employer and 12.44% to 13.78% for employees).

The actuarial valuation has set the employer contribution rate for the police pension scheme from 1 April 2024 at 35.30% of pensionable pay.

On 31 March 2022, the 1987 & 2006 Scheme were closed which means that from 1 April 2022, there is only the 2015 pension scheme which is open.

Payments are also made into the Fund in respect of ill health retirements.

The schemes are unfunded which means that there are no investment assets built up to meet pensions payments.

The Pension Fund Account is therefore balanced to nil each year by a transfer from the SYMCA's General Fund, which then receives a top-up grant from the Government if contributions are insufficient to meet the defined pensions benefits payable. Any surpluses on the Fund are repayable to the Government.

The accounting policies adopted for the Pension Fund follow those set out in the Statement of Accounting Policies (Note 57). However, the Net Assets Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet date. These are dealt with within the Group Financial Statements in accordance with the applications of International Accounting Standard 19 – Retirement Benefits.

Glossary

Term	Definition
Abbreviations	The symbol 'k' following a figure represents £thousand. The symbol 'm' following a figure represents £million. The symbol 'bn' following a figure represents £billion.
Accounting Period	The period of time covered by the Mayoral Combined Authority's accounts. Normally 12 months, beginning on 1 April. Also known as the Financial Year.
Accounting Policies	These are the specific principles, bases, conventions, rules, and practices applied by an entity in preparing and presenting financial statements.
Accruals Concept	Income and Expenditure are recognised as they are earned or incurred, not as money is received or paid.
Added Years	A discretionary award increasing the value of pensions for retiring employees aged 50 or over subject to specific conditions. Employers must exercise this discretion in accordance with the national regulations and organisation's own policies.
Amortisation	An accounting technique of recognising a cost or item of income in the Comprehensive Income and Expenditure Statement over a period of years rather than when the initial payment is made. Its purpose is to charge / credit the cost / income over the accounting periods that gain benefit for the respective item.
Capital Expenditure	Expenditure that is incurred to acquire, create, or add value to a non-current asset.
Capital Financing Requirement	It measures the Mayoral Combined Authority's underlying need to borrow or finance by other long-term liabilities for a capital purpose. It represents the amount of capital expenditure that has not yet been resourced absolutely, whether at the point of spend or over the longer term. Alternatively, it means capital expenditure incurred but not yet paid for.

Capital Receipts	The proceeds from the sale of capital assets which, subject to various limitations, can be used to finance capital expenditure, invested, or to repay outstanding debt on assets originally financed through borrowing.
Cash	Comprises cash on hand and demand deposits.
Cash Equivalents	These are short -term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Consistency Concept	The consistency concept requires that there should be a consistent method of accounting treatment of like items within each accounting period and from one period to the next.
Contingency	A condition which exists at the Balance Sheet date, where the outcome will be confirmed only on the occurrence of one or more uncertain future events not wholly within the Mayoral Combined Authority's control.
Credit Risk	The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.
Creditors	Amounts owed by the Mayoral Combined Authority for work done, goods received, or services rendered, for which no payment has been made at the date of the Balance Sheet.
Debtors	Amounts owed to the Mayoral Combined Authority for work done, goods received, or services rendered, for which no payment has been received at the date of the Balance Sheet.
Defined Benefit Scheme	A pension or other retirement benefit scheme, other than a Defined Contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined Contribution Scheme	A pension or other retirement benefit scheme into which an employer pays regular contributions fixed 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.
Depreciation	The measure of the wearing out, consumption or other reduction in a non-current asset either as a result of its use, ageing or obsolescence.
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.
Finance Lease	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. The payments usually cover the full cost of the asset together with a return for the cost of finance.
Financial Instrument	A 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 straightforward financial assets and liabilities such as trade receivables (debtors) and trade payables (creditors) and complex ones such as derivatives.
General Fund	The total services of the Mayoral Combined Authority.
Goodwill	The difference between the aggregate fair value of the net assets of a business and the value of the business as a whole. Goodwill can be internally developed or purchased.
Impairment	<p>A reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.</p> <p>Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset’s market value and evidence of obsolescence or physical damage to the asset.</p>
Intangible Assets	Non-financial assets that do not have physical substance but are identified and are controlled by the entity through custody

	or legal rights. The two broad types of intangible non-current assets applicable to local authorities are goodwill and other intangible assets. Examples of other intangible assets might be patents or software licences.
International Financial Reporting Standards (IFRS)	Accounting standards developed by the International Accounting Standards Board which determine the standards to be adopted in the preparation and presentation of the Mayoral Combined Authority’s accounting records.
Inventories	<p>Inventories are assets:</p> <ul style="list-style-type: none"> • in the form of materials or supplies to be consumed in the production process or consumed or distributed in the rendering of services • held for sale or distribution in the ordinary course of operations • in the process of production for sale or distribution
Investment Property	Property held solely to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations.
Materiality	Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.
Minimum Revenue Provision (MRP)	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.
Net Book Value	The amount at which non-current assets are included on the Balance Sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.
Net Current Replacement Cost	The cost of replacing or recreating the particular asset in its existing condition and in its existing use i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current position of the existing asset.

Net Realisable Value	The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses incurred in realising the asset.
Operating Lease	A lease other than a Finance Lease. An agreement in which the Mayoral Combined Authority derives the use of an asset in exchange for rental payments, though the risks and rewards of ownership of the asset are not substantially transferred to the Mayoral Combined Authority.
Private Finance Initiative (PFI)	A contract in which the private sector is responsible for supplying services that are linked to the provision of a major asset. Payments are made for the provision of service, which is linked to availability, performance, and levels of usage.
Property, Plant and Equipment	Tangible assets that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period.
Provisions	Amounts charged to revenue during the year for costs with uncertain timing, though a reliable estimate of the cost involved can be made.
Prudence Concept	Requires that revenue is not anticipated until realisation can be assessed. Provision is made for all known liabilities whether the amount is certain or can only be estimated in light of the information available.
Public Works Loan Board (PWLB)	A government agency, which provides loans to authorities at favourable rates.
Related Party	The definition of a related party is dependent upon the situation, though key indicators of related parties are if: <ul style="list-style-type: none"> • One party has direct or indirect control of the other party • One party has influence over the financial and operating policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests.

Remuneration	All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by either employer or employee are excluded.
Reserves	Result from events that have allowed monies to be set aside, surpluses, decisions causing anticipated expenditure to have been postponed or cancelled, or by capital accounting arrangements.
Revenue Expenditure	Expenditure incurred on the day-to-day running of the Mayoral Combined Authority, for example, staffing costs, supplies and transport.
Specific Government Grants	These are designed to aid particular services and may be revenue or capital in nature. They typically have specified conditions attached to them such that they may only be used to fund expenditure which is incurred in pursuit of defined objectives.
Termination Benefits	These are benefits payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.
Unsupported (Prudential) Borrowing	Borrowing for which no financial support is provided by Central Government. The borrowing costs are to be met from current revenue budgets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY

REPORT ON THE AUDIT OF THE AUTHORITY'S FINANCIAL STATEMENTS

Qualification and disclaimer of opinion

We were engaged to audit the financial statements of South Yorkshire Mayoral Combined Authority ("the Authority") for the year ended 31 March 2025 which comprise the Group and Authority Comprehensive Income and Expenditure Statements, Group and Authority Balance Sheets, Group and Authority Movement in Reserves Statements, Group and Authority Statements of Cash Flows and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 6.

In our opinion, except for the possible effects solely on the comparative information for the year ended 31 March 2024 of the matters described in the *Basis for modification of opinion* section of our report, the financial statements give a true and fair view of the Group's and the Authority's income and expenditure for the year ended 31 March 2025.

Due to the significance of the matters described in the *Basis for modification of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly we do not express an opinion, as to whether the financial statements:

- give a true and fair view of the financial position of the Group and the Authority as at 31 March 2025; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for modification of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Authority to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date"). As at 31 March 2024, the Authority did not meet the requirements to prepare Group accounts.

We have been unable to obtain sufficient appropriate audit evidence over the Authority's net assets as at 1 April 2023. This is because we have been unable to perform the procedures that we consider necessary to obtain sufficient appropriate audit evidence on the net assets ahead of the Backstop Date. Therefore, we have been unable to determine whether there were any effects on its income and expenditure for the year ended 31 March 2024, and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2024. As a result of this and the Backstop Date, we have been unable to determine whether any adjustments were necessary to the Group's and the Authority's usable and unusable reserves for the year ended 31 March 2025. We consider the potential effect of these matters on the disclosure of the split between usable and unusable reserves as at 31 March 2025 to be pervasive to the financial position of the Group and the Authority.

Any adjustments from the above matters would have a consequential effect on the Group's and the Authority's split between usable reserves and unusable reserves as at 31 March 2024 and 31 March 2025, and on their income and expenditure and cash flows for the year ended 31 March 2024.

We disclaimed our audit opinion on the financial statements for the year ended 31 March 2024 regarding this same limitation.

Nevertheless, we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our qualified opinion on the Group's and the Authority's income and expenditure for the year ended 31 March 2025.

Going concern

The Executive Director of Resources & Investment ("the Section 73 Officer") has prepared the financial statements on the going concern basis as they have not been informed by the government of the intention to either cease the Group and the Authority's services or dissolve the Group and the Authority without the transfer of their services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Section 73 Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Group and the Authority over the going concern period.

Our conclusions based on this work:

- we consider that the Section 73 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Section 73 Officer's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Authority's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Authority will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit, Standards and Risk Committee and internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Authority and Audit, Standards and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading the Group's and the Authority's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as provisions and pensions. On this audit we did not identify a fraud risk related to revenue recognition due to our assessment that there was limited opportunity for manipulation of revenue reported given the nature of the funding provided to the Group during the year.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to revenue, cash and borrowings which were considered unusual.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Section 73 Officer and other management (as required by auditing standards), and from inspection of the Group's and the Authority's regulatory and legal correspondence and discussed with the Section 73 Officer and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of local government legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The *Qualification and disclaimer of opinion* section of our report explain the implications of the matter described in the *Basis for modification of opinion* section, including whether the financial statements have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, recognising the nature of the Group's and the Authority's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Section 73 Officer and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Section 73 Officer is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, in this audit report we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements; and
- except for the possible consequential effects of the matters described in the *Basis for modification of opinion* section of our report on the related disclosures in the other information, we have not identified material misstatements in the other information.

Section 73 Officer's and Audit, Standards and Risk Committee's responsibilities

As explained more fully in the statement set out on page 47, the Section 73 Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Group and the Authority or dissolve the Group and the Authority without the transfer of their services to another public sector entity.

The Mayoral Combined Authority Board is responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), and to issue an auditor's report. However, due to the significance of the matter

described in the *Basis for modification of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements other than on the income and expenditure of the Group and the Authority for the year ended 31 March 2025.

In respect of that qualified opinion, we conducted our audit in accordance with ISAs (UK) and applicable law. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

We have fulfilled our ethical responsibilities under, and are independent of the Authority in accordance with, UK ethical requirements including the FRC Ethical Standard.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Authority to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Authority has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Authority had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Authority under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the Authority's Whole of Government Accounts consolidation pack for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Whole of Government Accounts is complete.

Until we have completed this work, we are unable to certify that we have completed the audit of the South Yorkshire Mayoral Combined Authority for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.



James Boyle

for and on behalf of KPMG LLP

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

26 February 2026